COVER SHEET

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S.E.C. Registration Number

C	E	N	T	U	R	Y		P	R	O	P	E	R	T	I	E	S		G	R	O	U	P	
I	N	C	.																					

(FORMERLY EAST ASIA POWER RESOURCES CORPORATION)

(Company's Full Name)

21st FLOOR, PACIFIC STAR BUILDING, SEN. GIL PUYAT CORNER MAKATI AVE., MAKATI CITY

(Business Address: No. Street City / Town / Province)

Atty. Isabelita Ching-Sales

Contact Person

(632) 7935520

Company Telephone

Number

AMENDED SEC Form 17-A

1	2		3	1

Month Day FORM TYPE Month

Day

Fiscal Year Annual

Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles

Number/Section

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION
ANNUAL REPORT PURSUANT TO SECTION 17

AMENDED SEC FORM 17-A

OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: **December 31, 2019**

2. SEC Identification Number: **60566**

3. BIR Tax Identification No.: **004-504-281-000**

4. Exact name of issuer as specified in its charter:

CENTURY PROPERTIES GROUP INC.

5. Province, Country or other jurisdiction of incorporation or organization: **Philippines**

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of principal office/Postal Code: **21st Floor, Pacific Star Building, Sen Gil Puyat Avenue corner Makati Avenue, Makati City**

8. Issuer's telephone number, including area code: **(632) 7938905**

9. Former name, former address, and former fiscal year, if changed since last report:

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA:

Title of Each Class	No. of Shares of Common Stock Outstanding and as Issued of December 31, 2018
COMMON	**11,599,600,690 shares of stock outstanding** **100,123,000 treasury shares**
PREFERRED	**3,000,0000,000**

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

Yes [**X**]   11,699,723,690 common shares   No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange, Inc.   **Common Shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [**X**] No [ ]

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

Yes [**X**] No [ ]

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

₱2,308,958,323.10 billion as of December 31, 2019

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [ ] No [**X**]

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

Consolidated Financial Statements as of and for year ended December 31, 2019
(Incorporated as reference for Item 7 to 12 of SEC Form 17-A)

TABLE OF CONTENTS – DOUBLE CHECK AFTER FINAL COMMENTS

PART I. BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

1.1 OVERVIEW

Century Properties Group, Inc., ("CPGI") is one of the leading real estate companies in the Philippines with a 32-year track record. The Company is primarily engaged in the development, marketing, and sale of mid- and high-rise condominiums and single detached homes, leasing of retail and office space, and property management.

As of December 31, 2019, the Company has completed 28 projects, which include the following: 25 residential buildings, consisting of 14,362 units with a total gross floor area (GFA) of 1,147,194 sq.m. (with parking); a retail commercial building with 52,233 sq.m. of GFA (with parking); a medical office building with 74,103 sq.m. of GFA (with parking); an office building with 56,284 sq.m. of GFA (with parking). In addition, the Company has completed a total of 866 homes under its affordable segment. This is in addition to the 19 buildings totaling 4,128 units and 548,262 sq.m. of GFA that were completed prior to 2010 by the founding principals' prior development companies, the Meridien Group of Companies ("Meridien"). Noteworthy developments under Meridien are the Essensa East Forbes and South of Market in Fort Bonifacio, SOHO Central in the Greenfield District of Mandaluyong City, Pacific Place in Ortigas, Le Triomphe, Le Domaine and Le Metropole in Makati City.

Residential Projects	Location	Type	GFA in sq.m. (with parking)	Units	Year Completed
Century City					
Gramercy Residences	Makati City	Residential	121,595	1,432	2012
Knightsbridge Residences	Makati City	Residential	87,717	1,329	2013
Milano Tower	Makati City	Residential	64,304	516	2016
Trump Tower	Makati City	Residential	55,504	267	2017
Subtotal			***329,120***	***3,544***	
Azure Urban Resorts Residences					
Rio	Parañaque City	Residential	42,898	756	2013
Santorini	Parañaque City	Residential	36,126	553	2013
St. Tropez	Parañaque City	Residential	36,260	580	2014
Positano	Parañaque City	Residential	35,164	597	2015
Miami	Parañaque City	Residential	34,954	559	2015
Maui	Parañaque City	Residential	41,235	601	2016
Maldives	Parañaque City	Residential	28,859	385	2017
Boracay	Parañaque City	Residential	27,713	473	2018
Bahamas	Parañaque City	Residential	53,701	851	2019
Subtotal			***336,910***	***5,355***	

Residential Projects	Location	Type	GFA in sq.m. (with parking)	Units	Year Completed
Acqua Private Residences					
Niagara	Mandaluyong City	Residential	33,709	474	2015
Sutherland	Mandaluyong City	Residential	41,705	735	2015
Dettifoss	Mandaluyong City	Residential	36,536	607	2016
Livingstone	Mandaluyong City	Residential	40,251	675	2016
Iguazu	Mandaluyong City	Residential	36,367	492	2018
Subtotal			***188,568***	***2,983***	
The Residences at Commonwealth by Century					
Osmeña West	Quezon City	Residential	14,525	158	2015
Quezon North	Quezon City	Residential	17,760	285	2017
Roxas East	Quezon City	Residential	27,255	389	2017
Osmeña East	Quezon City	Residential	14,089	220	2018
Roxas West	Quezon City	Residential	26,767	500	2019
Subtotal			***100,396***	***1,552***	
Canyon Ranch					
Phase 1 & 2	Carmona, Cavite	Residential	166,896	778	
Moderno	Carmona, Cavite	Residential	25,304	150	
Subtotal			***192,200***	***928***	
Grand Total			**1,147,194**	**14,362**	

Commercial/Office Projects	Location	Type	CFA in sq.m. (with parking)	Units	Year Completed
Century City Mall	Makati City	Retail	52,233	N/A	2013
Centuria Medical Makati	Makati City	Medical Office	74,103	539 (for sale) / 168 (for lease)	2015
Asian Century Center	BGC, Taguig City	Office Building	56,285	55	2018
Total			**182,621**		

Note: Excludes projects completed by Meridien

The Company, through subsidiary 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 the properties it manages maintain and improve their asset value, and are safe and secure. CPMI manages 50 projects as of December 31, 2019 with 2.44 million sq.m of GFA (with parking) under management. Of the total, 74% of the projects CPMI manages were developed by third-parties. Notable third-party developed projects under management include the One Corporate Center in Ortigas, BPI Buendia Center and Pacific Star Building in Makati City and Philippine National Bank Financial Center in Pasay City.

1.2 SUBSIDIARIES AND ASSOCIATE

Below is the Company's percentage of ownership in its Subsidiaries and Associate as of the filing of this report.

	Percentage of Ownership as of the Filing of the Report	
	Direct	Indirect
Century Communities Corporation (CCC)	100	-
Century City Development Corporation (CCDC)	100	-
Century Limitless Corporation (CLC)	100	-
Century Properties Management Inc. (CPMI)	100	-
PHirst Park Homes, Inc (PPHI)	60	-
Century Destinations and Lifestyle Corp. *(Formerly Century Properties Hotel and Leisure, Inc.)*	100	-
A2Global Inc.	49	-

Century Communities Corporation

CCC, incorporated in 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 the developer of Canyon Ranch, a 25-hectare house and lot development located in Carmona, Cavite.

Century City Development Corporation

CCDC, incorporated in 2006, is focused on developing mixed-use communities that include 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 in 2008, is Century's brand category that focuses on developing high-quality, affordable residential projects. Projects under CLC will cater to first-time home buyers, start-up families and investors seeking safe, secure and convenient homes.

Century Properties Management, Inc.

Incorporated in 1989, CPMI is one of the largest property management companies in the Philippines, as measured by total gross floor area under management. CPMI currently has 46 projects in its portfolio, covering a total gross floor area of 2.58 million sq.m. CPMI has been awarded 18 safety and security distinctions from the Safety Organization of the Philippines.

Century Destinations and Lifestyle Corp. (CDLC)
(Formerly Century Properties Hotel and Leisure, Inc.)

Incorporated in 2014, CPHLI shall operate, conduct and engage in hotel and leisure and related business ventures.

PHirst Park Homes Inc. (PPHI)

PHirst Park Homes Inc., incorporated on August 31, 2018, is the first-home division and brand of CPGI. Its projects are located within the fringes of Metro Manila and its target market are first-time homebuyers. Its current projects are located at Barangay San Lucas in Lipa City and San Pablo, Laguna, which involve a multi-phase horizontal residential property and offer both Townhouse units & Single Attached units. PHirst Park Homes is a joint venture project between Century Properties Group Inc. and Mitsubishi Corporation with a 60-40% shareholding, respectively.

A2Global Inc.

A2Global Inc., an associate incorporated in 2013, is a company where CPGI has a 49% shareholdings stake.

1.3 RECENT TRANSACTIONS

Completion of Asian Century Center

In the fourth quarter of 2018, CPG completed its first office building in BGC, Asian Century Center. The project was launched in partnership with Asian Carmakers Corporation. The 21-storey office building will add 29,628 leasable area to CPG's portfolio is about 70% leasable as of December 31, 2018. The building is PEZA accredited and meets its strict requirements of 100-percent power backup provision for high-speed internet and infrastructure, and a building management system.

The tower has been pre-certified for the core and shell rating of LEED (or the Leadership in Energy and Environmental Design), a globally recognized green building and sustainability certification system. Precertification is awarded to projects with achievable sustainable targets that demonstrate the project's commitment to LEED certification. Asian Century Center is working towards a LEED Silver status.

Signing of Memorandum of Agreement with Global Development Development Corp.

On January 9, Global Gateway Development Corp. (GGDC) and Century Properties Group, Inc. (CPGI) signed a memorandum of agreement to create a Joint Venture (JV) that will develop 2.6 hectares of the 177-hectare Clark Global City into a mix of residential and office buildings. Global Gateway Development Corp. is the owner and developer of Clark Global City. It is a wholly owned subsidiary of Udenna Development (UDEVCO) Corp., the real estate and property development arm of one of the fastest growing holding companies in the Philippines Udenna Corporation.

The JV will develop a mix of residential and office buildings with support retail establishments. This project is CPGI's first development in Clark, a former military base currently being transformed into the country's next big metropolis and primed as the answer to Metro Manila's congestion. CPGI is banking on the phenomenal growth of Central Luzon, which has the highest number of occupied housing units; and also Clark, which has emerged as the second largest market for office after Metro Manila.

With a buildable area of more than 109 hectares, Clark Global City will host top-grade office buildings, up-market retail outlets, contemporary academic centers, sports centers, an urban park, an iconic tower, in integrated resort and casino, and modern support services and amenities.

Clark Global City was previously envisioned as an aviation-focused logistics park exclusively developed by GGDC. When the Udenna Group took over in 2017, it renewed its lease agreement over the estate to run until 2085 and amended the master plan with a vision of developing the area as the next Central Business District – maximizing allowable building heights and floor area ratios, opening additional access points, right-sizing the lot cuts to the needs of the market, and welcoming local partners in developing the leasehold.

The development has since received strong interest from locators. In its Real Estate Market Insights for December 2018, Leechiu Property Consultants cited Clark Global City as the most in-demand development outside Metro Manila, having accounted for a majority of the 156,000 square meters of office demand in Clark.

Situated within the Clark Freeport Zone, the development offers an ideal regulatory, economic and operating environment. It is also poised to benefit from various public infrastructure projects such as the expansion of the Clark International Airport, NLEX-SLEX Connector Road, Subic-Clark Cargo Railway and PNR North Railway.

Launch of Phirst Park Homes, Inc.

On September 20, 2018, Century Properties Group Inc. (CPGI) and the global business enterprise Mitsubishi Corporation launched the newly-formed joint venture company PHirst Park Homes, Inc. (PPHI) at the Shangri-La Hotel in Fort Bonifacio and announced its plans to cater to the broader market of first homebuyers by rolling out 33,000 units in key locations outside of Metro Manila with an estimated sales value of P57 billion. The joint venture company is 60 percent and 40 percent owned by CPG and Mitsubishi, respectively.

PPHI will launch 15 masterplanned communities in Calabarzon and Central Luzon within the next 5 years. These new launches will entail capital expenditures of approximately P28 billion, of which P11 billion will be spent in the first 5 years. The company is also eyeing expansion into the Visayas and Mindanao regions once it has established technical and market scale.

PHirst Park Homes Homesions once it has established technical and market scale.l caTanza, Cavite, which has already sold out its first phase with 1,200 units valued at approximately Php1.4 billion. In June 2018, the company also launched PHirst Park Homes Lipa, a 20-hectare development in Lipa City, Batangas with 1,867 units valued at Php2.8 billion.

1.4 OPERATIONS

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 high growth areas within and outside 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.

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.

The Company utilizes its in-house design capabilities and market research data to plan developments. Part of the feasibility of a project is determining the property type to develop (i.e., residential, office, retail, medical, etc.). The Company believes that its expertise in, and innovative approach to 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.

Project Development and Construction

Once the Company has completed the project planning and design phase, it obtains the necessary Government approvals and permits to start development and pre-marketing activities. Typically, permits and licenses are obtained principally from the concerned LGUs, HLURB, DAR, DENR and other relevant government agencies required for project development, sales and related activities.

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 197 exclusive agents who receive monthly allowances and commissions, 695 commission-based agents and 78 brokers as of December 31, 2019.

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-financing. The Company assists qualified buyers in obtaining mortgage financing from government-sponsored mortgage lenders and from commercial banks.

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 setting 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 the 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 the management protects and secures licenses in updating its rights to use exclusively for its operations:

Century City Development Corporation

Trademark Title	Registration No.	Registration Date	Status
The Knightsbridge Residences at Century	4-2008-002251	07/07/2009	Active
The Gramercy Residences	4-2007-003346	08/13/2007	Awaiting Notice of Issuance
Century City Development Corporation	4-2007-003034	08/13/2007	Awaiting Notice of Issuance
The Gramercy Residences at Century City	4-2007-003343	08/13/2007	Awaiting Notice of Issuance
MOMA the Modern Makati	4-2007-004279	10/29/2007	Awaiting Notice of Issuance

Century City	4-2007-003035	08/13/2007	Awaiting Notice of Issuance
Century City Mall	4-2013-001793	02/18/2013	Active
Century City Mall	4-2013-001794	07/25/2013	Active

Century Limitless Corporation

Trademark Title	Registration No.	Registration Date	Status
The Sanctuary Cove	4-2009-006601	05/20/2010	Active
Sanctuary Cove (Stylized)	4-2009-006622	05/20/2010	Active
Acqua Private Residences	4-2010-009211	09/15/2011	Active
Acqua Private Residences and Design	4-2010-009212	09/15/2011	Active
The Pebble	4-2011-003766	09/15/2011	Active
Niagara Tower	4-2011-003771	09/15/2011	Active
Sutherland Tower	4-2011-003772	09/15/2011	Active
Dettifoss Tower	4-2011-003770	09/15/2011	Active
Yosemite Tower	4-2011-003767	09/15/2011	Active
Acqua Victoria Tower	4-2011-003768	09/15/2011	Active
Iguazu Tower	4-2011-003769	09/15/2011	Active
The Atlantis Residences	4-2009-004741	11/19/2009	Active
The Atlantis	4-2009-004742	11/19/2009	Active
Azure Urban Resort Residences	4-2009-010680	05/20/2010	Active
Azure Urban Resort Residences with a Rectangle	4-2009-010681	05/20/2010	Active
Azure Urban Resort Residences with a Rectangle Active	4-2009-010682	05/20/2010	Active
Acqua Iguazu Yoo Inspired by Starck	4-2011-014335	12/01/2011	Active
The Residences at Commonwealth by Century and Logo	4-2012-009282	07/27/2012	Active
Nova by Century	4-2013-00009720	08/14/2013	Active
Novacity by Century	4-2013-00009728	08/14/2013	Active
PHirst Park Homes	4-2017-002150	06/22/2017	Active
PHirst	4-2017-002148	06/22/2017	Active
PHirst Park Homes Tanza	4-2017-002149	06/15/2017	Active
Azure	4-2017-009341	06/16/2017	Ongoing review of application
Miami	4-2017-009350	06/16/2017	Ongoing review of application
Rio	4-2017-009342	06/16/2017	New
Azure North	4-2017-009355	06/16/2017	Active
St. Tropez	4-2017-009344	06/16/2017	Active

Rio at the Azure	4-2017-009343	06/16/2017	Active
The St. Tropez at the Azure	4-2017-009345	06/16/2017	Active
The Santorini at the Azure	4-2017-009346	06/16/2017	Active
Positano at the Azure	4-2017-009347	06/16/2017	Active
Maui	4-2017-009348	06/16/2017	Active
Maui at the Azure	4-2017-009349	06/16/2017	Active
The Miami at the Azure	4-2017-009351	06/16/2017	Ongoing review of application
The Maldives at the Azure	4-2017-009352	06/16/2017	Ongoing review of application
Bahamas at the Azure	4-2017-009353	06/16/2017	Ongoing review of application
Boracay at the Azure	4-2017-009354	06/16/2017	Active
Barbados at Azure North	4-2017-009356	06/16/2017	Active
Monaco at Azure North	4-2017-009357	06/16/2017	Active
Bali at Azure North	4-2017-009358	06/16/2017	Active
Batulao Artscapes	4-2017-009367	06/16/2017	Active
Batulao Artscapes	4-2017-009368	06/16/2017	Active
Artventure	4-2017-011921	07/28/2017	Active
Artscapes	4-2017-011920	07/28/2017	Ongoing review of application
Co. Dorms	4-2018-002012	02/02/2018	Ongoing review of application
Co. Livingspaces	4-2018-002013	02/02/2018	Ongoing review of application
Co.	4-2018-002014	02/02/2018	Ongoing review of application
Co. Spaces	4-2018-002015	02/02/2018	Ongoing review of application
Prima	4-2018-002016	02/02/2018	New
Prima Villahome	4-2018-002017	02/02/2018	New
Prima Townvilla	4-2018-002018	02/02/2018	New
Prima Resorthome	4-2018-002019	02/02/2018	New
The TownVillas	4-2019-00010914	06/26/2019	New
The Co.	4-2019-00010917	06/26/2019	New
Century Destinations	4-2019-00010918	06/26/2019	New
Century Enclaves	4-2019-00010920	06/26/2019	New
Century Prima	4-2019-00010919	06/26/2019	New
Century Vertical Villas	4-2019-00010916	06/26/2019	New
Century TownVillas	4-2019-00010913	06/26/2019	New
Century Co.	4-2019-00010921	06/26/2019	New

Century Communities Corporation

Trademark Title	Registration No.	Registration Date	Status
Century Communities and Device	4-2007-003036	08/13/2007	Awaiting Notice of Issuance
Mt. Batulao by Century	4-2015-001992	11/05/2015	Active

Century Destinations and Lifestyle Corp.

Trademark Title	Registration No.	Registration Date	Status
Narra Hotels & Resorts and Logo	4-2014-006411	05/21/2014	Active
Crib by Narra and Design	4-2014-006413	05/21/2014	Active
Crib Hotels	4-2014-006412	05/21/2014	Active
The Cove at San Vicente Leifestyle Resort & Private Residences	4-2018-00016429	04/25/2019	Active
The Viu at Batulao Artscapes	4-2018-00016432	04/25/2019	Active
The Viu at Batulao Artscapes	4-2018-00016433	04/25/2019	Active
Destinations by Century Properties	4-2018-00011086	07/14/2019	Active
Canvas Artpartments	4-2018-00016430	09/18/2018	Ongoing review of application
Canvas Artpartments	4-2018-00016431	09/18/2018	Ongoing review of application
CDLC	4-2018-00011085	10/25/2018	Active

Century Properties Group, Inc.

Trademark Title	Registration No.	Registration Date	Status
Cape San Vicente	4-2015-001994	02/24/2015	Active
A Censo Homes	4-2015-001995	02/24/2015	Active
Censo Homes	4-2015-001993	02/24/2015	Active

Government Approvals/Regulations

The Company secures various government approvals such as the Environmental Compliance Certificates (ECC), development permits, licenses to sell, etc. as part of the normal course of its business.

The Company has no principal product that has pending government approval as of December 31, 2019.

As of December 31, 2019, the Company is not aware of any existing or probable governmental regulations that will have an impact on the Company's operations.

Employees

CPGI and its Subsidiaries have 1,279 employees as of December 31, 2019 and 1,703 employees as of December 31, 2018. There are no new officers hired from January to December 2019. For PPHI, the Company's affordable housing segment, it intends to hire an additional 70 employees consisting of 2 managers and 68 rank and file, in the coming year.

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 consist of 892 agents as of December 31, 2019 and 2,027 agents as of December 31, 2018. 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,	
	2019	**2018**
Development operations...	496	423
Sales and marketing...	44	51
Construction……………………………………………...	161	564
Property management...	578	665
Total...	**1,279**	**1,703**
Agents		
Subsidized Agents……………………………………….	197	637
Agents on Commission………………………………….	695	1,390
Total………………………………………………………	**892**	**2,207**

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.

CPGI 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 believes 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 rewards 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.

1.5 REGULATIONS

The following are the laws and regulations governing the business of the Company:

A. Law on Housing and Land Projects
- *Presidential Decree No. 957: The Subdivision and Condominium Buyer's Protective Decree*
- *B.P. 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*
- *Executive Order No. 71, Series of 1993*
- *Republic Act No. 7279: Urban Development and Housing Act of 1992*
- *Republic Act No. 9646: Real Estate Service Act*
- *Republic Act No. 4726: The Condominium Act*

B. Building Permits
- *Presidential Decree No. 1096 or the National Building Code*

C. Zoning and Land Use
- *Republic Act No. 7160: Local Government Code of the Philippines*
- *Republic Act No. 6657: Comprehensive Agrarian Reform Law of 1998*

D. Environmental Laws

E. Property Registration and National Restriction
- *Presidential Decree No. 1529: Property Registration Decree*

F. Nationality Restrictions
- Republic Act No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991

G. Real Property Taxation
- *Republic Act No. 7160: Local Government Code of the Philippines*

H. Real Estate Sales on Installment
- *Republic Act No. 6552: Maceda Law*

I. Construction Licenses

J. Board of Investment

K. Special economic Zone

L. Competition
- *Republic Act No. 10667: The Philippine Competition Act*

M. Data Privacy
- *Republic Act No. 10173: The Data Privacy Act of 2012 and its Implementing Rules*

1.6 RISKS

RISKS RELATING TO OUR BUSINESS

The Company derives a significant portion of its revenue from Overseas Filipino Workers ("OFWs"), expatriate Filipinos, former Filipino citizens who have returned to the Philippines ("Balikbayans") and other overseas buyers, which exposes the Company to risks relating to the performance of the economies where they are located.

The Company 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 2018, 14%, 18%, 6%, 3%, 11% of its sales are from Asia, Middle East, North America, Australia/Oceania, United Kingdom, and others, respectively.

Furthermore, the Company is expanding its product portfolio to cater to a wider customer base, specifically to include horizontal affordable housing.

All of the Company's properties are in the Philippines and it derives a material portion of its revenues from customers located in 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 and accordingly, the Company is significantly influenced by the general state of the Philippine economy.

In the past, the Philippines 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 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.

To mitigate this risk, the Company continues to adopt prudent financial and operational controls and policies within the context of the prevailing business, economic and political environments.

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 primarily located within Metro Manila and, in particular, within relatively short distances from the traditional main business districts of Makati City, Ortigas Center and Bonifacio Global City. 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 the date of this Preliminary Prospectus, the Company has contracted land further outside Metro Manila including Cavite, Pampanga, Batangas and Palawan. This allows the Company to mitigate geographic concentration risk.

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

The Company'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. The Company'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 regard 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.

Since the Company 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.

The Company operates in a 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.

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.

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 landowner may take actions that can 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.

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

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 enters 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.

Recently, the Company is building the "Century" brand name into its various developments, including Asian Century Center, Century Diamond Tower and Century Spire.

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

The Company 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.

The Company is involved in a cyclical industry and is affected by changes in general and local economic conditions.

The real estate development industry is cyclical and is significantly affected by changes in general and local economic conditions, including employment levels, availability of financing for property acquisitions, construction and mortgages, interest rates, consumer confidence and income, demand and supply of residential or commercial developments. The Philippine property market has in the past been cyclical and property values have been affected by the supply of and the demand for properties, the rate of economic growth and political and social developments in the Philippines.

Furthermore, the real estate industry may experience rapid and unsustainable rises in valuations of real property followed by abrupt declines in property values, as was experienced in the United States housing bubble from 1997 to 2006. Such real estate bubbles may occur periodically, either locally, regionally or globally, which may result in a material adverse effect on the business, financial condition and results of operations of the Company.

To mitigate this risk, the Company is diversifying its revenue sources by expanding its leasing portfolio and entering into the affordable housing segment in addition to its current vertical housing developments and property management business.

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.

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, receivables financing, and bi-lateral loans, it has been able to diversify its sources of financing through the equity capital and syndicated loan markets.

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.

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 10% to 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.

The Company is controlled by Century Properties, Inc. (CPI), which is in turn, controlled by the Antonio family. Hence, the interests of the Antonio family may differ significantly from the interests of the 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 the 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 the other shareholders.

The Company is continuously increasing its professional management team. The Company has already hired professionals responsible for key parts of the business, including the heads of leasing, affordable housing, leisure and tourism, finance and investor relations.

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, Managing Director and Co-Chief Operating Officer; Jose Marco R. Antonio, Managing Director and Co-Chief Operating Officer; Jose Roberto R. Antonio, Managing Director; Jose Carlo R. Antonio, Managing Director; Rafael G. Yaptinchay, Managing Director; and Ricardo P. Cuerva, Director of the Company and President of Century Project Management and Construction Corporation (CPMCC), the company exclusively charged with managing the construction projects for the Company's vertical developments. The Company does not carry insurance for the loss of the services of any of the members of its management. If the Company 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 its business, financial condition and results of operations.

To mitigate this risk, the Company has a succession plan in place.

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.

The Company benchmarks industry best practices in human resource management.

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's 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 the Company's 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.

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 responsible for 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 Company's 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.

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 (informal settlers) 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 the Company's business, financial condition and results of operations, 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 the extent there are still third party claims, the Company assesses the risks and possible solutions to eventually have titles without adverse claims.

The Company faces risks relating to its property development, including risks relating to project costs, 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 the Company's 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.

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 the Company's 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.

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

The Philippines operates in a highly-regulated environment and 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 reclassified as nonagricultural 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, (P.D. 957), Republic Act No. 4726 (R.A. 4726) and Batas Pambansa Blg. 220 (BP 220) are the principal statutes which regulate the development and sales of real property as part of a condominium project or subdivision. P.D. 957, R.A. 4726 and B.P. 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.

The Company's legal department closely monitors the status of the required permits and licenses of the Company to ensure compliance with applicable laws, rules and regulations.

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. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the business could materially and adversely affect the Company's business, financial condition or results of operations.

The Company's legal department closely monitors the status of the required permits and licenses of the Company to ensure compliance with environmental regulations.

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 incurs liabilities for any project costs or other financial obligations related to the business. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

The Company requires its contractors to maintain contractors' all-risk insurance for the duration of the development of its projects. The Company requires its contractors to provide a warranty on their respective works.

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 the Company's business, financial condition or results of operation.

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

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 operations.

CPMI conducts stringent screening procedures on potential tenants

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

Currently, sales of residential lots with a gross selling price of ₱1,919,500 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%. However, beginning January 1, 2021, the VAT exemption shall only apply to sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business, sale of real property utilized for socialized housing and sale of house and lot and other residential dwellings with threshold reduced to ₱2,000,000. Hence, 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 ₱2,000,000, hence most of its current projects are already subject to VAT.

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 enters into long term financing to reduce its reliance on shorter term financing. This bond will allow the Company to further reduce the potential variability in interest rates. The Company also continuously seeks the accreditation of its projects with various financial institutions to provide its customers with financing options.

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 substantially all 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.

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 or therefore may adversely impact its financial condition and results of operations.

Historically, the Company's Subsidiaries have regularly been distributing dividends out of its unrestricted retained earnings and as excess cash becomes available.

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

Adoption of Accounting Standards on Leases

PFRS 16 supersedes PAS 17, Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Group has lease contracts for office spaces as a lessee. Before the adoption of PFRS 16, the Group classified each of its leases at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in the condensed consolidated statements of comprehensive income on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under other current assets and accounts and other payables, respectively.

Upon adoption of PFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

The Group adopted PFRS 16 using the modified retrospective method of adoption with the date of initial application of January 1, 2019. Under this method, PFRS 16 is applied retrospectively with the cumulative effect of initially applying PFRS 16 recognized at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying PAS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The adoption of PFRS 16 resulted in recognition of right-of-use assets and lease liability both amounting to 71.93 million as at January 1, 2019.

Adoption of Accounting on Uncertainty

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation
- authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax
- credits and tax rates
- How an entity considers changes in facts and circumstances.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax position. The Group determined, based on its assessment, that it is probable that its tax treatments will be accepted by the taxation authorities. The interpretation did not have a significant impact on the consolidated financial statements of the Group.

Adoption of Borrowing Costs, Borrowing Costs Eligible for Capitalization

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments.
The amendments do not have a material effect on the Group's consolidated financial statements since the Group's current practice is in line with these amendments.

March 2019 IFRIC Agenda Decision on Over Time Transfer of Constructed Good (PAS 23, Borrowing Costs)

In March 2019, the IFRS Interpretations Committee (the Committee) issued IFRIC Update summarizing the decisions reached by the Committee in its public meetings. The March 2019 IFRIC Update includes the Committee's Agenda Decision on the capitalization of borrowing cost on over time transfer of constructed goods. The IFRIC Agenda Decision clarified whether borrowing costs may be capitalized in relation to the construction of a residential multi-unit real estate development (building) which are sold to customers prior to start of construction or completion of the development.

Applying paragraph 8 of PAS 23, Borrowing Cost, an entity capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Paragraph 5 of PAS 23 defines a qualifying asset as 'an asset that necessarily takes a substantial period of time to get ready for its intended use or sale'. Under the March 2019 IFRIC Update, the Committee clarified that the related assets that might be recognized in the real estate company's financial statements (i.e., installment contract receivable, contract asset, or inventory) will not qualify as a qualifying asset and the corresponding borrowing cost may no longer be capitalized.

On February 11, 2020, the Philippine SEC issued Memorandum Circular No. 4, Series of 2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Effective January 1, 2021, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC agenda decision.

For real estate companies that avail of the deferral, the SEC requires disclosure in the Notes to the Financial Statements of the accounting policies applied, a discussion of the deferral of the subject implementation issues, and a qualitative discussion of the impact in the financial statements had the IFRIC agenda decision been adopted.

The Group opted to avail of the relief as provided by the SEC. Had the Group adopted the IFRIC agenda decision, borrowing costs capitalized to real estate inventories related to projects with pre-selling activities would have been expensed out in the period incurred. This would result in decrease in retained earnings as of January 1, 2017 and net income for 2018 and 2017.

This adjustment should have been applied retrospectively and would have resulted to restatement of prior year financial statements. A restatement would have impacted interest expense, cost of sales, provision for deferred income tax, real estate inventories, deferred tax liability and opening balance of retained earnings.

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 becoming 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 it or at all.

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

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, it 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 takes into consideration its existing debt obligations and corresponding debt covenants before it pursues any major business investments or acquisitions. Further, prior to undertaking any business combination, the Company assesses and attempts to mitigate the business and financial risks, which may include the hiring of third party legal and financial consultants.

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. It uses these financial instruments to fund its business operations. The Company has entered into Master Agreements under the International 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, commodity risk and currency 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, receivables financing, and bi-lateral loans, it has been able to diversify its sources of financing through the capital and syndicated loan markets.

Credit Risk

The Company is 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 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 they may not be able to pass increased commodities costs to customers, which would lower their margins. The Company does not engage in commodity hedging, but the Company attempts to manage its commodity risk by requiring its internal procurement group to supply raw materials for the relevant construction and development projects.

Currency Risk

Financial assets and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. There are only minimal placements in foreign currencies and most of the Group's foreign currency-denominated debt are hedged. As such, the Group's foreign currency risk is minimal.

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.

The Company requires its contractors to maintain contractors' all-risk insurance for the duration of the development of its projects. The Company requires its contractors to provide a warranty on their respective works.

1.7 CORPORATE SOCIAL RESPONSIBILITY

Century Properties Group, Inc.'s (CPGI) corporate social responsibility for 2019 is a continuation of the company's partnership with the late Ms. Gina Lopez's ILOVE Foundation (Investments in Loving Organizations for Village Economies) as well as the ABS CBN Foundation. As CPG's Executive Chairman Jose E.B. Antonio remains a board member of I LOVE Foundation, Century donated Php7 million of financial support in 2018 for the foundation's search for 8 Loving Organizations that can help 8 marginalized communities to become self-sustaining enterprises in agro-forestry, fisheries, or eco-tourism.

Among these 8 Loving Organizations and their respective marginalized communities, Century Properties is reviewing the possibility of further assisting 1 or 2 communities. These include The University of the Cordilleras that is tasked to develop Mountain Tourism for 18,000 farmers and tour guides in Tublay, Benguet, as well as the Got Heart Foundation to set up a School of Living Traditions and Laboratory for the Abelling Tribe in San Jose, Tarlac.

In January 2020, CPGI and its community of employees and residents joined forces to conduct two relief missions for the displaced families in Batangas as a result of the Taal Volcano eruption on January 12.

On January 18, CPGI with the Century City Estate Association, Century Properties Management, Inc., and PHirst Park Homes; the staff of its business units from Centuria Medical Makati, Siglo Suites, and Century City Mall; and Century residents and private individuals, with the help of RRCG Transport, reached up to 6 evacuation sites with 400 bags of relief goods, gallons upon gallons of drinking water, and clothing. The mission went to:

1. Padre Pio Shrine, Santo Tomas Batangas
2. Barangay San Roque Elementary School, Santo Tomas Batangas
3. Barangay Hall and Gym of San Antonio, Santo Tomas Batangas
4. Tambo Elementary School, Lipa, Batangas
5. Mercado, Tanauan, Batangas
6. Inosloban Marawoy Elementary School, Lipa, Batangas

Round 2 of CPGI's Tulong Para Sa Taal on January 28, 2020 brought two teams of employees and Century City community members to different parts of Batangas: Lipa, where the team helped the Art Relief Mobile Kitchen prepare a lunch meal for 2,000 people; Laurel, where the team served the Batangas Goto that it helped prepare to the LGU officials, fire brigade, and evacuees who have returned home for the first time to find their locality in very thick ash; and farther down south in San Luis near Balayan Bay, where about 10,000 evacuees from Agoncillo still could not go home.

CPG President and CEO Marco R. Antonio joined the employees in the meal preparation in Lipa and the actual meal service in Laurel. For this mission, the team also prepared 500 large sako bags purchased and filled them with substantial family hygiene packs: shampoos, toothbrushes, toothpaste, alcohol, bath soaps, feminine hygiene pads, and towels. Washable eating utensils were added, as requested by San Luis disaster response officials, to help them manage the waste and prevent disease in the evacuation centers.

All the donated canned goods, milk, coffee, noodles, biscuits, vitamins, medicines, and other food and hygiene items donated by Century City Mall patrons were dropped into the 500 bags. Sacks of donated clothes, blankets, sleeping mats, and shoes were sorted and given out.

Rice donations were all brought to the Art Relief Mobile Kitchen, which cooks hot meals at the Redemptorist Church gym in Lipa and delivers them to the Taal evacuees. CPGI also brought the barbers of SanBry Grooming House to Batangas to give free haircuts to the San Luis evacuees. Participants and donors to this mission include CPGI employees, Century Properties Management Inc., Centuria Medical Makati, Siglo Suites, Century City Mall, and the Century City Estate Association.

ITEM 2. PROPERTIES

2.1 OVERVIEW

Currently, the Company is developing ten (10) master-planned communities that is expected to have 32 condominiums 929 single detached homes, and 5,944 houses with a total expected GFA of 1,655,035 sq.m and commercial properties with 306,736 sq.m of GFA. These 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, Century City Mall, Centuria Medical Makati, The Milano Residences and Trump Tower. There are two additional ongoing projects including Century Diamond Tower, an office building in partnership with Mitsubishi Corporation and Century Spire designed by world renowned architect Daniel Libeskind and interior designed by Giorgio Armani S.P.A. These two ongoing projects have projected completion dates in 2019 and 2021, respectively.

- ***Acqua Private Residences*** – Located in Mandaluyong City, this development is comprised of 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. There are five towers completed; namely: Niagara, Sutherland, Detifoss, Livingstone, Iguazu and. The Novotel Suites Manila, the last tower is projected to be completed in 2020.

- ***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 eight towers have been completed, namely: Rio, Santorini, St. Tropez, Positano, Maui, Miami, Maldives, Boracay and Bahamas.

- ***The Residences at Commonwealth*** – It is a 4.4-hectare project of CPGI and its first master-planned 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. Out of the eight towers, four have already been completed; namely, Osmeña West, Quezon North, Roxas East, Osmeña East and Roxas West. The last three towers have completion dates up to 2021.

- ***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. A total of 918 houses have already been completed.

- ***PHirst Park Homes*** – It is the first-home division and brand of the CPGI. Its maiden project located along Governor's Drive, Brgy. Tanauan, Tanza Cavite, is a three phase horizontal residential property, which offers both Townhouse units & Single Attached units. The development covers a total planned GLA of 256,514 sq.m. PHirst Park Homes has also launched a 20-hectare development in Lipa, Batangas with 1,867 units valued at ₱2.8 billion in the second quarter of 2018 and the 18-hectare development in San Pablo, Laguna with 1,640 units valued at ₱2.7 billion launched in the fourth quarter of 2018.

- ***The Resort Residences at Azure North*** - Century Properties' first development in Pampanga and outside of Metro Manila. This 8-hectare mixed-use development replicates the developer's success with the Azure Urban Resort Residences in Bicutan, Parañaque, through its concept of beachfront living in the city.

  With plans for condominium towers, townhouse clusters, office towers, and a retail boardwalk, Azure North is located on the western side of the North Luzon Expressway, close to the existing retail complexes. Each residential cluster will again be named after famous beaches around the world, namely Monaco, Bali, and Barbados. In addition to the beach, its water features will include various pools for children and adults. Amid these will be a pool bar, a beach club, a multi-purpose event space, and a centerpiece called the Azure North Island, which will be offered for private events and gatherings.

- ***Batulao Artscapes -*** Batulao Artscapes is the world's first livable art park. An expansive artventure community and a livable art park with designer homes and world-class vacation amenities, it is situated in a 142-hectare property in Batulao, Batangas. Informed by design, shaped by the arts, grounded in natural beauty – Batulao Artscapes will be the first design-driven residential community to combine art and adventure set in the spectacle of nature.

The Company's land bank for future development consists of properties in Quezon City (2 properties), Mandaluyong City, Pampanga, Palawan, and Batulao that cover a total site area of 230 hectares. This excludes the 2.6 hectares that will be developed in Clark Global City. Global Gateway Development Corp. ("GGDC") and Century Properties Group, Inc. signed a memorandum of agreement on January 9, 2019 to create a JV that will develop 2.6 hectares of the 177-hectare Clark Global City into a mix of residential and office buildings.

2.2 COMPLETED PROJECTS AS OF DECEMBER 31, 2019

Residential Projects	Location	Type	GFA in sq.m. (with parking)	Units	Year Completed
Century City					
Gramercy Residences	Makati City	Residential	121,595	1,432	2012
Knightsbridge Residences	Makati City	Residential	87,717	1,329	2013
Milano Tower	Makati City	Residential	64,304	516	2016
Trump Tower	Makati City	Residential	55,504	267	2017
Subtotal			***329,120***	***3,544***	
Azure Urban Resorts Residences					
Rio	Parañaque City	Residential	42,898	756	2013
Santorini	Parañaque City	Residential	36,126	553	2013
St. Tropez	Parañaque City	Residential	36,260	580	2014
Positano	Parañaque City	Residential	35,164	597	2015
Miami	Parañaque City	Residential	34,954	559	2015
Maui	Parañaque City	Residential	41,235	601	2016
Maldives	Parañaque City	Residential	28,859	385	2017
Boracay	Parañaque City	Residential	27,713	473	2018
Bahamas	Parañaque City	Residential	53,701	851	2019
Subtotal			***336,910***	***5,355***	
Acqua Private Residences					
Niagara	Mandaluyong City	Residential	33,709	474	2015
Sutherland	Mandaluyong City	Residential	41,705	735	2015
Dettifoss	Mandaluyong City	Residential	36,536	607	2016
Livingstone	Mandaluyong City	Residential	40,251	675	2016
Iguazu	Mandaluyong City	Residential	36,367	492	2018
Subtotal			***188,568***	***2,983***	
The Residences at Commonwealth by Century					
Osmeña West	Quezon City	Residential	14,525	158	2015
Quezon North	Quezon City	Residential	17,760	285	2017
Roxas East	Quezon City	Residential	27,255	389	2017
Osmeña East	Quezon City	Residential	14,089	220	2018
Roxas West	Quezon City	Residential	26,767	500	2019
Subtotal			***100,396***	***1,552***	

Canyon Ranch					
Phase 1 & 2	Carmona, Cavite	Residential	166,896	778	
Moderno	Carmona, Cavite	Residential	25,304	150	
Subtotal			***192,200***	***928***	
Grand Total			**1,147,194**	**14,362**	

Commercial/Office Projects	Location	Type	CFA in sq.m. (with parking)	Units	Year Completed
Century City Mall	Makati City	Retail	52,233	N/A	2013
Centuria Medical Makati	Makati City	Medical Office	74,103	539 (for sale) / 168 (for lease)	2015
Asian Century Center	BGC, Taguig City	Office Building	56,285	55	2018
Total			**182,621**		

Note: Excludes projects completed by Meridien

2.3 PROPERTIES UNDER MANAGEMENT AS OF DECEMBER 31, 2019

The Company manages both residential and commercial properties. The following table sets forth information regarding residential properties under our management.

No. of BLDGS	PROJECT	LOCATION	DEVELOPER	GROSS FLR AREA
RESIDENTIAL PROPERTIES				
1	Astoria Plaza Condominium	Pasig	Millennium Properties & Brokerage	53,767
4	Acqua Private Residences	Mandaluyong	Century Properties, Inc.	52,821
6	Azure Urban Residences	Paranaque	Century Properties, Inc.	125,216
1	Bel-Air Soho Condominium	Makati	Meridien East Realty & Development Corp.	9,468
1	BSA Suites Condominium	Makati	ASB Development Corp.	22,925
1	Commonwealth Residences	Commonwealth	Century Properties, Inc.	136,896
2	Essensa East Forbes	Taguig	Meridien East Realty & Development Corp.	115,000
2	Golden Empire Tower	Manila	Moldex Land Holdings	129,514
1	Grand Soho Makati Condominium	Makati	Century Properties, Inc.	29,628
1	Knightsbridge Condominium	Makati	Century City Development Corp	43,414
1	Le Triomphe Condominium	Makati	Meridien East Realty & Development Corp.	20,239
1	Paragon Plaza	Mandaluyong	Fil Estate Properties, Inc.	71,631
1	Phirst Park Homes	Cavite		TBD
1	Pioneer Highlands North	Mandaluyong	Universal Rightfield Property Holdings, Inc.	89,990
2	Skyway Twin Towers	Pasig	Amberland Corporation	95,417
1	South of Market Condominium	Taguig	Meridien East Realty & Development Corp.	62,246
1	The Gramercy residences	Makati	Century City Development Corp	121,595
1	The Milano Residences*	Makati	Century City Development Corp	49,543
1	The Trump Tower*	Makati	Century City Development Corp	42,165
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
33	TOTAL			1,371,117
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	AvecShares Asia, Inc.	Taguig	Avecshares Asia, Inc.	12,232
1	Asian Century Center	Taguig	Century Properties, Inc.	
1	Century City Lifestyle Mall	Makati	Century Properties, Inc.	52,233
	Century City Estates Associations, Inc.	Makati	Century Properties Inc	
1	Centuria Medical Makati	Makati	Century Properties, Inc.	45,103
4	BPI Makati Offices	Makati	Bank of the Philippine Islands	61,262
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	Singapore Embassy	4,900
1	Solar Century Tower	Makati	Solar Entertainment Corporation	5,265
1	Century Diamond Tower	Makati	Century Properties, Inc.	63,101
1	Union Bank Plaza	Pasig	Union Bank Plaza	76,893
22	TOTAL			801,280
FACILITES MANAGEMENT				
1	Fisher-Rosemount Systems, Inc.	Pasig	Amberland Corporation	7,378
1	Emerson Manila Shared Services	Quezon City		
1	Makati Cinema Square	Makati	MCS Condominium Corporation	20,000
1	PNB Financial Center	Pasay	Philippine National Bank	151,435
3	PNB Offices	Pasig/ Makati	Philippine National Bank	
1	National Grid Corporation of the Phils	Quezon City		8,000
1	UAA Kinming Developer Group			
1	HMRID Industrual Park	Taguig		80,000
10	TOTAL			266,813
TOTAL PROJECTS			**50**	**2,439,210**
TOTAL BUILDINGS			**65**	

2.4 PROJECT UPDATES AS OF DECEMBER 31, 2019

Project	Company	Type	Target Market	Location	Total GFA (sq.m.)	Completion and Projected Turnover
Gramercy Residences	CCDC	Residential	Middle-Income	Kalayaan Avenue, Makati City	**121,595**	2012
Century City Mall	CCDC	Retail	N/A	Kalayaan Avenue, Makati City	**52,233**	2013
Knightsbridge Residences	CCDC	Residential	Middle-Income	Kalayaan Avenue, Makati City	**87,717**	2013
Centuria Medical Makati	CCDC	Medical Office	Middle-Income	Kalayaan Avenue, Makati City	**74,103**	2015
The Milano Residences	CCDC	Residential	Luxury	Kalayaan Avenue, Makati City	**64,304**	2016
Trump Tower Manila	CCDC	Residential	Luxury	Kalayaan Avenue, Makati City	**55,504**	2017
Century Diamond Tower	CCDC II	Office	N/A	Kalayaan Avenue, Makati City	**94,768**	2019
Century Spire	CCDC	Residential	Luxury	Kalayaan Avenue, Makati City	**90,478**	2021
Asian Century Center	CCDC	Office	N/A	Bonifacio Global City, Taguig City	**56,285**	2018
Acqua Private Residences	CLC	Residential	Middle-Income	Banrangay Hulo, Mandaluyong City	**227,740**	2015 – 2020
Azure Urban Resort Residences	CLC	Residential	Affordable	Bicutan, Parañaque City	**336,910**	2013 – 2019
The Resort Residences at Azure North	CLC	Residential	Affordable	San Fernando Pampanga	**129,188**	2020 – 2021
The Residences at Commonwealth	CLC	Residential	Affordable	Commonwealth, Quezon City	**192,245**	2015 – 2021
Canyon Ranch	CCC	Residential	Middle-Income	Carmona, Cavite	**192,200**	Ongoing per house
Phirst Park Homes Tanza	CLC	Residential	Affordable	Tanza, Cavite	**119,350**	Ongoing per house
Phirst Park Homes Lipa	PPHI	Residential	Affordable	Lipa, Batangas	**78,386**	Ongoing per house
Phirst Park Homes San Pablo	PPHI	Residential	Affordable	San Pablo, Laguna	**67,812**	Ongoing per house
Phirst Park Homes Pandi	PPHI	Residential	Affordable	Pandi, Bulacan	**64,116**	Ongoing per house
Phirst Park Homes Calamba	PPHI	Residential	Affordable	Calamba, Laguna	**60,539**	Ongoing per house
Batulao Artscapes	CLC	Residential	Middle-Income	Carmona, Cavite	**38,781**	Ongoing per house
Total					**2,204,254**	

2.5 COMPANY OWNED PROPERTIES

The Company does not have any property other than its equity participation in its subsidiaries. The Company's subsidiaries, on the other hand, owns assets mainly land and buildings in property development.

ITEM 3. LEGAL PROCEEDINGS

As of December 31, 2019, 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 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, as of the date of this Preliminary Prospectus, 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.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Other than those stated herein, there are no other matters submitted to a vote of security holders during the fiscal year covered by this report.

PART II. OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

5.1 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, low and close prices for the shares of the Company for each quarter within the last three (3) fiscal years are as follows:

(in ₱)	2019			2018			2017		
Quarter	High	Low	Close	High	Low	Close	High	Low	Close
First quarter	0.560	0.425	0.530	0.490	0.420	0.435	0.620	0.485	0.490
Second quarter	0.640	0.490	0.610	0.530	0.415	0.440	0.590	0.485	0.550
Third quarter	0.670	0.520	0.550	0.480	0.425	0.445	0.690	0.490	0.520
Fourth quarter	0.630	0.520	0.550	0.445	0.380	0.430	0.540	0.460	0.490

5.2 STOCKHOLDERS

The number of shareholders of the Company of record as of December 31, 2019 was Four Hundred Ninety Eight (498). The number of issued and outstanding common shares of the Company as of December 31, 2019 are Eleven Billion Six Hundred Ninety Nine Million Seven Hundred Twenty Three Thousand Six Hundred Ninety (11,699,723,690). All shares of the Company are common stock.

The top 20 stockholders as of December 31, 2019 are as follows:

Name	Number of Shares Held	% to Total
1. Century Properties Inc.	5,666,119,469	48.430
2. PCD Nominee Corporation (Filipino)	4,635,672,136	39.622
3. Ricardo P. Cuerva	214,995,168	1.838
4. Jaimie Marie C. Cuerva	214,995,160	1.838
5. Lourdes C. Cuerva	214,995,160	1.838
6. Ricardo C. Cuerva	214,995,160	1.838
7. PCD Nominee Corporation (Non-Filipino)	189,996,485	1.624
8. Ma. Cristina Louise C. Cuerva	161,246,370	1.378
9. Triventures Construction & Management Corp.	119,441,756	1.021
10. F. Yap Securities, Inc.	43,183,755	0.369
11. Ernesto B. Lim	10,500,000	0.09
12. Qui Nini	6,800,000	0.058
13. Pedro Rizaldy Alarcon	1,000,000	0.009
14. Goh Way Siong	1,000,000	0.009
15. Antonio A. Inductivo	723,959	0.006
16. Victor S. Chiongbian	688,732	0.006
17. Vicente Goquiolay & Co., Inc.	395,288	0.003
18. Magdaleno B. Delmar, Jr.	361,458	0.003
19. Crisanto L. Dapigran	217,000	0.002
20. Alfred Reiterer	200,000	0.002

FOREIGN EQUITY HOLDERS

As of 31 December 2019, the percentage of the total outstanding capital stock of the Company held by foreigners is 1.606%.

Class of Shares	Total Outstanding Shares	Local Shares	Foreign Shares
Common Shares	11,599,600,690	11,401,603,904	197,996,786
Percentage Holdings		98.38%	1.62%

5.3 CPGI'S DIVIDENDS AND DIVIDEND POLICY

The Company declares dividends yearly, either through Cash or Stock, to shareholders of record, which are paid from the Company's unrestricted retained earnings.

Below is the summary of CPGI's dividend declaration for fiscal year 2016 until 2019.

Cash Dividends				
Fiscal Year	**Total Amount of Dividends**	**Amount of dividends per share**	**Date of Declaration**	**Date of Payment**
2015	₱205,022,943	0.0177 per share	June 22, 2016	July 20, 2016
2016	₱205,065,834	0.0177 per share	May 22, 2017	June 19, 2017
2017	₱200,000,000	0.0172 per share	June 8, 2018	July 6, 2018
2018	₱137,919,252	0.01189 per share	June 24, 2019	July 23, 2019

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.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Results of Operations and Material Changes to the Company's Income Statement for the year ended December 31, 2019 compared to December 31, 2018 (increase/decrease of 5% or more)
(In Millions of Peso)

			Movement	
	2019	**2018**	**Amount**	**%**
REVENUE				
Real estate revenue	₱12,685.39	₱9,576.67	₱3,108.72	32.46%
Leasing revenue	713.38	395.46	306.11	75.16%
Property management fee and other services	412.15	407.27	16.69	4.22%
Interest income from real estate sales	504.10	322.48	181.61	56.32%
	14,315.02	**10,701.88**	**3,613.14**	**33.76%**
COST AND EXPENSES				
Cost of real estate revenue	8,459.54	5,655.40	2,804.14	49.58%
Cost of leasing	217.45	227.75	(10.30)	-4.52%
Cost of services	295.24	276.55	18.69	6.76%
	8,972.23	**6,159.70**	**2,812.53**	**45.66%**
GROSS PROFIT	**5,342.78**	**4,542.17**	**800.61**	**17.63%**
GENERAL, ADMINISTRATIVE AND SELLING EXPENSES	**3,235.82**	**3,254.53**	**(18.71)**	**-0.57%**
OTHER INCOME (EXPENSES)				
Interest and other income	573.36	568.66	4.71	0.83%
Gain from change in fair values of investment properties	260.93	376.90	(115.96)	-30.77%
Income from investment in associate	11.18	12.43	(1.25)	-10.03%
Foreign exchange gain (loss)	96.52	(145.19)	241.71	-166.48%
Gain (loss) from change in fair value of derivatives (Note 9)	(76.06)	115.79	(191.85)	-165.68%
Interest and other financing charges	(916.88)	(594.28)	(322.60)	54.28%
	(50.93)	**334.31**	**(385.24)**	**-115.23%**
INCOME BEFORE INCOME TAX	**2,056.03**	**1,621.96**	**434.08**	**26.76%**
PROVISION FOR INCOME TAX	**577.56**	**503.77**	**73.79**	**14.65%**
NET INCOME	**₱1,478.47**	**₱1,118.19**	**₱360.28**	**32.22%**

32.46% increase in real estate revenue
The increase is due to completion of Bahamas and Roxas West, start of recognition of affordable housing segment and additional substantial progress in construction and sales take up of on-going projects.

Affordable housing segment's contribution to the increase in revenue amounted to 1,741.98 million for the year ended December 31, 2019.

75.16% increase in leasing revenue
The increase was mostly due to full of operation and recognition of revenue of Asian Century Center.

4.22% increase in property management fee and other services
The increase is primarily due to increase in management fee and service rates for property managed.

56.32% decrease in interest income from real estate sales
Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) and contract asset recognized during the year. Discount subject to accretion arises from the difference between present value of ICR and contract asset and its nominal value. Income decrease since majority of the projects are already turned over and new sales fair value upon initial recognition approximates its nominal value.

49.58% increase in Cost of Sales
The increase in mainly due to the increase in real estate revenue.

6.76% increase in Cost of services
The increase is directly attributable in the increase in property management fee and other services.

4.52% decrease in Cost of leasing
The decrease is mainly due to the Group's implementation cost cutting measures during the year.

28.28% decrease in gain from change in fair value of Investment Property
Lower amount of gain from change in fair value recognized from Asian Century Center, Century Mall and Centuria Medical.

10.03% decrease in income from investment in associate
Decrease in share in net earnings of joint ventures and associate.

165.68% decrease in gain (loss) from change in fair value of derivatives
The increase is due to mark to market loss on non deliverable foreign currency swap entered into by the Group to hedge its foreign currency denominated debt. Foreign currency denominated debt was fully paid in 2019.

54.28% increase in Interest and other financing charges
These interests came from bonds and loans that do not qualify for capitalization as borrowing costs. The increase was primarily due increase interest corresponding to increase in bonds payable and other loans related to completed investment properties.

166.48% increase in foreign exchange losses
Foreign exchange gains offsets losses in fair value of derivatives arising from hedging of the dollar denominated loans.

14.65% increase in Provision for Income Tax
The increase was primarily due to higher taxable income during the year.

As a result of the foregoing, net income increased by 32.22%.

Financial Condition and Material Changes to the Company's Statement of Financial Position for the year ended December 31, 2019 compared to December 31, 2018 (increase/decrease of 5% or more)
(In Millions of Peso)

	2019	2018 (as restated)	Movement Amount	%
ASSETS				
Cash and cash equivalents	₱4,005.01	₱1,950.39	₱2,054.62	105.34%
Receivables	10,967.15	8,874.33	2,092.81	23.58%
Real estate inventories	15,558.00	17,257.48	(1,699.48)	-9.85%
Due from related parties	419.65	394.35	25.30	6.42%
Advances to suppliers and contractors	2,006.51	2,236.12	(229.61)	-10.27%
Other current assets	1,409.17	1,284.43	124.75	9.71%
Total Current Assets	**34,365.50**	**31,997.11**	**2,368.39**	**7.40%**
Noncurrent portion of installment contract receivables	1,137.66	1,894.56	(756.90)	-39.95%
Investment in bonds	463.75	-	463.75	100.00%
Deposits for purchased land	1,079.44	1,189.48	(110.03)	-9.25%
Investments in and advances to joint ventures and associate	258.77	247.58	11.18	4.52%
Investment properties	12,932.52	11,381.64	1,550.89	13.63%
Property and equipment	1,648.12	1,273.79	374.33	29.39%
Deferred tax assets - net	42.15	61.93	(19.78)	-31.94%
Other noncurrent assets	1,513.77	1,320.60	193.17	14.63%
Total Noncurrent Assets	**19,076.19**	**17,369.57**	**1,706.61**	**9.83%**
TOTAL ASSETS	**53,441.69**	**49,366.68**	**4,075.00**	**8.25%**
LIABILITIES				
Accounts and other payables	5,703.06	4,989.66	713.40	14.30%
Contract liabilities	1,784.09	2,294.33	(510.23)	-22.24%
Short-term debt	1,452.69	2,206.61	(753.92)	-34.17%
Current portion of:				
Long-term debt	5,462.17	5,389.15	73.02	1.35%
Bonds Payable	1,392.65	-	1,392.65	100.00%
Liability from purchased land	67.20	67.20	-	0.00%
Lease Liability	21.64	-	21.64	100.00%
Due to related parties	171.19	98.58	72.62	73.67%
Income Tax Payable	9.35	4.71	4.64	98.65%
Other current liabilities	35.28	-	35.28	100.00%
Total Current Liabilities	**16,099.34**	**15,050.24**	**1,049.10**	**6.97%**
Noncurrent portion of:				
Long-term debt	9,880.55	11,645.10	(1,764.55)	-15.15%
Bonds Payable	3,060.38	1,505.89	1,554.48	103.23%
Liability from purchased land	268.34	301.57	(33.23)	-11.02%
Lease Liability	39.54	-	39.54	100.00%
Pension liabilities	307.40	251.10	56.30	22.42%
Deposit for future stock subscription	42.48	-	42.48	100.00%
Deferred tax liabilities	2,708.26	2,524.52	183.74	7.28%
Other noncurrent liabilities	1,419.84	624.80	795.04	127.25%
Total Noncurrent Liabilities	**17,726.78**	**16,852.98**	**873.80**	**5.18%**
Total Liabilities	**33,826.12**	**31,903.22**	**1,922.90**	**6.03%**
EQUITY				
Capital stock	6,200.85	6,200.85	-	0.00%
Additional paid-in capital	2,639.74	2,639.74	-	0.00%
Treasury shares	(109.67)	(109.67)	-	0.00%
Other components of equity	99.39	99.23	0.16	0.16%
Retained earnings	8,733.92	7,590.09	1,143.83	15.07%
Remeasurement loss on defined benefit plan	(81.17)	(66.04)	(15.13)	22.91%
Total Equity Attributable to Equity Holders of the Parent Company	17,483.06	16,354.20	1,128.86	6.90%
Non-controlling interest	2,132.51	1,109.27	1,023.24	92.24%
	19,615.57	**17,463.47**	**2,152.10**	**12.32%**
	₱53,441.69	**₱49,366.68**	**₱4,075.00**	**8.25%**

105.34% increase in Cash and cash equivalents
Increase is primarily due to collections from matured accounts and net proceeds from loans during the period.

12.41% increase in total Receivables and Non-current portion of installment contract receivables
The increase is primarily due to receivables recognized for new projects qualified for revenue recognition.

9.85% decrease in Real estate inventories
The decrease is primarily due to the recognition of cost of sales for sold units.

6.42% increase in Due from related parties
Due to additional advances from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

10.27% decrease in Advances to suppliers and contractors
Decrease is to recoupment through progress billings from completion of Bahamas and Roxas West.

100.00% increase in Investment in bonds
The Group purchased Philippine Peso-denominated, fixed rate bonds. The bonds have a maturity of eighteen (18) months from issue date and interest rate of 5.70% per annum. The bonds are rated "AAA" by Philippine Rating Services Corporation. Investment in bonds is classified and measured as financial assets at amortized cost since the bonds are held to collect contractual cash flows representing solely payments of principal and interest.

9.25% decrease in Deposits for purchased land
In 2019, CCC finalized its DOAS for the land acquired in Novaliches, hence the initial deposit for the land purchased amounting to 166.00 million was reclassified to inventories.

13.63% increase in Investment Property
The increase is mostly attributable to the construction of Century Diamond Tower and recognition of gain in fair value for the period.

29.39% increase in Property and equipment
The increase is mostly attributable to additional construction cost for Novotel Suites Manila at Acqua 6 Tower of Acqua Private Residences.

12.20% increase in Other current and non-current assets
Increase is primarily due to increase in prepaid selling expenses for pre-sales during the period, and increase in creditable withholding taxes and input taxes.

14.30% increase in Accounts and other payables
The increase is primarily due to accruals made at the end of the period and increase in inventory related purchases.

22.24% decrease in Contract Liabilities
Decrease was due to recognition of customers deposits as revenue during the period as the accounts meet the accounting criteria for revenue recognition.

12.71% decrease in total Short-term and long-term debt
Decrease was due to net repayment of loans during the period.

195.71% increase in Short-term and long-term bonds payable
On April 15, 2019, the Group issued a three-year bonds listed at the Philippine Dealing & Exchange Corp. (PDEx) amounting to 3,000 million.

9.01% decrease in liabilities from purchased land
Due to payment made during the period.

100.00% increase in lease liability
This pertains to the lease liability accrued from the lease contract entered by the Group as a lessee in accordance of with PFRS 16.

73.67% increase in Due to related parties
Due to additional purchases from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

22.42% increase in Pension liabilities
Due to additional retirement expense during the year.

100.00% increase in Deposit for future stock subscription
In 2019, the Group received deposits amounting to 42.48 million from stockholders with the purpose of applying the same as payment for future issuance of shares of stock. These were classified as a liability since its application of the increase in authorized capital stock is not yet filed with SEC and as of December 31, 2019.

132.89% increase in other current and non-current liabilities
Due to the collection of its subscription of preferred shares. Further In 2019, the Group received security deposits and advance rentals amounting to 35.28 million and 382.84 million classified as "Other current liabilities" and "Other noncurrent liabilities", respectively for its lease contracts from its project, Century Diamond Tower, which is forecasted to finish construction and start full commercial operation in 2020.

12.32% increase in stockholder's equity
Due to the net income recorded for the year ended December 31, 2019, collection of subscription receivable from minority interest amounting to 226.52 million and additional investment from minority interest amounting to 600.00 million from PPHI.

Century Properties Group, Inc.
Financial Ratios

Financial ratios	Dec-19	Dec-18
Current/Liquidity Ratios		
Current Assets	34,365,499,239	31,997,110,107
Current Liabilities	16,099,335,229	15,050,236,472
Current Ratios	**2.1**	**2.1**
Current Assets	34,365,499,239	31,997,110,107
Inventory	15,558,004,362	17,257,481,436
Quick Assets	18,807,494,877	14,739,628,671
Current Liabilities	16,099,335,229	15,050,236,472
Quick Ratios	**1.2**	**1.0**
Liabilities and Debt Ratios		
Short-term debt	1,452,692,919	2,206,610,954
Long-term debt - Current	5,462,166,897	5,389,150,881
Long-term debt - Non-current	9,880,550,051	11,645,097,504
Bonds payable	4,453,032,166	1,505,894,698
Debt	**21,248,442,033**	**20,746,754,037**
Equity	**19,615,569,488**	**17,463,466,559**
Debt-to-Equity	**1.1**	**1.2**
Debt	21,248,442,033	20,746,754,037
Cash and Cash Equivalents	4,005,009,231	1,950,389,193
Net Debt	**17,243,432,802**	**18,796,364,844**
Equity	**19,615,569,488**	**17,463,466,559**
Net Debt-to-Equity	**0.9**	**1.1**
Debt	21,248,442,033	20,746,754,037
EBITDA (Annualized for Interim)	2,861,187,076	2,073,929,849
Debt-to-EBITDA	**7.43**	**10.00**
Income befor Income Tax	2,056,032,947	1,621,956,880
Interest expense	747,608,418	414,117,993
Depreciation and amortization	57,545,711	37,854,976
EBITDA	**2,861,187,076**	**2,073,929,849**
Asset to Equity Ratios		
Total Assets	53,441,685,612	49,366,682,829
Total Equity	19,615,569,488	17,463,466,559
Asset to Equity Ratio	**2.7**	**2.8**
Liabilities to Equity Ratios		
Total Liabilities	33,826,116,124	31,903,216,270
Total Equity	19,615,569,488	17,463,466,559
Liabilities to Equity Ratio	**1.7**	**1.8**

Financial ratios	**Dec-19**	**Dec-18**
Profitability ratios		
Revenue	14,315,016,268	10,701,878,291
Gross Profit	5,342,782,822	4,542,174,431
Gross Profit Ratio	**37.3%**	**42.4%**
Net Income Attributable to Equity holders of the Parent Com	1,281,748,829	985,915,365
Revenue	14,315,016,268	10,701,878,291
Net Income Margin	**9.0%**	**9.2%**
Total Net Income after tax (Annualized)	**1,478,470,199**	**1,118,186,619**
Total Asset CY	53,441,685,612	49,366,682,829
Total Asset PY	49,366,682,829	42,555,650,621
Average total asset	**51,404,184,221**	**45,961,166,725**
Return on Asset	**2.9%**	**2.4%**
Total Net Income after tax (Annualized)	**1,478,470,199**	**1,118,186,619**
Total Equity CY	19,615,569,488	17,463,466,559
Total Equity PY	17,463,466,559	16,255,621,463
Average total equity	**18,539,518,024**	**16,859,544,011**
Return on Equity	**8.0%**	**6.6%**
Net Income	1,478,470,199	1,118,186,619
Revenue	14,315,016,268	10,701,878,291
Net Income Margin	**10.3%**	**10.4%**

Results of Operations and Material Changes to the Company's Income Statement for the year ended December 31, 2018 compared to December 31, 2017 (increase/decrease of 5% or more) ***(In Millions of Peso)***

			Movement	
	2018	**2017**	**Amount**	**%**
REVENUE				
Real estate revenue	₱9,576.67	₱5,345.94	₱4,230.73	79.14%
Leasing revenue	395.46	352.97	42.49	12.04%
Property management fee and other services	407.27	341.66	65.61	19.20%
Interest income from real estate sales	322.48	665.20	(342.72)	-51.52%
	10,701.88	**6,705.77**	**3,996.11**	**59.59%**
COST AND EXPENSES				
Cost of real estate revenue	5,655.40	2,806.48	2,848.92	101.51%
Cost of leasing	276.55	270.73	5.83	2.15%
Cost of services	227.75	237.81	(10.07)	-4.23%
	6,159.70	**3,315.02**	**2,844.68**	**85.81%**
GROSS PROFIT	**4,542.17**	**3,390.75**	**1,151.42**	**33.96%**
GENERAL, ADMINISTRATIVE AND SELLING EXPENSES	**3,254.53**	**2,964.06**	**277.52**	**9.36%**
OTHER INCOME (EXPENSES)				
Interest and other income	568.66	801.08	(245.36)	-30.63%
Gain from change in fair values of investment properties	376.90	286.03	90.87	31.77%
Gain (loss) from change in fair value of derivatives (Note 9)	115.79	(35.61)	151.41	425.13%
Income from investment in associate	12.43	-	12.43	100.00%
Unrealized foreign exchange loss	(145.19)	(53.85)	91.34	169.62%
Interest and other financing charges	(594.28)	(403.48)	190.80	47.29%
	334.31	**594.16**	**(259.85)**	**-43.73%**
INCOME BEFORE INCOME TAX	**1,621.96**	**1,020.85**	**601.11**	**58.88%**
PROVISION FOR INCOME TAX	**503.77**	**370.92**	**132.85**	**35.81%**
NET INCOME	**₱1,118.19**	**₱649.93**	**₱468.26**	**72.05%**

79.14% increase in real estate revenue
The increase is due to completion of Boracay, Osmeña East and Iguazu towers, start of recognition of affordable housing segment and additional substantial progress in construction and sales take up of on-going projects.

Affordable housing segment's contribution to the increase in revenue amounted to 1,170.91 million for the year ended December 31, 2018.

12.04% increase in leasing revenue
The increase were due to higher occupancy rate for Century City mall and Centuria medical.

19.20% increase in property management fee and other services
Increase where significantly due to additional properties being mange, specifically 3 more BPI buildings and the newly completed Century properties.

51.52% decrease in interest income from real estate sales
Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) recognized during the year. Discount subject to accretion arises from the difference between present value of ICR and its nominal value. Income decrease since majority of the projects are already turned over and new sales fair value upon initial recognition approximates its nominal value.

30.63% decrease in Interest and Other Income
Decrease is mostly attributable to lower forfeited collections in 2018.

31.77% increase in gain from change in fair value of Investment Property
The increase is mostly attributable to initial recognition of gain from change in fair value of investment property of Asian Century Center amounting to 245.80 million.

425.14% increase in gain (loss) from change in fair value of derivatives
The increase is due to mark to market gain on non deliverable foreign currency swap entered into by the Group to hedge its foreign currency denominated debt.

100% increase in income from investment in associate
Income from investment in associate in 2018 amounting to 12.43 million pertains to share in net earnings of joint ventures and associate.

101.51% increase in Cost of Sales
The increase in mainly due to the increase in real estate revenue and impact of adoption of PFRS 15.

2.15% increase in Cost of services
This is due to the increase of properties managed by CPMI.

4.23% decrease in Cost of leasing
The decrease is mainly due to the Group's implementation cost cutting measures during the year.

9.36% increase in General, administrative and selling expenses
The increase in operational expenses during the period is primarily due to the increase in commission and salaries related to the newly launched projects and amortization of commission.

47.29% increase in Interest and other financing charges
This was primarily due to bank fees and other financing charges paid other than capitalized borrowing costs during the year. These interests came from loans that do not qualify for capitalization as borrowing costs.

169.62% increase in unrealized foreign exchange losses
These losses are offset by the gain in fair value of derivatives arising from hedging of these new dollar denominated loans during the year.

35.81% increase in Provision for Income Tax
The increase was primarily due to higher taxable income during the year.

As a result of the foregoing, net income increased by 72.05%.

Financial Condition and Material Changes to the Company's Statement of Financial Position for the year ended December 31, 2018 compared to December 31, 2017 (increase/decrease of 5% or more)
(In Millions of Peso)

	2018	2017	Movement Amount	%
ASSETS				
Cash and cash equivalents	₱1,950.39	₱1,400.36	₱550.03	39.28%
Receivables	2,047.13	7,541.27	(5,494.14)	-72.85%
Contract assets	6,827.21	-	6,827.21	100.00%
Real estate inventories	17,257.48	15,845.87	1,411.61	8.91%
Due from related parties	394.35	491.25	(96.89)	-19.72%
Advances to suppliers and contractors	2,236.12	1,963.98	272.15	13.86%
Other current assets	1,284.43	1,008.97	275.46	27.30%
Total Current Assets	**31,997.11**	**28,251.69**	**3,745.42**	**13.26%**
Noncurrent portion of installment contract receivables	-	2,442.24	(2,442.24)	-100.00%
Non-current portion of contract assets	1,894.56	-	1,894.56	100.00%
Deposits for purchased land	1,189.48	1,369.57	(180.09)	13.15%
Investments in and advances to joint ventures and associate	247.58	235.15	12.43	5.29%
Investment properties	11,381.64	7,759.56	3,622.08	46.58%
Property and equipment	1,273.79	1,068.56	205.23	19.21%
Deferred tax assets - net	50.52	103.99	(53.47)	51.42%
Other noncurrent assets	1,320.60	1,324.88	(4.28)	-0.32%
Total Noncurrent Assets	**17,358.13**	**14,303.96**	**3,054.17**	**21.35%**
TOTAL ASSETS	**49,355.24**	**42,555.65**	**6,799.59**	**15.98%**
LIABILITIES				
Accounts and other payables	4,989.66	3,832.13	1,157.53	30.21%
Contract liabilities	2,294.33	-	2,294.33	100.00%
Customers' deposits	-	2,758.60	(2,758.60)	-100.00%
Short-term debt	2,206.61	1,415.89	790.72	55.85%
Current portion of:				
Long-term debt	5,389.15	3,099.35	2,289.80	73.88%
Liability from purchased land	67.20	67.20	-	0.00%
Due to related parties	98.58	48.17	50.40	104.64%
Income Tax Payable	4.71	3.23	1.48	45.73%
Total Current Liabilities	**15,050.24**	**11,224.58**	**3,825.66**	**34.08%**
Noncurrent portion of long-term debt	11,645.10	10,083.50	1,561.60	15.49%
Bonds Payable	1,505.89	1,500.97	4.93	0.33%
Noncurrent portion of liability from purchased land	301.57	381.04	(79.47)	-20.86%
Pension liabilities	251.10	235.47	15.63	6.64%
Deferred tax liabilities	2,524.52	2,451.36	73.16	2.98%
Other noncurrent liabilities	624.80	423.12	201.68	47.66%
Total Noncurrent Liabilities	**16,852.98**	**15,075.45**	**1,777.53**	**11.79%**
Total Liabilities	**31,903.22**	**26,300.03**	**5,603.19**	**21.30%**
EQUITY				
Capital stock	6,200.85	6,200.85	-	0.00%
Additional paid-in capital	2,639.74	2,639.74	-	0.00%
Treasury shares	(109.67)	(109.67)	-	0.00%
Other components of equity	99.23	99.15	-	0.00%
Retained earnings	7,551.93	6,922.98	628.95	9.09%
Remeasurement loss on defined benefit plan	(39.33)	(34.58)	(4.75)	13.74%
Total Equity Attributable to Equity Holders of the Parent Company	16,342.75	15,718.47	624.28	3.97%
Non-controlling interest	1,109.27	537.15	572.12	106.51%
	17,452.02	**16,255.62**	**1,196.40**	**7.36%**
	₱ 49,355.24	**₱42,555.65**	**₱6,799.59**	**15.98%**

39.28% increase in Cash and cash equivalents
Increase is primarily due to collections from matured accounts and net proceeds from loans during the period.

7.87% increase in total Receivables and Contract Assets
The increase is due to new sales booked during the year

8.91% increase in Real estate inventories
Due to the substantial increase in construction and development of various ongoing projects and payment of land during the period net of the cost of real estate sales recognized and transfers of cost of leasing assets to investment properties. .

In addition, the adoption of PFRS 15 affected the Group's recognition of cost of real estate sales. In compliance with PFRS 15, costs that relate to satisfied (or partially satisfied) performance obligations should be expensed as incurred. These costs are allocated to the saleable units, with the portion allocable to the sold units being recognized as costs of sales while the portion allocable to the unsold units being recognized as part of real estate inventories. The adoption of PFRS 15 decreased the Group's retained earnings 100.30 million, decreased the inventory by 154.75 million and decreased deferred tax liabilities by 54.46 million as of January 1, 2018.

19.72% decrease in Due from related parties
Due to settlement of advances and outstanding balance due to purchases from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

13.86% increase in Advances to suppliers and contractors
Increase is due to down payments made to suppliers during the period which are subject to recoupment through progress billings.

13.15% decrease in Deposits for purchased land
In 2018, land acquired in Quezon City was fully paid resulting to transfer of deposits for purchased land made in prior years to inventories amounting to 522.26 million. Also in 2018, the Group made additional deposits for land in Novaliches amounting to 284.98 million. These transactions resulted to net decrease in deposits for purchased land.

46.58% increase in Investment Property
Primarily due to costs incurred for Century Diamond Tower and Asian Century Center. Also the recognition of fair value appreciation mainly for ACC amounted to 369.22 million contributed to the increase in investment property.

19.21% increase in Property and equipment
The increase is mostly attributable to additional construction cost for Novotel Suites Manila at Acqua 6 Tower of Acqua Private Residences amounting to 199.64 million.

11.62% increase in Other current and non-current assets
Increase is primarily due to increase in prepaid selling expenses for pre-sales during the period, increase in creditable withholding taxes and input taxes.

30.21% increase in Accounts and other payables
Increase is primarily due to accruals made at the end of the period.

13.83% decrease in total Customers Deposits and Contract Liabilities
Decrease was due to recognition of customers deposits as revenue during the period as the accounts meet the accounting criteria for revenue recognition.

31.80% increase in total Short-term and long-term debt
The increase is due to increased net availments from existing and new lines during the period. The increase in debt was partially used to fund operations, investment properties, land payments and to refinance debt.

104.64% increase in Due to related parties
Due to additional purchases from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

6.64% increase in Pension liabilities
Due to additional retirement expense during the year.

20.86% decrease in Liabilities for purchased land
Due to payments made during the year.

47.66% increase in other non-current liabilities
Due to the collection of its subscription of preferred shares.

7.34% increase in stockholder's equity
Due to the net income recorded for the year ended December 31, 2018, collection of subscription receivable from minority interest amounting to 212.34 million, and additional investment from minority interest amounting to 205.00 million from PPHI and 4.00 million from KPDC, respectively.

Century Properties Group, Inc.
Financial Ratios

	As of December 31		
	2018	2017	2016
Current Ratio	2.1x	2.5x	2.9x
Debt to Equity Ratio	1.2x	1.0x	1.0x
Asset to Equity Ratio	2.8x	2.6x	2.7x
	For The Year Ended December 31		
	2018	2017	2016
Return on Assets	2.4%	1.5%	1.8%
Return on Equity	6.6%	4.1%	4.8%
EBIT	2,036.1	1,308.2	1,081.5
EBITDA	2,073.9	1,341.4	1,110.1
Total Debt	20,746.8	16,099.7	15,676.0
Net Debt	18,796.4	14,699.3	12,332.9
Gross Profit from Real Estate Sales Ma	42.9%	53.3%	48.4%
Net Income Margin	9.6%	8.3%	9.8%
Net debt-to-equity ratio	1.1x	0.9x	0.8x
Debt-to-EBITDA ratio	10.0x	12.0x	14.1x
Net debt-to-EBITDA ratio	9.1x	11.0x	11.1x

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) EBIT is calculated as net income after adding back interest expense and provision for income tax. EBITDA is calculated as net income after adding back interest expense, depreciation and amortization and provision for income tax.
(4) Net debt is calculated as total short term and long-term debt including bonds payable less cash and cash equivalents as of the end of the period.
(5) Gross profit from real estate sales margin is calculated as the sum of real estate sales and accretion of unamortized discount (which we record under interest and other income), less the cost of real estate sales, as a percentage of the sum of real estate sales and accretion of unamortized discount, for the period. We believe that including accretion of unamortized discount in this calculation is a useful measure of the profitability of our real estate operations because such unamortized discount forms part of the original contract price of the sales contracts.
(6) Net margin is calculated as net income as a percentage of revenue for the period. Total Revenue includes, Real Estate Sales, Leasing Revenue, Property Management fee and other services, interest and other income, and Gain from change in Fair Value.
(7) Net debt-to-equity ratio is calculated as net debt divided by total equity as of the end of the period.
(8) Debt-to-EBITDA ratio is calculated as total debt as of the end of the period divided by EBITDA for the year.
(9) Net debt to EBITDA ratio is calculated as net debt as of the end of the period divided by EBITDA for the year.
(10) This 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**.**

REVIEW OF YEAR END 2017 VS YEAR END 2016

RESULTS OF OPERATIONS

Real Estate

The Group accounts 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 recognized 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 40% 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, 2017, the Group recorded revenue from real estate sales amounting to ₱5,346 million compared to ₱4,968.4 million in 2016.

The increase in real estate sales is attributable to the increase in selling price of the units among projects and significant accomplishments of Tanza, Roxas West, Quirino West and Bahamas projects during the year.

Interest and Other Income, including Gain from change in fair value

Interest and other income decreased by 1.1% to ₱1,752 million in the year ended December 31, 2017 from ₱1,772 million in the year ended December 31, 2016. This decrease is primarily due to lower gain in Fair Value of Investment Properties recognized during 2017. The gain on fair value gain in investment properties recognized in 2017 amounted to ₱286 million which is lower compared to ₱348 million recognized in 2016.

Investment properties are stated at fair value, which has been determined based on valuations performed by an accredited independent appraisers, as of December 31, 2017 and 2016.

Property management fee and other services

Property management fee and other services increased by 16.9% to ₱353 million in the year ended December 31, 2017 from ₱302 million in the year ended December 31, 2016. This was due to the increase in the revenue from managed properties, specifically BPI properties increased from 1 to 4 buildings, and additional Century related developments.

Leasing Revenue

Leasing revenue increased by 1.1% to ₱342 million in the period ended December 31, 2017 from ₱338 million in the same period ended December 31, 2016 due to the increase in occupancy rate of Century City Mall. Century City Mall has 96.3% occupancy rate for 2017 higher compared to 95.5% occupancy rate in 2016.

Costs and Expenses (including loss from change in fair value of derivatives and unrealized foreign exchange losses)

Cost and expenses increased by 5.8% to ₱6,772 million during 2017 from ₱6,401 million for the year ended December 31, 2016.

- Cost of real estate sales decreased by 3.3% to ₱2,806 million in the year ended December 31, 2017 from ₱2,901 million in the year ended December 31, 2016. Despite the increase in real estate sales, the cost of real estate sales decreased due to significant project sales during the year has higher gross profit margin.

- Cost of leasing decreased by 10.85% to ₱238 million for the year ended December 31, 2017 from ₱267 million in the year ended December 31, 2016. The decrease is mainly due to the Group's implementation cost cutting measures during the year.

- Cost of services increased by 13.89% from ₱238 million in the year ended December 31, 2016 to ₱271 million in the year ended December 31, 2017. This is due to the increase of properties managed by CPMI.

- Interest and other financing charges (including unrealized foreign exchange loss and loss on change in fair value of derivatives) increased by 31.5% to ₱493 million for the year ended December 31, 2017 from ₱375 million for 2016. This was primarily due to bank fees and other financing charges paid other than capitalized borrowing costs during the year. These interests came from loans that do not qualify for capitalization as borrowing costs. The Loss on Fair Value of derivatives amounted to ₱36 million and ₱108 million in 2017 and 2016, respectively.

Provision for Income Tax

Provision for income tax increased by 47.2% to ₱371 million for the year ended December 31, 2017 from ₱252 million in the year ended December 31, 2016. The increase was primarily due to higher taxable income during the year and additional tax expense from expiration of NOLCO.

Net Income

As a result of the foregoing, net income decreased by 10.6% to ₱650 million for the year ended December 31, 2017 from ₱727 million in the year ended December 31, 2016.

Century Properties Group, Inc.
Financial Ratios

	As of December 31		
	2017	**2016**	**2015**
Current Ratio	2.5x	2.9x	2.8x
Debt to Equity Ratio	1.0x	1.0x	1.0x
Asset to Equity Ratio	2.6x	2.7x	2.6x
	For the year ended December 31		
	2017	**2016**	**2015**
Return on Assets	1.5%	1.8%	4.1%
Return on Equity	4.1%	4.8%	10.9%
EBIT	1,308.2	1,081.5	2,202.3
EBITDA	1,341.4	1,110.1	2,230.1
Total Debt	16,099.7	15,676.0	13,916.0
Net Debt	14,699.3	12,332.9	11,907.7
Gross Profit from Real Estate Sales Margin	53.3%	48.4%	43.8%
Net Income Margin	8.3%	9.8%	14.6%
Net debt-to-equity ratio	0.9x	0.8x	0.8x
Debt-to-EBITDA ratio	12.0x	14.1x	6.2x
Net debt-to-EBITDA ratio	11.0x	11.1x	5.3x

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) EBIT is calculated as net income after adding back interest expense and provision for income tax. EBITDA is calculated as net income after adding back interest expense, depreciation and amortization and provision for income tax.
(4) Net debt is calculated as total short term and long-term debt including bonds payable less cash and cash equivalents as of the end of the period.
(5) Gross profit from real estate sales margin is calculated as the sum of real estate sales and accretion of unamortized discount (which we record under interest and other income), less the cost of real estate sales, as a percentage of the sum of real estate sales and accretion of unamortized discount, for the period. We believe that including accretion of unamortized discount in this calculation is a useful measure of the profitability of our real estate operations because such unamortized discount forms part of the original contract price of the sales contracts.
(6) Net margin is calculated as net income as a percentage of revenue for the period. Total Revenue includes, Real Estate Sales, Leasing Revenue, Property Management fee and other services, interest and other income, and Gain from change in Fair Value.
(7) Net debt-to-equity ratio is calculated as net debt divided by total equity as of the end of the period.
(8) Debt-to-EBITDA ratio is calculated as total debt as of the end of the period divided by EBITDA for the year.
(9) Net debt to EBITDA ratio is calculated as net debt as of the end of the period divided by EBITDA for the year.
(10) This 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**.**

Material Changes to the Company's Balance Sheet as of December 31, 2017 compared to December 31, 2016

Total assets as of December 31, 2017 were ₱42,556 million compared to ₱41,309 million as of December 31, 2016, or a 3.0% increase. This was due to the following:

Cash and cash equivalents decreased by 58.1% from ₱3,343 million as of December 31, 2016 to ₱1,400 million as of December 31, 2017 primarily due to capital expenditures for the investment property, payment of land and the use of cash for operations. During the period the Company also paid its 3-year term bonds.

Receivables decreased by 11.7% from ₱11,308 million as of December 31, 2016 to ₱9,983 million as of December 31, 2017 million due to increase in collection on receivables from turned over projects.

During the year ended December 31, 2017, real estate inventories increased by 13.6% from ₱13,943 million as of December 31, 2016 to ₱15,846 million as of December 31, 2017 due to development of various projects during the period and lower cost of real estate recognized during the period.

Due from Related parties decreased by 7.9% from ₱533. million as of December 31, 2016 to ₱491 million as of December 31, 2017 due to settlements within of made between the subsidiaries of the Group.

Prepayments and other current assets (including derivative assets) decreased by 22.6% from P1,303 million as of December 31, 2016 to P1,009 million as of December 31, 2017 mainly due to amortization of deferred selling expenses, derecognition of derivative asset and application of creditable withholding taxes on the income tax payable during the period.

Deposits for purchased land increased by 17.0% from ₱1,170 million as of December 31, 2016 to ₱1,370 million as of December 31, 2017 due to payment made by the Company to the Land Owners during the period.

Investment and advances to Joint Ventures and Associates decreased by 40.4% from ₱394 million as of December 31, 2016 to ₱235 million as of December 31, 2017 mainly due to A2 Global settlement all of its advances from the Group for the construction of the investment property.

Investment properties posted an increase by 30.7% to ₱7,760 million as of December 31, 2017 as compared to ₱5,936 million as of December 31, 2016 primarily due to other costs incurred for Century Diamond Tower and Asian Century Center. Increase in fair value of other investment properties assets also contributes to the increase in investment property.

Property and equipment increased by 120.0% from ₱486 million as of December 31, 2016 to ₱1,069 million as of December 31, 2017 due to additional cost incurred for the construction of the Novotel Suites Manila at Acqua 6 Tower of the Acqua Private Residences.

Deferred Tax Asset decreased by 35.0% from ₱160 million as of December 31, 2016 to ₱104 million as of December 31, 2017. The decrease is primarily due to the NOLCO claimed by the Group against it taxable income during the year.

Other non-current assets increased by 79% from ₱741 million as of December 31, 2016 to ₱1,325 million as of December 31, 2017 primarily due to the increase in rental deposits held and applied in relation to the Company's lease contracts for their administrative and sales offices.

Customers' advances and deposits increased by 16.9% from ₱2,360 million as of December 31, 2016 to ₱2,759 million as of December 31, 2017. Balances as of December 31, 2017 represents collection from customers which do not meet the revenue recognition criteria.

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 12.3% from ₱12,997 million as of December 31, 2016 to ₱14,598 million as of December 31, 2017 due to increased net availments from existing and new lines during the period. The increase in debt was partially used to fund operations, investment properties, and to refinance debt.

Liability from purchased land decreased by 14.0% from ₱521.0 million as of December 31, 2016 to ₱448 million as of December 31, 2017 due to payments made to Land Owner during the year.

Bond Payable decreased by 44.0% from ₱2,679 million as of December 31, 2016 to ₱1,501 million as of December 31, 2017 due to settlement of the 3-year bonds payable.

Due to related parties decreased by 85.2% from ₱326 million as of December 31, 2016 to ₱48 million as of December 31, 2017 due to payment of advances to Ultimate Parent made by the Group during the year.

Other Noncurrent Liabilities increased by 57.6% from ₱269 million as of December 31, 2016 to ₱424 million as of December 31, 2017 due to the increase in subscription and collected deposit for future preferred stock subscription of the Group during the year.

Total equity attributable to parent company net increased by 3.23% to ₱15,718 million as of December 31, 2017 from ₱15,227 million as of December 31, 2016 due to the net income recorded during the year net of CPGI's cash dividend declarations during the year.

Non-controlling interest increased to ₱537 million from ₱120 million due to collection of subscription receivable from MC for its interest in Tanza and CCDC II.

Material Changes to the Company's Statement of income for the year ended December 31, 2017 compared to the year ended December 31, 2016

Real estate revenue posted an increase by 7.6% for the year ended December 31, 2017 from ₱4,968 million in 2016 to ₱5,346 million in 2017. The increase in real estate sales is attributable to the increase in selling price of the units among projects and significant accomplishments of Tanza, Roxas West, Quirino West and Bahamas projects during the year.

Property management fee and other services increased by 16.9% to ₱353 million in the year ended December 31, 2017 from ₱302 million in the year ended December 31, 2016. This was due to the increase in the revenue from managed properties, specifically BPI properties increased from 1 to 4 buildings, and additional Century related developments.

Cost and expenses increased by 5.8% to ₱6,772 million during 2017 from ₱6,401 million for the year ended December 31, 2016.

Cost of leasing decreased by 10.9% to ₱238 million for the year ended December 31, 2017 from ₱267 million in the year ended December 31, 2016. The decrease is mainly due to the Group's implementation cost cutting measures during the year.

Cost of services increased by 13.9% from ₱238 million in the year ended December 31, 2016 to ₱271 million in the year ended December 31, 2017. This is due to the increase of properties managed by CPMI.

Interest and other financing charges (including unrealized foreign exchange loss and loss on change in fair value of derivatives) increased by 31.5% to ₱493 million for the year ended December 31, 2017 from ₱375 million for 2016. This was primarily due to bank fees and other financing charges paid other than capitalized borrowing costs during the year. These interests came from loans that do not qualify for capitalization as borrowing costs. The Loss on Fair Value of derivatives amounted to ₱36 million and ₱108 million in 2017 and 2016, respectively.

Provision for income tax increased by 47.2% to ₱371 million for the year ended December 31, 2017 from ₱252 million in the year ended December 31, 2016. The increase was primarily due to higher taxable income during the year and additional tax expense from expiration of NOLCO.

As a result of the foregoing, net income decreased by 10.6% to ₱650 million for the year ended December 31, 2017 from ₱727 million in the year ended December 31, 2016.

Factors which may have material impact in Company's operations

Economic factors

The economic situation in the Philippines significantly affects the performance of the Company's business. For the residential products, the Group is sensitive to changes in domestic interest and inflation rates. Higher interest rates tend to discourage potential buyers of residential units as mortgages become unaffordable to them. An inflationary environment will adversely affect the Group, as well as the real estate industry, by increases in costs such as land acquisition, labor and material. Although the Group may pass on the additional costs to buyers, there is no assurance that this will not significantly affect the Group's sales.

Competition

Please refer to the discussion on Competition found in Item 1.4 of this report.

Capital Expenditures

The table below sets out our actual capital expenditures in 2016, 2017, 2018 and 2019

		Expenditure (in millions)
2016	₱	6,894.2
2017		6,757.5
2018		6,680.2
2019		7,646.2

The Group has historically sourced funding for capital expenditures through internally-generated funds and credit facilities from commercial banks.

The Company expects to fund budgeted capital expenditures principally through the existing cash and cash from operations, through borrowings and through Offering. The Company's capital expenditure plans are based on management's estimates, and are subject to a number of variables, including: possible cost overruns; construction and development delays; the receipt of Government approvals; availability of financing on acceptable terms; changes in management's views of the desirability of current plans; the identification of new projects and potential acquisitions; and macroeconomic factors such as the Philippines' economic performance and interest rates. Accordingly, we might not execute our capital expenditure plans as contemplated or at or below estimated cost.

ITEM 7. FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries are filed as part of this Form 17-A.

ITEM 8. INFORMATION ON INDEPENDENT ACCOUNTANTS

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

SGV & Co., independent auditors, audited the consolidated financial statements of the Company as at December 31, 2019, 2018, and 2017 and for the years ended December 31, 2019, 2018, and 2017 without qualification and reviewed the accompanying interim condensed consolidated statement of financial position of Century Properties Group Inc. and Subsidiaries as at June 30, 2019 and for the six-month periods ended June 30, 2019 and 2018. A review is substantially less in scope than an audit conducted in accordance with PSA and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit, 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.

On June 28, 2019 the Company held its Annual Shareholders' Meeting wherein SGV and Co. was appointed as the external auditors of the Company for the years 2018 and 2019, and to serve as such until their successor shall have been appointed and qualified. There have been no disagreements with the current and previous accountants on accounting and financial disclosures.

External Audit Fees

The following table sets out the aggregate fees billed for each of the last two fiscal years and interim third quarter 2018 and second quarter 2019 for professional services rendered by SGV & Co.

	2019	2018	2017
Audit and audit-related fees	₱ 7.5 million	₱ 3.9 million	₱ 3.6 million

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The Audit Committee recommends to the Board of Directors the discharge or nomination of the external auditor to be proposed for shareholder approval at CPGI's annual shareholders meeting, approve all audit engagement fees and terms of the external auditor, and review 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 keeps 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 and planning nor any services rendered for products and services other than the aforementioned audit services reported in 2019.

PART III. CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

BOARD OF DIRECTORS

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 of the Company as of December 31, 2019 are as follows:

Name of Director	Position	Age
Amb. Jose E.B. Antonio	Executive Chairman	73
John Victor R. Antonio	Vice Chairman	47
Jose Marco R. Antonio	President and CEO	45
Jose Roberto R. Antonio	Managing Director	43
Jose Carlo R. Antonio	Managing Director	36
Hilda R. Antonio	Managing Director	72
Ricardo P. Cuerva	Managing Director	75
Rafael G. Yaptinchay	Managing Director	69
Amb. Jose L. Cuisa, Jr.	Independent Director	75
Stephen T. CuUnjieng	Independent Director	61
Carlos C. Ejercito	Independent Director	74
Atty. Danny E. Bunyi	Corporate Secretary	54
Carlos Benedict K. Rivilla, IV	Vice President for Corporate Affairs and Assistant Corporate Secretary	48

Amb. Jose E.B. Antonio, 73 years old, Filipino, is one of the founders and Executive Chairman of the Board 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. Antonio has also has been duly appointed by President Rodrigo R. Duterte as *the* Philippines' special envoy to the United States, effective October 28, 2016. His mission is to enhance business ties and strengthen the economic affairs between the two countries.

Mr. John Victor R. Antonio, 47 years old, Filipino, is Vice-Chairman 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, 45 years old, Filipino, is President and Chief Executive Officer 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, 43 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, 36 years old, Filipino, is a Managing Director of the Company and a member of our 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.

Ms. Hilda R. Antonio, 72 years old, Filipino, is a Director of the Company and a member of our Board. She is the wife of the Chairman Amb. Jose E.B. Antonio. She is a Philanthropist. She is a member of the Board of Directors of CPI, Museum Properties, Inc. Heirloom Properties Inc and Sovereign Property Holdings. She graduated from Assumption College of Manila with a degree in Economics.

Mr. Ricardo P. Cuerva, 75 years old, Filipino, is a Managing Director of the Company and a member of our 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 our vertical developments.

Mr. Rafael G. Yaptinchay, 69 years old, Filipino, is a Managing Director of the Company and a member of our 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.

Amb. Jose L. Cuisia Jr., 75 years old, Filipino citizen, is the former Ambassador Extraordinary and Plenipotentiary of the Republic of the Philippines to the United States. Ambassador Cuisia is also well-respected figure in Philippine business, with over 32 years in financial services, most recently as the President & CEO of the largest and most profitable non-bank financial institution on the Philippines. He serves on the boards of many of the Philippines' most important private and listed companies, and has shared his expertise as Trustee on various academic institutions and non-government organizations espousing good governance and corporate social responsibility, including the Asian Institute of Management. Ambassador Cuisia has over 10 years of experience in public service, having served Filipinos as the Governor of the Central Bank of the Philippines and Chairman of its Monetary Board as well as President and CEO of the Philippine Social Security System in the 1980s and 1990s. At the Central Bank, Ambassador Cuisia oversaw the liberalization of foreign exchange controls, resulting in, among others, the entry of more substantial foreign direct investment that strengthened the Philippine Peso and the country's foreign exchange reserves. The Ambassador also led the efforts in establishing what is now the Bangko Sentral ng Pilipinas, allowing it to become a more effective guardian of monetary policy and ensuring the stability of the banking system. Amb. Cuisia also serves as Director to various companies namely: Investment & Capital Corporation of the Philippines, Asian Institute of Management, Phinma Corporation, SM Prime Holdings Inc., Philippine Investment Management, Inc.. He likewise serves as an Independent Director of Manila Water Company, Inc.

Mr. Stephen T. CuUnjieng, 61 years old, Filipino citizen, is a prominent investment banker, and currently serves as an Independent Director, Aboitiz Equity Ventures, Inc. He has a long and extensive experience in investment banking with several major financial institutions including HFS Capital LLC and Evercore Partners, Inc. is the Chairman of Evercore Asia Limited. He is an advisor to a number of Asia's most prominent companies like San Miguel Corporation, Samsung Electronics, Tiger Airways, among others. He finished his undergraduate and law degree from Ateneo De Manila University and later on, earned his MBA degree from the Wharton School of Business at the University of Pennsylvania.

Mr. Carlos C. Ejercito, 74 years old, Filipino, is the former Chairman of the United Coconut Planters Bank and currently the Chairman and CEO of Nortern Access Mining, Inc, Forum Cebu Coal Corporation and Kaipara Mining and Development Corporation. He graduated Cum Laude from the University of the East where he finished his Bachelor's Degree in Business Administration. He became a Certified Public Accountant in 1966. He received his Master's Degree in Business Administration at the Ateneo Graduate School of Business in 1976 and graduated from his Management Development Program in 1983 at the Harvard Business School. As of date, he serves as an Independent Director at Aboitiz Power Corporation, Bloomberry Resorts Corporation and Monte Oro Resources and Energy Corporation.

Atty. Danny E. Bunyi, 54 years old, Filipino, is the Corporate Secretary of the Company. He is likewise a Senior Partner at Divina Law Offices and a lecturer at John Gokongwei School of Management in Ateneo de Manila University, and at the Trust Institute Foundation of the Philippines. He was the Senior Vice President and Corporate Secretary of the Development Bank of the Philippines and the Chief Compliance Officer and Legal Services Group Head of Robinsons Bank. He was also the Legal Counsel for Consumer Banking of Standard Chartered Bank (Manila Office) and the Head of the Legal Advisory Division of the Philippine Commercial International Bank. He completed the Finance for Senior Executives Program in the Asian Institute of Management as well as the course on Trust Operations and Investment Management conducted by the Trust Institute Foundation of the Philippines. He obtained his law degree at the Ateneo de Manila University, with a Bachelor's degree in Business Management, major in Legal Management from the same university. Atty. Bunyi has extensive work experience in the field of banking and finance, trust banking and investment management, and corporate and special projects.

Mr. Carlos Benedict K. Rivilla IV, 48 years old, Filipino, is the 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. He joined the Company in 2007. Mr. Rivilla is a graduate of University of San Jose Recoletos. Mr. Rivilla was appointed Assistant Corporate Secretary on August 17, 2011.

Information on the Board's Election and Years of Service:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual /Special Meeting)	No. of years served as director
Jose E.B. Antonio	ED	CPI	Lean Jeff M. Magsambol - None	07/11/2011	06/28/2019	Annual	9
Jose L. Cuisia, Jr.	ID	CPI	Lean Jeff M. Magsambol - None	06/22/2015	06/28/2019 5 years	Annual	5
Stephen T. CuUnjieng	ID	CPI	Lean Jeff M. Magsambol - None	06/22/2015	06/28/2019 5 years	Annual	5
Carlos C. Ejercito	ID	CPI	Lean Jeff M. Magsambol- None	06/22/2015	06/28/2019 5 years	Annual	5
Hilda R. Antonio	NED	CPI	Lean Jeff M. Magsambol - None	06/28/2019	06/28/2019 1 year	Annual	1
John Victor R. Antonio	ED	CPI	Lean Jeff M. Magsambol - None	07/11/2011	06/28/2019	Annual	9
Jose Marco R. Antonio	ED	CPI	Lean Jeff M. Magsambol - None	07/11/2011	06/28/2019	Annual	9
Jose Roberto R. Antonio	ED	CPI	Lean Jeff M. Magsambol - None	07/11/2011	06/28/2019	Annual	9
Jose Carlo R. Antonio	ED	CPI	Lean Jeff M. Magsambol – None	07/11/2011	06/28/2019	Annual	9
Rafael G. Yaptinchay	ED	CPI	Lean Jeff M. Magsambol - None	07/11/2011	06/28/2019	Annual	9
Ricardo P. Cuerva	NED	CPI	Lean Jeff M. Magsambol - None	07/11/2011	06/28/2019	Annual	9

Voting Result of the last Annual General Meeting (June 28, 2019)

Name of Director	Votes Received
Jose E.B. Antonio	8,640,435,892 shares or 74.49%
Jose L. Cuisia, Jr	8,640,435,892 shares or 74.49%
Stephen T. CuUnjieng	8,640,776,892 shares or 74.49%
Carlos C. Ejercito	8,630,998,303 shares or 74.41%
John Victor R. Antonio	8,571,838,245 shares or 73.90%

Jose Marco R. Antonio	8,573,398,245 shares or 73.91%
Jose Roberto R. Antonio	8,571,838,245 shares or 73.90%
Jose Carlo R. Antonio	8,573,398,245 shares or 73.91%
Rafael G. Yaptinchay	8,573,398,245 shares or 73.91%
Ricardo P. Cuerva	8,573,398,245 shares or 73.91%
Hilda R. Antonio	8,573,398,245 shares or 73.91%

Directorships in Other Companies

The Chief Executive Officer and other executive directors of the Company submit themselves to a low indicative limit on membership in other corporate boards, within the limit as may be allowed by the Securities Regulations Code and relevant rules on Corporate Governance. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. An exception to this rule may be applied to memberships in the corporate boards of subsidiaries or affiliates of the Company. In any case, the capacity of directors to serve the Company with diligence shall not be compromised

A. Directorships in the Company's Group

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Jose E.B. Antonio	Century Properties Inc. (CPI, Parent Company) Century City Development Corporation (CCDC) Century City Corporation (CCC) Century Limitless Corporation (CLC) Century Properties Management Inc. (CPMI)	Executive, Chairman Executive, Chairman Executive, Chairman Executive, Chairman Executive, Chairman
John Victor R. Antonio	CPI CCDC CCC CLC CPMI	Executive Executive Executive Executive Executive
Jose Marco R. Antonio	CPI CCDC CCC CLC CPMI	Executive Executive Executive Executive Executive
Jose Roberto R. Antonio	CPI CCC CLC	Executive Executive Executive

Jose Carlo R. Antonio	CPI CLC CPMI	Executive Executive Executive
Rafael G. Yaptinchay	CPI	Executive
Ricardo P. Cuerva	CPI	Executive
Hilda R. Antonio	CPI	Executive

B. Directorships in Other Listed Companies

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Rafael G. Yaptinchay	Marc Ventures Inc.	Independent
Jose L. Cuisia, Jr	Phinma Corporation SM Prime Holdings Inc. Manila Water Company, Inc.	Independent Independent Independent
Stephen T. CuUnjieng	Aboitiz Equity Ventures, Inc.	Independent
Carlos C. Ejercito	Aboitiz Power Corporation Bloomberry Resorts Corporation	Independent Independent

BOARD MEETINGS & ATTENDANCE

Regular Board meetings are held once in every quarter. The meetings are scheduled before the beginning of the year. For the year 2019, the Regular Board Meetings were scheduled as follows:

First Quarter – March 18

Second Quarter – May 8

Third Quarter – August 14

Fourth Quarter – November 8

For this year, the Regular Board Meetings are scheduled as follows:

First Quarter – May 18 (originally scheduled on March 18 but due to the Enhanced Community Quarantine, this was moved to May 18)

Second Quarter – July 8

Third Quarter – August 8

Fourth Quarter – November 8

There are also special board meetings that are held from time to time, as the need to discuss important business matters and updates from the Company arise. These special meetings are scheduled a week ahead of the scheduled dates.

Attendance of Directors – All directors were re-elected and elected, respectively in June 2019.

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Jose Eduardo B. Antonio	June 2019	9	9	100%
Member	John Victor R. Antonio	June 2019	9	7	80%
Member	Jose Marco R. Antonio	June 2019	9	9	100%
Member	Jose Carlo R. Antonio	June 2019	9	9	100%
Member	Jose Roberto R. Antonio	June 2019	9	7	80%
Member	Ricardo P. Cuerva	June 2019	9	9	100%
Member	Rafael G. Yaptinchay	June 2019	9	9	100%
Independent	Jose L. Cuisia, Jr	June 2019	9	9	100%
Independent	Stephen T. CuUnjieng	June 2019	9	9	100%
Independent	Carlos C. Ejercito	June 2019	9	9	100%
Member	Hilda R. Antonio*	June 2019	9	3	30%

*Dir. Hilda R. Antonio was newly elected last June 28, 2019 and was able to attend meetings only from her election

BOARD COMMITTEES

Number of Members, Functions and Responsibilities

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	6	0	0	Develop a transparent business and organizational management system	Oversees the implementation of policies and corporate matters	Perform oversight management functions and decisions d for board	Management of overall system of operation for CPGI and subsidiaries
Audit	2	0	2	Develop a transparent financial management system	Check all financial reports against its compliance; monitors external audit	Performs oversight financial management functions	Pre-approve all audit plans and scope of work
Nomination Remuneration and Compensation	2	1	2	Determine personnel that can act as guides to the company's future undertakings.	Pre-screen and shortlist candidates	Define role duties and responsibilities	Decide if candidates possess the right qualifications

				Compensate competent personnel adequately for retention	Establish procedures to develop policy on executive remuneration	Provide oversight over remuneration of senior management and other key personnel	Designate amount of remuneration to attract and retain the right individuals
Risk Management	3	0	2	Safeguard the company from potentional and adherent risks	Establish procedures to safeguard management from exposed risks and prevention of potential risks	Provides oversight on risk management	To implement procedures and resolutions for addressing risks
Related Party Transactions Committee	2	0	2	Ensure that every Related Party Transaction is conducted in a manner that will protect the Company and its stakeholders from conflict of interest which may arise between the Company and its Related Parties;	Ensure that every Related Party Transaction is at arms's length, the terms are fair, and they will inure to the best interest of the Company, its stakeholders, subsidiaries and affiliates	Proper review, evaluation, approval, ratification, disclosure and implementation of transactions between the Company and any of its Related Party/ies as required in compliance with legal and regulatory requirements	Review, evaluate and approve Related Party Transaction pursuant to the Policies and in compliance with legal and regulatory requirements

Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Jose E.B. Antonio	June 28, 2019	4	4	100	1 yr
Member (ED)	John Victor R. Antonio	June 28, 2019	4	4	100	1 yr
Member (ED)	Jose Marco R. Antonio	June 28, 2019	4	4	100	1 yr
Member (ED)	Jose Roberto R. Antonio	June 28, 2019	4	4	100	1 yr
Member (ED)	Jose Carlo R. Antonio	June 28, 2019	4	4	100	1 yr
Member (ED)	Rafael G. Yaptinchay	June 28, 2019	4	4	100	1 yr

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Stephen CuUnjieng	June 28, 2019	4	4	100	1 yr
Member (ID)	Carlos C. Ejercito	June 28, 2019	4	4	100	1 yr
Member (ED)	Jose Carlo R. Antonio	June 28, 2019	4	4	100	1 yr
Member (ED)	Jose Marco R. Antonio	June 28, 2019	4	4	100	1 yr
Member (NED)	Ricardo P. Cuerva	June 28, 2019	4	4	100	1 yr

(c) Nomination, Compensation and Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Jose E.B. Antonio	June 28, 2019	4	4	100	1 yr
Member (ED)	John Marco R. Antonio	June 28, 2019	4	4	100	1 yr
Member (ID)	Jose L. Cuisia, Jr.	June 28, 2019	4	4	100	1 yr
Member (NED)	Hilda R. Antonio	June 28, 2019	4	2	50	
Member – Non Board	Ritchelle T. Cordero – HR Head	June 28, 2019	4	4	100	1 yr
Member (ID)	Carlos C. Ejercito	June 28, 2019	4	4	100	1 yr
Member – Non Board	Atty. Isabelita Ching-Sales	June 28, 2019	4	4	100	1 yr

(d) Risk Management Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Jose L. Cuisia, Jr.	June 28, 2019	4	4	100	1 yr
Member (ED)	Jose E.B. Antonio	June 28, 2019	4	4	100	1 yr
Member (ID)	Jose Carlo R. Antonio	June 28, 2019	4	4	100	1 yr
Member (ID)	Stephen T. CuUnjieng	June 28, 2019	4	4	100	1 yr
Member (ID)	Carlos C. Ejercito	June 28, 2019	4	4	100	1 yr
Member (ED)	Rafael G. Yaptinchay	June 28, 2019	4	4	100	1 yr
Member (ED)	Jose Roberto R. Antonio	June 28, 2019	4	4	100	1 yr
Member (ED)	John Victor R. Antonio	June 28, 2019	4	4	100	1 yr
Member (Non-	Atty. Domie S. Eduvane	June 28, 2019	4	4	100	1 yr

Board)						
Member (Non-Board)	Atty. Isabelita Ching-Sales	June 28, 2019	4	4	100	1 yr

(e) Related Party Transactions Committee

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Carlos C. Ejercito	June 28, 2019	1	1	100	1 yr
Member (ID)	Jose L. Cuisia, Jr.	June 28, 2019	1	1	100	1 yr
Member (ED)	Rafael G. Yaptinchay	June 28, 2019	1	1	100	1 yr
Member (ED)	Jose Marco R. Antonio	June 28, 2019	1	1	100	1 yr
Member (ED)	Jose Carlo R. Antonio	June 28, 2019	1	1	100	1 yr

EXECUTIVE OFFICERS

The Executive officers of the Company as of December 31, 2019 are as follows:

Name of Director	Position	Age
Amb. Jose E.B. Antonio*	Executive Chairman of the Board	73
John Victor R. Antonio*	Vice Chairman	47
Jose Marco R. Antonio*	Director and President & CEO	45
Jose Roberto R. Antonio*	Co-Managing Director	43
Jose Carlo R. Antonio*	Co-Managing Director	36
Rafael G. Yaptinchay*	Co-Managing Director	69
Atty. Danny E. Bunyi*	Corporate Secretary	55
Carlos Benedict K. Rivilla, IV*	Vice President for Corporate Affairs and Assistant Corporate Secretary	48
Ponciano S. Carreon	Chief Financial Officer and Investor Relations Head	46
Domie S. Eduvane	Senior Vice President for Legal and Corporate Affairs	55
Maria Theresa Fucanan – Yu	Vice President for Corporate Communications	40
Atty. Isabelita Ching Sales	Chief Information Officer and Compliance Officer	40
Ritchelle T. Cordero	Head for Human Resources and Administration	40

**Members of the Board and concurrent Executive Officers' information as disclosed on Pages 69-70 of this Report*

Mr. Ponciano S. Carreon, Jr. ,46 years old, is the Chief Financial Officer, Corporate Treasurer and Head for Investor Relations. Prior to joining CPGI, he served as Chief Finance Officer of Landco Pacific Corporation, Chief Finance Officer of Arthaland Corporation, Assistant Vice President of Controllership at SM Development Corporation and Controller of Crown Asia Properties, Inc., a Vista Land subsidiary, and as member of the Board of Directors of Club Punta Fuego Inc., Fuego Land Corporation, and Fuego Development Corporation. He also brings with him solid banking experience having served as a bank controller, audit head and examiner. He is an Ateneo-BAP Certified Treasury Professional, a cum laude graduate of BS Accountancy degree at San Beda College and a CPA board topnotcher.

Mr. Domie S. Eduvane, 55 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.

Ms. Maria Theresa Fucanan Yu, 40 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. Fucanan graduated cum laude with a Bachelor’s Degree in Journalism from the University of Santo Tomas in 2001.

Atty. lsabelita Ching-Sales, 40 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.

Mr. Ritchelle T. Cordero, 40 years old, Filipino, is the Head for Human Resources and Administration of the Company. He graduated with academic distinction from San Beda College, Manila in 2002 with the degree of Bachelors of Arts in Philosophy and Human Resources Development. Currently, he is taking the Executive MBA degree program at the Asian Institute of Management. Prior joining the Company, he was the HR Manager of Ayala Property Management Corporation, a subsidiary of Ayala Land Inc. He also worked as the HR Officer of DMCI Project Developers, Inc. He also served as the HR & Quality Management Officer of Asiatic Development Corporation.

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.

Chairman and CEO

Mr. Jose E.B. Antonio is the current Executive Chairman of the Board while Mr. Jose Marco R. Antonio is the President and Chief Executive Officer of the Company who has the moral integrity and excellent business acumen to effectively manage the Company in its corporate goals and objectives. The Board having a mix of non-executive and independent directors are separate from Management and gives the assurance of a balanced view and perspective with regards to matters pertaining to board decisions.

Roles of the Chairman and CEO:

	Chairman	Chief Executive Officer
Role	Foster long term growth	Manages company operations
Accountabilities	Policies formulation and expressed fiduciary duties towards shareholders	Initiate and develop corporate objectives and implement policies
Deliverables	Comply with principles of good governance	Meet revenue and growth targets

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.

Family, Commercial and Contractual Relations

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Jose E.B. Antonio John Victor R. Antonio Jose Marco R. Antonio Jose Roberto R. Antonio Jose Carlo R. Antonio	Family	Jose E.B. Antonio is the father of siblings Messrs. John Victor R. Antonio, Jose Marco R. Antonio, Jose Carlo R. Antonio and Jose Roberto R. Antonio. Through CPI, of which all are shareholders, they own the majority shares of CPGI.
Ricardo P. Cuerva	Shareholder of Parent Company of CPGI and direct beneficial owner of shares of CPGI. Business partner of the subsidiaries for construction under Century Properties Management and Construction Corporation	Mr. Cuerva is one of the business partners of the CPGI subsidiaries for construction under Century Properties Management and Construction Corporation

Orientation and Education Program of the Board and Executive Officers

(a) Company Board and Executive Officers directors:

Under the Company's Corporate Governance manual and best practice, all new directors and senior officers are required to take the orientation on good governance and risk management. The Board of Directors shall take note on the need to implement a policy program for new directors. The current board members, save for the three new Independent Directors, are more than 5 yearrs in office since CPGI has changed it Management from East Asia Power Resources last 2011.

(b) In-house training and external courses attended by Directors and Executive Officers for the past three (3) years:

- Corporate Governance Orientation Course for Directors and Officers – August 2011, conducted by Sycip Gorres and Velayo
- ISO Training Seminar for Systems and Data – May 2012, Neville Clark Inc.
- Strategic Planning Seminar – July 2012, In-house, Corporate Planning Group
- Risk Management Seminar – October 2012, Ateneo Graduate School of Business
- Corporate Governance Seminar for Directors and Key Officers – November 2014, Philippine Stock Exchange
- Annual Corporate Governance Training Program – November 2015, Institute of Corporate Directors
- SEC Corporate Governance Forum – August 2016, SEC
- Annual Corporate Governance Training Program – September 2017, Institute of Corporate Directors
- Annual Corporate Governance Training Program – December 19, 2018, Institute of Corporate Directors

Involvement in Certain Legal Proceedings

The Company is not aware of any of the following events having occurred during the past five years up to the date of this Preliminary Prospectus that are material to an evaluation of the ability or integrity of any director, nominee for election as Director, executive officer, underwriter or controlling person of the Company:

(a) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

(c) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

(d) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

ITEM 10. 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 executive officers and senior management follows:

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Aggregate executive compensation for CEO and Top 5 Most Highly Compensated Officers/ Directors	Actual 2019	89,054,119.84	17,673,652.80	0
	Actual 2018	75,669,989.94	10,602,391.55	0
	Actual 2017	68,404,140.35	5,248,129.54	0
Aggregate executive compensation all other officers unnamed	Actual 2019	50,659,101.57	3,347,283.28	0
	Actual 2018	77,307,224.87	8,993,187.67	0
	Actual 2017	69,522,249.06	4,103,388.97	0

The Company does not have any standard arrangement or other arrangements with its executive directors and, as previously mentioned, the executive directors of the Company do not receive any compensation for acting in such capacity, except for the independent directors who receives a monthly fee of One Hundred Thousand Pesos (₱100,000) for board meetings, special meetings and board committee meetings. With regard to 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.

- **Company's policy on remuneration and the structure of its compensation package**

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Fixed annual payment	Basic Pay, performance bonus depending on profitability	Based on Industry standard, as determined by the Board of Directors (without the the presence of the concerned Officer/Executive Director) and recommended by the Nomination and Compensation Committee
Non-Executive Directors	Per diem for Independent Directors	Per diem of Php100,000.00 for Independent Directors for each board and committee meeting	Based on Industry standard, as determined by the Executive Directors and recommended by the Nomination and Compensation Committee

ITEM 11. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

11.1 Security Ownership of Certain Record and Beneficial Owners

As of December 31 2019, the Company knows of no one who owns in excess of 5% of the Company's common stock other than those set forth in the table below.

Title of Class	Name and Address of Record Owner and relationship with Issuer	Name of Beneficial Owner and relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Century Properties Inc. (21st Floor, Pacific Star Building, Sen Gil Puyat corner Makati Avenue Makati City)	-CPI- Carlos Benedict K. Rivilla, IV Duly authorized representative	Filipino	7,106,969,469	61.27%

11. 2 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 December 31, 2019, are set forth in the table below.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Class
Common	Jose E.B. Antonio	79,530,001	Filipino	0.685
Common	John Victor R. Antonio	1 Direct	Filipino	0.00
Common	Jose Marco R. Antonio	1 Direct	Filipino	0.00
Common	Jose Roberto R. Antonio	1 Direct	Filipino	0.00
Common	Jose Carlo R. Antonio	1 Direct	Filipino	0.00
Common	Rafael G. Yaptinchay	1 Direct	Filipino	0.00
Common	Ricardo P. Cuerva	214,995,169	Filipino	1.85
Common	Hilda R. Antonio	1 Direct	Filipino	0.00
Common	Jose L. Cuisia, Jr	1 Direct	Filipino	0.00
Common	Stephen T. CuUnjieng	1 Direct	Filipino	0.00
Common	Carlos C. Ejrecito	1 Direct	Filipino	0.00
-	Domie S. Eduvane	-	Filipino	-

-	Atty. Danny E. Bunyi	-	Filipino	-
-	Carlos Benedict K. Rivilla, IV	-	Filipino	-
-	Maria Theresa Fucanan ucu	-	Filipino	-
-	Isabelita Ching Sales	-	Filipino	-
-	Ritchelle T. Cordero	-	Filipino	-
Common	Aggregate Amount of Ownership of all Directors and Officers as a Group	294,525,179		2.53%

11.3 Voting Trust Holders of 5% or More

As of December 31, 2019, the Company does not know of any person who holds more than 5% of its common shares of stock under a voting trust or similar agreement.

11.4 Changes in Control

As of the date of this Preliminary Prospectus, there are no arrangements which may result in a change in control of the Company.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Other than the above and those disclosed in this annual report and in the consolidated financial statements, there are no other transaction entered into by the Company on one hand, with any of its directors, officers or stockholders on the other.

A complete description and the balances of the related party transactions are outlined in notes of the accompanying consolidated financial statements.

PART IV. 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 2019, the Company's submitted to the SEC the Integrated Annual Corporate Governance Report (I-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 pursuant to respective SEC Memorandums.

PART V. EXHIBITS AND SCHEDULES

ITEM 14.EXHIBITS AND REPORTS ON SEC FORM 17-C

Exhibits

EXHIBIT
Statement of Management's Responsibility
Consolidated Financial Statements
Supplementary Schedules

REPORTS ON SEC FORM 17-C FOR PERIOD FY 2019

January 30, 2019	Results of the Special Board Meeting held last January 29, 2019 and January 30, 2019
	The following resolutions were passed:
	January 29, 2019: 1. Resolution on the approval for CPGI's application of public offering of unsecured fixed-rate peso denominated retail bonds in the aggregate amount of up to Php3,000,000,000.00; 2. Resolution on the authority of the Company to issue Peso denominated retail bonds and the filing with the Securities and Exchange Commission of a registration statement and prospectus for the retail bonds under the provisions of the Securities Regulations Code; January 30, 2019: 3. Resolution on the ratification of the disclosures contained in the Registration Statement and Prospectus
March 18, 2019	Results of the Board Meeting held last March 18, 2019
	The following resolutions were passed:
	I. APPROVAL OF THE COMPANY'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDING DECEMBER 31, 2018 The Chairman informed the Board that there is a need to approve the Annual Financial Report of the Company for the year ended 31 December 2018. Upon motion made and duly seconded, the following resolution was unanimously approved and adopted by the Board: "RESOLVED, That the Board of Directors of Century Properties Group Inc. (the "Corporation") be authorized, as it is hereby authorized to approve the Annual Financial Report of the Company for the year ended 31 December 2018 and the release of the same." II. PRESENTATION OF KEY BUSINESS UPDATES The Executive Committee presented the Company's Key Business Updates which the Board duly noted.
March 19, 2019	Official Press release entitled: Century Properties Group net income jumps 72% to P1.1B on portfolio expansion to affordable housing, commercial leasing Capex set at P8-10 billion for 2019
March 28, 2019	Official Press release entitled: Century Properties Group prices 3-year bonds
May 3, 2019	Official Press release entitled: Century Properties Group Completes 3-Year Bond Issuance
May 3, 2019	Official Press release entitled: PHIRST PARK HOMES REPORTS STRONG PRE-SALES Century Properties Group's affordable housing brand pre-sells more than 3,000 homes for Php 4.4 billion across 3 projects since launch
June 27, 2019	Results of the Special meeting of the Board of Directors
	The following were unanimously approved:
	"RESOLVED, That the Board of Directors of Century Properties Group Inc. (the "Corporation") be authorized, as it is hereby authorized to appoint Mr. JOSE MARCO R. ANTONIO as the Company's President and CEO and AMB. JOSE E.B. ANTONIO shall remain as the Company's Executive Chairman, to serve as such until their successor shall have been duly appointed and qualified."
June 28, 2019	Results of the Organizational Meeting held last June 28, 2019
	The following resolutions were passed:

	A. The Corporate Secretary certified to the election of the following Directors of the Corporation at the recently concluded Annual Stockholders' Meeting: 1. Jose E.B. Antonio 2. John Victor R. Antonio 3. Jose Marco R. Antonio 4. Jose Roberto R. Antonio 5. Jose Carlo R. Antonio 6. Ricardo P Cuerva 7. Rafael G. Yaptinchay 8. Hilda R. Antonio* 9. Jose L. Cuisia Jr – Independent Director 10. Stephen T. CuUnjieng – Independent Director 11. Carlos C. Ejercito – Independent Director *The Appointment of Mrs. Hilda R. Antonio shall be confirmed upon approval by the SEC of the Amendment of Article V of the Company's Amended Articles of Incorporation. B. The Re-organization of Senior Officers were discussed and upon nominations duly made and seconded, the following persons were unanimously confirmed to the positions set forth after their respective names: Name/ Position Jose E.B. Antonio Executive Chairman John Victor R. Antonio Vice Chairman Jose Marco R. Antonio President & CEO Jose Roberto R. Antonio Managing Director Jose Carlo R. Antonio Managing Director
	Rafael G. Yaptinchay Managing Director Atty. Danny E. Bunyi Corporate Secretary Carlos Benedict K. Rivilla, IV Assistant Corporate Secretary / Corporate Affairs Atty. Isabelita Ching Sales Chief Information and Chief Compliance Officer Ponciano S. Carreon Chief Financial Officer/Corporate Treasurer/ Investor Relations Officer Domie S. Eduvane Head for Legal Services and Corporate Affairs Ritchelle T. Cordero Head for Human Resources and Administration Maria Theresa Fucanan –Yu Head for Corporate Communications
	C. Election of members of the Compensation and Remuneration Committee, the Audit Committee, and the Nomination Committee as follows: Nomination and Compensation Committee: Jose E.B. Antonio – Chairman of the Committee Carlos C. Ejercito – Member (Ind. Director) Jose L. Cuisia - Member (Ind. Director) Jose Marco R. Antonio – Member Mrs. Hilda R. Antonio – Member (Non-executive Director) Atty. Isabelita Ching-Sales – Member Ritchelle T. Cordero – Member Audit Committee: Stephen CuUnjieng– Chairman of the Committee (Ind.Director) Carlos C. Ejercito - Member (Ind. Director) Jose Carlo R. Antonio – Member Jose Marco R. Antonio - Member Ricardo P. Cuerva- Member (Non-executive Director) Executive Committee Jose E.B. Antonio – Chairman of the Committee John Victor R. Antonio – Member Jose Marco R. Antonio – Member Jose Roberto R. Antonio – Member Jose Carlo R. Antonio – Member Risk Management Committee Jose L. Cuisia - Chairman of the Committee (Ind. Director)

	Jose E.B. Antonio – Member Stephen CuUnjieng – Member (Ind. Director) Carlos C. Ejercito - Member (Ind. Director) Jose Carlo R. Antonio – Member Jose Roberto R. Antonio – Member John Victor R. Antonio - Member Rafael G. Yaptinchay – Member Atty. Domie S. Eduvane - Member Atty. Isabelita Ching-Sales – Member Related Party Transactions Committee: Carlos C. Ejercito - Chairman of the Committee (Ind. Director) Jose L. Cuisia - Member (Ind. Director) Rafael G. Yaptinchay - Member Jose Marco R. Antonio – Member Jose Carlo R. Antonio – Member Atty. Domie S. Eduvane - Member Atty. Isabelita Ching-Sales – Member
June 28, 2019	Official Press release entitled: Century Properties Group announces new President and CEO
June 28, 2019	Official Press release entitled: Century Properties Group bulks up recurring income portfolio; to launch new Urban Village projects in the next 12 months Allots Php30B capex until 2021
June 28, 2019	Results of theAnnual Stockholder's Meeting held last June 28, 2019
	The following were unanimously approved:
	PRESENT: Number of Shares Percentage Total Shares Present (in person or by Proxy) 8,678,808,177 74.82% Total OutstandingShares (Treasury shares) 11,599,600,690 (100,123,000) As of Record Date: May 22, 2019 I. CALL TO ORDER The Corporation's Chairman, Mr. Jose E.B. Antonio, called the meeting to order. The Corporate Secretary Atty. Danny E. Bunyi, , recorded the minutes of the proceedings. II. CERTIFICATION OF NOTICE AND QUORUM The Corporate Secretary certified that notices of this annual stockholders' meeting, together with the agenda thereof and the Definitive Information Statement, were duly sent to all the stockholders of the Corporation of record date as of May 22, 2019, and that a quorum existed for the transaction of such business as may properly come before the meeting, there being present (in person or by proxy) the stockholders representing 8,678,808,177 shares of the Corporation, constituting approximately 74.82% of the Corporation's total outstanding capital stock. III. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS HELD ON JUNE 14, 2018 Upon motion duly made and seconded, the reading of the minutes of the special meeting of the stockholders of the Corporation held on 14 JUNE 2018 was dispensed with and the said minutes were approved as presented.
	IV. REPORT OF THE PRESIDENT TO THE STOCKHOLDERS, MANAGEMENT REPORT AND PRESENTATION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2018 The Chairman presented his report to the stockholders of the Corporation for the year 2018, the results of operations, management report inclusive of the presentation of the 2018 Audited Financial Statements. After discussions between the stockholders present and the panel of directors and officers of the Corporation, the board duly noted clarifications and questions raised by each stockholder. Then upon motion duly made and seconded, the report of the Chairman was noted and the Audited Financial Statements of the Corporation for fiscal year 2018 was approved. V. CONFIRMATION AND RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND OFFICERS OF THE CORPORATION The Chairman notified the stockholders of the need to ratify specific acts and proceedings of the Board of Directors and its Corporate Officers relative to business operations of the Corporation. Upon motion duly made and seconded, each and every legal act, proceeding, contract or deed performed, entered into or executed by the Corporation's Board of Directors and Officers since June 14, 2018, as appearing in the minutes of the meetings of the Board of Directors and other records of the Corporation have been approved, confirmed and ratified as if such acts were entered into or executed with the specific and special authorization of the stockholders in a meeting duly convoked and held.

	VI. ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS The Chairman advised the stockholders of the need to elect members of the Corporation's Board of Directors for the ensuing year and until their successors shall have been elected and qualified. Upon motion duly made and seconded, the following persons were elected as Directors: 1. Jose E.B. Antonio 2. John Victor R. Antonio 3. Jose Marco R. Antonio 4. Jose Roberto R. Antonio 5. Jose Carlo R. Antonio 6. Ricardo P Cuerva 7. Rafael G. Yaptinchay 8. Hilda R. Antonio* 9. Jose L. Cuisia Jr – Independent Director 10. Stephen T. CuUnjieng – Independent Director 11. Carlos C. Ejercito – Independent Director *The Appointment of Mrs. Hilda R. Antonio shall be confirmed upon approval by the SEC of the Amendment of Article V of the Company's Amended Articles of Incorporation. VII. APPOINTMENT OF EXTERNAL AUDITORS The Chairman informed the stockholders of the need to appoint an external auditor of the Corporation. The Chairman said that the auditing firm of SGV and Company was recommended by the Audit Committee and endorsed by the Board of Directors of the Corporation. Upon motion duly made and seconded, the following resolution was unanimously approved by the stockholders: "RESOLVED, that the Corporation appoints SGV and Company as its external auditor for the ensuing year and to serve as such until its successor shall have been appointed and qualified."
	VIII. AMENDMENT OF ARTICLE V OF THE ARTICLES OF INCORPORATION The Chairman discussed to the stockholders that the ratification for approval of shareholders is being secured amend Article V under the Amended Articles of Incorporation to read as follows: Articles of Incorporation FIFTH: That the number of the directors of said corporation shall be eleven (11) (As amended by the Board of Directors on May 19, 2015 and approved by the Majority Stockholders of CPGI on June 22, 2015 and further amended by the Board of Directors on May 8, 2019, approved by the Majority Stockholders of CPGI on June 28, 2019) Upon motions duly seconded, the following resolutions as resolved by the Board of Directors during its May 8, 2019 Board Meeting was approved and ratified by the Stockholders present in person or by proxy owning at least two thirds (2/3) of the outstanding capital stock of the Corporation: "RESOLVED that the Board of Directors of Century Properties Group Inc. hereby approves the amendments of Article V under the Amended Articles of Incorporation to read as follows: FIFTH: That the number of the directors of said corporation shall be eleven (11) (As amended by the Board of Directors on May 19, 2015 and approval by the Majority Stockholders of CPGI on June 22, 2015 and further amended by the Board of Directors on May 8, 2019, approved by the Majority Stockholders of CPGI on June 28, 2019)" IX. ADJOURNMENT There being no other matter to discuss and business to transact, the meeting was adjourned at 11:30a.m. The Company fully undertakes that it shall furnish the Honorable Exchange all material documentation and filings for the aforementioned resolutions.
August 9, 2019	Results of the Special Board Meeting held last August 9, 2019 The following resolutions were passed: I. APPROVAL OF THE COMPANY'S FINANCIAL REPORT FOR SECOND QUARTER ENDING JUNE 30, 2019 The Chairman informed the Board that there is a need to approve the Second Quarter Financial Report of the Company. Upon motion made and duly seconded, the following resolution was unanimously approved and adopted by the Board: "RESOLVED, That the Board of Directors of Century Properties Group Inc. (the "Corporation") be authorized, as it is hereby authorized to approve the Second Quarter Financial Report of the Company." II. PRESENTATION OF KEY BUSINESS UPDATES The Executive Committee presented the Company's Key Business Updates which the Board duly noted.

August 13, 2019	Official Press release entitled: Century Properties Group's net income up 55% to Php760M in 1H 2019 Affordable housing, leasing projects increasing CPG's revenue
August 30, 2019	Results of the Special Board Meeting held last August 30, 2019 The following resolutions were passed: 1. Amendment of the Stockholder's Resolution dated June 29, 2017, specifically: (a) Change in the par value of the proposed reclassified 3,000,000,000 Preferred Shares from Php1.00 to Php0.53 per share and (b) No Increase in the Authorized Capital Stock of the Corporation, together with the consequent amendment of Articlle Six of the Amended Articles of Incorporation of the Corporation. 2. Conduct a Solicitation for Stockholder's wtitten assent on the above resolution with a record date of Septemebr 13, 2019.
September 24, 2019	Results of the Special Board Meeting held last September 24, 2019 The following resolutions were passed: 1. Resolution on the approval for CPGI's application for the Primary Offer of 10,000,000 Preferred A Shares, with an oversubscription option of up to 10,000,000 Preferred A at an Offer Price of ₱100.00 per Preferred Share to be listed and traded on the Main Board of The Philippine Stock Exchange, Inc, subject to the Securities and Exchange Commission's approval of the Company's Amended Articles of Incorporation relative to the reclassification of 3,000,000,000 Common shares to Preferred Shares; 2. Resolution on the authority of the Company to issue 10,000,000 Preferred A with an oversubscription option of up to 10,000,000 Preferred A at an Offer Price of ₱100.00 per Preferred Share and the filing with the Securities and Exchange Commission of a registration statement and prospectus thereof under the provisions of the Securities Regulations Code, subject to the Securities and Exchange Commission's approval of the Company's Amended Articles of Incorporation relative to the reclassification of 3,000,000,000 Common shares to Preferred Shares ; 3. Resolution on the ratification of the disclosures contained in the Registration Statement and Prospectus to be filed by the Corporation with the Securities and Exchange Commission ("SEC"); and 4. Resolution further authorizing the Company to implement all necessary corporate and other actions to proceed with the offering and issuance of the Preferred A Shares, subject to the Securities and Exchange Commission's approval of the Company's Amended Articles of Incorporation relative to the reclassification of 3,000,000,000 Common shares to Preferred Shares.
October 4, 2019	Results of the Special Board Meeting held last October 4, 2019 The following resolutions were passed: 1. Resolution on the approval for the Increase in CPGI's application for the Primary Offer of Preferred A Shares from 10,000,000 to 20,000,000, with an oversubscription option of up to 10,000,000 Preferred A shares at an Offer Price of ₱100.00 per Preferred Share to be listed and traded on the Main Board of The Philippine Stock Exchange, Inc. 2. Resolution on the authority of the Company to issue 20,000,000 Preferred A with an oversubscription option of up to 10,000,000 Preferred A at an Offer Price of ₱100.00 per Preferred Share and the filing with the Securities and Exchange Commission of a registration statement and prospectus thereof under the provisions of the Securities Regulations Code. 3. Resolution on the ratification of the disclosures contained in the Registration Statement and Prospectus reflecting the increased application to be filed by the Corporation with the Securities and Exchange Commission ("SEC"); and 4. Resolution further authorizing the Company to implement all necessary corporate and other actions to proceed with the offering and issuance of the Preferred A Shares, subject to the Securities and Exchange Commission's approval of the Company's Amended Articles of Incorporation relative to the reclassification of 3,000,000,000 Common shares to Preferred Shares.

November 8, 2019	Results of the Board Meeting held last November 8, 2019 The following resolutions were passed: I. APPROVAL OF THE COMPANY'S FINANCIAL REPORT FOR THIRD QUARTER ENDING SEPTEMBER 30, 2019 The Chairman informed the Board that there is a need to approve the Third Quarter Financial Report of the Company. Upon motion made and duly seconded, the following resolution was unanimously approved and adopted by the Board: "RESOLVED, That the Board of Directors of Century Properties Group Inc. (the "Corporation") be authorized, as it is hereby authorized to approve the Third Quarter Financial Report of the Company." II. PRESENTATION OF KEY BUSINESS UPDATES The Executive Committee presented the Company's Key Business Updates which the Board duly noted.
November 28, 2019	Results of the Special Board Meeting held last November 28, 2019 The following resolutions were approved: 1. The appointment of Divina Law as Century Communities Corporation's ("CCC"), a CPGI subsidiary, legal counsel for the expropriation case filed by the Department of Transportation (DOTr) and the writs of possession issued by the Quezon City Regional Trial Courts on a portion of the CCC's property in Barangay Greater Lagro, Quezon City for the construction of the Metro Rail Transit 7 depot; 2. The filing of all the necessary court pleadings to exercise CCC's rights on the property and uphold the rights of its stakeholders and shareholders; 3. Authorizing its Senior Vice President for Legal Affairs, Atty. Domie Eduvane, as the Company's lead representative in the court proceedings as facilitated by Divina Law; 4. The issuance of a rejoinder to the Philippine Daily Inquirer to clarify that (a) the ownership of the properties remain with CCC until the government has fully undertaken the necessary procedures for expropriation; (b) the amount consigned by the DOTr to the courts was way below what is required by law; (c) CCC did not offer to sell the property to DOTr and had rejected DOTr's offer of Php 3,600 per square meter as this is grossly inadequate compared to the actual market value of the properties.
December 16, 2019	Official Press release entitled: Century Properties Group gets PSE nod for preferred shares offering Proceeds to fund CPG's expansion to commercial leasing

SIGNATURES

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

CENTURY PROPERTIES GROUP INC.

By:

JOSE E.B. ANTONIO
Chairman

JOSE MARCO R. ANTONIO
President and CEO

PONCIANO S. CARREON, JR.
Chief Finance Officer

CARLOS BENEDICT K. RIVILLA, IV
Assistant Corporate Secretary

MAY 18 2020

MAKATI CITY

SUBSCRIBED AND SWORN to before me this _____ day of _________ 20__ affiants exhibiting to me his/their Residence Certificates, as follows:

Doc. No. ___2___;
Page No. ___02___;
Book No. ___26___;
Series of ___2020___.

RUBEN T.M. RAMIREZ
Notary Public for Makati City
Until December 31,2021
2086 E. Pascua St., Makati City
IBP O.R No. 097071/ December 10,2019
Roll No. 28947/ MCLE No. VI-0020246
PTR No. MKT 8117044/1-02-2020
Appointment No. M-158

ANNEX "A"

2019 Sustainability Report Annex

Contents

Annex A:

1. Contextual Information

Company Details	
Name of Organization	Century Properties Group, Incorporated
Location of Headquarters	21st Floor, The Pacific Star Building, Senator Gil Puyat Avenue corner Makati Avenue, Makati City, 1200
Location of Operations	Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	This sustainability report covers the sustainability performance and data from Century Properties Group, Inc. and the following subsidiaries and affiliates: (a) PHirst Park Homes, Inc. (b) Century Properties Management, Inc. (CPMI) While the Company is also engaged in the in-city vertical developments business, it is still in the process of gathering data for such subsidiaries, namely Century Limitless Corporation, Century City Development Corporation, and Century Communities Corporation. In this report, it will include the available data so far gathered for in-city vertical, but will endeavor to include a more comprehensive data of these companies in its 2020 Sustainability Report.
Business Model, including Primary Activities, Brands, Products, and Services	Century Properties Group adopts a Business-to-Consumer model as a real estate company involved in real estate development, marketing, and property management services. As a company it started operations in 1986 and was listed on the Philippine Stock Exchange under the ticker CPG:PM in 2012. More recently, through a business expansion program into allied sectors of real estate, CPG has diversified from being primarily engaged in in-city

	vertical residential developments (under its subsidiaries Century City Development Corporation and Century Limitless Corporation) to horizontal affordable housing (through PHirst Park Homes, Inc.) in key growth cities outside Metro Manila and the commercial leasing of retail and office spaces. As of December 31, 2019, the Company has completed 28 projects, which include the following: 25 residential buildings, consisting of 14,362 units with a total gross floor area (GFA) of 1,147,194 sq.m. (with parking); a retail commercial building with 52,233 sq.m. of GFA (with parking); a medical office building with 74,103 sq.m. of GFA (with parking); an office building with 56,284 sq.m. of GFA (with parking). In addition, the Company has completed a total of 866 homes under its affordable housing segment, PHirst Park Homes. These completions are in addition to the 19 buildings totaling 4,128 units and 548,262 sq.m. of GFA that were completed prior to 2010 by the founding principals' prior development companies, the Meridien Group of Companies ("Meridien"). Noteworthy developments under Meridien are the Essensa East Forbes and South of Market in Fort Bonifacio, SOHO Central in the Greenfield District of Mandaluyong City, Pacific Place in Ortigas, Le Triomphe, Le Domaine and Le Metropole in Makati City. The Company, through subsidiary 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 the properties it manages maintain and improve their

	asset value, and are safe and secure. CPMI manages 50 projects as of December 31, 2019 with 2.44 million sq.m of GFA (with parking) under management. Of the total, 74% of the projects CPMI manages were developed by third-parties. Notable third-party developed projects under management include the One Corporate Center in Ortigas, BPI Buendia Center and Pacific Star Building in Makati City and Philippine National Bank Financial Center in Pasay City.
Reporting Period	January 1 to December 31, 2019
Highest Ranking Person responsible for this report	Ponciano S. Carreon, Jr. Chief Finance Officer

2. Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
This report covers a baseline of Century Properties Group's sustainability performance based on the available data that the Company has so far gathered, as well as the corresponding surveys and/or focus group discussions it aims to undertake with its identified list of stakeholders (Table 1) to validate the material topics it needs to report on. The surveys/FGDs were postponed due to the disruptions caused by the Taal Volcano eruption and the Enhanced Community Quarantine in Luzon that was brought about by the COVID-19 pandemic. To complete the data needed for this report, the Company will conduct stakeholder consultations with an expert of recognized credentials to reflect the organization's economic, environmental, and social impacts, or influencing the decisions of stakeholders, following the standards of the Global Reporting Initiative (GRI). Tables 1 and 2 show the target stakeholders and impacts that the Company will seek to validate as part of its material topics after the focus group discussions/consultations. Table 1: List of Stakeholder Groups Identified for Consultation:

	In-City Vertical Business (Condominiums)	Horizontal Affordable Housing Business	Commercial Leasing Business	Property Management Business
Customers 1. Unit Owners 2. Tenants	✔	✔	 ✔	✔ ✔

3. Clients	✔	✔	✔	✔
Company				
1. Employees	✔	✔	✔	✔
2. Management	✔	✔	✔	✔
3. Principals	✔	✔		✔
Community				
1. Communities	✔	✔	✔	✔
2. Condominium Corporations	✔	✔		✔
3. NGOs/Sector partners	✔	✔	✔	
Government				
1. Local Government Units	✔	✔	✔	✔
2. Regulatory agencies	✔	✔	✔	✔
Business Partners				
1. Contractors	✔	✔		✔
2. Agents and Brokers	✔	✔		
3. Suppliers	✔	✔	✔	✔
4. Third-party Service Providers	✔	✔	✔	✔
Shareholders				
Investors	✔	✔	✔	

Table 2: List of Expected Material Topics

Economic	Environmental	Social
GRI 201: Economic Performance GRI 203: Indirect Economic Impacts GRI 204: Procurement Practices	GRI 303: Water GRI 305: Emissions GRI 306: Effluents and Waste GRI 307: Environmental Compliance	GRI 401: Employment GRI 403: Occupational Health & Safety GRI 404: Training and Education GRI 416: Customer Health and Safety GRI 418: Customer Privacy GRI 419: Socioeconomic Compliance

Table 3: Materiality Matrix

The materiality matrix will be generated after the Company has completed its stakeholder consultations in the year 2020, and will incorporate this in its 2020 Sustainability Report.

3. Economic Data

Century Properties commits to deliver shareholder value as it continues to grow the business with its expansion into allied real estate segments of affordable housing and commercial leasing. From being primarily focused on in-city vertical developments, it endeavors to achieve well-balanced contributions from each of the three segments to grow its net income while further improving on its operational efficiencies, exercising business prudence, and maintaining a healthy balance sheet.

As we strive to improve the quality of life of its customers through its products and services, provide employment and business to dozens of other industries, and deliver affordable housing to key growth areas of the country outside of Metro Manila and help address the country's housing backlog, the Company actively contributes to nation-building and the social development of its partner communities.

We value our employees as a vital resource and lifeblood of the organization, and make sure they are taken good care of, their performance is monitored, and training and assistance are provided to promote their growth and development in the company.

3.1 Economic Performance

3.1.1 Direct Economic Value Generated and Distributed (GRI 201-1)

Century Properties Group, Inc. registered an increase in consolidated revenues by 34% to P14.32 billion from P10.70 billion in 2018. The increase in revenue was driven by the completion of more than 1,300 condominium units and 866 affordable house and lot units in PHirst Park Homes Tanza (Cavite) and Lipa (Batangas), as well as the company's commercial leasing properties, including its Asian Century Center office building in Bonifacio Global City and Century City Mall in Makati.

Of its revenues, 90.5% (Php 13,481 million) was distributed among the following: operating costs, employee wages and benefits, dividends given to stockholders and interest payments to loan providers, and taxes given to the government.

CPGI Consolidated Disclosure 2019	Amount (in Php mil)
Direct economic value generated (revenue)	PhP14,888
Direct economic value distributed:	
Operating costs	PhP10,336
Employee wages and benefits	PhP734
Dividends given to stockholders and interest payments to loan providers	Php1,845
Payments to government	PhP565

3.1.2: Financial implications and other risks and opportunities due to climate change (GRI 201-2)

The Company considers natural or other catastrophes, including severe weather conditions, as risks that may result in financial implications because such natural disasters can 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.

From 2015 to 2018, there were nine (9) large known earthquakes in the Philippines, with magnitudes ranging from 5.5 to 7.1. Batangas experienced an earthquake swarm in April 2017, hitting the province thrice with a twin earthquake, followed by several aftershocks. The nine (9) large known earthquakes triggered landslide and tsunami warnings, left damages on buildings and houses, killed fourteen (14) people and three hundred twenty seven (327) injured. Recently, on April 22, 2019, a magnitude 6.1 earthquake struck parts of Luzon, including Metro Manila.

Approximately twenty (20) tropical cyclones enter the Philippine Area of Responsibility yearly, an area which incorporates parts of the Pacific Ocean, West Philippines Sea and the Philippine Archipelago (with the exception of Tawi-Tawi province). Among these cyclones, ten (10) will be typhoons, with five (5) having the potential to be destructive ones. The Philippines is "the most exposed country in the world to tropical storms" according to a Time Magazine report.

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 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, operations, financial condition and results.

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.

In addition, 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 incurs liabilities for any project costs or other financial obligations related to the business. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

To mitigate these risks, the Company requires its contractors to maintain contractors' all-risk insurance for the duration of the development of its projects. The Company requires its contractors to provide a warranty on their respective works.

Furthermore, the Company follows a set of specific standards for site selection and conducts soil testing and other procedures that will inform its planners on the best design and construction approaches needed by each project site. Management policy requires all project designs to strictly adhere to the latest building codes and government regulations, and where appropriate, go above and beyond by consulting with local and international experts to meet standards in disaster resilience.

3.1.3: Defined benefit plan obligations and other retirement plans (GRI 201-3)

The Company and its subsidiaries have non-contributory defined benefit plans. Each company has various retirement benefits based on the merit of the employees' years in service and acceptable tenure that earn Retirement Credits, or the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641), whichever is higher. The retirement benefits are paid upon retirement or separation in accordance with the terms of the plan, and upon the completion of employment clearance requirements.

3.2. Indirect Economic Impacts (GRI 203)

Century Properties Group, through its subsidiaries, has provided local employment in the communities where the Company has presence, from the laborers, workers and site personnel to operations and property management staff in the cities of Makati, Paranaque, Mandaluyong, Taguig, Quezon City, and the provinces of Pampanga, Cavite, Bulacan, Laguna and Batangas. Construction works and the rise of our new communities give life to new commercial activity, employment, and new business opportunities for these localities, allowing us to physically transform the area while uplifting the lives of the people in the community.

The company, through its in-city vertical projects, has transformed brownfields into beautiful communities and increased the property values in their localities. Its multi-storey development Acqua Private Residences, once the site of an old sugar refinery, is now a 2.4-hectare rainforest-infused masterplanned development in Barangay Hulo, Mandaluyong City fronting the regenerating Pasig River.

What used to be a car manufacturing plant is now the 6-hectare of Azure Urban Resort Residences, a 5,000 unit residential resort complex in Paranaque City. The 4.4-hectare lot where the eight-tower Residences at Commonwealth now stands was formerly an underutilized transport terminal, while the 3.4-hectare Century City in Makati - now an integrated vertical village of eight skyscrapers - used to be a portion of the old International School Manila. The mixed-use Century City, which comprises branded residential towers, an outpatient medical building, a lifestyle mall, and office spaces, enhanced the land values, jumpstarted commercial activity, and accelerated the transformation of Barangay Poblacion in Makati into a busy social and cultural destination.

The Company's investments in ensuring its project sites are flood-free also contribute to better drain systems in the immediate environs of its partner communities. The training and experience it provides to employees and workers employed from localities for its projects promote knowledge transfer and skills enhancement.

Ongoing developments such as the Residences at Azure North in San Fernando, Pampanga and Batulao Artscapes in Nasugbu, Batangas, as well as PHirst Park Homes' five project sites in Tanza, Cavite; Lipa, Batangas; San Pablo and Calamba in Laguna; and Pandi, Bulacan are generating employment in their respective local communities and expected to stimulate further commercial activity once completed.

Century Properties Management, Inc. for its part operates within key cities in Metro Manila and Metro Cebu, where it has contributed its quality management processes and shared industry best practices in the service/ administration and operation of private residential and commercial properties belonging to socially and economically functioning larger communities.

3.2.1 Infrastructure Investments and Services Supported (GRI 203-1)

With traffic congestion and the availability of efficient mass transportation a common problem among commuters these days, CPGI has started collaborating with P2P of Point-to-Point bus companies to make its properties a regular pick-up and drop-off transport hub. The RRCG buses from Alabang to Makati / Makati to Alabang have daily schedules to Century City Mall, as are UBE buses from NAIA 1 to 3 Terminals to Makati/ Makati to NAIA Terminals.

The Century City Mall P2P stop in Poblacion, Makati is highly accessible and ideal for those who are coming from the south and traveling further within Metro Manila. It is a short walk from the Makati CBD, a jeepney ride away from Manila and EDSA Guadalupe, and is a bridge away from Mandaluyong.

The P2P also benefits the estimated 2,500 residents of Century City – home to the Gramercy Residences, the Knightsbridge Residences, the Milano Residences, and Trump Tower Philippines, the four-storey Century City Mall, the 28-floor outpatient Centuria Medical Makati, and office buildings Century Diamond Tower and Century Spire.

CPGI seeks to replicate such transport connectivity and pedestrian mobility programs into its other communities in Quezon City, Paranaque City, and Mandaluyong City.

3.2.2. Significant indirect economic impacts

Because the affordable housing market continues to be underserved, its backlog has reached 6.6 million homes especially in the CALABARZON region, where most overseas Filipino worker (OFW) families are based. This prompted CPGI in 2017 to enter the first homebuyer horizontal affordable housing market, which is defined as units between Php1 million to Php3 million per housing unit. The income per household for this market is around Php40,000 to Php80,000 per month.

PHirst Park Homes, under the company PHirst Park Homes, Inc. (PPHI), is a premium brand within the affordable housing category that celebrates the very important milestone of first-time home ownership. The brand name is a play on the words first and PH, which represent hardworking Filipino end users who deserve only high quality first homes. PH also stands for the Park Homes concept, which integrates greenery and life-enhancing amenities into the masterplan to create a truly lovable and lovable community for first homebuyers.

CPGI's first home venture is a partnership with the global business enterprise, Mitsubishi Corporation. It seeks to expand its footprint with 15 masterplanned communities in Calabarzon and Central Luzon with approximately 33,000 homes.

Three years since its launch, PHirst Park Homes has launched six (6) communities in Tanza, Cavite; Lipa and Nasugbu, Batangas; San Pablo and Calamba, Laguna; and Pandi, Bulacan totaling 104 hectares and 9,820 units.
As one of the fastest growing and recognized affordable housing brands in the market, PPHI projects have become symbols of economic progress in their locations, a benchmark for modern housing development in their local communities, and an aspiration and inspiration among locals for home ownership.

PPHI has also engaged the communities where it is present and provided variable income sources to 1,273 community members who are now PHirst brand agents: 399 in PHirst Park Homes Tanza, 211 in PHirst Park Homes Lipa, 205 in PHirst Park Homes San Pablo, 172 in PHirst Park Homes Pandi, 179 in Phirst Park Homes Calamba, and 107 in PHirst Park Homes Batulao. It also has 197 more agents from its core team of sellers handling global, digital, and corporate sales.

3.3. Climate related risks and opportunities

The Company closely monitors climate-related risks as it recognizes these can significantly impact its real estate development and property management businesses. As such, its Business Development Committee, Risk Management Team, and Design and Innovations Group are tasked to evaluate new land acquisitions and evaluate the quality and performance of current projects against climate-related risks.

One of the risks the Company has identified involve environmental laws that are applicable to the Company's projects, and any amendments in these laws resulting from climate change considerations, which 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) is undertaken by the Company to obtain an Environmental Compliance Certificate (ECC) to certify that the project will manage its environmental impacts. 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. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the business could materially and adversely affect the Company's business, financial condition or results of operations.

Mitigating such risks involve a comprehensive stakeholder management approach, where the Company engages not just regulatory institutions but also local government and community partners towards addressing parallel issues that may arise from managing environmental impacts as a result of compliance. The Company's legal department also closely monitors the status of the required permits and licenses to ensure compliance with environmental regulations.

As also detailed in the above section 3.1.2., another climate related risk to the business include natural or other catastrophes, including severe weather conditions. 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 incurs liabilities for any project costs or other financial obligations related to the business. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

Risk mitigation measures include the Company requiring its contractors to maintain contractors' all-risk insurance for the duration of the development of its projects. The Company requires its contractors to provide a warranty on their respective works.

In addition, the Company follows a set of specific standards for site selection and conducts soil testing and other procedures that will inform its planners on the best design and construction approaches needed by each project site. Management policy requires all project designs to strictly adhere to the latest building codes and government regulations, and where appropriate, go above and beyond by consulting with local and international experts to meet standards in disaster resilience.

Century Properties Group condominiums follow the National Structural Code of the Philippines, based on the Uniform Building Code, which is the required reference in the design of tall buildings against earthquakes. Its affordable housing business, PHirst Park Homes, strictly adheres to the local building codes and standards in delivering quality homes to first-time homebuyers.

The Company taps professional structural engineers, architects and geotechnical experts to ensure its structures adhere to the latest building code and employ the latest technology available to ensure the safety of its occupants.

Aside from complying with the standards of the National Structural Code of the Philippines, high rise condos of Century Properties employ SMRF (Special Moment Resisting Frame) – frames in which members and joints let the building withstand forces caused by earthquakes.

For its much taller high rises, Century Properties applied Performance-Based Design (PBD) methods – the gold standard for designing skyscrapers all over the world.

Regular earthquake drills are conducted across all CPG projects through Century Properties Management, Inc. in coordination with the local government, barangay, police and authorities in disaster preparedness.

Aside from giving on-site teams their regular emergency response training, the Company also covered the aspects of flooding and earthquake preparedness in its project and masterplan designs. The Company regularly consults with experts for geotechnical assessment and structural engineers. Flood prevention and mitigation measures have been applied to the eight-tower Century City Makati, the six-tower Acqua Private Residences in Mandaluyong City, the eight-building Residences at Commonwealth in Quezon City, and the nine-tower Azure Urban resort Residences in Paranaque City.

<u>Century City, Makati</u> - Even if historically no uncontrollable flood water surges have been recorded or experienced on site, the Company installed sump pumps, which can

pump out water into the drainage, within existing structures as well as those that have yet to see construction. This mitigation scheme was complemented with the rehabilitation of the drainage lines underground canals (restoration, de-clogging, and addition of new drainage culverts) around Valdez Street, Salamanca Street and Kalayaan Avenue, which not only lessened the risk of basement flooding, but also helped regulate the flow of water that may be pumped out into the drainage line. The Company also helped repair the drainage line at nearby San Miguel Village, where Century City's drainage on Kalayaan Avenue is also connected. Hence, the site does not experience rising waters during the onslaught of the heavy rains.

<u>Azure Urban Resort Residences, Paranaque</u> - The Company sought the cooperation of the local government unit of Barangay Marcelo Green as well as the city government in the construction of a drainage system that traverses through the company property. With this drainage in place, residents of Azure are not the only ones assured of a flood-free path, but also all the motorists and pedestrians who use the West Service Road. Even while construction in Azure was ongoing, the vicinity had not been submerged in water during heavy rains. Given the sufficient drainage systems in place, this area around the SLEX Bicutan Entry/Exit remains to be a non-flood prone area.

<u>Acqua Private Residences, Mandalutong City</u> – As the project sits in front of the historic Pasig River, the Company conducted an extensive flood risk analysis for the site during the project's planning stages despite the fact that the location of the site makes it less vulnerable to flood since it has open access to the sea. The Company added an extra measure to protect the property from flooding. For instance, the ground floor of all towers, amenity and retail areas were planned with an increased elevation of 1.5 meters. All parking floors were built above ground and residential floors are on the 6th level and up.

<u>The Residences at Commonwealth, Quezon City</u> – For Commonwealth, the Company built a detention tank within the development near the outfalls of the property to protect the downstream settlements from flooding and to control the discharge into the existing drainage system. Also, the site is properly graded such that the water runoff from the property drains to the recommended outfall locations.

Century Properties Management, Inc. (CPMI) as a property management company has made it a standard practice for its management teams to undertake a Capital Expenditure Program aimed at not only enhancing operational efficiencies, but also reducing energy and water consumption and lessening the carbon footprint of each managed project or facility. CPMI utilizes a cost-benefit strategy in tapping potential renewable energy projects and energy conservation measures to reduce the carbon footprint of each property and estate that is under its management.

CPMI periodically assesses climate-related risk factors that may affect its efficiency in managing properties with the use of management processes that are diligently evaluated with ISO-established standards specific for property management. Climate risk related programs, including crisis and emergency preparedness measures are in place to mitigate possible disasters and reduce reliance on conventional sources of power and water utilities.

3.4. Procurement Practices (GRI 204)

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		
Century City Development Corp. (In-City Vertical) Residential Leasing	 33 90	 % %
PHirst Park Homes (Horizontal Affordable Housing)	95	%
Century Properties Management, Inc.	95	%

By purchasing a significant portion of its materials locally for its development projects in the in-city vertical and affordable housing businesses, the Company positively contributes to: (1) Local economic and GDP growth; (2) Providing employment; (3) Taxes paid to government; (4)

Spurring strategic beneficial local business partnerships; and (5) Helping local Small-Medium Enterprises thrive.

This also positively impacts key stakeholders, including (1) local government units and community partners; our service and raw material suppliers (as business enterprises); and the laborers, workers and employees of our suppliers and third-party providers that benefit as a result of the local procurement transactions.

As the Company's property development business operations involves the procurement of hundreds of high value items sourced from various locations, in varying quantities, and with required production lead times, it utilizes a digitized procurement management system that covers the processes of purchase requisitions, purchase order, invoice and payment requisition approvals, and vendor management for more efficient spending and compliance.

The Company's procurement policies require all suppliers to be in compliance with government regulations and requirements. Aside from this, it subjects all suppliers to an accreditation and prequalification - a vendor evaluation method - to ensure their legitimacy, their trade experience, and the quality of their delivery. The Company ensures the suppliers it works with can also deliver the service and/or materials adequately, consistently, and on time by measuring them using KPIs and conducting regular checks, meetings, and site inspections.

CPMI for its part procures goods and services for use primarily of its head office and end-user support units. Goods are sourced locally either from local distributorships or its trading partners or retailers. Services are procured from locally registered service contractors. Both vendors and service providers undergo an accreditation process in compliance with the companies' ISO-adopted global standards.

The adoption of such standards mitigate risks of deficiencies in the procurement process and allows for timely remedies and corrections, should inadvertent circumstances arise. Procurement transactions serve as windows of opportunities to harness partnerships with reliable and efficient supply chains necessary in the delivery of quality and timely services.

CPMI has established a set of procurement policies to lay down adequate and sound control measures aimed at reducing acts of omission or commission involving personnel responsible for the processes. To enhance the reliability of such processes, CPMI has adopted industry-wide and global practices as a metric increment to its organic processes.

Identified risks in procurement include: (1) Pricing fluctuations as dictated by external market forces and the availability of raw materials locally; and (2) Lead time for project completion and the respective processing times of suppliers to deliver purchase orders.

The Company mitigates these risks through strategic sourcing to consider not only supplier pricing or costs but also developing supply channels to ensure consistency of supply, product quality, professional servicing, and regulatory compliance among other important factors. Maintaining strategic partnerships with suppliers is also key, as well as a transparent bidding process for all transactions.

3.5. Anti-corruption (GRI 205)

The Company conducts regular training to its senior management employees on good corporate governance where anti-corruption and anti-bribery policies and practices are likewise lengthily discussed. Under the Company's Corporate Governance manual and best practices, all new directors and senior officers are required to take the orientation on good governance and risk management.

In-house training and external courses attended by Directors and Senior Management for the past three (3) years include:

- Corporate Governance Orientation Course for Directors and Officers conducted by Sycip Gorres and Velayo
- Strategic Planning Seminar – In-house, Corporate Planning Group
- Risk Management Seminar – Ateneo Graduate School of Business
- Corporate Governance Seminar for Directors and Key Officers - Institute of Corporate Directors
- Annual Corporate Governance Training Program – Institute of Corporate Directors
- SEC Corporate Governance Forum – SEC

The Company's policies are on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
Conflict of Interest	Does not vote on activities in which there is a conflict of interest	Are not allowed to be involved in the decision making process if conflict of interest is present	Are not allowed to be involved in the decision making process if conflict of interest is present
Conduct of Business and Fair Dealings	Should follow best practices and company policies	Should follow best practices and company policies	Should follow best practices and company policies
Receipt of gifts from third parties	Based on The Code of Conduct & Discipline, and Offenses & Corresponding Penalties	Based on The Code of Conduct & Discipline, and Offenses & Corresponding Penalties	Based on The Code of Conduct & Discipline, and Offenses & Corresponding Penalties
Compliance with Laws & Regulations	Monitored by the compliance officer and other officers	Monitored by the compliance officer and other officers	Monitored by the compliance officer and other officers
Respect for Trade Secrets/Use of Non-public Information	Policy on non-disclosure in place. Discouraged from using such information	Policy on non-disclosure in place. Discouraged from using such information	Policy on non-disclosure in place. Discouraged from using such information
Use of Company Funds, Assets and Information	Regulated through Manual on Corporate Governance	Regulated through Manual on Corporate Governance	Regulated through Manual on Corporate Governance

Employment & Labor Laws & Policies	Meet at least the minimum criteria set by the labor authorities	Meet at least the minimum criteria set by the labor authorities	Meet at least the minimum criteria set by the labor authorities
Disciplinary action	Based on Manual of Corporate Governance	Based on Manual of Corporate Governance and Company policy	Based on Manual of Corporate Governance and Company policy
Conflict Resolution	Based on The Code of Conduct & Discipline, and Offenses & Corresponding Penalties	Based on The Code of Conduct & Discipline, and Offenses & Corresponding Penalties	Based on The Code of Conduct & Discipline, and Offenses & Corresponding Penalties

The Company is committed to provide an encouraging work environment to its employees, and be an engaging business partner to its clients and service providers. It is the policy of CPGI to promote discipline in the organization by taking corrective action as may be needed for the protection of all employees and clients, CPGI's properties and interests. These rules were prepared to ensure fair and consistent treatment and constructive actions of any employee who has made a mistake.

The responsibility of ensuring that discipline exists in CPGI is jointly vested upon the Human Resources Department (HRD), Department Heads and Supervisors. All supervisors and Department Heads should encourage the development of an environment where positive discipline comes naturally.

For all Company staff and managers, anti-corruption policies are communicated as part of the hiring orientation process and integrated into the Company's Code of Conduct manual that is explained and distributed during the employee's first week of duty.

In addition, Century Properties Management, Inc. (CPMI) has instituted an Anti-inducement Policy to curb bribery-related incidents for current and future business transactions.

Disclosure	**Quantity**	**Units**
Percentage of employees to whom the organization’s anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization’s anti-corruption policies and procedures have been communicated to	Ongoing implementation	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

4. ENVIRONMENT

4.1. Energy consumption within the organization (GRI:302-1)

As a company primarily engaged in real estate development, Century Properties Group heavily utilizes energy and is committed to take the necessary steps to reduce its consumption, including the use of energy-efficient technology and systems.

As the Company delivers new-generation high rises under its in-city vertical developments business, the Company also commits to develop sustainably and with care for the planet and its people. Century Properties' thrust towards responsible development is anchored on the principles of setting a minimum green core design requirement for each project, putting disaster mitigation measures in place, and operationalizing sustainable living practices.

Specifically for its new-generation office buildings, such as the newly-opened Asian Century Center in Bonifacio Global City, Century Diamond Tower and the mixed-use Century Spire which are both located in Century City, Makati, the Company had set the Leadership in Energy and Environmental Design (LEED) green building rating system as its minimum core design requirement. All three buildings have LEED Pre-Certification as Certified for Core and Shell Development Level and are awaiting their final score their respective targeted silver status upon completion and full operations.

LEED (Leadership in Energy and Environmental Design) is an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across all the metrics that matter most: energy savings, water efficiency, CO_2 emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts. Developed by the U.S. Green Building Council (USGBC), LEED provides building owners and operators a concise framework for identifying and implementing practical and measurable green building design, construction, operations and maintenance solutions.

Included in the green attributes of these three buildings is its minimum energy performance, whereby reduced use of energy is promoted through their high-performance building envelope, energy efficient lighting and HVAC equipment. Heat island effect is reduced with the use of roofing materials with high Solar Reflectance Index (SRI) value.

For its affordable housing business, the Company through PHirst Park Homes utilizes precast concrete panels for its homes as delivered by an experienced third-party contractor in precast construction technology. Because the precast concrete panels are fabricated in a controlled manufacturing area with specified standards, production is energy efficient and minimizes environmental impact in the project site. Precast walls are energy efficient too, as their consistent and high thermal mass allows materials to store temperatures at constant rates and reduce temperature fluctuations within a structure. In addition, the use of precast concrete panels no longer require rectifications prior to paint application because of the material's smooth finish. This eliminates an extra step in the finishing stage of construction, including the laborious correction of the edges of windows and doors which is a common concern in more traditional home construction methods.

Century Properties Management, Inc. (CPMI) does not directly use energy and water as a resource to deliver its specified range of services based on its contractual/ service obligations. CPMI rather uses the established expertise of local talents and locally learned methodologies of experienced personnel as either a direct and indirect complement to operate and administer the entire aspect of building operations. CPMI's key role lies in instituting policies and programs geared towards achieving optimum efficiencies in the use of energy and water resources, alongside utilizing contemporary solutions in managing all building facilities and equipment.

CPMI's client or valued customers are the juridical entities which are responsible in the consumption of energy and water resources, as well as in the responsible disposal of wet and solid wastes, including those classified as hazardous/ toxic and nonhazardous/ non-toxic types. CPMI acts as a middleman, facilitator and essentially as the designated administrator in ensuring the operational efficiencies and compliance of our managed projects.

Data gathering is still in process for the energy consumption and corresponding consumption reduction in the organization. The Company undertakes to include these in its succeeding Sustainability Reports.

4.2. Water consumption within the organization (GRI: 303-Water and Effluents)

As climate change continues to pose challenges and contribute to the depletion of our country's natural resources, the Company recognizes the value of water in its daily operations and as a vital sustenance of its people, customers, and community stakeholders. As such, it maintains strict compliance with environmental laws including the Clean Water Act and the Water Quality Guidelines and General Effluent Standards of the Department of Environment and Natural Resources (DENR). The Company also endeavors to continue improving its management approaches to water recycling, efficient use, and conservation.

4.2.1. Interactions with Water as a shared resource (GRI 303-1)

The Company, through its in-city vertical developments and affordable housing businesses, may be required to submit Environmental Impact Assessments (EIAs) for its projects that take into consideration potential impacts of the development on bodies of water, groundwater quality, and discharges that should meet effluent standards, as deemed necessary by the DENR. Findings from these EIAs require mitigating measures using an Environmental Monitoring Plan and Environmental Quality Performance Level.

In addition, the Company makes use of water for construction, and is responsible for the design of plumbing fixtures in every home or building. For its new-generation office projects, such as the LEED pre-certified Asian Century Center in BGC, and Century Diamond Tower and Century Spire in Makati, the Company has installed water efficient plumbing fixtures to reduce water usage by 50 percent.

For PHirst Park Homes, which needs to manage water-related risks and impacts in its project sites outside of Metro Manila, a Water Management Group has been formed to focus on four (4) considerations towards a sustainable water system management program:

1. Technical – Ensuring that the design and construction of the water systems including sewage systems, are done right and in compliance with environmental laws, using the appropriate technology, equipment and materials. It is clear that if a newly built system experiences high non-revenue water or unaccounted-for water at the start of its operational life, the correction of systemic deficiencies would be very expensive and disruptive of operations.

2. Financial – Building and operating the system must be met with the least possible cost while meeting regulatory standards and the customers' requirements. These considerations must strike a balance between the acceptance and affordability levels of customers, on the one hand, and the appropriate cost recovery tariff structure, on the other, as the latter constitutes the primary source of funds needed to support the operational, maintenance and repair, and future requirements of the utility.

3. Social – This means engaging the population and gaining the broad community support that is needed to initiate and carry out the public utility project. The interests and concerns of the various stakeholders especially the homeowners and individuals have to be considered and their views given the proper respect. A subdivision water business needs to operate with a strong social base to support its role as a public utility.

4. Environmental Considerations – This means that the system should be built and operated in relation to its environment. It must be sure that its sources of water have not been, and will not be compromised by surrounding developments. At the same time, it has to preserve the viability of its water sources, and to ensure that extractions are well within the limits of safe yields. During the construction and operational period, care must be taken to ensure that it does not cause pollution of the environment or degradation of adjacent aquifers, waterways and bodies of water.

PPHI Disclosure for 2019	**Quantity**	**Units**
Water withdrawal	2000/month	Gallons

Water consumption	2000/month	Gallons
Water recycled and reused	Not applicable for 2019	Cubic meters

Century Properties Management, Inc. (CPMI) does not directly use energy and water as a resource to deliver its specified range of services based on its contractual/ service obligations. CPMI rather uses the established expertise of local talents and locally learned methodologies of experienced personnel as either a direct and indirect complement to operate and administer the entire aspect of building operations. CPMI's key role lies in instituting policies and programs geared towards achieving optimum efficiencies in the use of water resources, alongside utilizing contemporary solutions in managing all building facilities and equipment.

CPMI's client or valued customers are the juridical entities which are responsible in the consumption of energy and water resources, as well as in the responsible disposal of wet and solid wastes, including those classified as hazardous/ toxic and nonhazardous/ non-toxic types. CPMI acts as a middleman, facilitator and essentially as the designated administrator in ensuring the operational efficiencies and compliance of our managed projects.

Data gathering is still ongoing for the water consumption and corresponding consumption reduction in the organization, as well as for effluent and hazardous and non-hazardous wastes. The Company undertakes to include these in its succeeding Sustainability Reports.

4.3 Materials used by the organization (GRI:301)

The Company is in the process of data gathering for the environmental impacts of its business operations and undertakes to submit a detailed report on this in its 2020 Sustainability Report.

Disclosure P1	Quantity	Units
Materials used by weight or volume		

Renewable	Data gathering ongoing	
Non-renewable materials used for in-city vertical projects: -Cement -Rebars -Ready Mix Concrete Paint Non-renewable materials used for affordable projects:	 830 313 12,000 Data gathering ongoing	 tonnes tonnes liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	Data gathering ongoing	

4.4. Solid and Hazardous Wastes (GRI 306-2)

The Company, through its in-city vertical developments, affordable housing, and property management businesses, handle construction debris and residential wastes in its various project sites through a Waste Management System.

New-generation high-rises of the Company have Material Recovery Facilities in place, with dedicated spaces for paper, plastic, glass, metal, furniture and hazardous wastes. This helps in diverting recyclable waste that is generated by building occupants from landfills.

PHirst Park Homes recorded 1,250 kilograms of residual waste per month in 2019, of which recyclable waste, such as metal and aluminum excess materials were segregated from construction debris such as plastic, wood, paper, and other organic wastes in designated waste storage facilities in every project site. Recyclable wastes were sold to accredited traders, while construction debris and non-hazardous residential wastes were disposed through government-accredited dump sites.

Century Properties Management, Inc. (CPMI) does not directly use energy and water as a resource to deliver its specified range of services based on its contractual/ service obligations. CPMI rather uses the established expertise of local talents and locally learned methodologies of experienced personnel as either a direct and indirect complement to operate and administer the entire aspect of building operations. CPMI's key role lies in instituting policies and programs geared towards achieving optimum efficiencies in the use of water resources, alongside utilizing contemporary solutions in managing all building facilities and equipment.
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Data gathering is still ongoing for the water consumption and corresponding consumption reduction in the organization, as well as for effluent and hazardous and non-hazardous wastes. The Company undertakes to include these in its succeeding Sustainability Reports.

5. SOCIAL

5.1. Employment (GRI 401)

The Company values its employees as a vital resource and lifeblood of the organization. We make sure they are well cared for, their performance and wellbeing are monitored, and training and assistance are provided to promote their growth and development in the company.

Employee performance is evaluated regularly based on Key Performance Indicators and an annual employee appraisal program. A feedback mechanism between management and employees through the Human Resources Department is also provided to address concerns and grievances in a timely manner.

CPGI and its Subsidiaries have 1,279 employees as of December 31, 2019. The Company subscribes to local and international job portals, job fairs, executive search and advertise job postings in leading newspapers and internet sites to fulfill the manpower requirements.

The Company practices equal opportunity employment to all qualified talents in terms of hiring, salary job offers and promotion to hired employees. CPGI 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 believes 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 rewards employees with annual salary increases if merited. The Company's goal is to position itself as an employer of choice in the Philippines.

5.1.1. New employee hires and employee turnover (GRI: 401-1)

In 2019, there were a total of 327 new employees, with male employees at 205 or 63 percent and female hires at 122 or 37 percent.

Disclosure	Quantity	Units
Total number of employees	1,290	
Number of female employees	484	#
Number of male employees	806	#
Attrition rate	21	%
Ratio of lowest paid employee against minimum wage	100% We have 128 MWEs (10% total headcount)	ratio

NO. OF EMPLOYEES

AGE GROUP	MALE	FEMALE	TOTAL
18 - 22	12	24	36
23 - 35	345	313	658
36 - 45	233	106	339
46 - 55	147	33	180
56 - above	69	8	77

TOTAL	**806**	**484**	**1290**

NEW HIRES

AGE GROUP	MALE	FEMALE	TOTAL
18 - 22	8	10	2
23 - 35	124	101	34
36 - 45	39	8	5
46 - 55	28	3	1
56 - above	6	0	1
TOTAL	**205**	**122**	**327**

ATTRITION

AGE GROUP	MALE	FEMALE	TOTAL
18 - 22	1	5	6
23 - 35	96	82	178
36 - 45	34	13	47
46 - 55	22	2	24
56 - above	10	0	10
TOTAL	**163**	**102**	**265**

5.1.2: Benefits provided to full-time employees that are not provided to temporary or part-time employees (GRI: 401-2)

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	33%	40%
PhilHealth	Y	34%	38%
Pag-ibig	Y	17%	42%
Parental leaves	Y	1.47%	1.37%
Vacation leaves	Y	25%	47%
Sick leaves	Y	22%	38%
Medical benefits (aside from PhilHealth))	Y	31%	36%
Housing assistance (aside from Pag-ibig)	Y	0.38%	0.31%
Retirement fund (aside from SSS)	Y	0%	0.31%
Further education support	Y	0%	0.8%
Company stock options	N		
Telecommuting	Y	0.8%	0%
Flexible-working Hours	Y	2%	4%

PERFORMANCE BASED MERIT INCENTIVE

PAYOUT SCHEME	AVERAGE DATA	TOTAL EMPLOYEES ASSESSED	NO. OF MALE RECIPIENTS	NO. OF FEMALE RECIPIENTS
Merit Increase	4% to 6.46% of Basic Pay	349	161	188
Bonus/Incentive	60% to 270% of Basic Pay	780	470	310

COMPANY BENEFITS PROGRAMS

PROGRAM	Development	Sales & Marketing	Property Management	Construction
LIFE INSURANCE	/	/	/	Personal Accident Insurance only
MEDICAL INSURANCE	/	/	/	n/a
LEAVE CREDITS	/	/	/	5 Days SIL
13TH MONTH PAY	/	/	/	/
CAR PLAN FOR MANAGERS & UP	/	/	/	n/a
LEAVE CASH CONVERSION (5 DAYS)	/	/	n/a	n/a
PERFORMANCE BONUS	/	/	/	n/a
BEREAVEMENT BENEFIT	/	/	/	n/a
EMERGENCY LOAN			/	n/a

One of the most valuable aspects of the property management business are the people behind CPMI; its Human Capital. Thus, CPMI values motivational tools such as competitive compensation and benefits, continuous training and coaching, a good grievance policy and strict compliance with labor laws not only to provide gainful employment but also to protect both the employee and the company. CPMI's Career Development Programs and regular training ensure that the company shows that CPMI is an "equal-opportunity" employer, which recognizes and rewards consistent attainment of pre-agreed job performance levels and key result areas.

Despite the above principles, it is a reality that some employees may still prefer to look for a job near their residence address or within proximity of their respective domicile for cost-of-living considerations. This will definitely affect the operations, especially, if CPMI will not be able to identify immediate and necessary replacements. Hence, recruitment of new hires considers place of residence as a significant factor of consideration.

Limited access to different services for pre-employment requirements contributes to the difficulty in hiring the right candidate. On the other hand, there will be more candidates due to lay-off/ closure of some establishments.

CPMI's systems procedures in Human Resources – Selection and Placement, Compensation and Benefits Administration, Performance Management and Reward System, Employee Relations Activities and Infractions / Grievances are ISO audited, compliant and has been consistently certified for the last three (3) consecutive years, since the first quality management certification was secured in 2016.

CPMI will continue to employ global best practices in hiring, placement and retention of valuable human resources including salary and benefits administration.

5.1.3 Parental Leaves (GRI: 401-3)

PARENTAL LEAVES - AS OF DECEMBER 31, 2020

INFO	MALE	FEMALE	TOTAL
Eligible Employees	504	474	978

No. of Employees who availed	17	19	36
No. of Employees who reported back	17	18	35
Retention Rate	**100%**	**95%**	

5.2. Labor/Management Relations (GRI: 402)

The CPGI Management and its key functional heads are cognizant of the importance of a healthy organization that espouses commitment, compliance, diversity, and equity in the organization. The human capital management safeguards the integrity of the Company's Code of Conduct and Ethics and amplify its value for the organization's continued commitment to excellence and business continuity or sustainability. The Company shall adhere to the domestic and international framework safeguarding fundamental principles and rights at work and its labor.

An HR Committee consisting of members of the senior management is in place to tackle issues concerning employees on a weekly basis, aside from a grievance mechanism that seeks to address concerns immediately. The management shall be receptive to the concerns, issues, and recommendations of its team members and provide a timely response to encourage engagement in the workplace and benefit from the discourse.

CPMI likewise ensures that it is updated and compliant with labor statutes and work-related regulations. In almost all categories and metrics, CPMI aims for zero violations. Such compliance differs and distinguishes CPMI from other service providers, as it showcases the organization’s ability to provide services given a prolonged and successive period of time, without the possibilities brought about by nuances and disruptions due to labor disputes.

CPMI has long established its set of Company Work Rules and Guidelines which are provided to all employees before the commencement of their employment contract. These guidelines are also discussed and explained in a comprehensive one-day orientation and reiterated by the division heads annually in one of their monthly coordination meetings. Any applicable changes on Labor Laws and Regulations are threshed out by CPMI's Operations Committee and are subsequently relayed through a formal notice to all employees. Clarifications and reiterations are done through the respective divisions' coordination meetings. In 2019, CPMI conducted 15 consultations with ites employees concerning employee-related policies.

5.2.1. Minimum notice periods regarding operational changes (GRI-402-1)

Operational changes are relayed through an extensive HR program with a minimum of 30 days of notice to affected employees. 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.

5.3. Training and Education (GRI:404)

CPGI shall ensure a right size for its organization to cater to the needs of its stakeholders, and is composed of competent contributing team members provided with continuous development programs to adapt to the changing preferences and requirements of the market.

The Company plays an active role in building the capabilities and enhancing the skills of its people through continuous training. This not only promotes positive employee retention but also trains employees to become leaders, increase productivity, and enhance workplace engagement. Aside from taking the required training based on a routine needs analysis, the Company through the Human Resources Department provides employees and their managers the opportunity to recommend which supplementary training courses to take according to the required skills in their line of work.

5.3.1. Average training hours per employee per gender

Disclosure	Quantity	Units
Total training hours provided to employees		
Female employees	2,268	hours
Male employees	2,748	hours
Average training hours provided to employees		

Female employees	4.4	hours/employee
Male employees	4.1	hours/employee

In the case of Century Properties Management, Inc. regular trainings and continuous mentoring are provided to help employees to develop their personalities and technical/operation-related skills. Such trainings develop the employees' productivity and enhance the qualitative aspects of their performance. Continuous mentoring promotes teamwork, commitment, leadership and passion towards the attainment of the company's mission and vision.

For the year 2019, CPMI conducted staff trainings to improve its operational readiness in the areas of customer service, security and safety, and the implementation of the Data Privacy Act. CPMI also received its re-certification for ISO 9001:2015 Quality Management System, a testament to its continuous improvement in achieving customer satisfaction, cost efficiency, increased productivity, consistency in the delivery of service, and increased competitiveness.

In the same year, CPMI conducted 78 safety and security trainings across all its properties covering rescue operations, disaster preparedness drills, occupational first aid and CPR/AED, investigation, unarmed defense, and building safety and security. Trainings are conducted every six months and each detachment isolates the greatest skill requirements of their respective properties and exercises intensively in these techniques.

Physical fitness trainings are conducted year-round to develop agility, strength and endurance apart from teamwork and sportsmanship. These are conducted weekly, monthly and semi-annually. Emergency Response Teams per property periodically fulfill timed runs in their assigned rescue gear, ascending from the lowest basement level to the roof deck of the property and back.

All CPMI-managed buildings begin with emergency preparedness planning and trainings each year where first responders are grouped as Floor Brigade and Fire Brigade teams. To address more extreme emergencies, CPMI has capabilities to transform its Building Fire Brigade Team into a Special Tactics Action Group. Further, earthquake drills are conducted twice a year on average in coordination with the police and local government units, and property management officers are extensively trained on what to do before, during, and after emergencies.

CPMI's safety and security teams have also earned awards this year, including event championships in the "Ten-in-One National Fire Brigade Competitions hosted by the Safety Organization of the Philippines, the Department of Interior and Local Government, and the Armed Forces of the Philippines.

Disclosure for Century Properties Management Inc.	**Quantity**	**Units**
Total training hours provided to employees		
Female employees	123	hours
Male employees	123	hours
Average training hours provided to employees		
Female employees	4	hours/employee
Male employees	4	hours/employee

5.4. Diversity and Equal Opportunity (GRI: 405)

CPGI adheres to the ideals and principles as mandated by the International Labor Organization (ILO 111) that prohibits non-discrimination, or giving "Any distinction, exclusion or preference made on the basis of race, color, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in the employment or occupation".

Disclosure	**Quantity**	**Units**
% of female workers in the workforce	38	%
% of male workers in the workforce	62	%

Number of employees from indigenous communities and/or vulnerable sector*	34	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

The Company ensures that it gives equal chances for both learning and career growth opportunities to either internal and external candidates provided the required qualifications for job vacancies without bias to gender, sexual preference, and even physical disabilities.

Century Properties Management, Inc. has likewise hired PWDs or Persons with Disabilities for positions that require minimal mobility, provided still that such individuals meet the job specification relative to the requirements of the position. Such is CPMI's response to the call of national and local government, as well as to legislated laws, encouraging private sectors to align employment practices and procedures allowing diversity and freedom from socio-cultural biases and prejudices. It has also determined a set of criteria for promotion for each rank or job grade level, as incorporated in its regularly documented performance appraisals. Aside from the generic exams geared to measure intellectual and cognitive abilities, CPMI has purposely crafted a set of written examinations and in-depth interview questionnaires aimed at substantively validating credentials and deliberating relevant work experiences to justify employment offers, rewards and promotions.

5.5. Occupational Health and Safety (GRI:403)

CPGI adheres to the standards set forth by the Department of Labor and Employment (DOLE) and champions 'to protect every working man against the dangers of injury, sickness or death through safe and healthful working conditions, thereby assuring the conservation of valuable manpower resources and the prevention of loss or damage to lives and properties, consistent with national development goals and with the State's commitment for the total development of every worker as a complete human being'.

With the safety and health of its employees in the workplace as one of its top priorities, the Company strictly complies with the Occupational Health and Safety standards of the Labor Code set forth by the DOLE. These standards are followed in the Company's offices and monitored in construction sites including how third-party contractors implement safety measures to prevent accidents, injuries, damage or loss of property and save lives. Regular briefings with the Company's HMO provider are also held throughout the year to update employees of their health benefits and healthcare entitlements, and annual health examinations are conducted.

CPMI implements the Occupational Safety and Health Standards to mitigate all perceived operational risks with preparedness in case of eventualities and most particularly to devise measures that reasonably and practically avoid the perils that may be brought about by unsafe working environments. As implementers or enforcers, CPMI employs a duly-certified Safety Officer and First Aiders per site of operation. Such certifications establish their competency levels to respond in case of emergencies. CPMI periodically spearheads Occupational Safety Exercises/ Drills to promote preparedness and readiness across all Operations/Technical personnel departments done in cooperation with other in-building service providers.

CPMI regularly holds established HR activities like sports fests and annual physical examinations to ensure the well-being of our employees and promote mental alertness, physical agility and camaraderie. Its Safety & Security Division initiates the conduct of Fire and Earthquake Drills annually in compliance with the Fire Safety Inspection requirements of the Bureau of Fire and respective local government units. CPMI's Engineering Division conducts an ocular safety inspection of all operating equipment and engineering facilities to ensure that the same are in good running condition and compliant with Occupational Safety and Health Standards, as promulgated by the local and national government, and in compliance to the Building Code of the Philippines.

5.6. Customer Privacy (GRI: 418)

Century Properties Group Inc. (CPGI) and its subsidiaries value the privacy of its customers by providing appropriate measures in protecting and managing their personal data. Its Privacy Policy, amended in March 2020, follows and is consistent with, the Data Privacy Act of 2012 (DPA), its Implementing Rules and Regulations (IRR), other issuances of National Privacy Commission (NPC), as well as other relevant laws of the Philippines. This narrative articulates how the Company processes and protects the personal data of its customers. It also tells the steps in case the customer asks the Company to change how it uses their personal data, or if the customer wants it to stop using it.

5.6.1 Purpose for Processing Customers' Personal Data

To allow the Company to comply with regulatory requirements as developer, controller,

processor and third party, it is important that CPGI collects, uses, stores and retains customer's personal data when it is reasonable and necessary for a declared and specific purpose:

a. To conduct the appropriate credit investigation and evaluate the credit risk associated with the customer's financial obligations to CPGI;
b. To facilitate the sale and the turnover of a particular unit which necessarily includes the preparation of all documentations leading to the transfer of title, and perform all financial processes (reservation fees, amortization, handover fees, etc.) associated with the purchase.
c. To execute a contract or provide information/services concerning the trading, brokerage, leasing, management and other incidental operations of real estate;
d. To update the Company's records and keep customer contact details and billing address up to date;
e. To provide safety and security to the unit owners, tenants and employees of tenants/unit owners; and;
f. To evaluate the interest of a party in a commitment to lease a space
g. To perform all relevant financial transactions such as the processing of security deposits, advanced rental payments, monthly rental payments and other incidental charges included in the property contract;
h. To communicate any advisories, notice, or changes in the terms and conditions related to a lease contract.
i. For customers to provide reviews of the Company's products and services;
j. For customers to subscribe/unsubscribe to the Company's e-newsletters;

k. To generate statistical insight, research and analysis (through surveys or polls) in order to improve customer experience/satisfaction;
l. To provide customer care activities, monitor our quality and security, and provide services timely and efficiently; and,
m. To notify and update the customer (through call, text or email) about the Company's complimentary commercial and promotional advertisements, that it deems relevant and beneficial to the former, based on the preference and interest initially provided or made aware of, with which the customer can opt-out anytime should they prefer not to receive these notifications.

5.6.2. Types of personal data collected by CPGI

The common type of data collected by CPGI from its Customers generally includes the following:

a. Basic personal information, such as full name, nickname, home addresses/billing address/ shipping address, e-mail address, employment information, telephone, other personal contact numbers, username and password;
b. Sensitive personal information, such as age, nationality, marital status, gender, health, education and government issued identification document which includes, but not limited to identity (ID) cards, licenses, social security number;
c. Employment record, such as educational background, employment history, certifications, trainings attended, resume and income information of your previous jobs; and
d. Financial details such as credit history, bank account, credit card, and debit card information you have provided because of our transaction.

5.6.3. Method of data collection

CPGI Collects Data from Customers when they:

a. Fill-out its forms and submit necessary documents;

b. Submit information through any form on its digital platforms or through any of its social media accounts;
c. Purchase any of our properties, products, or avail of services and promos;
d. Respond to surveys, promotions, and other marketing and sales initiatives;
e. Provide personal information in relation to inquiries, requests, and complaints
f. Subscribe to its newsletter by indicating your email address.

5.6.4. Sharing of Customers' Data

As a general rule, CPGI is not allowed to share customers' data to third party except in limited circumstances as noted below and by obtaining customers' consent to disclose their personal data to accredited/affiliated third parties or independent/non-affiliated third parties in any of the following circumstances:

a. As necessary for the proper execution of processes related to the declared purposes in this Privacy Policy.
b. The use or disclosure is reasonably necessary, required or authorized by or under law (such as for criminal investigation, as requested by court of law).
c.

This means it might provide customers' personal data to the following:

a. Our affiliates, subsidiaries, partner companies, organizations, or agencies including their sub-contractors or prospective business partners that act as our service providers and contractors;
b. Law enforcement and government agencies;
c. All third parties, accredited by CPGI, are required to use the customer's personal data in a manner that is consistent with this Privacy Policy. However, these companies may only use such personal data for the purpose(s) disclosed in this Privacy Policy and may not use it for any other purpose.

5.6.5. How CPGI protect Customer's personal data

The Company takes reasonable steps to make sure that Clients' personal data are accurate, complete, and up-to-date. It strictly enforce technological, organizational and physical security measures such as the following:

a. It keeps and protects customers' personal data using a secured server behind a firewall, deploying encryption on computing devices and physical security controls.
b. It restricts access to customers' personal data only to qualified and authorized personnel who hold personal data with strict confidentiality.
c. It reveals only the last four digits of your credit card numbers when confirming an order. The Company transmits the entire credit card number to the appropriate credit card company during order processing.

5.6.6. CPGI's Privacy Policy regarding children

CPGI is very sensitive to privacy issues and is especially careful in any communications involving children. We will never collect personal data from children directly, without the parent's or guardian's consent.

Personal data collected from children is used solely by CPGI and its authorized entities that provide technical, fulfillment or other services to it. Consent of the Parents and/or Guardians and/or the children are obtained for this purpose as well.

The best interests of children is the paramount consideration of CPGI in all actions concerning them.

5.6.7. CPGI's Retention Policy

CPGI reserves the right to retain customers' personal data in its files located in the Philippines under certain circumstances, consistent with the provision of Data Privacy in lawful processing, such as when these personal data may be necessary to resolve disputes, or if required to do so by law or in good faith. In such instances CPGI ensures that such action is necessary to comply with a legal obligation and/or protect and defend the rights or property of CPGI or its affiliates.

If it is required to retain any portion of a customer's personal data for such purposes, it shall use reasonable efforts to limit such data to what is necessary to accomplish the particular purpose.

5.6.8. CPGI Policy on Customers' complaints

To access, modify, erase and object to processing of personal data within a reasonable time after such request or if they have inquiries, feedback and/or complaints to CPGI, customers may reach the Company through its "Contact Us" menu in its official website, through a written letter or through an email to its Data Protection Officer (DPO), Century Properties Group, Inc. with address at the 21st floor, Pacific Star Building Sen. Gil Puyat Cor. Makati Avenue, Makati City and with the office number 793-5500.

Disclosure	Quantity	Units
A. number of substantiated complaints received concerning breaches of customer privacy:		
I. Received from outside parties and substantiated by the organization*	2	#
II. complaints from regulatory bodies.	None	N/A
B. Total number of identified leaks, thefts, or losses of customer data.	None	N/A
Number of complaints addressed	2	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Summary of the Substantiated Complaint	Management Approach
1. Wednesday, 15 May 2019 7:56 AM - A Client was contacted by a certain individual who represented herself as an agent of Century, sending the former an app-based message about a Century project.	1. The Data Protection Officer communicated the matter to the concerned sales team, and it was discovered that the said agent is not associated/affiliated with the Century Properties Group of Companies. 2. An email was sent to the client informing that such agent is not associated with Century Properties and to avoid doing any business with the said agent. 3. A notification through the Company's client portal was subsequently issued to remind customers to do business only with an Authorized Agent.
2. On June 26, 2019- A copy of a cancelled contract was issued by an Account Specialist without the authorization letter from the buyer, thus, violating the	1. An oral and written warning was delivered to the said Agent on August 29, 2019, concerning the issuance of Contract to Sell.

confidentiality of Information.	2. The Data Protection Officer and Legal Team of Century communicated the matter to the buyers. 3. A refresher training about the Data Privacy Act was conducted within the Department and an infographic material regarding confidentiality has been sent across the Organization to serve as a reminder of the Company's Data Privacy policies.

6. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Century Properties Group is committed to refine its strategies, policies, and management approach in order to increase its contributions to the United Nations Sustainable Development Goals. For 2019, it identified contributions in two areas, namely SDG 11 under Sustainable Cities and Communities and SDG 12 for Responsible Production and Consumption.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Condominium and house and lot properties through Century Properties Group, Inc.; PHirst Park Homes, Inc.; Century City Development Corporation	**SDG 11: Sustainable Cities and Communities.** Through the Company's expansion into affordable housing, our goal is to provide 33,000 affordable housing units by 2022, thus contributing to provide adequate, safe and affordable housing and basic services.	Potential negative impacts may include traffic disruption and the introduction of noise and other pollutants in our partner communities.	Prior to any construction activity, the Company conducts stakeholder consultations to hear out the concerns of our various community members and map out strategies to minimize impact and address their primary concerns.

Condominium and house and lot properties through Century Properties Group, Inc.; PHirst Park Homes, Inc.; Century City Development Corporation; property management services by Century Properties Management, Inc.	**SDG 12: Responsible Production and Consumption.** We comply with government regulations and adopt best practices and standards in design and construction.	Land development and construction in our housing communities and condominiums may cause ecological impacts such as consumption of fossil fuel (gas and diesel), cutting of trees, soil erosion and biodiversity disruptions. Impact on air and water quality of the area and its surrounding community may also be present.	The Company complies with the environmental regulations of the Department of Environment and Natural Resources, including fulfilling prerequisites to Environmental Compliance Certificates, which includes submitting an environmental impact study and mitigation plan for every project and the replacement of trees that will be permitted for cutting. In addition, the Company has undertaken projects that seek to fulfill Leadership in Energy and Environmental Design (LEED) green building certification systems to ensure energy efficient design and materials are used. For affordable housing, it utilizes energy efficient systems to reduce impacts to the environment. Pollution Control Officers are also hired to implement the Environmental Monitoring Plan and

			Impacts Management Plan for each project. In addition, CPMI renders property management services with the highest regulatory compliance and based on ISO standards.