

STRICTLY CONFIDENTIAL

The Stockholders and the Board of Directors
Century Properties Group, Inc.
19/F Pacific Star Building
Sen. Gil Puyat Ave. co. Makati Ave.
Makati City

We have performed the procedures agreed with you and enumerated below with respect to the Quarterly Progress Report on Use of Proceeds from Preferred Shares Offering as at December 31, 2020 on the use of proceeds from the preferred shares offering of Century Properties Group, Inc. and Subsidiaries (the Group) on January 10, 2020 (the “Progress Report”). Our engagement was undertaken in accordance with the Philippine Standard on Related Services (PSRS) 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. These procedures were performed solely to enable the Group to comply with the Philippine Securities and Exchange Commission’s (SEC) requirement to submit an external auditor’s certification on the information being presented by the Group relating to the Progress Report as of December 31, 2020.

Summarized below are the procedures performed and our findings:

Procedures Performed

1. We obtained from management the Progress Report as of December 31, 2020 showing the following information:
 - a. Balance of net proceeds as of September 30, 2020;
 - b. Description of disbursements for the period ended October 1, 2020 to December 31, 2020 (the period);
 - c. Amount of disbursement for the period; and
 - d. Balance of net proceeds as of December 31, 2020.
2. We checked the mathematical accuracy of the Progress Report.
3. We compared the balance of the net proceeds (amounting to ₱2,653.46 million) as of September 30, 2020 indicated in the Progress Report as of December 31, 2020, to the ending balance of net proceeds as of September 30, 2020 disclosed in the Progress Report as of September 30, 2020 submitted to the SEC on October 15, 2020.
4. We compared the disbursements as indicated in the Progress Report as of December 31, 2020 amounting to ₱1,120.85 million to the subsidiary list of disbursements during the period.
5. We traced the disbursements in the subsidiary list of disbursements to the supporting documents such as cash disbursements journal, billing statements, invoices, check vouchers, official receipts and bank statements, and agreed the amounts to the list of disbursements.
6. We traced the remaining balance of the net proceeds as of December 31, 2020 to the bank statement as of December 31, 2020.

7. We compared disbursements as indicated in the Progress Report as of December 31, 2020 with the schedule of planned use of proceeds from the Offering and inquired with management the reason for any differences noted.
8. We obtained the list of Board of Directors resolutions for the period and reviewed if there were any reallocations or changes in the schedule of planned use of proceeds from the Offering.

Findings

We report our findings below:

1. With respect to item (1), we were able to obtain the Progress Report showing the following information:
 - a) Balance of net proceeds as of December 31, 2020;
 - b) Description of disbursements for the period;
 - c) Amount of disbursement for the period; and
 - d) Balance of net proceeds as of December 31, 2020.
2. With respect to item (2), no exception noted.
3. With respect to item (3), no exception noted.
4. With respect to item (4), no exception noted.
5. With respect to item (5), no exception noted.
6. With respect to item (6), no exception noted.
7. With respect to item (7), we noted that the following differences (in millions):

	Disbursement included only in Progress Report as of December 31, 2020 and not in the schedule of planned use of proceeds from the Offering Circular	Disbursement included only in schedule of planned use of proceeds in the Offering Circular and not in the Progress Report as of December 31, 2020
Upfront fees	₱18.95	₱-
Project development fees	-	1,898

As represented by management, the difference relating to the upfront fees was caused by certain additional professional fees paid by the Group due to the oversubscription of the shares, while the difference relating to project development fees was caused by a delay in the start of the development of the Group's projects.

8. With respect to item (8), we noted a Board resolution pertaining to reallocation in the schedule of planned use of proceeds from the Offering.

On December 2, 2020, the Board of Directors (the Board) approved the reallocation of ₱500.00 million from the ₱1,800.00 million originally intended for the construction of an office building in Century City Makati with estimated 28,800 square meters in gross floor area to the working capital funds of Century Properties Group Inc. (CPGI). The reallocated funds will be part of CPGI’s general working capital funds 30 days after the board approval date.

The Board resolution states that “the reallocation is pursuant to CPGI’s purchase of the 40% stake of Mitsubishi Corporation in Century Diamond Tower which was partially funded by its working capital funds. Century Diamond Tower is a 41-floor pre-LEED certified office building in Century City, Makati which has 63,000 square meters of gross floor area. The acquisition effectively gave CPGI an additional 25,000 square meter of completed and leased out office leasing space.”

Details of the updated schedule of planned use of proceeds are summarized below (in millions):

Project	Developer	Location	Estimated Original Allocation	Revised Allocation
Capital expenditures for the development of Century City office building	Century City Development Corporation	Valdez St., Brgy. Poblacion, Makati City	₱1,800	₱1,300
Working capital for the partial funding of other leasing projects	Century Limitless Corporation	Katipunan Ave., Quezon City and Mandaluyong City (Acqua Expansion)	1,158	1,158
Replenishment of working capital for the purchase of 40% of Century Diamond Tower	Century City Development II Corporation	Century City, Makati City	–	500

The Board resolution also states that the Board “considers that the reallocation in the planned use of proceeds is beneficial to CPGI’s strategy of growing both its commercial leasing and affordable housing segments in line with the Company’s expansion into high-margin businesses.”

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing or Philippine Standards on Review Engagement, we do not express any assurance on the Group's consolidated financial statements.

Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with Philippine Standards on Auditing or Philippine Standards on Review Engagement, other matters might have come to our attention that would have been reported to you. This report is intended solely for the purpose set forth in the first paragraph of this report and should not be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the accounts and items specified above and do not extend to any financial statements of the Group taken as a whole.

SYCIP GORRES VELAYO & CO.



John T. Villa

Partner

CPA Certificate No. 94065

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

December 18, 2019, valid until December 17, 2021

Tax Identification No. 901-617-005

BIR Accreditation No. 08-001998-76-2019,

February 26, 2019, valid until February 25, 2021

PTR No. 8534381, January 4, 2021, Makati City

January 14, 2021