*The prospectus is being displayed on the website to make the prospectus accessible to more investors. The Philippine Stock Exchange, Inc. (PSE) assumes no responsibility for the correctness of any of the statements made or opinions or reports expressed in the prospectus. Furthermore, the PSE makes no representation as to the completeness of the prospectus and disclaims any liability whatsoever for any loss arising from or in reliance in whole or in part on the contents of the prospectus.*

**Century Properties Group Inc.**
*(Incorporated in the Republic of the Philippines)*

**Primary Offer of up to 30,000,000 Series B Preferred Shares with an Oversubscription Option of up to 20,000,000 Series B Preferred Shares with an Initial Dividend Rate of [●]% per annum at an Offer Price of ₱100.00 per Series B Preferred Share to be listed and traded on the Main Board of The Philippine Stock Exchange, Inc.**

**Sole Issue Manager, Lead Underwriter and Sole Bookrunner**

**The date of this Preliminary Prospectus is 30 November 2023.**

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

**Office Address**
Century Properties Group Inc.
35th Floor Century Diamond Tower,
Century City, Kalayaan Ave.
Makati City 1210 Philippines

**Contact Numbers**
Trunkline (+632) 7793-5500
Cellphone (+63917) 555-5274
www.century-properties.com

Century Properties Group Inc. (the "**Issuer**" or the "**Company**" or "**CPGI**" or the "**Group**") is offering perpetual, cumulative, non-participating, non-voting, redeemable, non-convertible, Philippine Peso-denominated Series B preferred shares (the "**Series B Preferred Shares**" or "**Offer Shares**"), with a par value of ₱0.53 per share, with a firm offer of up to 30,000,000 Series B Preferred Shares (the "**Firm Shares**") worth an aggregate amount of up to ₱3,000,000,000 ("**Base Offer**"). In the event of oversubscription, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, in consultation with the Company, reserves the right but not the obligation, to increase the Offer size by up to an additional 20,000,000 Series B Preferred Shares ("**Oversubscription Option Shares**", together with the Firm Shares shall be referred to as the Offer Shares) worth an aggregate amount of up to ₱2,000,000,000 (the "**Oversubscription Option**", together with the Base Offer, the "**Offer**"), subject to the registration requirements of the Securities and Exchange Commission (the "**SEC**"). The specific terms and conditions of the Offer are set out in the relevant sections of this Prospectus. The Series B Preferred Shares will be issued out of the unsubscribed preferred shares of the Company.

The Company amended its Articles of Incorporation ("**AOI**") on 30 September 2016. In the amended AOI of the Company, the authorized capital stock is ₱9,540,000,000.00 divided into 18,000,000,000 Common Shares with a par value of ₱0.53 per share. On 26 September 2019, the Company filed an application for the amendment of its AOI with the SEC for the reclassification of its shares. On 30 September 2019, the SEC approved the amended AOI of the Company, with its authorized capital stock of ₱9,540,000,000, consisting of 15,000,000,000 Common Shares with a the par value of ₱0.53 each and 3,000,000,000 Preferred Shares with a par value of ₱0.53 each.

The Series B Preferred Shares are being offered for subscription solely in the Philippines through China Bank Capital Corporation ("**Chinabank Capital**" or the "**Sole Issue Manager, Lead Underwriter and Sole Bookrunner**"), and Selling Agents named herein at an offer price of ₱100.00 per Series B Preferred Share (the "**Offer Price**"). The determination of the Offer Price is further discussed on page 104 of this Prospectus.

The Series B Preferred Shares will be listed on the Main Board of The Philippine Stock Exchange, Inc. ("**PSE**") on [22] February 2024 ("**Listing Date**") under the trading symbol "CPGPB".

Following the Offer, if the Oversubscription Option is not exercised, the Company will have (a) 11,599,600,690 outstanding Common Shares and 100,123,000 Common Shares in treasury, and (b) 30,000,000 outstanding Series B Preferred Shares and 30,000,000 Series A Preferred Shares in treasury. Otherwise, if the Oversubscription Option is exercised in full, the Company will have (a) 11,599,600,690 outstanding Common Shares and 100,123,000 Common Shares in treasury, and (b) outstanding 50,000,000 Series B Preferred Shares and 30,000,000 Series A Preferred Shares in treasury.

Any and all Preferred Shares of the Company shall have preference over Common Shares in dividend distribution and in case of liquidation or dissolution. Dividends on the Series B Preferred Shares shall be at a rate of [●]% per annum by reference to the Offer Price thereof in respect of each Dividend Period. Subject to the limitations described in this Prospectus, cash dividends on the Series B Preferred Shares will be payable quarterly in arrears on [22 May], [22 August], [22 November] and [22 February] of each year (each a "**Dividend Payment Date**"), each being the last day of a Dividend Period following the relevant Listing Date. The dividends on the Series B Preferred Shares will be calculated on a 30/360-day basis. If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid.

The declaration and payment of cash dividends for each Dividend Period will be subject to the sole and absolute discretion of the Board of Directors of the Company, to the extent permitted by applicable laws and regulations, and the covenants (financial or otherwise) in the agreements to which the Company is a party. The Board of Directors will not declare and pay dividends for any Dividend Period where payment of such dividends would cause the Company to breach any of its covenants (financial or otherwise).

Dividends on the Series B Preferred Shares will be cumulative. If for any reason the Board of Directors of the Company does not declare a dividend on the Series B Preferred Shares for a Dividend Period, the Company will not pay a dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Series B Preferred Shares must receive the dividends due them on such Dividend Payment Date as well as any dividends in which the declaration and/or payment have been deferred, in respect of prior Dividend Periods (the "**Arrears of Dividends**").

As and if approved by the Board of Directors (or the Executive Committee), the Company may redeem the Series B Preferred Shares on the second (2$^{nd}$) anniversary of the Listing Date or on any Dividend Payment Date thereafter (each an "**Optional Redemption Date**"), in whole but not in part, without preference or priority, at the redemption price (the "**Redemption Price**") price equal to the Offer Price plus all dividends due them on such Optional Redemption Date as well as all Arrears of Dividends.

The Company may also redeem the Series B Preferred Shares, in whole but not in part, at any time prior to any Optional Redemption Date if (a) an Accounting Event (as defined in the section "Summary of the Offering") or a Tax Event (as defined in the section "Summary of the Offering") has occurred and is continuing, having given not more than sixty (60) nor less than thirty (30) days' notice prior to the intended date of redemption; or (b) a Change of Control Event or an Indebtedness Default Event (as defined in the section "Summary of the Offering") has occurred and is continuing, having given at least ten (10) days' notice prior to the intended date of redemption. A notice of redemption given hereunder shall be irrevocable and binding upon the Company to effect such redemption. In the event of an exercise of the redemption option in respect of any Accounting Event, Tax Event, Change of Control Event, or Indebtedness Default Event, the redemption due shall be made by the Company at the Redemption Price, which shall be paid within five (5) Business Days of the exercise of the right to redeem the Series B Preferred Shares.

Upon listing on the PSE, the Company may purchase the Series B Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE without any obligation to purchase or redeem the other Series B Preferred Shares. The Series B Preferred Shares so purchased may either be redeemed (pursuant to their terms and conditions as set out in this Prospectus) and cancelled or kept as treasury shares, as applicable.

Documentary stamp tax and all other costs and expenses for the issuance of the Series B Preferred Shares and the recording thereof in the name of the Preferred Shareholder under the Offer, shall be paid for by the Company. After the Listing Date, taxes generally applicable to a subsequent sale of the Series B Preferred Shares by any Preferred Shareholder, including receipt by such Preferred Shareholder of a redemption payment, shall be for the account of the said Preferred Shareholder.

However, the Company shall not be liable for: (a) any withholding tax applicable on dividends earned by or on any amounts payable to the holders of the Series B Preferred Shares, including any additional tax on such dividends imposed by changes in law, rule, or regulation; (b) any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax), DST or other applicable taxes on the redemption of the Series B Preferred Shares or on the liquidating distributions as may be received by a holder of Series B Preferred Shares; (c) any expanded value added tax which may be payable by any holder of the Series B Preferred Shares on any amount to be received from the Company under the Series B Preferred Shares; (d) any withholding tax, including any additional tax imposed by changes in law, rule, or regulation, on any dividend payable to any holder of the Share or any entity which is a non-resident foreign corporation; and (e) any applicable taxes on any subsequent sale or transfer of the Series B Preferred Shares by any holder of the Series B Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

CPGI expects to raise gross proceeds amounting to ₱3,000,000,000 and the net proceeds are estimated to be approximately ₱2,953,784,075.00 after deducting fees, commissions and expenses relating to the issuance of the Series B Preferred Shares. If the Oversubscription Option of up to ₱2,000,000,000 is fully exercised, then the total net proceeds will be ₱4,933,667,275.00 after deducting fees, commissions and expenses relating to the issuance of the Series B Preferred Shares. The net proceeds from the Offer shall be used by the Company to finance the following: (a) redemption of CPGI's Fixed Rate 3-Year Bonds with coupon rate of 4.8467% issued on 1 March 2021; (b) strategic land banking for PHirst Park Homes; (c) capital expenditures for Azure North development; and (d) general corporate requirements (see "Use of Proceeds" on page 99 of this Prospectus). The net proceeds of the Offer will either be (a) infused as equity into, or (b) lent to, CPGI's respective operating subsidiaries.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall receive a fee of 1.00% of the gross proceeds of the Offer, or an equivalent amount of ₱30,000,000.00 for the Firm Shares and a total of ₱50,000,000.00 in the event that the Oversubscription Option is fully exercised, inclusive of amounts to be paid to the PSE Trading Participants (the "**Selling Agents**").

The Series B Preferred Shares shall be issued in scripless form through the electronic book-entry system maintained by the Registrar and lodged with PDTC as Depository Agent on Listing Date through the Selling Agents nominated by the applicants. On the Listing Date, the Series B Preferred Shares shall be listed in the PSE to facilitate secondary trading.

On 30 November 2023, CPGI filed a Registration Statement with the SEC, in connection with the offer and sale to the public of equity securities, particularly, the Series B Preferred Shares. The SEC is expected to issue an order rendering the Registration Statement effective and a corresponding permit to offer securities for sale covering the Series B Preferred Shares.

In the event that the Oversubscription Option is partly exercised or is not exercised at all during the Offer Period, the remaining Oversubscription Option Shares will be returned back to the unissued Preferred Shares of the Company.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner, and the Company have exercised the required due diligence to ascertain that, and, the Company confirms that to the best of its knowledge and belief after having taken reasonable care to ensure that such is the case, all material representations contained in this Prospectus, including its amendments and supplements, if any, are true and correct as of the date of this Prospectus and that no material information was omitted, which was necessary in order to make the statements contained herein as of the Listing Date not misleading. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner assume no liability for any information supplied by the Company in relation to this Prospectus.

CPGI confirms that this Prospectus contains all material information relating to the Company, its Subsidiaries and affiliates namely, Century City Development Corporation ("**CCDC**"), Century Communities Corporation ("**CCC**"), Century Limitless Corporation ("**CLC**"), Century Properties Management, Inc. ("**CPMI**"), Century Destinations and Lifestyle Corp. ("**CDLC**"), PHirst Park Homes, Inc. ("**PPHI**"), and Century Nuliv Development Corporation ("**CNDC**") which are, in the context of the Offer, material (including all information required by applicable laws of the Republic of the Philippines), and are true, accurate, and correct in every respect. To the best of its knowledge and belief, there is no material misstatement or omission of fact, which would make any statement in this Prospectus misleading in any material respect. CPGI confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants for inclusion in this Prospectus.

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

Neither the delivery of this Prospectus nor any offering, sale or delivery made in connection with the issue of the Series B Preferred Shares shall, under any circumstances, create any implication that the information contained or referred to in this Prospectus is accurate as of any time subsequent to the date hereof. This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or any of its affiliates, directors or advisors to subscribe for or purchase the Series B Preferred Shares and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or is unlawful.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner does not make any representation, express or implied, as to the accuracy or completeness of the information contained in this Prospectus.

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

To the fullest extent permitted by law, none of the Issuer's advisors or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or any of its affiliates, directors or advisors accept any responsibility for the contents of this Prospectus. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner or any of its affiliates, directors or advisors accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Prospectus or any such statement. Neither the Sole Issue Manager, Lead Underwriter and Sole Bookrunner nor any of its affiliates, directors or advisors undertake to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Series B Preferred Shares of any information coming to the attention of the Issuer's advisors or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner.

No dealer, salesman or any other person has been authorized by CPGI and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to give any information or to make any representation concerning the Series B Preferred Shares other than those contained herein, and, if given or made, any such other information or representation should not be relied upon as having been authorized by CPGI or by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner.

The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. An investment in the Series B Preferred Shares, as described in this Prospectus, involves a certain degree of risk. A prospective purchaser of the Series B Preferred Shares should carefully consider several risk factors, such as risks inherent to the Company and the business and risks pertinent to the Philippines vis-à-vis risks inherent to the Series B Preferred Shares, in addition to the other information contained in this Prospectus, in deciding whether to invest in the Series B Preferred Shares.

The contents of this Prospectus are not to be considered as definitive legal, business or tax advice. Each prospective shareholder receiving a copy of this Prospectus acknowledges that he has not relied on the Sole Issue Manager, Lead Underwriter and Sole Bookrunner in their investigation of the accuracy of any information found in this Prospectus or in his investment decision. Prospective purchasers should consult their own counsel, accountants or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Series B Preferred Shares, among others. It is best to refer again to the section on "Risk Factors" for a discussion of certain considerations with respect to an investment in the Series B Preferred Shares.

CPGI is organized under the laws of the Philippines. Its principal office address is at the 35$^{th}$ Floor Century Diamond Tower, Century City, Kalayaan Avenue, Makati City, Philippines 1210, with telephone number +63 (2) 7793 5500.

**A REGISTRATION STATEMENT RELATING TO THE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE THEREBY, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PRELIMINARY PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION OF AN OFFER TO BUY ANY SERIES B PREFERRED SHARES.**

Century Properties Group Inc.

By:

**JOSE MARCO R. ANTONIO**
President & CEO

SUBSCRIBED AND SWORN to before me this ____ day of NOV 30 2023 at Makati City, Metro Manila affiant exhibiting to me his Passport No. P2695556B issued on August 1, 2019 at DFA Manila expiring July 31, 2029.

Doc. No. 833.
Page No. 68.
Book No. V.
Series of 2023.

DAREN L. LIBAN
Appointment No. M-164 (2022-2023)
Notary Public for Makati City
Until December 2023
23rd Floor, Century Diamond Tower, Century City,
Kalayaan Avenue corner Salamanca Street,
Barangay Poblacion, Makati City
Roll of Attorneys No. 73659
IBP No. 268918, 01.04.2023/PPLM Chapter
PTR No. 9568050 MM, 01.04.2023/Makati City
MCLE Compliance No. VII-0017405
Valid until April 14, 2025

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## FORWARD-LOOKING STATEMENTS

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

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

For further discussion of such risks, uncertainties and assumptions, see "Risk Factors" on page 66 of this Prospectus. Prospective purchasers of the Series B Preferred Shares are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements included herein are made only as of the date of this Prospectus, and CPGI undertakes no obligation to update such forward-looking statements publicly to reflect subsequent events or circumstances.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner does not take any responsibility for, or give any representation, warranty or undertaking in relation to, any such forward-looking statement.

Additional factors that could cause CPGI's or any of its Subsidiaries' actual results, performance or achievements to differ materially include those disclosed under "Risk Factors." These forward-looking statements speak only as of the date of this Prospectus. Each of the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based. In light of these risks, uncertainties and assumptions, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur in the way CPGI expects, or at all. CPGI's or any of its Subsidiaries' actual results could differ substantially from those anticipated in our forward-looking statements. Investors should not place undue reliance on any forward-looking information.

## DEFINITION OF TERMS

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

| | |
|---|---|
| ACCRALAW | Angara Abello Concepcion Regala & Cruz Law Offices. |
| Act-IRR | Implementing Rules and Regulations of B.P. 220. |
| Application to Purchase or the Application | The application forms accomplished and submitted by an applicant for the purchase of a specified amount of the Series B Preferred Shares, together with all the other requirements set forth in such application form. |
| AOI | Articles of Incorporation. |
| Arrears of Dividends | Dividends in which the declaration and/or payment have been deferred and which are due to the Shareholders. |
| Balikbayans | Former Filipino citizens who have returned to the Philippines. |
| Beneficial Owner | Any person (and "Beneficial Ownership" shall mean ownership by any person) who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting of such security; and/or investment returns or power in respect of any security, which includes the power to dispose of, or to direct the disposition of such security; provided, however, that a person shall be deemed to have an indirect Beneficial Ownership interest in any security which is held by:<br><br>i. Members of his immediate family sharing the same household;<br>ii. A partnership in which he is a general partner;<br>iii. A corporation of which he is a controlling shareholder;<br>iv. Subject to any contract, arrangement or understanding, which gives him voting power with respect to such securities; provided, however, that the following persons or institutions shall not be deemed to be Beneficial Owners of securities held by them for the benefit of third parties or in customer or fiduciary |

accounts in the ordinary course of business, so long as such securities were acquired by such persons or institutions without the purpose or effect of changing or influencing control of the issuer:

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

| | |
|---|---|
| BIR | Philippine Bureau of Internal Revenue. |
| Board of Directors or the Board | Board of Directors of CPGI. |
| BOI | Philippine Board of Investments. |
| B.P. 220 | Batas Pambansa Blg. 220, An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate Different Levels of Standards and Technical Requirements for Economic and Socialized Housing Projects in Urban and Rural Areas from those provided under Presidential Decrees Numbered 957, 1216, 1096 and 1185. |
| BSP | *Bangko Sentral ng Pilipinas*, the central bank of the Philippines. |
| Building Code | Republic Act No. 6541 as amended by Presidential Decree No. 1096, also known as the National Building Code of the Philippines. |
| Business Day | refers to a day, other than a public non-working holiday, Saturday, or Sunday on which the BSP's Philippine Payment and Settlement System (PhilPaSS) and the Philippine Clearing House Corporation (PCHC) (or, in the event of the discontinuance of their respective functions, their respective replacements) are open and available for clearing and settlement, and banks are generally open for business in Metro Manila, Philippines. |

| | |
|---|---|
| By-Laws | The Company's By-Laws, as amended. |
| CCC | Century Communities Corporation. |
| CCDC | Century City Development Corporation. |
| CDLC | Century Destinations and Lifestyle Corp. (formerly known as Century Properties Hotel and Leisure, Inc.) |
| Chinabank Capital | China Bank Capital Corporation as Sole Issue Manager, Lead Underwriter and Sole Bookrunner. |
| Civil Code | Republic Act No. 386, also known as the Civil Code of the Philippines, as amended. |
| CLC | Century Limitless Corporation. |
| CNDC | Century Nuliv Development Corporation. |
| Common Shares | Common shares of the Company with a par value of ₱0.53. |
| Constitution | The 1987 Constitution of the Philippines. |
| CPGI, or the Company, or the Group | Century Properties Group Inc. |
| CPC | Century PHirst Corporation. |
| CPI | Century Properties, Inc. |
| CPMCC | Century Project Management and Construction Corporation. |
| CPMI | Century Properties Management, Inc. |
| CTRP | Comprehensive Tax Reform Program. |
| DAR | Philippine Department of Agrarian Reform. |
| DENR | Philippine Department of Environment and Natural Resources. |
| Depository/Depository Agent | Philippine Depository & Trust Corp. |
| DHSUD | Department of Human Settlements and Urban Development. |
| Dividend Payment Date | [22 May], [22 August], [22 November] and [22 February] of each year. If the Dividend Payment Date is not a Business Day, it will be paid on the next succeeding Business Day, without any adjustment as to the amount of dividend to be paid. |

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| Dividend Period | shall refer to the period commencing on the Listing Date and having a duration of three (3) months, and thereafter, each of the successive periods of three (3) months commencing on the last day of the immediately preceding Dividend Period up to, but excluding, the first day of the immediately succeeding Dividend Period. |
| Initial Dividend Rate | [●]% per annum. |
| DST | Documentary Stamp Tax. |
| EAPRC | East Asia Power Resources Corporation. |
| EBITDA | Earnings Before Interest, Taxes, Depreciation, and Amortization. |
| ECC | Environmental Compliance Certificate. |
| EGF | Environmental Guarantee Fund. |
| EIS | Environmental Impact Statement. |
| EMB | Environmental Management Bureau. |
| EMF | Environmental Monitoring Fund. |
| FF/FF | Fully-Fitted and Fully-Furnished. |
| Firm Shares | Base offer of up to 30,000,000 Series B Preferred Shares. |
| GDP | Gross Domestic Product. |
| GFA | Gross floor area. |
| Government | Government of the Republic of the Philippines. |
| HLURB | Housing and Land Use Regulatory Board. |
| HSAC | Human Settlements Adjudication Commission. |
| JV | Joint Venture. |
| LEED | Leadership in Energy and Environmental Design. |
| LGU | Local Government Unit. |
| Listing Date | [22 February] 2024 or such date on which the Series B Preferred Shares will be issued by CPGI to the Shareholders and listed on the Main Board of the PSE. |

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|---|---|
| Maceda Law | Republic Act No. 6552, “An Act to Provide Protection to Buyers of Real Estate on Installment Payments” otherwise known as the “Realty Installment Buyer Act”. |
| Meridien | Meridien Group of Companies. |
| MPO | Minimum Public Ownership. |
| Offer or Offering | The offer and issuance of the Series B Preferred Shares by the Company pursuant to the Underwriting Agreement, Application to Purchase, and the Registry and Paying Agency Agreement. The terms and conditions of such offer and issuance are summarized in the section “Description of the Series B Preferred Shares”. |
| Offer Period | Commencing at 9:00 am on [6 February], 2024 and ending at 12:00 noon on [12 February], 2024 or such earlier or later day as may be mutually agreed upon by the Issuer and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. |
| Offer Shares | Perpetual, cumulative, non-participating, non-voting, redeemable, non-convertible, Philippine Peso-denominated Series B Preferred Shares, comprised of a base offer of up to 30,000,000 Preferred Shares and an Oversubscription Option of up to 20,000,000 Preferred Shares. |
| OFWs | Overseas Filipino Workers. |
| Oversubscription Option | In the event of an oversubscription, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, in consultation with the Issuer, reserves the right, but do not have the obligation, to increase the Offer size by up to 20,000,000 Series B Preferred Shares subject to the registration requirements of the SEC. |
| Oversubscription Option Shares | Series B Preferred Shares pertaining to the Oversubscription Option. |
| PAS | Philippine Accounting Standards. |
| P.D. 957 | Presidential Decree No. 957, “The Subdivision and Condominium Buyers’ Protective Decree”, as amended. |
| P.D. 1529 | Presidential Decree No. 1529, “Property Registration Decree”. |
| PCAB | Philippine Contractors Accreditation Board. |

| | |
|---|---|
| PDTC | Philippine Depository and Trust Corp. |
| PCD Nominee | PCD Nominee Corporation. |
| Person | Individuals, juridical persons such as corporation, partnership, joint venture, unincorporated association, trust or other juridical entities, or any governmental authority. |
| Peso or Pesos or P or ₱ or Php | Philippine Pesos, the lawful and official currency of the Republic of the Philippines. |
| PEZA | Philippine Economic Zone Authority. |
| PFRS | Philippine Financial Reporting Standards. |
| PIC | Philippine Interpretations Committee. |
| PPHI | PHirst Park Homes, Inc. |
| Preferred Shares | Preferred shares of the Company with a par value of ₱0.53. |
| Preferred Share Transactions | Acquisition, ownership and disposition of the Series B Preferred Shares, as well as declaration of dividends to holders thereof. |
| Preferred Shareholders or Shareholders | Holders of Series B Preferred Shares. |
| Prospectus | This Prospectus together with all its annexes, appendices and amendments, if any. |
| PSA | Philippine Standards on Auditing. |
| PSE | The Philippine Stock Exchange, Inc. |
| PSRE | Philippine Standard on Review Engagement. |
| R.A. 4726 | Republic Act No. 4726 or The Condominium Act. |
| R.A. 10667 or the “PCA” | Republic Act No. 10667 or the Philippine Competition Act, also referred to as the PCA. |
| R.A. 11201 | Republic Act No. 11201 or Department Human Settlements and Urban Development Act. |
| Receiving Agent | Stock Transfer Service, Inc. |
| Registrar | Stock Transfer Service, Inc. |
| Revised Corporation Code | Republic Act No. 11232, or An Act Providing for the Revised Corporation Code of the Philippines. |
| SEC | Philippine Securities and Exchange Commission and its successor agency/ies. |

| | |
|---|---|
| Selling Agents | PSE Trading Participants. |
| Series B Preferred Shares | Perpetual, cumulative, non-participating, non-voting, redeemable, non-convertible, Philippine Peso-denominated Series B Preferred Shares. |
| SGV & Co. | SyCip Gorres Velayo & Co., the Company's Independent Auditor. |
| Sole Issue Manager, Lead Underwriter and Sole Bookrunner | China Bank Capital Corporation. |
| sq.m. or sqm | square meter(s). |
| SRC | Republic Act No. 8799, otherwise known as "The Securities Regulation Code of the Philippines", including its implementing rules and regulations as promulgated and amended or supplemented by the SEC from time to time. |
| Stock Transfer Agent | Stock Transfer Service, Inc. |
| Subsidiaries | mean with respect to any Person, any entity of which fifty percent (50%) or more of whose securities, or other ownership interest having voting power to elect the board of directors or other person or body performing similar functions, are directly or indirectly owned by such Person. |
| SyCipLaw | SyCip Salazar Hernandez & Gatmaitan. |
| Tax Code | The Philippine National Internal Revenue Code of 1997, as amended, and its implementing rules and regulations as may be in effect from time to time. |
| TCT | Transfer Certificate of Title. |
| TRAIN Law | Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration and Inclusion". |
| Underwriting Agreement | Issue Management and Underwriting Agreement entered into on [●] between the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. |
| VAT | Value-Added Tax. |

# EXECUTIVE SUMMARY

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

**THE COMPANY**

CPGI is one of the leading real estate companies in the Philippines with a thirty-seven (37)-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.

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

Currently, the Company has seven (7) wholly owned subsidiaries – CCDC, CLC, CCC, PPHI, CDLC, CPMI and CNDC (collectively known as the "**Subsidiaries**"). Through its Subsidiaries, the Company develops, markets, and sells residential, office, medical and retail properties in the Philippines, as well as manages residential and commercial properties in the Philippines.

As of 30 September 2023, the Company has completed 38 projects which include 33 residential projects, consisting of (a) 17,480 completed residential condominium units with an aggregate gross floor area ("**GFA**") of 1,238,636 sq. m. (inclusive of parking) for its vertical housing developments, and (b) 1,414 single detached homes with an aggregate GFA of 224,113 sq. m. for its Canyon Ranch and Commune Village at Batulao developments.

CPGI also has five (5) commercial leasing projects with 1,267 units and gross leasable area ("**GLA**") of 145,021 sq. m. These include the Century City Mall, Centuria Medical Makati, Asian Century Center, Century Diamond Tower and Novotel Suites Manila.

Since its entry into the horizontal affordable housing development market in 2017 through PPHI, CPGI's JV with Mitsubishi Corporation, the Company has already launched 18 master-planned communities and completed 8,053 homes as of 30 September 2023. On 31 May 2023, the Board of Directors of the Company approved the acquisition of the 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares with a par value of One Peso (PhP1.00) per share and Two Hundred Sixty Five Thousand (265,000) Preferred B shares with a par value of One Thousand Pesos (PhP1,000.00) per share of Mitsubishi Corporation in PPHI. As of 24 November 2023, the acquisition was concluded and a deed of absolute sale was executed by Mitsubishi in favor of the Company.

In addition, the Company has completed 19 buildings consisting of 4,128 units with an aggregate GFA of 548,262 sq. m. prior to 2010 by the Meridien Group of Companies

("**Meridien**"), the founding principals' prior development companies. Noteworthy developments of Meridien include: 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 its subsidiary 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. As of 30 September 2023, CPMI manages 60 projects with a total of 153 buildings and 3.881 million sq. m. of GFA (inclusive of parking) under management. Of the total CPMI projects under management, 63% of the projects were developed by third parties. Notable third-party developed projects under management include the One Corporate Center and Union Bank Plaza in Ortigas, Pacific Star Building in Makati City, Philippine National Bank branches in various locations, National Grid Corporation of the Philippines in Quezon City and San Juan City, The Globe Tower in Cebu and De La Salle University in Lipa City.

## Completed Projects as of 30 September 2023

**Residential Projects**

| 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 |
| Century Spire | Makati City | Residential/Office | 92,138 | 552 | 2022 |
| ***Subtotal*** | | | ***421,258*** | ***4,096*** | |
| | | | | | |
| **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 | 736 | 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 |
| Acqua Tower 6 | Mandaluyong City | Residential | 13,531 | 185 | 2019 |
| ***Subtotal*** | | | ***202,099*** | ***3,169*** | |
| | | | | | |
| **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 |
| Quirino West | Quezon City | Residential | 26,759 | 517 | 2020 |
| Quirino East | Quezon City | Residential | 26,747 | 498 | 2020 |
| Quezon South | Quezon City | Residential | 38,341 | 687 | 2022 |
| ***Subtotal*** | | | ***192,243*** | ***3,254*** | |
| | | | | | |
| ***Canyon Ranch*** | | | | | |
| Phase 1 & 2 | Carmona, Cavite | Residential | 166,896 | 779 | *Per house* |
| Moderno | Carmona, Cavite | Residential | 25,304 | 150 | *Per house* |
| ***Subtotal*** | | | ***192,200*** | ***929*** | |
| | | | | | |
| ***The Resort Residences at Azure North*** | | | | | |
| Monaco | Pampanga | Residential | 43,063 | 800 | 2021 |
| Bali | Pampanga | Residential | 43,063 | 806 | 2021 |
| ***Subtotal*** | | | ***86,126*** | ***1,606*** | |
| | | | | | |
| ***Commune Village at Batulao*** | Batangas | Residential | 31,914 | 178 | *Per house* |
| | | | | | |
| **Grand Total** | | | ***1,462,750*** | ***18,587*** | |

**Commercial/ Office Projects**

| Commercial/Office Projects | Location | Type | GLA in sq. m. (with parking) | Units | Year Completed |
|---|---|---|---|---|---|
| Century City Mall | Makati City | Retail | 16,443 | 150 | 2013 |
| Centuria Medical Makati | Makati City | Medical Office | 29,749 | 708* | 2015 |
| Asian Century Center | BGC, Taguig City | Office Building | 29,154 | 51 | 2018 |
| Century Diamond Tower | Makati City | Office Building | 57,137 | 206 | 2019 |
| Novotel Suites Manila | Mandaluyong City | Hotel | 12,538 | 152 | 2022 |
| **Total** | | | **145,021** | **1,267** | |

**555 units sold, 148 units for lease, 5 unsold units open for sale*

## Sold Residential Business Projects as of 30 September 2023

| Project | Location | No. of Units Inventory | No. of Units Sold | % Sold | Total Sales Value (₱ millions) | Sold Revenues (₱ millions) | Remarks |
|---|---|---|---|---|---|---|---|
| **EXISTING IN-CITY VERTICAL DEVELOPMENTS** | | | | | | | |
| Century City | Makati City | 4,097 | 4,075 | 99.46% | 34,190 | 33,447 | Unsold units are mostly in Century Spire, the last tower which is already completed. |
| Azure Urban Resorts Residences | Parañaque City | 5,355 | 5,346 | 99.83% | 22,576 | 22,406 | Unsold units are mostly in Maui, which are the retail units. |
| The Resort Residences at Azure North | San Fernando, Pampanga | 2,426 | 2,309 | 95.18% | 10,419 | 9,646 | Bali and Monaco are already completed. Barbados, the last tower, is expected to be completed in 2025. |
| Acqua Residences | Mandaluyong City | 3,169 | 3,166 | 99.91% | 16,095 | 16,031 | Only a few unsold RFO units. |
| Commonwealth | Quezon City | 3,254 | 3,211 | 98.68% | 13,037 | 12,741 | Unsold units are mostly in Quezon South, the last tower which is already completed. |
| Commune Village at Batulao | Nasugbu, Batangas | 485 | 251 | 51.75% | 3,402 | 1,541 | Launched in Q4 2017. Completed 178 units. |
| Canyon Ranch | Carmona, Cavite | 929 | 911 | 98.06% | 3,700 | 3,620 | Substantially sold and completed. |
| **TOTAL** | | **19,715** | **19,269** | **97.7%** | **103,419** | **99,432** | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **FIRST-HOME MARKET RESIDENTIAL DEVELOPMENTS** | | | | | | | |
| PHirst Park Homes – Tanza | Tanza, Cavite | 2,877 | 2,762 | 96% | 4,794 | 4,442 | Phase 1 & 2 were launched in 2017 and Phase 3 in 2019; 2,638 houses are |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | completed as of September 2023, Phase 1 is 99% sold, Phase 2 is 99% sold, Phase 3 is 88% sold. |
| PHirst Park Homes – Lipa | Lipa, Batangas | 1,698 | 1,477 | 87% | 2,920 | 2,390 | 1,444 houses are completed as of September 2023, Phase 1 is 92% sold, Phase 2 is 80% sold. |
| PHirst Park Homes – San Pablo | San Pablo, Laguna | 1,624 | 1,421 | 88% | 2,855 | 2,396 | Phase 1 was launched in Q1 2019, 96% sold; Phase 2 was launched in Q2 2019, 88% sold; Phase 3 was launched in Q2 2021, 75% sold;<br>1,065 completed houses as of September 2023 |
| PHirst Park Homes – Pandi | Pandi, Bulacan | 1,598 | 1,291 | 81% | 3,060 | 2,375 | Phase 1 and 2 were launched in Q4 2019; Phase 1 is 60% sold, Phase 2 is 92% sold, Phase 3 is 82% sold; 813 completed houses as of September 2023 |
| PHirst Park Homes – Calamba | Calamba, Laguna | 1,501 | 1,381 | 92% | 2,789 | 2,420 | Phase 1 was launched in Q4 2019, 93% sold; Phase 2 in Q1 2021, 90% sold; 883 completed houses as of September 2023. |
| PHirst Park Homes-Batulao | Nasugbu, Batangas | 2,150 | 2,083 | 97% | 5,344 | 5,121 | Phase 1A was launched in Q4 2019, 97% sold. Phase 1B was launched in Q3 2020, 98% sold, Phase 2 was launched in Q1 2021, 97% sold; 578 completed houses as of September 2023. |
| PHirst Park Homes – Magalang | Magalang, Pampanga | 1,079 | 1,000 | 93% | 1,996 | 1,821 | Phase 1 was launched in Q4 2020, 93% sold; 569 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | completed houses as of September 2023. |
| PHirst Park Homes – Gen Tri | Gen. Trias, Cavite | 1,339 | 1,286 | 96% | 2,656 | 2,464 | Phase 1 was launched in Q3 2021. Phase 2 was launched in March 2022, 99% sold. Phase 3 was launched in Q4 2021, 72% sold. |
| PHirst Park Homes – Tayabas | Tayabas, Quezon | 778 | 723 | 93% | 1,253 | 1,166 | Phase 1A was launched in Q3 2021, 98% sold. Phase 1B was launched in Q4 2021, 86% sold. |
| PHirst Park Homes – Baliwag | Baliwag, Bulacan | 822 | 796 | 97% | 1,511 | 1,459 | Phase 1 was launched in Q3 2021, 98% sold. Phase 2 was launched in Q3 2022, 93% sold. |
| PHirst Park Homes – Naic | Naic, Cavite | 704 | 669 | 95% | 1,248 | 1,185 | Phase 1 was launched in Q4 2021, 94% sold. Phase 2 was launched in January 2023, 97% sold. |
| PHirst Park Homes – Balanga | Balanga, Bataan | 732 | 282 | 39% | 1,251 | 500 | Phase 1 was launched in Q2 2022. |
| PHirst Park Homes – Gapan | Gapan, Nueva Ecija | 546 | 116 | 21% | 1,035 | 219 | Phase 1 was launched in late Dec 2022. |
| PHirst Park Homes – Batulao Sequel | Nasugbu, Batangas | 656 | 260 | 40% | 1,309 | 517 | Phase 1A was launched in May 2023. |
| PHirst Park Homes – Lipa The Cove | Lipa, Batangas | 396 | 69 | 17% | 642 | 105 | Phase 4A was launched in August 2023. |
| PHirst Editions | Nasugbu, Batangas | 629 | 476 | 76% | 3,204 | 2,148 | Phase 1 was launched in Q4 2022, 89% sold. Phase 2 was launched in May 2023, 35% sold. |
| PHirst Sights | Bay, Laguna | 1,816 | 1,608 | 89% | 2,099 | 1,790 | Phases 1 and 2 were launched in Dec 2022 |
| PHirst Centrale | Hermosa, Bataan | 528 | 136 | 26% | 1,037 | 267 | Phase 1 was launched in late Dec 2022 |
| **TOTAL** | | **21,473** | **17,836** | **83.1%** | **41,003** | **32,785** | |
| **GRAND TOTAL** | | **41,188** | **37,105** | **90.1%** | **144,422** | **132,217** | |

The Company has a land bank for future development of 204.8 hectares consisting of in-city properties for its future mid-rise buildings, leasing and horizontal affordable housing projects in various locations in Quezon City, Mandaluyong City, Pampanga, Batangas, Palawan, Laguna, Bulacan, Cavite, Bataan, Nueva Ecija and Bacolod City.

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

The Company has marketed and sold to clients in more than 15 countries and, as a result, a significant portion of its vertical residential properties are sold to Filipinos living abroad. International pre-sales accounted for approximately two-thirds of total pre-sales, in terms of value, for each of the last three (3) years. For the horizontal affordable housing segment, the Company generates an equal mix of pre-sales from an equal mix of domestic (locally employed and self-employed) and international (mostly OFWs) buyers. The Company conducts its sales and marketing for both vertical residential properties and affordable housing through the Company's extensive domestic and international network of 107 exclusive agents who receive monthly allowances and commissions, and 3,787 external agents, which include 2,972 commission-based agents and 815 brokers as of 30 September 2023.

For calendar years ended December 31, 2020, 2021, 2022 and for the nine (9)-month period ended September 30, 2023, revenue was ₱10,836 Million, ₱9,444 Million ₱11,126 Million and ₱9,695 Million, respectively, and net income was ₱1,149 Million, ₱1,269 Million, ₱1,405 Million, and ₱1,304 Million, respectively. As of September 30, 2023, the Company had total assets of ₱54,257 Million, and total equity of ₱19,087 Million (excluding non-controlling interest).

## RECENT DEVELOPMENTS

### 2023

### Issuance of ₱3 Billion Fixed Rate Retail Bonds

On 17 March 2023, CPGI issued and listed with the PDEx a total of ₱3,000,000,000 Fixed Rate Retail Bonds comprising of 6.5760% per annum three (3) year fixed rate bonds ("**Series A Bonds**"), 7.4054% per annum five (5) year fixed rate bonds ("**Series B Bonds**") and 7.6800% per annum seven (7) year fixed rate bonds ("**Series C Bonds**"). The bond issuance is the second tranche of the Company's ₱6,000,000,000.00 Debt Securities Program Shelf Registration with the SEC under SEC Order No. 5, Series of 2022. The bonds have been rated "AA+" by Credit Rating and Investor Services Philippines Inc. (CRISP).

The proceeds from the issuance of the bonds were used primarily: (i) to partially finance the redemption of CPGP Preferred Shares with dividend rate of 6.7177%; (ii) to fund capital expenditures for new horizontal affordable housing developments; and (iii) to fund general corporate requirements.

### Acquisition of Shares of Mitsubishi Corporation in PHirst Park Homes Inc.

On 31 May 2023, the Board of Directors of CPGI approved the acquisition of the 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares with a par value of

One Peso (₱1.00) per share and Two Hundred Sixty-Five Thousand (265,000) Preferred B shares with a par value of One Thousand Pesos (₱1,000.00) per share of Mitsubishi Corporation in PPHI. The Philippine Competition Commission has approved the above transaction on 9 August 2023.

PPHI was incorporated on 31 August 2018, and is the first-home division and brand of CPGI. Its projects are located within the fringes of Metro Manila and its target market is first-time homebuyers. Its current projects are located at Lipa and Batulao in Batangas, San Pablo and Calamba in Laguna, Naic, General Trias and Tanza in Cavite, Baliwag and Pandi in Bulacan, Tayabas in Quezon, Magalang in Pampanga, Balanga in Bataan and Gapan Nueva Ecija, which involve a multi-phase horizontal residential property and offer both Townhouse units & Single Attached units. PPHI is a joint venture project between Century Properties Group Inc. and Mitsubishi Corporation with a 60-40% shareholding, respectively.

On 24 November 2023, the Company has concluded the acquisition of 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares at ₱1.09 per share and Two Hundred Sixty Five Thousand (265,000) Preferred B shares at ₱1,085.28 per share of Mitsubishi Corporation, with a total acquisition price of One Billion Four Hundred Thirty Eight Million Pesos Only (₱1,438,000,000.00) paid in cash. A Deed of Absolute Sale of Shares was executed by Mitsubishi Corporation in favor of CPGI.

**Redemption of ₱3 Billion Preferred Shares**

On 10 July 2023, CPGI fully redeemed its ₱3 billion cumulative, non-voting, non-convertible, non-participating, non-convertible, redeemable Peso-denominated Preferred Shares ("**CPGP Preferred Shares**") issued by the Company and listed on the PSE on 10 January 2020.

The Company's Board of Directors approved the optional redemption of the CPGP Preferred Shares in its special board meeting last 12 May 2023. The CPGP Preferred Shares were redeemed at its redemption price of One Hundred Pesos (₱100.00) per share, pursuant to the terms set out in the Prospectus dated 12 December 2019.

**2022**

**Issuance of Fixed Rate Bonds**

On 24 February 2022, CPGI issued and listed with the PDEx a total of ₱3,000,000,000 fixed rate bonds, the first tranche of the Company's ₱6,000,000,000 Debt Securities Program shelf registered with the SEC under SEC Order No. 5, Series of 2022.

The bonds were comprised of five (5)-year bonds at an interest rate of 5.7524% per annum.

The proceeds from the issuance of the bonds were used primarily: (i) for the partial refinancing of bonds with interest rate of 7.8203% issued in 2019; (ii) to fund capital expenditures for horizontal affordable housing developments; and (iii) to fund general corporate requirements.

**Project Completion, Openings and Launches in 2022**

On 26 October 2022, the Company launched its new Century NULIV business unit, a brand for a new residential concept that offers townhouses and other low-rise structures that are situated in key growth areas. Its maiden project, Century NULIV Townvillas at Acqua features a low-density high street with 22 multi-storey houses and lots on an exclusive road behind Acqua Private Residences.

In October 2022, Century Spire in Century City, was completed. The 50-storey tower is a mixed-use development designed by Daniel Libeskind, the visionary architect behind New York's Ground Zero. Century Spire has a total GFA of 92,138 sq. m. (inclusive of parking) and a total of 552 units.

In December 2022, the last tower at The Residences at Commonwealth, Quezon South, was completed. The largest among the 8 towers of The Residences at Commonwealth, Quezon South has a total GFA of 38,341 sq. m. and a total of 687 units. With the completion of the Quezon South tower, all 8 towers of the 4.4-hectare project of CPGI located in its first master-planned residential community development in Quezon City have been completed.

The Company, through PHirst Park Homes, launched PHirst Park Homes Naic, PHirst Park Homes Balanga and PHirst Park Homes Gapan in 2022, with 400 houses valued at ₱0.7 Billion, 732 houses valued at ₱1.2 Billion and 546 houses valued at ₱1 Billion. The Company has also expanded its horizontal housing brand that will cater to different market segments of first-home buyers with the objective to address the strong housing demand in the Philippines.

On 15 December 2022, Novotel Suites Manila, CPGI's first hospitality venture, opened its doors to both leisure and business guests. Novotel Suites Manila, housed at the sixth and final tower of Acqua Private Residences, is a 152-room hotel conceptualized by CPGI, in partnership with Accor, a multinational hospitality company.

*Century PHirst Corporation*

On February 23, 2023, CPGI announced the expansion of its first home market residential offerings through Century PHirst Corporation (CPC), a wholly-owned subsidiary of Century Limitless Corporation (CLC). Through CPC, CPGI will, by itself, be venturing into the socialized, economic, and mid-income residential markets. CLC is a wholly-owned subsidiary of CPGI.

CPC's flagship projects are: (1) PHirst Editions Batulao located in Nasugbu, Batangas, which was launched in October 2022; (2) PHirst Sights Bay in Laguna, which was launched in December 2022; and (3) PHirst Centrale Hermosa in Bataan, which was launched in December 2022 (PHirst Fairgrounds) and May 2023 (PHirst Impressions).

PHirst Editions Batulao, Century PHirst's maiden middle-income development, is a horizontal residential project in Nasugbu, Batangas and is located adjacent to the existing PHirst Park Homes Batulao community. PHirst Editions Batulao spans 14 hectares and will house 629 single attached and single detached units with a project sales value of ₱3.06 Billion for middle income, priced from ₱3.2 Million to ₱6 Million.

PHirst Sights Bay in Laguna with 1,816 houses valued at ₱2.1Billion is a project that will cover segments from socialized housing with units priced at ₱580,000, and economic housing with units ranging from ₱800,000 to ₱1.5 Million.

To round up its expansion plan, CPC also ventured into its first mixed-use township in Bataan, PHirst Centrale Hermosa, which will have multiple residential product offerings, as well as support commercial, retail, and institutional components. Launched in May 2023, PHirst Impressions Centrale Hermosa is a townhouse development that occupies 14.5 hectares with 1,574 units valued at around ₱3.12 Billion. Unit prices range from ₱1.7 to ₱ 2.5 Million. Alongside PHirst Impressions is PHirst Fairgrounds, PHirst Centrale Hermosa's commercial component launched in December 2022. This 3.1 hectare development offers lot cuts ranging from 503-1,531sqm, with the first phase valued at ₱602 Million.

These expansion efforts of PPHI & CPC bring forth a broader range of housing packages and price points to provide first-time home buyers with a wider set of options to acquire their very own home.

## KEY INVESTMENT HIGHLIGHTS

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

- Growth strategy supported by a favorable macroeconomic environment
- Proven track record of delivering innovative and high-quality projects in the luxury and middle-income condominium segments
- Diverse product offerings capitalizing on various market segments
- Strong international sales platform
- Experienced management team

A more detailed discussion of the Company's "Key Investment Highlights" may be found on page 126 of this Prospectus.

## BUSINESS STRATEGY

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

- Leverage its industry leading reputation in the high-rise condominium market to develop low to mid-rise condominium projects
- Expansion of First-Home platform to achieve nationwide presence.
- Maintain a stable and positive operating cashflow and recurring earnings from commercial leasing portfolio.

A more detailed discussion of the Company's "Business Strategy" can be found on page 130 of this Prospectus.

## RISKS OF INVESTING

Before making an investment decision, investors must rely on their own examination of the Company and the terms of the Offer, including the risks involved. These risks include:

- Risks relating to the Company, its subsidiaries and their business and operations, brought about by the following facts:
    - 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;
    - All of the Company's properties are in the Philippines and, as a result, it is exposed to risks associated with the Philippines, including the performance of the Philippine economy;
    - The Company is exposed to geographic portfolio concentration risks;
    - Its portfolio of residential real estate property development projects exposes the Company to sector-specific risks;

- 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 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 uses celebrities and international brands to design, market and sell some of its properties;
- The Company may not be able to successfully manage its growth;
- The Company is involved in a cyclical industry and is affected by changes in general and local economic conditions;
- The Company might not be able to generate sufficient funds internally or through external financing to operate and grow its business as planned;
- The cancellation of sales of housing or condominium units could adversely affect business, financial condition and results of operations;
- The Company is controlled by Century Properties, Inc., 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;
- The Company is highly dependent on certain directors and members of senior management;
- The Company may be unable to attract and retain skilled professionals, such as architects and engineers;
- The Company may not be able to hire independent contractors that meet its requirements;
- 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;
- Third parties may contest the Company's titles to its properties;
- The Company faces risks relating to its property development, including risks relating to project costs, completion time frame and development rights;
- The Company's reputation may be adversely affected if it does not complete projects on time or to customers' requirements;
- The Company operates in a highly regulated environment and must obtain and maintain various permits, licenses and other government approvals;
- Environmental laws applicable to the Company's projects could have a material adverse effect on its business, financial condition or results of operations;
- 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 Company uses third-party non-exclusive brokers to market and sell some of its projects;
- The Company is exposed to risks relating to the ownership and operation of commercial real estate;
- 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;
- 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;
- The adoption of new accounting standards may have an impact on the Company's financial statements;
- The Company is subject to certain debt covenants;
- The Company may, at any given time, consider business combination alternatives;

- The Company is exposed to interest rate, liquidity, credit, currency and commodity risks; and
- The Company may suffer losses that are not covered by its insurance.

- Macroeconomic risks that may affect the Company's financial and operating performance, such as:
  - the performance of the Philippine economy;
  - any economic and political instability in the Philippines;
  - the continuing effects of COVID-19, future pandemics, epidemics, or outbreaks of diseases;
  - acts of terrorism and violent crimes that could destabilize the Philippines;
  - the credit ratings of the Philippines; and
  - occurrence of natural or other catastrophes, including severe weather conditions and other environmental factors, which may materially disrupt the Company's operations.

- Risks relating to the Series B Preferred Shares, due to the following:
  - The Series B Preferred Shares may not be a suitable investment for all investors;
  - Shareholders have no right to require redemption and bear the financial risk of selling their Series B Preferred Shares at a loss;
  - The Company's discretion to defer dividend payments on the Series B Preferred Shares;
  - Volatility of the market price of the Series B Preferred Shares;
  - There is no guarantee on the existence of an active and liquid market for the Series B Preferred Shares;
  - Sufficiency of the Company's residual assets, in case of liquidation;
  - The Company's existing and future indebtedness;
  - Holders of the Series B Preferred Shares may not be able to reinvest at a similar return on investment; and
  - The Series B Preferred Shares are non-voting shares.

For a more detailed discussion of the risks, refer to page 66 of this Prospectus.

## SUMMARY FINANCIAL INFORMATION

*The selected financial information set forth in the following tables has been derived from the Company's unaudited interim consolidated financial statements as of 30 September 2023 and for the nine-month periods ended 30 September 2023 and 2022, and its audited consolidated financial statements as of 31 December 2022, 2021, and 2020 and for the years ended 31 December 2022, 2021, 2020, and 2019. This should be read in conjunction with the unaudited interim condensed consolidated financial statements and audited consolidated financial statements annexed to this Prospectus, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included herein.*

*The Company's unaudited interim condensed consolidated financial statements were prepared in compliance with Philippine Accounting Standards ("PAS") 34, "Interim Financial Reporting", as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, and were reviewed by SGV & Co., in accordance with Philippine Standard on Review Engagement ("PSRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The Company's audited consolidated financial statements were prepared in accordance with the Philippine Financial Reporting Standards ("PFRS") and were audited by SGV & Co., in accordance with Philippine Standards on Auditing ("PSA").*

*The Group adopted PFRS 16, Leases, using the modified retrospective approach with the initial date of application of 1 January 2019. Amounts presented in the consolidated statements of financial position and consolidated statements of comprehensive income as at and for the years ended 31 December 2018 are based on PAS 17, Leases, International Financial Interpretations Committee 4, Determining whether an Arrangement contains a Lease, SIC-15, Operating Leases-Incentives, and SIC-27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The comparative financial information for accounts affected by the adoption of PFRS 16 may not be comparable to the information presented as at and for the year ended 31 December 2019. Refer to Note 2 of the Group's audited interim condensed consolidated financial statements included elsewhere in this Prospectus for the effect of the adoption of PFRS 16.*

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 | 2020 | 2019 |
| **Revenue** | | | | | | |
| Real estate sales | 8,231 | 7,371 | 9,232 | 7,664 | 9,483 | 12,685 |
| Leasing revenue | 1,047 | 963 | 1,363 | 1,200 | 795 | 713 |
| Property management fee and other services | 345 | 303 | 423 | 400 | 390 | 412 |
| Hotel Revenue | 32 | - | - | - | - | - |
| Interest income from real estate sales | 40 | 111 | 109 | 180 | 168 | 504 |
| **Total Revenue** | **9,695** | **8,748** | **11,127** | **9,444** | **10,836** | **14,314** |
| | | | | | | |
| **Cost** | | | | | | |
| Cost of real estate sales | 4,756 | 4,662 | 5,608 | 4,808 | 6,083 | 8,460 |
| Cost of leasing | 326 | 278 | 441 | 352 | 227 | 217 |
| Cost of Hotel Services | 31 | - | - | - | - | - |
| Cost of services | 192 | 196 | 268 | 273 | 286 | 295 |
| **Total Costs** | **5,305** | **5,136** | **6,317** | **5,433** | **6,596** | **8,972** |
| | | | | | | |
| **Gross Profit** | **4,390** | **3,612** | **4,810** | **4,011** | **4,240** | **5,342** |
| | | | | | | |
| **General, administrative and selling expenses** | **2,396** | **2,017** | **2,771** | **2,693** | **2,864** | **3,235** |
| | | | | | | |
| **Other Income (Expenses)** | | | | | | |
| Interest and other income | 629 | 347 | 470 | 398 | 568 | 573 |
| Gain on change in fair value of investment properties | (7) | 22 | 28 | 226 | 559 | 261 |
| Gain (loss) on change in fair value of derivative asset | - | - | - | - | - | (76) |
| Share in net earnings of JVs and associate | 2 | 4 | 4 | 9 | 7 | 11 |
| Interest and other financing charges | (970) | (672) | (918) | (895) | (948) | (937) |
| Unrealized foreign exchange loss (gain) | - | - | 1 | 3 | 2 | (117) |
| **Total Other Income (Expenses)** | **(346)** | **(299)** | **(415)** | **(259)** | **188** | **(285)** |
| | | | | | | |
| **Income Before Tax** | **1,648** | **1,296** | **1,624** | **1,059** | **1,564** | **2,056** |
| | | | | | | |
| **Provision for Income Tax** | **344** | **150** | **219** | **(210)** | **415** | **577** |
| | | | | | | |
| **Net Income** | **1,304** | **1,146** | **1,405** | **1,269** | **1,149** | **1,479** |
| | | | | | | |
| **Other Comprehensive Income** | | | | | | |
| Net change in fair value of equity instruments at fair value through OCI | 0 | 0 | 0 | 0 | (1) | 0 |
| Remeasurement (Loss) Gain on Defined Benefit Plan | 0 | (5) | 64 | 76 | (37) | (15) |
| **Total Comprehensive Income** | **1,304** | **1,141** | **1,469** | **1,345** | **1,111** | **1,464** |

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|
| | **2023** | **2022** | **2021** | **2020** | **2019** |
| **ASSETS** | | | | | |
| **Current Assets** | | | | | |
| Cash and cash equivalents | 3,832 | 4,131 | 3,693 | 2,474 | 4,005 |
| Short-term investments | 18 | 37 | 1,033 | 285 | - |
| Receivables | 10,383 | 9,845 | 9,295 | 11,491 | 10,967 |
| Real estate inventories | 16,659 | 17,724 | 16,143 | 14,651 | 15,558 |
| Due from related parties | 1,724 | 975 | 527 | 464 | 420 |
| Advances to suppliers and contractors | 1,101 | 1,750 | 2,427 | 2,428 | 2,007 |
| Investment in bonds | - | - | - | 464 | - |
| Prepayments and other current assets | 2,002 | 1,642 | 1,895 | 1,810 | 1,409 |
| **Total Current Assets** | **35,719** | **36,104** | **35,013** | **34,067** | **34,366** |
| | | | | | |
| **Noncurrent Assets** | | | | | |
| Real estate receivables – net of current portion | 1,063 | 109 | 366 | 125 | 1,138 |
| Investment in bonds | - | - | - | - | 464 |
| Investment in and advances to JV | 277 | 275 | 275 | 265 | 259 |
| Deposits for purchased land | 1,112 | 1,410 | 1,359 | 1,354 | 1,079 |
| Investment properties | 12,388 | 12,395 | 13,995 | 13,628 | 12,933 |
| Property and equipment | 2,480 | 2,484 | 1,816 | 1,784 | 1,648 |
| Deferred tax assets – net | 44 | 34 | 27 | 86 | 42 |
| Other noncurrent assets | 1,174 | 1,120 | 1,657 | 1,700 | 1,513 |
| **Total Noncurrent Assets** | **18,538** | **17,827** | **19,494** | **18,942** | **19,076** |
| | | | | | |
| **TOTAL ASSETS** | **54,257** | **53,931** | **54,507** | **53,009** | **53,442** |
| | | | | | |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current Liabilities** | | | | | |
| Accounts and other payables | 5,627 | 4,995 | 5,251 | 5,592 | 5,703 |
| Contract liabilities | 3,282 | 2,769 | 3,049 | 1,458 | 1,784 |
| Short-term debt | 579 | 235 | 468 | 812 | 1,453 |
| Current portion of long-term debt | 3,980 | 2,192 | 5,468 | 5,447 | 5,462 |
| Current portion of bonds payable | 2,993 | - | 2,992 | 119 | 1,393 |
| Current portion of liability for purchased land | 67 | 67 | 67 | 67 | 67 |
| Current portion of lease liability | 14 | 16 | 26 | 5 | 22 |
| Due to related parties | 390 | 358 | 317 | 270 | 171 |
| Income tax payable | 205 | 69 | 70 | 62 | 9 |
| Other current liabilities | 76 | 68 | 109 | 352 | 35 |
| **Total Current Liabilities** | **17,213** | **10,769** | **17,817** | **14,184** | **16,099** |
| | | | | | |
| **Noncurrent Liabilities** | | | | | |

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Long-term debt – net of current portion | 5,270 | 8,814 | 6,371 | 9,409 | 9,881 |
| Bonds payable – net of current portion | 5,874 | 5,917 | 2,955 | 2,966 | 3,060 |
| Liability for purchased land – net of current portion | 0 | 64 | 141 | 208 | 268 |
| Lease liability – net of current portion | 9 | 12 | 32 | - | 40 |
| Pension liabilities | 252 | 231 | 280 | 373 | 307 |
| Deposit for future stock subscription | - | - | - | - | 42 |
| Deferred tax liabilities – net | 2,557 | 2,542 | 2,648 | 2,952 | 2,708 |
| Other noncurrent liabilities | 1,726 | 1,790 | 1,913 | 1,786 | 1,421 |
| **Total Noncurrent Liabilities** | **15,688** | **19,370** | **14,340** | **17,694** | **17,727** |
| | | | | | |
| **Total Liabilities** | **32,901** | **30,139** | **32,157** | **31,878** | **33,826** |
| | | | | | |
| **Equity** | | | | | |
| Capital stock | | | | | |
| Common Stock | 6,201 | 6,201 | 6,201 | 6,201 | 6,201 |
| Preferred Stock | 16 | 16 | 16 | 16 | - |
| Additional paid-in capital | 5,525 | 5,525 | 5,525 | 5,525 | 2,640 |
| Treasury shares | (3,110) | (110) | (110) | (110) | (110) |
| Other components of equity | (683) | (683) | (683) | (683) | 99 |
| Retained earnings | 11,120 | 10,514 | 9,814 | 9,029 | 8,734 |
| Remeasurement Loss on Defined Benefit Plan | 18 | 17 | (43) | (118) | (81) |
| **Total equity attributable to Parent Company** | **19,087** | **21,480** | **20,720** | **19,859** | **17,483** |
| **Non-controlling interests** | **2,269** | **2,312** | **1,630** | **1,272** | **2,133** |
| **Total Equity** | **21,356** | **23,792** | **22,350** | **21,131** | **19,616** |
| | | | | | |
| **TOTAL LIABILITIES AND EQUITY** | **54,257** | **53,931** | **54,507** | **53,009** | **53,442** |

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|
| | **2023** | **2022** | **2021** | **2020** | **2019** |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Income before income tax | 1,648 | 1,624 | 1,059 | 1,565 | 2,056 |
| Adjustments for: | | | | | |
| Interest and other financing charges | 970 | 918 | 895 | 948 | 937 |
| Loss (gain) from change in fair value of derivative | - | - | - | - | 76 |
| Depreciation and amortization | 89 | 56 | 68 | 59 | 58 |
| Retirement expense | 21 | 47 | 50 | 54 | 41 |
| Loss on pre-termination of derivative | - | - | - | - | 40 |
| Gain from pre-termination of lease contracts | - | - | - | (6) | - |
| Impairment of investment in associate | - | - | - | - | - |
| Interest income | (158) | (163) | (220) | (263) | (616) |
| Loss (gain) from change in fair value of investment properties | 7 | (28) | (225) | (559) | (261) |
| Foreign exchange loss (gain) | - | - | - | - | (116) |
| Impairment on investment in joint venture | - | 3 | | | |
| Share in net earnings of joint ventures and associate | (2) | (4) | (9) | (7) | (11) |
| Loss (gain) on sale of investment property | - | 1 | 34 | 13 | (4) |
| **Operating income before working capital changes** | **2,575** | **2,454** | **1,651** | **1,804** | **2,199** |
| Decrease (increase) in: | | | | | |
| Receivables | (1,451) | (184) | 2,135 | 489 | (1,336) |
| Real estate inventories | 1,483 | 127 | (1,317) | 1,455 | 2,735 |
| Advances to suppliers and contractors | 26 | 677 | 1 | (421) | 230 |
| Other assets | (313) | 306 | (27) | (650) | (423) |
| Increase (decrease) in: | | | | | |
| Accounts and other payables | 608 | (256) | (8) | (488) | 759 |
| Contract liabilities | 513 | (280) | 1,591 | (326) | (510) |
| Liability from purchased land intended for development | (63) | (77) | (67) | (60) | (33) |
| Other liabilities | (140) | (80) | (117) | 590 | 418 |
| **Cash generated by (used in) operations** | **3,237** | **2,686** | **3,841** | **2,392** | **4,038** |
| Interest received | 118 | 53 | 40 | 263 | 616 |
| Interest and other financing costs paid | (960) | (1,018) | (1,150) | (1,273) | (1,944) |
| Income taxes paid | (300) | (288) | (63) | (137) | (363) |
| Retirement benefits paid | - | (15) | (31) | (43) | (6) |
| **Net cash provided by (used in) operating activities** | **2,094** | **1,418** | **2,637** | **1,203** | **2,341** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Proceeds from: | | | | | |

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Refund of deposits for purchased land | - | - | - | - | 182 |
| Sale of investment properties | - | 31 | 93 | 29 | 157 |
| Marginal deposits | - | - | - | - | 32 |
| Refund of rental deposits | - | - | - | 20 | 7 |
| Sale of property and equipment | - | - | 12 | - | - |
| Maturity of short-term investments | 19 | 996 | 464 | - | - |
| Payments for: | | | | | |
| Additions to investment properties | - | (13) | (269) | (113) | (1,251) |
| Additions to short-term investments | - | - | (747) | (285) | - |
| Additions to investment in bonds | - | - | - | - | (464) |
| Additions to property and equipment | (81) | (160) | (29) | (223) | (355) |
| Deposits for purchased land | - | (81) | (5) | (275) | (238) |
| Intangible assets | (7) | - | (22) | (5) | (2) |
| Marginal deposits | - | - | - | - | - |
| Acquisition of non-controlling interest | - | - | - | (1,900) | - |
| Collections from (advances to) related parties | (126) | (443) | (63) | (45) | (25) |
| **Net cash used in investing activities** | **(195)** | **329** | **(566)** | **(2,798)** | **(1,957)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Proceeds from: | | | | | |
| Short-term and long-term debt | 1,476 | 6,776 | 3,365 | 6,100 | 12,464 |
| Issuance of preferred stock | - | - | - | 2,911 | - |
| Deposits for preferred shares | 1 | (30) | - | 56 | 412 |
| Issuance of bonds payable | 3,000 | 3,000 | 3,000 | - | 3,000 |
| Additional investment from non- controlling interest | - | 320 | 200 | - | 827 |
| Deposits for future stock subscription | - | - | - | - | 42 |
| Receipts of advances from related parties | 32 | 41 | 47 | 126 | 72 |
| Payments for: | | | | | |
| Short-term and long-term debt | (2,898) | (7,869) | (6,751) | (7,225) | (14,807) |
| Deferred financing cost | (82) | (117) | (83) | (86) | (150) |
| Cash dividends | (216) | (202) | (327) | (297) | (126) |
| Dividends paid to non-controlling interest | (500) | (200) | (160) | (96) | - |
| Lease liabilities | (11) | (29) | (24) | (17) | (11) |
| Deposits for preferred shares | - | - | - | - | - |
| Bonds payable | - | (3,000) | (119) | (1,394) | - |
| Bond issuance cost | (3,000) | - | - | (14) | - |
| Stock issuance cost | - | - | - | - | (52) |
| **Net cash provided by financing activities** | **(2,198)** | **(1,310)** | **(852)** | **64** | **1,670** |

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | (299) | 438 | 1,220 | (1,531) | 2,055 |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** | 4,131 | 3,693 | 2,474 | 4,005 | 1,950 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | **3,832** | **4,131** | **3,693** | **2,474** | **4,005** |

FINANCIAL RATIOS

Please refer to the section entitled "Selected Financial Information" located on page 190 of this Prospectus for further details.

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 | 2020 | 2019 |
| Net income attributable to the equity holders of the parent company | 847 | 777 | 901 | 950 | 796 | 1,282 |
| Dividends declared to preferred shares | 101 | 151 | 202 | 50 | 353 | - |
| | 747 | 626 | 700 | 900 | 443 | 1,282 |
| Weighted average number of shares | 11,600 | 11,600 | 11,600 | 11,600 | 11,600 | 11,600 |
| **EPS, basic / diluted (₱)** | **0.064** | **0.054** | **0.060** | **0.078** | **0.038** | **0.110** |
| | | | | | | |
| Gross Profit Margin | | | | | | |
| Revenue | 9,695 | 8,748 | 11,126 | 9,444 | 10,836 | 14,314 |
| Gross Profit | 4,390 | 3,612 | 4,809 | 4,011 | 4,240 | 5,342 |
| **Gross Profit Margin (%)** | **45.3%** | **41.3%** | **43.2%** | **42.5%** | **39.1%** | **37.3%** |
| | | | | | | |
| NIAT Margin | | | | | | |
| Net income | 1,304 | 1,146 | 1,405 | 1,269 | 1,149 | 1,479 |
| Revenue | 9,695 | 8,748 | 11,126 | 9,444 | 10,836 | 14,314 |
| **NIAT Margin (%)** | **13.5%** | **13.1%** | **12.6%** | **13.4%** | **10.6%** | **10.3%** |
| | | | | | | |
| Return on Asset (ROA) | | | | | | |
| Total annualized net income after tax | 1,739 | 1,528 | 1,405 | 1,269 | 1,149 | 1,479 |
| Total asset current year | 54,257 | 53,629 | 53,931 | 54,507 | 53,009 | 53,442 |
| Total asset as of beginning of period | 53,931 | 54,507 | 54,507 | 53,009 | 53,442 | 49,366 |
| Average total asset | 54,094 | 54,068 | 54,219 | 53,758 | 53,225 | 51,404 |
| **ROA (%)** | **3.2%** | **2.8%** | **2.6%** | **2.4%** | **2.2%** | **2.9%** |
| | | | | | | |
| Return on Equity (ROE) | | | | | | |
| Total annualized net income after tax | 1,739 | 1,528 | 1,405 | 1,269 | 1,149 | 1,479 |
| Total equity current year | 21,356 | 23,460 | 23,792 | 22,350 | 21,131 | 19,616 |
| Total equity prior year | 23,792 | 22,350 | 22,350 | 21,131 | 19,616 | 17,463 |
| Average total equity | 22,574 | 22,905 | 23,071 | 21,740 | 20,373 | 18,539 |
| **ROE (%)** | **7.7%** | **6.7%** | **6.1%** | **5.8%** | **5.6%** | **8.0%** |
| | | | | | | |

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|---|
| | **2023** | **2022** | **2022** | **2021** | **2020** | **2019** |
| Interest coverage ratio | | | | | | |
| Total net income after tax | 1,304 | 1,146 | 1,405 | 1,269 | 1,149 | 1,479 |
| Add: Provision for income tax | 344 | 150 | 219 | (210) | 415 | 577 |
| Add: Interest expense | 890 | 581 | 796 | 795 | 784 | 748 |
| EBIT | 2,538 | 1,877 | 2,420 | 1,855 | 2,349 | 2,804 |
| Interest expense | 890 | 581 | 796 | 795 | 784 | 748 |
| **Interest coverage ratio (x)** | **2.85** | **3.23** | **3.04** | **2.33** | **3.00** | **3.75** |
| | | | | | | |
| Debt service coverage ratio | | | | | | |
| Total debt service excluding sale of receivables with recourse and refinancing | 3,590 | 4,853 | 6,230 | 4,538 | 4,538 | 3,367 |
| Add: Cash and cash equivalents | 3,842 | 3,328 | 4,131 | 3,693 | 2,474 | 4,005 |
| Cash Before Debt Service | 7,432 | 8,180 | 10,361 | 8,231 | 7,012 | 7,372 |
| Divide: Debt service | 3,590 | 4,853 | 6,230 | 4,538 | 4,538 | 3,367 |
| **Debt service coverage ratio (x)** | **2.07** | **1.69** | **1.66** | **1.81** | **1.55** | **2.19** |
| | | | | | | |
| Current ratio | | | | | | |
| Current Assets | 35,720 | 33,951 | 36,104 | 35,013 | 34,067 | 34,366 |
| Current Liabilities | 17,213 | 11,435 | 10,769 | 17,817 | 14,183 | 16,099 |
| **Current ratio (x)** | **2.1** | **3.0** | **3.4** | **2.0** | **2.4** | **2.1** |
| | | | | | | |
| Quick Ratio | | | | | | |
| Current Assets | 35,720 | 33,951 | 36,104 | 35,013 | 34,067 | 34,366 |
| Inventory | 16,659 | 15,519 | 17,723 | 16,143 | 14,651 | 15,558 |
| Quick Assets | 19,061 | 18,432 | 18,380 | 18,870 | 19,416 | 18,807 |
| Current Liabilities | 17,213 | 11,435 | 10,769 | 17,817 | 14,184 | 16,099 |
| **Quick Ratio (x)** | **1.1** | **1.6** | **1.7** | **1.1** | **1.4** | **1.2** |
| | | | | | | |
| Debt to equity ratio | | | | | | |
| Short-term debt | 579 | 304 | 235 | 468 | 812 | 1,453 |
| Current portion of long-term debt | 3,980 | 2,600 | 2,192 | 5,468 | 5,447 | 5,462 |
| Current portion of bonds payable | 3,000 | 0 | 0 | 2,992 | 119 | 1,393 |
| Long-term debt – net of current Portion | 5,270 | 8,070 | 8,814 | 6,371 | 9,409 | 9,881 |
| Bonds payable – net of current | 5,867 | 5,909 | 5,917 | 2,955 | 2,966 | 3,060 |
| Debt | 18,695 | 16,883 | 17,159 | 18,254 | 18,753 | 21,248 |
| Equity | 21,356 | 23,460 | 23,792 | 22,350 | 21,131 | 19,616 |
| **Debt to equity ratio (x)** | **0.9** | **0.7** | **0.7** | **0.8** | **0.9** | **1.1** |
| | | | | | | |
| Net debt to equity ratio | | | | | | |
| Debt | 18,695 | 16,883 | 17,159 | 18,254 | 18,753 | 21,248 |
| Less: Cash and cash equivalents | 3,832 | 3,328 | 4,131 | 3,693 | 2,474 | 4,005 |
| Net Debt | 14,864 | 13,556 | 13,028 | 14,561 | 16,279 | 17,243 |
| Total Equity | 21,356 | 23,460 | 23,792 | 22,351 | 21,131 | 19,616 |
| **Net debt to equity ratio (x)** | **0.7** | **0.6** | **0.5** | **0.7** | **0.8** | **0.9** |
| | | | | | | |
| EBITDA | | | | | | |
| Net income after tax | 1,304 | 1,146 | 1,405 | 1,269 | 1,149 | 1,479 |
| Provision for income tax | 344 | 150 | 219 | (210) | 415 | 577 |
| Income before Income Tax | 1,648 | 1,296 | 1,624 | 1,059 | 1,564 | 2,056 |
| Interest expense | 890 | 581 | 796 | 795 | 784 | 748 |
| Depreciation and amortization | 89 | 46 | 56 | 68 | 59 | 58 |
| **EBITDA** | **2,627** | **1,923** | **2,476** | **1,922** | **2,408** | **2,861** |
| | | | | | | |
| Debt | | | | | | |
| Debt | 18,695 | 16,883 | 17,159 | 18,254 | 18,753 | 21,248 |
| EBITDA (Annualized for Interim) | 3,502 | 2,564 | 2,476 | 1,922 | 2,408 | 2,861 |
| **Debt-to-EBITDA (x)** | **5.3** | **6.6** | **6.9** | **9.5** | **7.8** | **7.4** |

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 | 2020 | 2019 |
| | | | | | | |
| Net Debt | 14,864 | 13,556 | 13,028 | 14,561 | 16,279 | 17,243 |
| EBITDA (Annualized for Interim) | 3,502 | 2,564 | 2,476 | 1,922 | 2,408 | 2,861 |
| **Net Debt-to-EBITDA** | **4.2** | **5.3** | **5.3** | **7.6** | **6.8** | **6.0** |
| | | | | | | |
| Asset to equity ratio | | | | | | |
| Total Assets | 54,257 | 53,629 | 53,931 | 54,507 | 53,009 | 53,442 |
| Total Equity | 21,356 | 23,460 | 23,792 | 22,350 | 21,131 | 19,616 |
| **Asset to equity ratio (x)** | **2.5** | **2.3** | **2.3** | **2.4** | **2.5** | **2.7** |
| | | | | | | |
| Total Liabilities / Total Equity | | | | | | |
| Total Liabilities | 32,901 | 30,169 | 30,139 | 32,156 | 31,878 | 33,826 |
| Total Equity | 21,356 | 23,460 | 23,792 | 22,350 | 21,131 | 19,616 |
| **Total Liabilities / Total Equity** | **1.5** | **1.3** | **1.3** | **1.4** | **1.5** | **1.7** |

Notes:

1) These financial ratios are not required by and are not a measure of performance under PFRS. Investors should not consider these financial ratios in isolation or as an alternative to net income as an indicator of the Group's operating performance or to cash flow from operating, investing and financing activities as a measure of liquidity, or any other measures of performance under PFRS. Because there are various calculation methods for these financial ratios, the Group's presentation of these measures may not be comparable to similarly titled measures used by other companies.
2) Gross Profit is the Group's Core Revenue (Real estate sales, Leasing revenue, Property management fee and other services, Interest income from accretion) less its Direct Costs (Cost of real estate sales, Cost of Leasing, Cost of services). Gross Profit Margin is computed by dividing the Group's Gross Profit by its Core Revenue.
3) NIAT Margin is computed by dividing Net income attributable to the owners of the parent company by its Core Revenue.
4) Return on assets is calculated by dividing net income (net income for the nine (9)-month period ended September 30 divided by three multiplied by four) for the period by average total assets (beginning plus end of the period divided by two).
5) Return on equity is calculated by dividing net income (net income for the nine (9)-month period ended September 30 divided by three multiplied by four) for the period by average total equity (beginning plus end of the period divided by two).
6) Interest coverage ratio is equal to earnings before interest and taxes ("EBIT") divided by interest expenses.
7) Debt service coverage ratio is equal to the sum of the Company's total debt service for the period and cash and cash equivalents divided by the total debt service. Debt service means debt principal amortizations, interest payments, financing fees and charges during such period, with the exclusion of payments made for the period pertaining to refinancing activities and rediscounting of receivables transactions sold on a with recourse basis.
8) Current ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity.
9) Quick ratio is calculated by dividing Quick Assets (Current Assets less Inventory) of the Group by its Current Liabilities. This ratio is used as a test of the Group's liquidity.
10) Debt to EBITDA is calculated by dividing EBITDA (EBITDA for the nine (9)-month period ended September 30 divided by three multiplied by four) for the period by total interest-bearing debt.
11) Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.
12) Net debt-to-equity ratio is calculated as total interest-bearing debt minus cash and cash equivalents divided by total equity as of the end of the period.
13) Asset-to-equity ratio is total assets over total equity.
14) Liabilities-to-equity ratio is total liabilities over total equity.
15) EBITDA is computed by adding back provision for income tax, interest expense and depreciation and amortization to the net income for the period.

## SUMMARY OF THE OFFERING

*The following does not purport to be a complete listing of all the rights, obligations and privileges attaching to or arising from the offer of the Series B Preferred Shares. Prospective shareholders are enjoined to perform their own independent investigation and analysis of the Company and the Series B Preferred Shares. Each prospective shareholder must rely on its own appraisal of the Company and the proposed equity raising and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to participate in the proposed equity raising and must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective shareholder's independent evaluation and analysis.*

*The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Prospectus. This overview may not contain all of the information that prospective investors should consider before deciding to invest in the Series B Preferred Shares. Accordingly, any decision by a prospective investor to invest in the Series B Preferred Shares should be based on a consideration of this Prospectus as a whole. Should there be any inconsistency between the summary below and the final documentation, the final documentation shall prevail. Any specific time of day shall refer to Philippine Standard Time.*

| | |
|---|---|
| **Issuer** | Century Properties Group Inc. |
| **Instrument** | Perpetual, cumulative, non-participating, non-voting, redeemable, non-convertible, Philippine Peso-denominated Series B Preferred Shares ("**Offer Shares**" or "**Series B Preferred Shares**") |
| **Issue Size** | Primary offering of up to 30 million Series B Preferred Shares ("**Firm Shares**") worth an aggregate issue amount of up to ₱3.0 billion ("**Base Offer**") with an oversubscription option of up to 20 million Series B Preferred Shares ("**Oversubscription Option Shares**") worth an aggregate issue amount of up to ₱2.0 billion ("**Oversubscription Option**", and together with the Base Offer, the "**Offer**"). |
| **Sole Issue Manager, Lead Underwriter and Sole Bookrunner** | China Bank Capital Corporation |
| **Registration and Listing** | To be registered with the Securities and Exchange Commission ("**SEC**") and listed on the Main Board of The Philippine Stock Exchange, Inc. ("**PSE**") subject to compliance with SEC regulations and PSE listing rules.<br><br>The Series B Preferred Shares are expected to be listed on the Main Board of the PSE under the symbol "[CPGPB]". |
| **Listing Date** | [22 February 2024] or such other date when the Series B Preferred Shares are to be listed on the Main Board of the PSE. |
| **Use of Proceeds** | The net proceeds from the Offer shall be used by the Company to finance the following: |

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| | (a) the redemption of CPGI's Fixed Rate 3-Year Bonds with coupon rate of 4.8467% issued on 1 March 2021;<br>(b) the partial funding for strategic land banking of PHirst Park Homes;<br>(c) the partial funding for capital expenditures of Azure North development; and<br>(d) the general corporate requirements<br><br>For further details, please see "Use of Proceeds" on page 99 of this Prospectus.<br><br>The net proceeds of the Offer will either be (a) infused as equity into, or (b) on lent to, CPGI's respective operating subsidiaries. |
| **Tenor** | Non-Call 2 Step-Up 4 |
| **Par Value** | The Offer Shares shall have a par value of ₱0.53 per share |
| **Offer Price** | The Series B preferred Shares shall be offered at a price of ₱100.00 per share |
| **Initial Dividend Rate** | The Initial Dividend Rate shall be determined on the Initial Dividend Rate Setting Date via a bookbuilding process in connection with the registration with the SEC and the application for listing with the PSE. |
| **Dividend Rate** | As and if cash dividends are declared by the Board of Directors, cash dividends on the Series B Preferred Shares shall be at the "**Initial Dividend Rate**", subject to step-up as provided below.<br><br>"**Dividend Rate**" means (a) from the Listing Date up to the Step-Up Date, the Initial Dividend Rate, and (b) from the Step-Up Date, unless the Series B Preferred Shares are redeemed, the higher of the Initial Dividend Rate and the Dividend Rate Step-Up. The Dividend Rate shall be calculated on a 30/360-day basis. |
| **Dividend Rate Step-Up** | If the Series B Preferred Shares are not redeemed by the fourth ($4^{th}$) anniversary of the Listing Date (such date, the "**Step-Up Date**"), the Dividend Rate shall be adjusted to the higher of:<br><br>(a) the Initial Dividend Rate; or<br>(b) a Dividend Rate equal to the sum of the Step-Up Benchmark Rate and five hundred (500) basis points.<br><br>If the Series B Preferred Shares are not redeemed within the period for optional redemption in respect of a Change of Control Event or an Indebtedness Default Event, the Dividend Rate shall be adjusted to a Dividend Rate equal to the prevailing Dividend Rate plus two hundred and fifty (250) basis points. Such Dividend Rate step-up shall apply on a per event basis.<br><br>If the Series B Preferred Shares are not redeemed within the period for optional redemption in respect of a Tax Event, the Dividend Rate shall be adjusted to a Dividend Rate equal to the prevailing Dividend Rate plus such amount as would fully compensate the holder of the Series B Preferred Shares for any reduction in dividend to such holder as a result |

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| | of the Tax Event. Such Dividend Rate step-up shall apply on a per event basis. If the Tax Event does not result in any such reduction, then no Dividend Rate step-up shall occur in respect of said Tax Event. |
| **Step-Up Benchmark Rate** | The Step-Up Benchmark Rate will be equivalent to the simple average of the seven (7)-year PHP BVAL reference rate as published on the website of the Philippine Dealing System, or if unavailable, the Philippine Dealing & Exchange Corp. or PDEx page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for each of the three (3) Business Days immediately preceding and inclusive of the Step-Up Date.<br><br>In the event that BVAL is replaced by a new benchmark rate as determined by the Bankers Association of the Philippines ("**BAP**") or the BSP, such new benchmark rate shall be adopted for purposes of determining the Dividend Rate (the "**New Benchmark Rate**"). In the absence of such New Benchmark Rate as determined by the BAP or the BSP and there is a mandatory directive by the BAP or the BSP to no longer use or apply BVAL, the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall negotiate to adopt an alternative rate that will serve as the New Benchmark Rate. |
| **Dividend Payment Dates** | Cash dividends on the Series B Preferred Shares will be payable quarterly starting on the third month after the Listing Date and every last day of each three (3)-month period thereafter, each a "**Dividend Payment Date**", being the last day of each Dividend Period following the relevant Listing Date, as and if declared by the Board of Directors at the time of declaration of such dividends in accordance with the terms and conditions of the Series B Preferred Shares.<br><br>A "**Dividend Period**" shall refer to the period commencing on the Listing Date and having a duration of three (3) months, and thereafter, each of the successive periods of three (3) months commencing on the last day of the immediately preceding Dividend Period up to, but excluding, the first day of the immediately succeeding Dividend Period.<br><br>If a Dividend Payment Date occurs after the end of a Dividend Period, there shall be no adjustment as to the amounts of dividends to be paid.<br>The dividends on the Series B Preferred Shares will be calculated on a 30/360-day basis.<br><br>If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid. |
| **Conditions on Declaration and Payment of Cash Dividends** | The declaration and payment of cash dividends for each Dividend Period will be subject to the sole and absolute discretion of the Board of Directors of the Company, to the extent permitted by applicable laws and regulations, and the covenants (financial or otherwise) in the agreements to which the Company is a party.<br><br>The Board of Directors will not declare and pay dividends for any Dividend Period where payment of such dividends would cause the Company to breach any of its covenants (financial or otherwise). |

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| | If the profits available to distribute as dividends or distributions are, in the Board's reasonable opinion, not sufficient to enable the Company to pay in full, on the same date, both dividends on the Series B Preferred Shares and the dividends or distributions on other securities that are scheduled to be paid on or before the same date as the dividends on the Series B Preferred Shares, and have an equal right to dividends or distributions as the Series B Preferred Shares, the Company is required: first, to pay in full, or to set aside an amount equal to, all dividends or distributions scheduled to be paid on or before that dividend or distribution payment date, and any arrears on past cumulative dividends or distributions, on any securities with a right to dividends or distributions ranking in priority to that of the Series B Preferred Shares; and second, to pay dividends or distributions on the Series B Preferred Shares and any other securities ranking equally with the Series B Preferred Shares as to participation in profits, *pro rata* to the amount of the cash dividends or distributions scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividends or distributions payable on that date and any arrears on past cumulative dividends or distributions on any securities ranking equal in the right to dividends or distributions with the Series B Preferred Shares.<br><br>The profits available for distribution are, in general and with some adjustments, equal to the Company's accumulated, realized profits less accumulated, realized loss. Dividends on the Series B Preferred Shares will be cumulative. If for any reason the Company's Board does not declare a dividend on the Series B Preferred Shares for a Dividend Period, the Company will not pay dividends for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Series B Preferred Shares must receive the dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Series B Preferred Shares prior to such Dividend Period.<br><br>Holders of Series B Preferred Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Series B Preferred Shares.<br><br>The Company shall covenant that, in the event that (a) any dividends due with respect to any Series B Preferred Shares then outstanding for any period are not declared and paid in full when due, (b) any dividends in which the declaration and/or payment have been deferred, in respect of prior Dividend Periods (the "**Arrears of Dividends**"), or (c) there remains any other amounts payable under the Series B Preferred Shares terms and conditions are not paid in full when due for any reason:<br><br>a) It will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking junior or *pari passu* to Series B Preferred Shares (or contribute any moneys to a sinking fund for the redemption of any securities ranking junior or *pari passu* to the Series B Preferred Shares); and<br><br>b) Subject to legal requirements, the Company will procure that no subsidiary over which the Company has a Controlling Participation (as defined below) will pay any discretionary dividends or other |

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| | discretionary distributions on, or at the Company's discretion repurchase or redeem, any security ranking senior to the respective subsidiary's common shares other than those senior securities held by the Company or a wholly-owned subsidiary thereof (or contribute any moneys to a sinking fund for the purposes of any such redemption).<br><br>"**Controlling Participation**" shall refer to the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of the Company, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect at least a majority of the board of directors or similar body governing the affairs of the Company. |
| **Optional Redemption and Purchase** | As and if approved by the Board of Directors (or the Executive Committee), the Company may redeem the Series B Preferred Shares on the second (2nd) anniversary of the Listing Date or on any Dividend Payment Date thereafter (each an "**Optional Redemption Date**"), in whole but not in part, without preference or priority, at the redemption price (the "**Redemption Price**") equal to the relevant Offer Price of the Series B Preferred Shares plus all dividends due them on such Optional Redemption Date as well as all Arrears of Dividends.<br><br>The Company may also redeem the Series B Preferred Shares, in whole but not in part, at any time prior to any Optional Redemption Date if (a) an Accounting Event or a Tax Event has occurred and is continuing, having given not more than sixty (60) days nor less than thirty (30) days' notice prior to the intended date of redemption; or (b) a Change of Control Event or an Indebtedness Default Event has occurred and is continuing, having given at least ten (10) days' notice prior to the intended date of redemption. A notice of redemption given hereunder shall be irrevocable and binding upon the Company to effect such redemption. In the event of an exercise of the redemption option in respect of any Accounting Event, Tax Event, Change of Control Event, or Indebtedness Default Event, the redemption due shall be made by the Company at the Redemption Price, which shall be paid within five (5) Business Days of the exercise of the right to redeem the Series B Preferred Shares.<br><br>Upon listing on the PSE, the Company may purchase the Series B Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE. The Series B Preferred Shares so purchased may either be redeemed and cancelled (after the Optional Redemption Date) or kept as treasury shares, as applicable. |
| **Accounting Event** | An accounting event ("**Accounting Event**") shall occur if an opinion of a recognized accountancy firm authorized to perform auditing services in the Philippines has been delivered to the Company stating that the Series B Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Company prepared in accordance with Philippine Financial Reporting Standards ("**PFRS**"), or such other accounting standards which succeed PFRS as adopted by the Company for the preparation of its audited consolidated financial statements for the relevant financial year, and such event cannot be avoided by use of reasonable measures available to the Company. |

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| **Tax Event** | A tax event ("**Tax Event**") shall occur if payments on the Series B Preferred Shares become subject to additional or higher withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation or application thereof, and such tax cannot be avoided by use of reasonable measures available to the Company. |
| **Change of Control Event** | A change of control event ("**Change of Control Event**") shall occur if any person or group of related persons, other than the CPGI Principal Shareholders, becomes the beneficial owner(s), directly or indirectly, of a higher percentage of the total voting power of the outstanding voting stock of the Company than the aggregate percentage of the total voting power of the outstanding voting stock of the Company beneficially owned, directly or indirectly, by the CPGI Principal Shareholders.<br><br>"**CPGI Principal Shareholders**" means (i) Jose E.B. Antonio, Hilda R. Antonio, John Victor R. Antonio, Jose Marco R. Antonio, Jose Carlo R. Antonio, and Jose Roberto R. Antonio; and (ii) any Affiliate of the foregoing.<br><br>For purposes of the foregoing definition, "**Affiliate**" means, with respect to any person, any other person (i) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such person; or (ii) who is a spouse, child or step child, parent or step parent, brother, sister, step brother or step sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew or niece of a person described in (i).<br><br>For purposes of this definition, "**control**" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract, or otherwise. |
| **Indebtedness Default Event** | An indebtedness default event ("**Indebtedness Default Event**") shall occur if: (a) any other present or future indebtedness of the Company or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default, or the like (howsoever described); or (b) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or (c) the Company or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guaranty or suretyship for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guaranties, suretyships, and indemnities in respect of which one or more of the events mentioned above in this definition have occurred equals or exceeds ₱500,000,000 (or its equivalent in any other currency or currencies on the basis of the middle spot rate for the relevant currency against the Philippine Peso as quoted by any leading bank on the day on which a calculation is made). |

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| **No Sinking Fund** | The Company is not legally required to establish, has not established, and currently has no plans to establish, a sinking fund for the redemption of the Series B Preferred Shares. |
| **Taxation** | All payments in respect of the Series B Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines, including, but not limited to, stamp, issue, registration, documentary, value-added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Company will pay additional amounts so that holders of the Series B Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable; provided, however, that the Company shall not be liable for, and the foregoing payment undertaking of the Company shall not apply to:<br><br>(a) any withholding tax applicable to dividends earned by or on any amounts payable to the holders of the Series B Preferred Shares;<br>(b) any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption of the Series B Preferred Shares or on the liquidating distributions as may be received by a holder of Series B Preferred Shares,<br>(c) any expanded value-added tax which may be payable by any holder of the Series B Preferred Shares on any amount to be received from the Company under the terms and conditions of the Series B Preferred Shares;<br>(d) any withholding tax on any amount payable to any holder of Series B Preferred Shares or any entity which is a non-resident foreign corporation; and<br>(e) any applicable taxes on any subsequent sale or transfer of the Series B Preferred Shares by any holder of the Series B Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).<br><br>All sums payable by the Company to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or governmental charges provided said entities present sufficient proof of such tax-exempt status from the tax authorities.<br><br>Any documentary stamp tax for the issuance of the Series B Preferred Shares and the recording thereof in the name of a Preferred Shareholder under the Offer shall be paid for by the Company. After the Listing Date, taxes generally applicable to a subsequent sale of the Series B Preferred Shares by any Preferred Shareholder, including receipt by such Preferred Shareholder of a redemption payment, shall be for the account of the said Preferred Shareholder. |
| **Form, Title and Registration of the Preferred Shares** | The Series B Preferred Shares will be issued in scripless form through the electronic book-entry system of the Registrar for the Offer, and lodged with the Depository Agent on the Listing Date through the PSE Trading Participants nominated by the accepted Applicants. For this purpose, Applicants shall indicate in the proper space provided for in the Application to Purchase forms to be issued and circulated in connection |

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| | with the Offer (together with the required documents, the "**Application**") the name of the Trading Participants under whose name their Series B Preferred Shares will be registered.<br><br>After Listing Date, Preferred Shareholders may request their nominated PSE Trading Participants to facilitate the conversion of their scripless Series B Preferred Shares into stock certificates. Any expense that will be incurred in relation to such issuance of stock certificates shall be for the account of the requesting Preferred Shareholder.<br><br>Legal title to the Series B Preferred Shares will be shown in an electronic register of shareholders (the "**Registry of Shareholders**") which shall be maintained by the Registrar. The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Series B Preferred Shares that is effected in the Registry of Shareholders (at the cost of the requesting Shareholder). The Registrar shall send (at the cost of the Company) at least once every quarter, a statement of account to all Preferred Shareholders named in the Registry of Shareholders, except certificated Preferred Shareholders and Depository Participants, confirming the number of Series B Preferred Shares held by each Preferred Shareholder on record in the Registry of Shareholders. Such Statement of Account shall serve as evidence of ownership of the relevant Preferred Shareholder as of the given date thereof. Any request by a Preferred Shareholder for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Preferred Shareholder. |
| **Selling and Transfer Restrictions** | Initial placement and subsequent transfers of interests in the Series B Preferred Shares shall be subject to normal selling restrictions for listed securities as may prevail in the Philippines from time to time. |
| **Governing Law** | The Series B Preferred Shares will be issued pursuant to the laws of the Republic of the Philippines. |
| **FEATURES OF THE PREFERRED SHARES** | |
| **Status** | The Series B Preferred Shares shall constitute the direct and unsecured subordinated obligations of the Company ranking at least *pari passu* in all respects and ratably without preference or priority among themselves.<br><br>The obligations of the Company in respect of the Series B Preferred Shares will, in the event of the winding-up of the Company (subject to and to the extent permitted by applicable law), rank:<br><br>(a) junior to all unsubordinated obligations of the Company (other than Parity Securities) and any obligation assumed by the Company under any guarantee of, or any indemnity in respect of, any obligation or commitment which rank or are expressed to rank senior to the Series B Preferred Shares;<br>(b) *pari passu* with each other and with any Parity Securities of the Company; and<br>(c) senior only to the Company's Junior Securities.<br><br>"**Parity Securities**" means: (i) any instrument, security (including preferred shares) or obligation issued or entered into by the Company |

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| | which ranks, or is expressed to rank, by its terms or by operation of law, *pari passu* with the Series B Preferred Shares; and (ii) any security guaranteed by, or subject to the benefit of an indemnity entered into by, the Company where the Company's obligations under the relevant guarantee or indemnity rank, or are expressed to rank, *pari passu* with the Company's obligations under the Series B Preferred Shares.<br><br>"**Junior Securities**" means (i) the common shares of the Company; (ii) any instrument, security or obligation issued or entered by the Company which ranks, or is expressed to rank, junior to the Series B Preferred Shares; and (iii) any security guaranteed by, or subject to the benefit of an indemnity entered into by, the Company where the Company's obligations under the relevant guarantee or indemnity rank, or are expressed to rank, junior to the Company's obligations under the Series B Preferred Shares.<br><br>The Company is at liberty from time to time without the consent of the holders of the Series B Preferred Shares to create and issue additional preferred shares or securities either (a) ranking at least *pari passu* in all respects with the Series B Preferred Shares, or (b) upon such terms as to ranking, distributions, conversion, redemption and otherwise as the Company may determine at the time of the issue. |
| **Cumulative Dividends** | Dividends on the Series B Preferred Shares will be cumulative. If for any reason the Board of Directors of the Company does not declare a dividend on the Series B Preferred Shares for a Dividend Period, the Company will not pay a dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Preferred Shares must receive the dividends due them on such Dividend Payment Date as well as all Arrears of Dividends.<br><br>Holders of the Series B Preferred Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Series B Preferred Shares. |
| **No Voting Rights** | Holders of the Series B Preferred Shares shall not be entitled to vote at the Company's stockholders' meetings, except as otherwise provided by law. |
| **Non-Participating** | Holders of the Series B Preferred Shares shall not be entitled to participate in any other or future dividends beyond the dividends specifically payable on the Series B Preferred Shares. |
| **Non-Convertible** | Holders of the Series B Preferred Shares shall have no right to convert the Series B Preferred Shares to any other preferred shares or common shares of the Company. |
| **No Pre-emptive Rights** | Holders of the Series B Preferred Shares shall have no pre-emptive rights to subscribe to any shares (including, without limitation, treasury shares) that will be issued or sold by the Company. |
| **Liquidation Rights** | In the event of a return of capital in respect of the Company's winding up or otherwise (whether voluntarily or involuntarily) but not on a redemption or purchase by the Company of any of its share capital, the holders of the |

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| | Series B Preferred Shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the assets of the Company available for distribution to shareholders, together with the holders of any other securities of the Company ranking, as regards repayment of capital, *pari passu* with the Series B Preferred Shares and before any distribution of assets is made to holders of any class of the securities of the Company ranking after the Series B Preferred Shares as regards repayment of capital, liquidating distributions in an amount equal to the Offer Price of the Series B Preferred Shares plus an amount equal to any dividends declared but unpaid in respect of the previous dividend period and any accrued and unpaid dividends for the then-current dividend period to (and including) the date of commencement of the winding up of the Company or the date of any such other return of capital, as the case may be. If, upon any return of capital in the winding up of the Company, the amount payable with respect to the Series B Preferred Shares and any other securities of the Company ranking as to any such distribution *pari passu* with the Series B Preferred Shares is not paid in full, the holders of the Series B Preferred Shares and of such other securities will share ratably in any such distribution of the assets of the Company in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Series B Preferred Shares will have no right or claim to any of the remaining assets of the Company and will not be entitled to any further participation or return of capital in a winding up. |
| **OTHER TERMS OF THE OFFER** | |
| **Expected Timetable** | The timetable of the Offer is expected to be as follows: |

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| SEC en Banc approval and issuance of Pre-effective Clearance | [23 January 2024] |
| PSE Board Approval | [31 January 2024] |
| Initial Dividend Rate Setting Date | [1 February 2024] |
| Issuance of Permit to Sell and Order of Registration | [5 February 2024] |
| Offer Period | [6 February 2024 to 12 February 2024] |
| PSE Trading Participants' Commitment Period | [6 February 2024 to 8 February 2024] |
| Release of PSE Trading Participants' Allocation | [9 February 2024] |
| Settlement Date | [22 February 2024] |
| Listing Date and commencement of trading on the PSE | [22 February 2024] |

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| | The dates indicated above are subject to the approval of the PSE and the SEC, market and other conditions, and may be changed. |
| **Offer Period** | The offer period shall commence at 9:00 a.m. on [6 February] 2024 and end at 12:00 noon on [12 February] 2024 or such earlier or later day as may be mutually agreed upon by the Issuer and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner (the "**Offer Period**"). The Issuer |

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| | and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner reserve the right to extend or terminate the Offer Period with the approvals of the SEC and the PSE, as applicable.<br><br>An application to subscribe to the Series B Preferred Shares ("**Application**") shall be considered irrevocable upon submission to the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, the Receiving Agent or a Selling Agent of a duly executed application form to subscribe to the Series B Preferred Shares (the "**Application to Purchase**"). The Application shall be subject to the terms and conditions of the Offer as stated in the Prospectus and the Application to Purchase.<br><br>Applications to Purchase must be received by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or the Receiving Agent not later than 12:00 noon on [12 February 2024]. Applications to Purchase received thereafter or without the required documents and/or full payments will be rejected. The Company may waive any requirement for the acceptance of an Application. |
| **Minimum Subscription to the Series B Preferred Shares** | Each application to purchase the Series B Preferred Shares shall be for a minimum of 500 Series B Preferred Shares, and thereafter, in multiples of 100 Series B Preferred Shares. No application for multiples of any other number of Series B Preferred Shares will be considered or accepted. |
| **Eligible Investors** | The Series B Preferred Shares may be owned or subscribed to by any person, partnership, association or corporation regardless of nationality, provided that the Company may reject an Application or reduce the number of Series B Preferred Shares applied for subscription or purchase for purposes of complying with any applicable constitutional or statutory minimum Filipino ownership requirement. In determining compliance with such nationality requirement, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors, as set out in applicable regulations.<br><br>Law may restrict subscription to the Series B Preferred Shares in certain jurisdictions. Foreign investors interested in subscribing to or purchasing the Series B Preferred Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Series B Preferred Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Series B Preferred Shares. |
| **Procedure for Application** | Applications to Purchase may be obtained from the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or Selling Agents. All Applications shall be evidenced by the Application to Purchase, duly executed in each case by the Applicant or an authorized signatory of the Applicant and accompanied by two completed specimen signature cards, the corresponding payment for the Series B Preferred Shares covered by the |

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| | Application to Purchase and all other required documents including documents required for registry with the Registrar and Depository Agent.<br><br>The duly executed Application to Purchase and required documents should be submitted to the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, Receiving Agent or Selling Agents on or prior to the set deadlines for submission of Applications to the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, Receiving Agent, and Selling Agents, respectively.<br><br>If the Applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following documents:<br><br>i. a certified true copy of the Applicant's latest articles of incorporation and by-laws, general information sheet or equivalent constitutive documents, each as amended to date, duly certified by the corporate secretary (or equivalent officer);<br><br>ii. a certified true copy of the Applicant's SEC certificate of registration, duly certified by the corporate secretary (or equivalent officer);<br><br>iii. a duly notarized corporate secretary's certificate setting forth the resolution of the Applicant's board of directors or equivalent body authorizing (i) the purchase of the Preferred Shares indicated in the Application, and (ii) the designated signatories authorized for the purpose, including their respective specimen signatures;<br><br>iv. two (2) duly accomplished signature cards containing the specimen signatures of the Applicant's authorized signatories, validated by its Corporate Secretary or by an equivalent officer/s who is/are authorized signatory/ies together with copies of two (2) valid government-issued identification cards of the Applicant's authorized signatory/ies; and<br><br>v. for foreign corporate and institutional Applicants, in addition to the documents required in paragraph (i) above, four (4) copies of a representation and warranty statement that the purchase of the Preferred Shares will not violate the laws of their jurisdiction of incorporation or organization, and that they are allowed under such laws to acquire, purchase, and hold the Series B Preferred Shares.<br><br>As required under the listing rules of the PSE (the "**PSE Rules**"), the Offer Shares must be in scripless form and lodged with the PDTC. In the event an Applicant does not have a nominated Trading Participant ("**TP**"), the Applicant may apply for opening of a securities trading account with any TP for the lodgment of the Offer Shares. A list of the TPs and their contact information is provided in [https://www.pse.com.ph/directory/].<br><br>Applicants may also apply for opening of a trading account with the Sole Issue Manager, Lead Underwriter and Sole Bookrunner's affiliated brokerage house, as provided below and nominate the entity as its endorsing PSE Trading Participant. |

<table>
<tr><td></td><td>
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<tr><th>Default Trading Participant</th><th>Website</th><th>Access/ Contact Details</th></tr>
<tr><td>China Bank Securities</td><td>https://www.chinabankseconline.ph/</td><td>+63 (2) 8333 – 7388<br>+63 (2) 8333 – 7389<br>+63 (2) 8230 6660 to 64</td></tr>
</table>
</td></tr>
<tr><td>Payment for the Preferred Shares</td><td>The Series B Preferred Shares must be paid for in full upon submission of the Application. The purchase price must be paid in full in Pesos upon the submission of the duly completed and signed Application to Purchase and specimen signature cards together with the requisite attachments. Payment for the Series B Preferred Shares shall be made by manager's check/cashier's check, corporate check or personal check drawn against any Bangko Sentral ng Pilipinas-authorized bank or any branch thereof in the Philippines. All checks should be made payable to "Century Properties Group Inc. – Preferred Shares", crossed "Payee's Account Only," and dated on or before the date as the Application. The Applications and the related payments will be received at any of the offices of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, the Receiving Agent, or Selling Agents. Cash payments shall not be accepted.</td></tr>
<tr><td>Acceptance/ Rejection of Applications</td><td>The actual number of Series B Preferred Shares that an Applicant will be allowed to subscribe for is subject to the confirmation of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. The Company, upon consultation with the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, reserves the right to accept or reject, in whole or in part, or to reduce any Application due to any grounds specified in the Underwriting Agreement to be entered into by the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. Applications which were unpaid or where payments were insufficient and those that do not comply with the terms of the Offer shall be rejected. Moreover, any acceptance or receipt of payment pursuant to the Application does not constitute approval or acceptance by the Company of the Application.<br><br>An Application, when accepted, shall constitute an agreement between the Applicant and the Company for the subscription to the Preferred Shares at the time, in the manner and subject to terms and conditions set forth in the Application to Purchase and those described in the Prospectus. Once accepted, an Application may not be unilaterally revoked or canceled by the Applicant, in full or in part, and the rights and privileges pertaining thereto shall be non-transferrable. However, notwithstanding the acceptance of any Application by the Company, the actual subscription by the Applicant for the Series B Preferred Shares will become effective only upon listing of the Series B Preferred Shares on the PSE and upon the obligations of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner under the Underwriting Agreement becoming unconditional and not being suspended, terminated or cancelled, on or before the Listing Date, in accordance with the provision of the said agreement. If such conditions have not been fulfilled on or before the periods provided above, all Application payments will be returned to the Applicants without interest.</td></tr>
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| **Refunds for Rejected Applications** | In the event that the number of Series B Preferred Shares to be allotted to an Applicant, as confirmed by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, is less than the number covered by its Application, or if an Application is wholly or partially rejected by the Company, then the Company shall refund, without interest, within five (5) Business Days from the end of the Offer Period, all or the portion of the payment corresponding to the number of Series B Preferred Shares wholly or partially rejected. Rejected Applications and check refunds for rejected or scaled down Applications shall be available for pick-up at the office of the Receiving Agent. |
| **Underwriter's Firm Commitment to Purchase** | The Sole Issue Manager, Lead Underwriter and Sole Bookrunner will fully underwrite, on a firm commitment basis, the Firm Shares.<br><br>After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the (i) inability of the Company or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to sell or market the Offer Shares or (ii) the refusal or failure by the Company, the Sole Issuer Manager, Lead Underwriter and Sole Bookrunner, or any other entity or person to comply with any undertaking or commitment to take up any Offer Shares remaining after the Offer Period.<br><br>In undertaking the Underwriter's Firm Commitment to Purchase, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner hereby manifests its conformity to comply with and be bound by all duly promulgated and applicable listing and disclosure rules, requirements, and policies of the PSE. |
| **Withdrawal of the Offer** | The Company reserves the right to withdraw the offer and sale of the Offer Shares at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and PSE. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner may also cancel or terminate its underwriting commitment at any time prior to the commencement of the Offer Period, by giving written notice to the Issuer, the SEC and the PSE, if prior to the commencement of the Offer Period, any of the events set out in the Underwriting Agreement occurs.<br><br>Pursuant to the Underwriting Agreement, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner may cancel or terminate its underwriting commitment thereunder by giving written notice to the Issuer, the SEC and the PSE if the Offer Period has already commenced and, prior to the Listing Date of the Offer Shares, if there is a supervening force majeure or fortuitous event, such as:<br><br>a. An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or occurrence of any change in local, national or international financial, political, economic or stock market conditions which renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by this Prospectus, |

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| | or would have a material adverse effect on the Philippine economy, on the securities or other financial or currency markets of the Philippines, or on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it impracticable or inadvisable to proceed with the Offer in the manner contemplated by this Prospectus, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer's or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or any other entity/ person to take up any Offer Shares remaining after the Offer Period;<br><br>b. Issuance of an order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution or listing of the Offer Shares by any court or governmental agency or authority with jurisdiction on the matter, including the SEC or the PSE;<br><br>c. Cancellation, revocation or termination of the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration, and the SEC Permit to Sell;<br><br>d. Cancellation or suspension of trading in the PSE for at least three (3) consecutive trading days, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Listing Date or such other date as may be approved by PSE;<br><br>e. A change or impending change in the law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order which (i) materially and adversely affects: (a) the ability of the Issuer or any of its Subsidiaries to engage in the business it is presently engaged in; (b) the capacity and due authorization of the Issuer to offer and issue the Offer Shares and enter into the Underwriting Agreement in connection with the Offer; or (c) any of the features of the Offer Shares, including the taxes on fees or costs in connection with the Offer, or (ii) would render illegal the performance by of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner of its underwriting obligations thereunder;<br><br>f. Any significant, adverse, and unforeseeable change or development in the Issuer's or any of its Subsidiaries' long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public;<br><br>g. The Issuer or any of its Subsidiaries decides to or is compelled by any competent court or government authority to stop or is about to stop its operations, which is not remedied within five (5) Business Days from such decision of the Issuer or competent court or government authority (as the case may be);<br><br>h. (i) Any of the Issuer or its Subsidiaries shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as |

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| | they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or assignment with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or (ii) any of the Issuer or its Subsidiaries shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or (iii) such receiver, trustee or similar officer shall be appointed; or (iv) any of the Issuer or its Subsidiaries shall initiate or institute (by petition, application or otherwise howsoever), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or (v) any such proceeding shall be instituted against any of the Issuer or its Subsidiaries; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part thereof, of the Issuer or any of its Subsidiaries; or (vi) any event occurs which under the laws of the Philippines or to other jurisdictions, or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing;<br><br>i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines;<br><br>j. Any court proceeding, litigation, arbitration or other similar proceeding is commenced or threatened against the Sole Issue Manager, Lead Underwriter and Sole Bookrunner of its underwriting obligations hereunder in connection with or with respect to the issuance or sale by the Issuer of the Offer Shares or the Offer in general which renders the performance of its underwriting commitment impossible or impracticable;<br><br>k. Any event occurs which makes it impossible for the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to perform its underwriting obligations due to conditions beyond their control, such as issuance by any court, arbitral tribunal, or government agency which has jurisdiction on the matter of an order restraining or prohibiting the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or directing the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to cease, from performing its underwriting obligations;<br><br>l. Any representation, warranty or statement made by the Issuer in this Prospectus shall prove to be untrue or misleading in any material respect or Issuer shall be proven to have omitted a material fact necessary in order to make the statements in this Prospectus not misleading, which untruth or omission:(a) was not known and could not have been known to the Sole Issue Manager, Lead Underwriter and Sole Bookrunner on or before commencement of the Offer Period despite the exercise of due diligence, and (b) has a material and adverse effect on the Issuer's or any of its Subsidiaries' long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability; and |

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| | m. Unavailability of PDTC's lodgment facilities and the PSE's listing facilities used for the Offer and/or listing to or on the target Listing Date, which unavailability impacts the ability of the Issuer and Sole Issue Manager, Lead Underwriter and Sole Bookrunner to fully comply with the listing requirements of PSE; and<br><br>n. Any force majeure or fortuitous event, other than the ones enumerated above, that has material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.<br><br>The Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer's or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or any other entity/person to take up any Offer Shares remaining after the Offer Period.<br><br>Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an Applicant shall take place only upon the listing of the Offer Shares on the PSE. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to this section of the Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date.<br><br>Notwithstanding the foregoing, the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner recognize and acknowledge that the PSE, in the exercise of its authority as a self-regulatory organization with a mandate to maintain a fair and orderly market, may impose appropriate sanctions and penalties on the relevant party for the termination or withdrawal of the Offer if subsequently, the PSE determines that the termination or withdrawal of the Offer, the underwriting commitment, or the Underwriting Agreement after the commencement of the Offer Period and prior to the Listing Date was not warranted based on the facts gathered and properly evaluated by PSE and after due and proper proceedings initiated by the PSE not later than five (5) Business Days after such termination or withdrawal. |
| **Registration of Foreign Investments** | The BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the domestic banking system. Obtaining a *Bangko Sentral Registration Document* evidencing such registration of foreign investments in the Offer Shares shall be the responsibility of the foreign investor. |
| **Selling Agents** | Trading Participants of the PSE |
| **Depository Agent** | Philippine Depository & Trust Corp. |

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| **Registrar, Paying Agent, and Stock Transfer Agent** | Stock Transfer Service, Inc. |
| **Receiving Agent** | Stock Transfer Service, Inc. |
| **Auditor** | SyCip Gorres Velayo & Company |
| **Legal Counsel to the Sole Issue Manager, Lead Underwriter and Sole Bookrunner** | SyCip Salazar Hernandez & Gatmaitan |
| **Legal Counsel to the Issuer** | Angara Abello Concepcion Regala & Cruz Law Offices |
| **Accounting/ Dividend Treatment** | Equity accounting, deferrable, and cumulative |

# DESCRIPTION OF THE SERIES B PREFERRED SHARES

*This section is not intended to be a complete enumeration of all the Series B Preferred Shares' rights, obligations or privileges. Further limitation or restriction of these rights, obligations, or privileges may be found in other documents. Careful review and understanding of the AOI, By-Laws and resolutions of the Board of Directors and shareholders of CPGI, the information contained in this Prospectus, and other agreements relevant to the Offer shall be made by the prospective Shareholders. Further, consultation with their legal counsels and accountants are likewise encouraged to better advise of the circumstances surrounding the Series B Preferred Shares.*

## SHARE CAPITAL OF CPGI

Under the Revised Corporation Code, a corporation may issue common or preferred shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for in the AOI and the by-laws of the corporation.

Considering that the Company is subject to foreign restrictions on account of its land ownership, the Company is limited to a maximum of 40% foreign ownership of both the total issued and outstanding capital stock entitled to vote and the total number of issued and outstanding capital stock, whether or not entitled to vote.

The Company amended its AOI on 30 September 2016. In the amended AOI of the Company, the authorized capital stock is ₱9,540,000,000.00 divided into 18,000,000,000 Common Shares with par value of ₱0.53 per share. As of 31 December 2018, 11,599,600,690 Common Shares have already been issued and fully paid with 100,123,000 Common Shares in treasury.

On 26 September 2019, the Company filed an application for the amendment of its AOI with the SEC for the reclassification of its shares. On 30 September 2019, the SEC approved the amended AOI of the Company, with its authorized capital stock of ₱9,540,000,000, consisting of 15,000,000,000 Common Shares of the par value of ₱0.53 each and 3,000,000,000 Preferred Shares with a par value of ₱0.53 per share.

On [●], the SEC issued the Certificate of Filing of Enabling Resolutions approving the terms and conditions of Series B Preferred Shares.[1]

The Series B Preferred Shares will be issued out of the unissued capital stock of the Company. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner, in consultation with the Issuer, have the discretion to allocate the Oversubscription Option of up to ₱2,000,000,000 in the event that Oversubscription Option is exercised.

## THE SERIES B PREFERRED SHARES

## GENERAL FEATURES

The following are the features, rights and privileges of the Series B Preferred Shares:

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| Issue Size | Primary offering of up to 30 million perpetual, cumulative, non-participating, non-voting, redeemable, non-convertible, Philippine Peso-denominated Series B Preferred Shares worth an aggregate issue amount of up to ₱3.0 billion with an oversubscription option of up to 20 million Series B Preferred |

[1] The Company has a pending application with the SEC for the issuance of the Certificate of Filing of Enabling Resolutions approving the terms and conditions of Series B Preferred Shares.

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| | Shares worth an aggregate issue amount of up to ₱2.0 billion. |
| Par Value | ₱0.53 per Preferred Share |
| Offer Price | ₱100.00 per Preferred Share |
| Tenor | Non-Call 2 Step-Up 4 |
| Initial Dividend Rate | Fixed rate of [●]% per annum, in all cases calculated in respect of each share by reference to the Offer Price thereof in respect of each Dividend Period. |
| Dividend Rate Step-Up | If the Series B Preferred Shares are not redeemed by the fourth (4th) anniversary of the Listing Date (such date, the "**Step-Up Date**"), the Dividend Rate shall be adjusted to the higher of:<br><br>(a) the Initial Dividend Rate; or<br><br>(b) a Dividend Rate equal to the sum of the Step-Up Benchmark Rate and five hundred (500) basis points. |

**SPECIFIC OR PARTICULAR FEATURES OF THE PREFERRED SHARES**

The following are certain features specific or particular to the Series B Preferred Shares:

**In General: No Voting Rights**

The Preferred Shares shall have no voting rights except as specifically provided by the Revised Corporation Code. Thus, Shareholders shall not be eligible, for example, to vote for or elect the Company's Board of Directors or to vote for or against the issuance of a stock dividend. Shareholders, however, may vote on matters which the Revised Corporation Code considers significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the AOI. These acts, which require the approval of shareholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of the Company are as follows:

- Amendment of the Company's AOI;
- Amendment of the Company's By-Laws;
- Sale, lease, exchange, mortgage, pledge or other disposition of all or a substantial part of the Company's assets;
- Incurring, creating or increasing bonded indebtedness;
- Increase or decrease of capital stock;
- Merger or consolidation of the Company with another corporation or corporations;
- Investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized; and
- Dissolution of the Company.

**Dividend Policy in Respect of the Series B Preferred Shares**

*Dividend Rates Applicable to the Series B Preferred Shares*

The Dividend Rate applicable to the Series B Preferred Shares shall mean:

(a) From the Listing Date up to the Step Up Date, the Initial Dividend Rate (as defined below); and

(b) From the Step-Up Date, unless the Series B Preferred Shares are redeemed, the higher of the Initial Dividend Rate and the Dividend Rate Step-Up (as defined below).

*Initial Dividend Rate*

In case of declaration of dividends by Board, it shall be at a rate of [●]% per annum by reference to the Offer Price in respect of each Dividend Period.

As and if cash dividends are declared by the Board of Directors, cash dividends on the Series B Preferred Shares shall be at the Initial Dividend Rate, subject to step-up as provided below.

"**Dividend Rate**" means (a) from the Listing Date up to the Step-Up Date, the Initial Dividend Rate, and (b) from the Step-Up Date, unless the Series B Preferred Shares are redeemed, the higher of the Initial Dividend Rate and the Dividend Rate Step-Up. The Dividend Rate shall be calculated on a 30/360-day basis.

*Step Up Rate*

If the Series B Preferred Shares are not redeemed by the fourth ($4^{th}$) anniversary of the Listing Date (such date, the "**Step-Up Date**"), the Dividend Rate shall be adjusted to the higher of:

(a) the Initial Dividend Rate; or

(b) a Dividend Rate equal to the sum of the Step-Up Benchmark Rate and five hundred (500) basis points.

If the Series B Preferred Shares are not redeemed within the period for optional redemption in respect of a Change of Control Event or an Indebtedness Default Event, the Dividend Rate shall be adjusted to a Dividend Rate equal to the prevailing Dividend Rate plus two hundred fifty (250) basis points. Such a Dividend Rate step-up shall apply on a per event basis.

If the Series B Preferred Shares are not redeemed within the period for optional redemption in respect of a Tax Event, the Dividend Rate shall be adjusted to a Dividend Rate equal to the prevailing Dividend Rate plus such amount as would fully compensate the holder of the Series B Preferred Shares for any reduction in dividend to such holder as a result of the Tax Event. Such a Dividend Rate step-up shall apply on a per event basis. If the Tax Event does not result in any such reduction, then no Dividend Rate step-up shall occur in respect of said Tax Event.

The "**Step-Up Benchmark Rate**" will be equivalent to the simple average of the seven (7)-year PHP BVAL reference rate as published on the website of the Philippine Dealing System, or if unavailable, the Philippine Dealing & Exchange Corp. or PDEx page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for each of the three (3) Business Days immediately preceding and inclusive of the Step-Up Date.

In the event that BVAL is replaced by a new benchmark rate as determined by the Bankers Association of the Philippines ("**BAP**") or the BSP, such new benchmark rate shall be adopted for purposes of determining the Dividend Rate (the "**New Benchmark Rate**"). In the absence of such New Benchmark Rate as determined by the BAP or the BSP and there is a mandatory directive by the BAP or the BSP to no longer use or apply BVAL, the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall negotiate to adopt an alternative rate that will serve as the New Benchmark Rate.

**Dividend Period; Dividend Payment Date**

Cash dividends on the Series B Preferred Shares shall be payable quarterly in arrears on the last day of each Dividend Period, that is, [22 May], [22 August], [22 November], and [22 February] (each a "**Dividend Payment Date**"), each being the last day of each Dividend Period following the relevant Listing Date, as and if declared by the Board of Directors at the time of declaration of such dividends in accordance with the terms and conditions of the Series B Preferred Shares.

A "**Dividend Period**" shall refer to the period commencing on the Listing Date and having a duration of three (3) months, and thereafter, each of the successive periods of three (3) months commencing on the last day of the immediately preceding Dividend Period up to, but excluding, the first day of the immediately succeeding Dividend Period.

If a Dividend Payment Date occurs after the end of a Dividend Period, there shall be no adjustment as to the amounts of dividends to be paid. The dividends on the Series B Preferred Shares will be calculated on a 30/360-day basis.

If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid.

**Conditions on Declaration and Payment of Cash Dividends**

The declaration and payment of cash dividends for each Dividend Period will be subject to the sole and absolute discretion of the Board of Directors of the Company, to the extent permitted by applicable laws and regulations, and the covenants (financial or otherwise) in the agreements to which the Company is a party.

The Board of Directors will not declare and pay dividends for any Dividend Period where payment of such dividends would cause the Company to breach any of its covenants (financial or otherwise).

If the profits available to distribute as dividends or distributions are, in the Board's reasonable opinion, not sufficient to enable the Company to pay in full, on the same date, both dividends on the Series B Preferred Shares and the dividends or distributions on other securities that are scheduled to be paid on or before the same date as the dividends on the Series B Preferred Shares, and have an equal right to dividends or distributions as the Series B Preferred Shares, the Company is required: first, to pay in full, or to set aside an amount equal to, all dividends or distributions scheduled to be paid on or before that dividend or distribution payment date, and any arrears on past cumulative dividends or distributions, on any securities with a right to dividends or distributions ranking in priority to that of the Series B Preferred Shares; and second, to pay dividends or distributions on the Series B Preferred Shares and any other securities ranking equally with the Series B Preferred Shares as to participation in profits, *pro rata* to the amount of the cash dividends or distributions scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividends or distributions payable on that date and any arrears on past cumulative dividends or distributions on any securities ranking equal in the right to dividends or distributions with the Series B Preferred Shares.

The profits available for distribution are, in general and with some adjustments, equal to the Company's accumulated, realized profits less accumulated, realized loss.

**Dividends are Cumulative**

Dividends on the Preferred Shares will be cumulative. If for any reason the Company's Board does not declare a dividend on the Series B Preferred Shares for a Dividend Period, the Company will not pay dividends for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Series B Preferred Shares must receive the dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Series B Preferred Shares prior to such Dividend Period.

Holders of the Series B Preferred Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Series B Preferred Shares.

The Company shall covenant that, in the event that (a) any dividends due with respect to any Series B Preferred Shares then outstanding for any period are not declared and paid in full when due, (b) any dividends in which the declaration and/or payment have been deferred, in respect of prior Dividend Periods (the "**Arrears of Dividends**"), or (c) there remains any other amounts payable under the Series B Preferred Share terms and conditions are not paid in full when due for any reason:

a) It will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking junior or *pari passu* to Series B Preferred Shares (or contribute any moneys to a sinking fund for the redemption of any securities ranking junior or *pari passu* to the Preferred Shares);

b) Subject to legal requirements, the Company will procure that no subsidiary over which the Company has a Controlling Participation (as defined below) will pay any discretionary dividends or other discretionary distributions on, or at the Company's discretion repurchase or redeem, any security ranking senior to the respective subsidiary's common shares other than those senior securities held by the Company or a wholly-owned subsidiary thereof (or contribute any moneys to a sinking fund for the purposes of any such redemption).

"**Controlling Participation**" shall refer to the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of the corporation, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect at least a majority of the board of directors or similar body governing the affairs of the Company.

**Purchase of the Series B Preferred Shares in the Open Market**

Upon listing on the PSE, the Company may purchase the Series B Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE. The Preferred Shares so purchased may either be redeemed and cancelled (after the Optional Redemption Date) or kept as treasury shares, as applicable.

**Optional Redemption of the Preferred Shares**

As and if approved by the Board of Directors (or the Executive Committee), the Company may redeem the Series B Preferred Shares on the second ($2^{nd}$) anniversary of the Listing Date or on any Dividend Payment Date thereafter (each an "**Optional Redemption Date**"), in whole but not in part, without preference or priority, at the redemption price (the **"Redemption Price"**) equal to the Offer Price of the Series B Preferred Shares plus all dividends due them on such Optional Redemption Date as well as all Arrears of Dividends.

**Redemption due to a Change of Control Event or an Indebtedness Default Event**

The Company may also redeem the Series B Preferred Shares, in whole but not in part, at any time prior to any Optional Redemption Date if a Change of Control Event or an Indebtedness Default Event has occurred and is continuing, having given at least 10 days' notice prior to the intended date of redemption. A notice of redemption given hereunder shall be irrevocable and binding upon the Company to effect such redemption. In the event of an exercise of the redemption option in respect of any Change of Control Event or Indebtedness Default Event, the redemption due shall be made by the Company at the Redemption Price, which shall be paid within five (5) Business Days of the exercise of the right to redeem the Series B Preferred Shares.

A "**Change of Control Event**" shall occur if any person or group of related persons, other than the CPGI Principal Shareholders, becomes the Beneficial Owner(s), directly or indirectly, of a higher percentage of the total voting power of the outstanding voting stock of the Company than the aggregate percentage of the total voting power of the outstanding voting stock of the Company beneficially owned, directly or indirectly, by the CPGI Principal Shareholders.

"**CPGI Principal Shareholders**" means (i) Jose E.B. Antonio, Hilda R. Antonio, John Victor R. Antonio, Jose Marco R. Antonio, Jose Carlo R. Antonio, and Jose Roberto R. Antonio; and (ii) any Affiliate of the foregoing.

"**Affiliate**" means, with respect to any person, any other person (i) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such person; or (ii) who is a spouse, child or step child, parent or step parent, brother, sister, step brother or step sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew or niece of a person described in (i).

For purposes of this definitions, "**control**" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract, or otherwise.

An "**Indebtedness Default Event**" shall occur if: (a) any other present or future indebtedness of the Company or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default, or the like (howsoever described); or (b) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or (c) the Company or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guaranty or suretyship for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guaranties, suretyships, and indemnities in respect of which one or more of the events mentioned above in this definition have occurred equals or exceeds ₱500,000,000 (or its equivalent in any other currency or currencies on the basis of the middle spot rate for the relevant currency against the Philippine Peso as quoted by any leading bank on the day on which a calculation is made).

**Redemption due to an Accounting Event**

The Company may also redeem the Series B Preferred Shares, in whole but not in part, at any time prior to any Optional Redemption Date if an Accounting Event has occurred and is continuing, having given not more than sixty (60) nor less than thirty (30) days' notice prior to the intended date of redemption. A notice of redemption given hereunder shall be irrevocable and binding upon the Company to effect such redemption. In the event of an exercise of the redemption option in respect of any Accounting Event, the redemption due shall be made by the Company at the Redemption Price, which shall be paid within five (5) Business Days of the exercise of the right to redeem the Series B Preferred Shares.

An "**Accounting Event**" shall occur if an opinion of a recognized accountancy firm authorized to perform auditing services in the Philippines has been delivered to the Company stating that the Series B Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Company prepared in accordance with PFRS, or such other accounting standards which succeed PFRS as adopted by the Company for the preparation of its audited consolidated financial statements for the relevant financial year, and such event cannot be avoided by use of reasonable measures available to the Company.

**Redemption due to a Tax Event**

The Company may also redeem the Series B Preferred Shares, in whole but not in part, at any time prior to any Optional Redemption Date if a Tax Event has occurred and is continuing, having given not more than sixty (60) nor less than thirty (30) days' notice prior to the intended date of redemption. A notice of redemption given hereunder shall be irrevocable and binding upon the Company to effect such redemption. In the event of an exercise of the redemption option in respect of any Tax Event, the redemption due shall be made by the Company at the Redemption Price, which shall be paid within five (5) Business Days of the exercise of the right to redeem the Series B Preferred Shares.

A "**Tax Event**" shall occur if payments on the Series B Shares become subject to additional or higher withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation or application thereof, and such tax cannot be avoided by use of reasonable measures available to the Company.

**Payment on the Series B Preferred Shares**

All payments in respect of the Series B Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines, including but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Company will pay additional amounts so that holders of the Series B Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable; provided, that the Company shall not be liable for, and the foregoing payment undertaking of the Company shall not apply to:

(a) any withholding tax applicable to dividends earned by or on any amounts payable to the holders of the Series B Preferred Shares;
(b) any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax), DST or other applicable taxes on the redemption of the Series B Preferred Shares or on the liquidating distributions as may be received by a holder of the Series Preferred Shares;
(c) any expanded value-added tax which may be payable by any holder of the Series B Preferred Shares on any amount to be received from the Company under the terms and conditions of the Series B Preferred Shares;
(d) any withholding tax on any amount payable to any holder of the Series B Preferred Shares or any entity which is a non-resident foreign corporation; and
(e) any applicable taxes on any subsequent sale or transfer of the Series B Preferred Shares by any holder of the Series B Preferred Shares which shall be for the account

of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

All sums payable by the Company to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or governmental charges provided said entities present sufficient proof of such tax- exempt status from the tax authorities.

Any DST for the issuance of the Series B Preferred Shares and the recording thereof in the name of a Preferred Shareholder under the Offer shall be paid by the Company. After the Listing Date, taxes generally applicable to a subsequent sale of the Series B Preferred Shares by any Preferred Shareholder, including receipt by such Preferred Shareholder of a Redemption Payment, shall be for the account of the said Preferred Shareholder.

**Preferred Shares' Liquidation Rights**

In the event of a return of capital in respect of the Company's winding up or otherwise (whether voluntarily or involuntarily) but not on a redemption or purchase by the Company of any of its share capital, the holders of the Series B Preferred Shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the assets of the Company available for distribution to shareholders, together with the holders of any other securities of the Company ranking, as regards repayment of capital, *pari passu* with the Series B Preferred Shares and before any distribution of assets is made to holders of any class of the securities of the Company ranking after the Series B Preferred Shares as regards repayment of capital, liquidating distributions in an amount equal to the Offer Price of the Series B Preferred Shares plus an amount equal to any dividends declared but unpaid in respect of the previous dividend period and any accrued and unpaid dividends for the then-current dividend period to (and including) the date of commencement of the winding up of the Company or the date of any such other return of capital, as the case may be. If, upon any return of capital in the winding up of the Company, the amount payable with respect to the Series B Preferred Shares and any other securities of the Company ranking as to any such distribution *pari passu* with the Series B Preferred Shares is not paid in full, the holders of the Series B Preferred Shares and of such other securities will share ratably in any such distribution of the assets of the Company in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Series B Preferred Shares will have no right or claim to any of the remaining assets of the Company and will not be entitled to any further participation or return of capital in a winding up.

**Denial of Pre-emptive Rights**

Holders of the Series B Preferred Shares shall have no pre-emptive rights to subscribe to any shares (including, without limitation, treasury shares) that will be issued or sold by the Company.

**No Sinking Fund**

The Company is not legally required to establish, has not established, and currently has no plans to establish, a sinking fund for the redemption of the Series B Preferred Shares.

**Transfer of Shares and Share Register**

In case of issuance of Series B Preferred Shares, the same shall be made in scripless form through the electronic book-entry system maintained by the Registrar and lodged with PDTC as Depository Agent on Issue Date through Selling Agents nominated by the applicants.

In the Application to Purchase, applicants shall indicate in the proper space provided for the name of the Selling Agents under whose name their Series B Preferred Shares will be registered and the relevant Selling Agents shall sign the Application to Purchase on the space provided therefor.

The Registry of Shareholders will show the legal title to the Series B Preferred Shares and will be maintained by the Registrar. A transaction confirmation advice confirming every receipt or transfer of the Series B Preferred Shares that is effected in the Registry of Shareholders (at the cost of the requesting Shareholder) shall be sent by the Registrar. At least once every quarter, the Registrar shall send a Statement of Account to all Shareholders named in the Registry of Shareholders, confirming the number of Series B Preferred Shares held by each Shareholder of record in the Registry of Shareholders. This Statement of Account will serve as evidence of ownership of the relevant Shareholder as of a given date thereof. The requesting Shareholder shall be answerable for any request for certifications, reports or other documents from the Registrar, except as provided herein.

The normal Philippine selling restrictions for listed securities shall apply to initial placement of the Series B Preferred Shares and subsequent transfers of interests in the Series B Preferred Shares.

Shareholders may, after Issue Date, request the Registrar, through their nominated Selling Agent, to (a) open a scripless registry account and have their holdings of the Series B Preferred Shares registered under their name ("name-on-registry account"), or (b) issue stock certificates evidencing their investment in the Series B 2Preferred Shares. The requesting Shareholder shall be answerable for any expense that will be incurred in relation to such registration or issuance.

Even if Philippine law does not require transfers of the Series B Preferred Shares to be effected on the PSE, any off-exchange transfers will subject the transferor to a capital gains tax or, to the extent applicable, donor's tax and DST, which taxes may be significantly greater than the stock transfer tax applicable to transfers effected on an exchange. See "Taxation". A licensed stock broker in the Philippines is necessary to effect all transfers of shares on the PSE.

**Non-convertible into Common Shares**

Holders of the Series B Preferred Shares shall have no right to convert the Series B Preferred Shares to any Preferred Shares or Common Shares of the Company.

# CAPITALIZATION

As of the date of this Prospectus, the Company has an authorized capital stock of ₱9,540,000,000 consisting of 15,000,000,000 Common Shares with a par value of ₱0.53 per Common Share and 3,000,000,000 cumulative, non-voting, non-participating, non-convertible, redeemable, preferred shares with a par value of ₱0.53 per preferred share. The subscribed capital stock of the Company is ₱6,147,788,365.70 consisting of 11,599,600,690 Common Shares.

The following table sets out the Company's consolidated debt, shareholders' equity and capitalization as of 30 September 2023, and as adjusted to reflect the issuance of the Series B Preferred Shares. The table should be read in conjunction with the Company's consolidated financial statements, included in the Prospectus. There has been no material change in the figures as shown in the following table and the notes thereto since the date thereof except for the issuance of the Series B Preferred Shares.

| | **Actual as of 30 September 2023** | **After Giving Effect to the Base Offer** | **After Giving Effect to the Oversubscription Option** |
|---|---|---|---|
| | **(₱)** | **(₱)** | **(₱)** |
| | **(Unaudited)** | | |
| **Total debt** [1] | **18,695,380,196** | **18,695,380,196** | **18,695,380,196** |
| Equity: | | | |
| Capital stock: | | | |
| Common | 6,200,853,553 | 6,200,853,553 | 6,200,853,553 |
| Preferred | 15,900,000 | 45,900,000 | 65,900,000 |
| Additional paid-in capital | 5,524,776,889 | 8,494,776,889 | 10,474,776,889 |
| Treasury shares – 100,123,000 shares | (3,109,674,749) | (3,109,674,749) | (3,109,674,749) |
| Other components of equity | (683,197,961) | (683,197,961) | (683,197,961) |
| Retained earnings | 11,120,106,421 | 11,120,106,421 | 11,120,106,421 |
| Remeasurement loss on defined benefit plan | 17,657,255 | 17,657,255 | 17,657,255 |
| **Total Equity Attributable to Equity Holders of the Parent Company** | **19,086,421,408** | **22,086,421,408** | **24,086,421,408** |
| Non-controlling interest | 2,269,208,219 | 2,269,208,219 | 2,269,208,219 |
| **Total Equity** | **21,355,629,627** | **24,355,629,627** | **26,355,629,627** |
| **Total Capitalization** | **40,051,009,823** | **43,051,009,823** | **45,051,009,823** |

Note:

(1) Total debt comprises "Current portion of loans payable", "Loans payable – net of current portion", "Bonds payable" and "Short-term debt".

# RISK FACTORS

*An investment in the Series B Preferred Shares, as described in this Prospectus, involves a certain number of risks. The price of securities can and does fluctuate, and any individual security may experience upward or downward price movements and may lose part, or all, of its value over time. There is an inherent risk that losses may be incurred rather than profit, as a result of buying and selling securities. There is an extra risk of losing money when securities are bought from smaller companies. Past performance is not a guide to future performance and there may be a large difference between the buying price and the selling price of any security. An investor deals in a range of investments, each of which may carry a different level of risk. The market price of the Series B Preferred Shares could decline due to any one of, but not limited to, the risks described herein, and all or part of an investment in the Series B Preferred Shares could be lost.*

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

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

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

## A. RISK FACTORS RELATING TO THE COMPANY AND ITS BUSINESS

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

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. Considering the global impact of the COVID-19 pandemic and the Israel-Hamas conflict which resulted to the repatriations of OFWs, the Company expects a possible decline in the sale of its projects to the OFW sector.

In any case, despite the concerns about the sustainability of the overseas market, OFW remittances continued to increase from US$31.3 billion in 2017 to US$32.2 billion in 2018, and US$33.5 billion in 2019. OFW remittances in 2020 registered a slight decline to US$33.2 billion but recovered to US$34.9 billion in 2021 and further increased to US$36.2 billion in 2022 despite the COVID-19 pandemic. For January to September 2023, OFW remittances amounted to US$24.2 billion.

To mitigate the risk, the Company procures clients from different countries. The Company has clients located in 15 different countries; hence it is not exposed to any single jurisdiction. As of September 30, 2023, 44%, 11%, 17%, 4%, 1% of the Company's sales are from Asia, Middle East, North America, Australia/Oceania, United Kingdom, and others, respectively.

***All of the Company's properties are 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 likewise continues to undertake risk management initiatives and constant monitoring of key economic and market indicators.

***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.

To mitigate this risk, as of the date of this Prospectus, the Company has launched projects and contracted land further outside Metro Manila including Bulacan, Pampanga, Batangas, Cavite, Laguna, Quezon Province, Bataan, Palawan, Nueva Ecija and Negros Occidental. 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.

To mitigate this risk, the Company 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 maximized its collaborations with international brands, designers, and celebrities to learn the best practices in world-class design and raise its standards in customer experience and pride of ownership.

This entailed design and licensing fees, and sometimes a revenue sharing arrangement. 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. To reduce this risk, the Company conducted due diligence and performed contract management on its partner brands.

Using its learnings, the Company has built its own homegrown brand, attaching the "Century" name to various properties including The Residences at Commonwealth by Century, Asian Century Center, Century Diamond Tower, and Century Spire.

Committing to deliver excellence above the current standard of living, PHirst Park Homes redefines "affordability" as it provides beyond what is expected in a housing community, believing every homeowner deserves to take pride not only in where they live but also how they live. Derived from the words Philippines and First, PHirst Park Homes was built upon the dreams and aspirations of first-time homebuyers. Thus, it offers what it calls its signature "4Cs" experience for its customers: Complete Homes, Conceptive Amenities, Connected Essentials and Convenient Buying and Selling Experience.

To date, the Company has launched 18 projects that carry the PHirst Park Homes brand namely in Tanza, Cavite; Lipa, Batangas (2); San Pablo, Laguna; Pandi, Bulacan; Calamba, Laguna; Nasugbu, Batangas (3); Magalang, Pampanga; General Trias, Cavite; Baliwag, Bulacan; Tayabas, Quezon; Naic, Cavite; Balanga, Bataan; Gapan, Nueva Ecija; Bay, Laguna; and Hermosa, Bataan. PHirst Park Homes goes beyond being just a material house to live in but by being a strong foundation of togetherness that can be passed on from generation to generation.

***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.

To mitigate this risk, 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.

To mitigate this risk, 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 and debt 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 R.A. 6552 or 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 30% 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 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.

To mitigate this risk, the Company is continuously increasing its professional management team. See "Directors, Executive Officers, and Control Persons" on page 229 of this Prospectus. 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, Executive Chairman; Jose Marco R. Antonio, President and Chief Executive

Officer; John Victor R. Antonio, Managing Director; Jose Roberto R. Antonio, Managing Director; Jose Carlo R. Antonio, Managing Director; Hilda R. Antonio, Director of the Company; 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.

To mitigate this risk, 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.

To mitigate this risk, 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.

To mitigate this risk, 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 ("**DAR**") 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.

To mitigate this risk, 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.

To mitigate this risk, 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 DAR 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 ("**B.P. 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 Department of Human Settlements and Urban Development ("**DHSUD**") (formerly, the Housing and Land Use Regulatory Board or "**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 DHSUD. 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 DHSUD; (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 DHSUD 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.

To mitigate this risk, 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 may be required and the developer will be required to obtain an Environmental Compliance Certificate ("**ECC**") to certify that the project will not have an unacceptable environmental impact. Current or future environmental laws and regulations applicable to the Company could increase the costs of conducting its business above currently projected levels or require future capital expenditures. In addition, if a first violation of an ECC occurs or if environmental hazards on land where its projects are located cause damage or injury to buyers or any third party, the Company may be required to pay a fine, to incur costs in order to cure the violation and to compensate its buyers and any affected third parties, however, on subsequent violations, an ECC may be revoked and operations may be stopped. The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. See "Regulatory and Environmental Matters" on page 157. 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.

To mitigate this risk, 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.

To mitigate this risk, 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.

To mitigate this risk, all of the material 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.

To mitigate this risk, CPMI conducts stringent screening procedures on potential tenants.

***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.

To mitigate this risk, the Company enters into long term financing to reduce its reliance on shorter term financing. This 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.

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

***Adoption of New Accounting Standards might have an impact on the financial statements.***

*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.

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The Group made a reassessment of all of its tax treatments and has determined that there are no uncertainties involved in the computation of its current and deferred taxes.

*Adoption of Borrowing Costs, Borrowing Costs Eligible for Capitalization*

Real estate entities classify their sold real estate properties (i.e. installment contracts receivable and contract assets) and unsold real estate properties (i.e. real estate inventories) which are not yet substantially completed as qualifying assets. Accordingly borrowing cost is capitalized until such qualifying assets are substantially completed.

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 11 February 2020, the 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 31 December 2020. Effective 1 January 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.

On 15 December 2020, the SEC issued Memorandum Circular No. 34, Series of 2020 providing relief to the real estate industry by referring the application of provision PIC Q&A No. 2018-12 with respect for the accounting for significant financing component and the exclusion of land in the calculation of percentage of completion POC and IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23-Borrowing Costs, for another period of three (3) years until 2023.

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 preselling activities would have been expensed out in the period incurred. This would result in decrease in retained earnings as of 1 January 2017 and net income for 2018 and 2017.

***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.

To mitigate this risk, the Company adopts the necessary internal controls in its financial management and corporate governance policies in order to comply with its debt covenants.

***The Company may, 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.

To manage this risk, 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, currency 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. In any case, the Company relies on its ability to continue developing projects that are affordable and attractive for its target market. While the Company cannot fully avoid all the adverse effects of interest rate fluctuations, to mitigate the risk, it continues to conduct various studies to be able to come up with arrangements to ensure that the project units are developed in accordance with the Company's standards.

*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.

To mitigate this risk, 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 the Group does not have any foreign currency-denominated debt. 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 provide a warranty on their respective works.

In addition, the Company’s employees are covered by a Health Maintenance Program with built-in insurance coverage under Maxicare and Group Life Insurance under Sunlife, on top of the government mandated Philhealth Benefit Packages for COVID-19 and the Philippine Social Security System’s sickness benefit.

## B. RISKS RELATING TO THE PHILIPPINES

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

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

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

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

The Company has survived major economic and political crises brought about by domestic and international developments through the implementation of its core strategies.

To mitigate the risks identified below, constant monitoring of the key economic and market indicators allows the Company to detect risk exposures and react to the external environment appropriately. Although there is no assurance that the Company will be able to fully overcome the adverse effects of any or all crisis, it has in place a system of financial prudence and corporate governance that provides the foundation for its risk management initiatives.

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

Following the 2022 elections, Ferdinand Marcos Jr. was elected as the 17$^{th}$ President of the Philippines, following former Pres. Rodrigo Roa Duterte. The presidency of President Marcos commenced on 30 June 2022. President Marcos' campaign promised the broad continuity of former President Duterte's plans of developing infrastructure, strengthening foreign policy, and focusing on the growing the country's local agricultural industry.

Based on the World Bank's June 2023 update, the growth of the Philippine economy will be driven by strong domestic demand despite weak external conditions. For the first and second quarters of 2023, GDP growth registered at 6.4% and 4.3%, respectively.

Growth drivers will include the Business Process Outsourcing ("**BPO**") sector and tourism. The Asian Development Bank said a low unemployment rate, the sustained rise in remittances, and increased public investments in infrastructure will also contribute much to the Philippines' growth.

The average inflation rate for 2022 is at 5.8% compared to only 3.9% average inflation rate in 2021.

Although various political and economic changes continue to happen in the country, to manage this risk, the Company has continuously integrated sound business practices in its management to guarantee that any political and/or economic instability will not hamper its growth and allow it to survive such instabilities and crisis in the country.

***The continuing effects of COVID-19, future pandemics, epidemics, or outbreaks of diseases could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect the Company's business, financial condition and results of operations.***

On 8 March 2020, the President, through Presidential Proclamation No. 922 declared a State of Public Health Emergency throughout the Philippines. To further address the pandemic, Republic Act No. 11469 or the Bayanihan to Heal as One Act, and later Republic Act No. 11494 or the Bayanihan to Recover as One ("**Bayanihan 2**"), were signed into law. These laws declared a State of National Emergency over the entire country and granted temporary emergency powers to the President, and provide for response and recovery interventions to address the current health and economic challenges of the country. One of the impositions under the Bayanihan 2 is the moratorium on the collection of residential and commercial rental payments of lessees not permitted to operate or which have temporarily ceased operations under the Bayanihan 2 Act during and after the effectivity of quarantine measures. As a result of the quarantine measures, the Company has experienced delays in project completions. Said delays, however, have already been assumed by the Company into its current construction timelines. Moreover, the DHSUD has granted an additional 1-year period to the Company's licenses to sell to complete each building under construction.

The pandemic situation slowed construction and collections resulting to a 17% decline in total real estate sales revenue. However, as affordable housing projects are located outside Metro Manila, the Company was able to resume construction as soon as the restrictions from provincial cities were lifted. Accordingly, initial recognition of real estate sales revenues from newly launched projects of affordable housing projects in 2020 offsets such decline.

While mall operations declined, the impact on the leasing portfolio is not significant as its contribution is marginal to the total revenue of the Company prior to the COVID-19 pandemic. The increase in leasing revenue is a result of the initial rentals from the recently completed Century Diamond Tower.

On 27 February 2022, the Government announced that quarantine restrictions in varying areas of the country will be eased to Alert Level 1 or 2 in view of the decline in the number of COVID-19 cases. In September 2022, under the recommendation of the IATF, the Government has started easing the use of face masks to help bolster the economy.

On 5 May 2023, the World Health Organization ("**WHO**") declared the end of COVID-19 as a global health emergency. Notwithstanding such declaration by the WHO that COVID-19 is no longer a global health emergency, the Department of Heath issued a warning to the public on 9 May 2023 that the pandemic is not yet over.

On 21 July 2023, the President of the Philippines issued Presidential Proclamation No. 297 effectively lifting the State of Public Health Emergency throughout the Philippines brought about by the COVID-19 pandemic.

Subsequently, on 20 September 2023, the Department of Labor and Employment issued Labor Advisory No. 23, Series of 2023 ("**LA 23-23**"), containing the Guidelines on Minimum Public Health Standards in Workplaces Relative to the Lifting of the State of Public Health Emergency. The same covers all those in the private sector and emphasizes the shared responsibility of both employers and employees in ensuring safe and healthy working conditions. LA 23-23 further mandates the Safety and Health Committee to review, evaluate and update their occupational safety and health programs.

Significantly, the Advisory expressly revoked prior labor advisories that were effective during the State of Public Health Emergency, which include Labor Advisory No. 9, Series of 2020 and Labor Advisory No. 17, Series of 2020, pertaining to the guidelines on the implementation of flexible work arrangements and employment preservation upon the resumption of business operations. However, employers may still be guided by these permissible work arrangements, subject to strict compliance with labor laws.

With the continuing effects of COVID-19, the Company believes that the extent of the future impact of an outbreak of COVID-19 or any public health epidemic or pandemic on the Company will depend on certain developments, including the emergence of new COVID-19 variants and contagious diseases, duration and spread of the outbreak, the actions taken to contain COVID-19 or any other and contagious diseases, the impact on the Company's business, and the accessibility and effectiveness of government support programs, all of which are highly uncertain and cannot be predicted. There is no assurance that COVID-19 or any public health epidemic or pandemic will not have an adverse effect on economic activity in the Philippines, and could materially and adversely affect the Company's business, financial condition and results of operations.

The Company continues to monitor and evaluate developments relating to COVID-19 to develop contingency measures to mitigate the risk impact to its business.

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

Terrorists are very likely to try to carry out attacks in the Philippines. Terrorist groups continue to plan attacks and have the capacity and the intent to carry out attacks at anytime and anywhere in the country, including in the capital Manila and in places visited by foreigners, such as airports, shopping malls, public transport, including the metro system and places of worship. Attacks have been carried out using improvised explosive devices and small arms.

Terrorist groups have threatened to attack passenger ferries and other vessels, particularly those operating from Mindanao.

The considerable heightened threat of terrorist attacks in the Philippines posts risk to our economy, may adversely affect business, its operations, financial conditions and results.

The Company's affordable housing projects are situated in non-dense sub-urban areas far from the known high-risk insurgent camps or potentially war-torn areas. In any case, to mitigate this risk, the Company constantly monitors such threats which allows the Company to detect risk exposures and react to the external environment appropriately.

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

Directly and adversely affecting companies resident in the Philippines is a credit rating used by sovereign wealth funds, pension funds and other investors to gauge the credit worthiness of Philippines thus having a big impact on the country's borrowing costs. This includes the government debt credit rating for Philippines as reported by major credit rating agencies. The ratings are based on a forward-looking macroeconomic model which takes into account several leading economic indicators and financial markets.

In November 2022, Standard & Poor Ratings Group ("**S&P**") affirmed the Philippines credit outlook to positive, while affirming the country's current credit rating at 'BBB+' for long-term and 'A-2' for short-term. A long-term credit rating of 'BBB' puts the Philippines at an adequate investment grade, although adverse economic conditions could weaken the country's ability to meet its financial obligations. On the other hand, the country's 'A-2' short-term rating means that the Philippines has a satisfactory chance of meeting its short-term financial obligations. S&P based its current report on the government's fiscal policies, including the Comprehensive Tax Reform Program ("CTRP"), which is intended to fund the administration's "Build, Build, Build" program. Change in ratings depends on the government's fiscal reform program over the course of the next twenty four (24) months, if the reform agenda has been achieved or stalls, if the recalibrated fiscal program leads to higher-than-expected net general government debt levels, or if deem that policymaking settings have otherwise regressed against expectations. On 30 April 2019, S&P raised the Philippines sovereign long-term credit rating to BBB+, which is its highest rating to date. According to S&P, the upgrade was made on the basis of the Philippines' consistent economic growth, solid fiscal accounts, and good position in the external environment. S&P stated that with the enactment of the first package of the CTRP under TRAIN Act, finances are expected to remain sustainable while the country addresses pressing infrastructure needs.

Moody's credit rating for Philippines was last set at Baa2 with stable outlook in December 2014 and was affirmed last March 2023 while in May 2023, Fitch's credit rating for Philippines was last reported at BBB with stable outlook.

Any uncertainties, moreover downgrade, could have adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Company, to raise additional financing and the interest rates and other commercial terms at which such additional financing will be made available.

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

The Philippines is subject to frequent seismic activity. From 2019 to 2022, there were 13 large known earthquakes in the Philippines, with magnitudes ranging from 5.6 to 7.1. On 27 July 2022, a powerful 7.1 magnitude earthquake struck the province of Abra, killing at least 5 people, injuring at least 64, and damaging more than a hundred buildings and structures. On 12 August 2021, an earthquake with a magnitude of 7.1 struck the islands of Mindanao, though no damages or injuries were reported.

The Philippines also experiences occasional volcanic eruptions. Last January 2020, the Taal Volcano erupted again after forty-two (42) years. The eruption affected thousands of families and caused widespread damage in the aftermath. Although immediate ash fall clean-up and disposal operations were conducted, the continued activity of the Taal Volcano forced the affected LGUs (especially those in close proximity to the Taal Volcano) to impose restrictions to movements within their respective territorial jurisdictions. As a result of this, business operations within the vicinity of the volcano were severely affected and interrupted. Businesses and properties which are farther likewise experienced minor interruptions primarily due to ashfall. On 26 March 2022, the Taal Volcano erupted again, resulting to PHIVOLCS issued an Alert Level 3 and recommended the immediate evacuation of residents in the surrounding area. While the Taal Volcano has a classification of Alert Level 1 currently, in

September 2023, it spewed above average sulfur dioxide and volcanic smog, prompting authorities to close schools in dozens of cities and towns and to urge people to stay indoors.

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.

Super Typhoon Karding made landfall in Luzon on 15 September 2022, affecting more than 714,200 people. The DAR reported around ₱1.97 Billion's worth of agricultural damage since the storm hit 148,091 hectares of farmlands.

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.

## C. RISKS RELATING TO THE SERIES B PREFERRED SHARES

***The Series B Preferred Shares may not be a suitable investment for all investors.***

Each prospective investor in the Series B Preferred Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- Have sufficient knowledge and experience to make a meaningful evaluation of the Series B Preferred Shares, the merits and risks of investing in the Series B Preferred Shares and the information contained in this Prospectus;
- Have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Series B Preferred Shares and the impact the Series B Preferred Shares will have on its overall investment portfolio;
- Have sufficient financial resources and liquidity to bear all of the risks of an investment in the Series B Preferred Shares, including where the currency for principal or dividend payments is different from the prospective investor's currency;
- Understand thoroughly the terms of the Series B Preferred Shares and be familiar with the behavior of any relevant financial markets; and
- Be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange rate and other factors that may affect its investment and its ability to bear the applicable risks.

***Shareholders have no right to require redemption and bear the financial risk of selling their Series B Preferred Shares at a loss.***

Shareholders have no right to require the redemption of Series B Preferred Shares by the Company at any time since they have no fixed final maturity date. If the Shareholders intend to dispose their shares, they can only do so in the secondary market. Shareholders would have to bear the financial risk on the possibility of the Series B Preferred Shares being sold at a price below the amount paid for by the Shareholders, if at the time of the sale insufficient liquidity exists in the market for the Series B Preferred Shares.

***The Company has a discretion to defer dividend payments on the Series B Preferred Shares.***

Payment of cash dividends on the Series B Preferred Shares is not guaranteed since the Company has discretion whether or not to declare and pay the dividends on a Dividend Payment Date. Further, Shareholders will not receive dividends on a Dividend Payment Date or for any period if the Company does not have retained earnings out of which to pay dividends. Given these dividend limitations, the market price for the Series B Preferred Shares may be more volatile compared to other securities which do not have the said limitations.

If dividends on the Series B Preferred Shares are not paid, its market price may be adversely affected since they may be traded at a lower price than they might otherwise have been traded if dividends had been paid.

A Shareholder who disposes of his Series B Preferred Shares during such a period may receive a lower return on his investment compared to Shareholder who may have opted to hold the Series B Preferred Shares until the dividends are paid.

***The market price of the Series B Preferred Shares may be affected by several factors which could result to its volatility.***

The market price of the Series B Preferred Shares could be affected by several factors such as but not limited to: (i) the market value of the assets of the Company; (ii) market conditions; (iii) condition of Philippine politics and economy; (iv) recommendations of financial analysts; (v) condition of business operations or occurrence of business risks; and (vi) changes in Government regulations and legislations.

Furthermore, global equity markets have experienced price and volume volatility that has affected the prices of the shares of various companies. These fluctuations could also adversely affect the market price of the Series B Preferred Shares.

***There is no guarantee on the existence of active and liquid market for the Series B Preferred Shares.***

The Company cannot guarantee that the market for the Series B Preferred Shares will always be active or liquid upon their listing on the PSE, considering the unpredictability and relative lack of stability in the Philippine securities markets. Further, Philippine securities markets are substantially less liquid compared to major securities markets in other jurisdictions.

Moreover, there is no obligation on the part of the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to create a trading market for the Preferred Shares. Should they opt to create such trading market, the same will be subject to limits imposed by applicable law, and runs the risk of termination without notice. It is also for this reason that the Company cannot guarantee the existence of an active or liquid trading market.

Consequently, a Shareholder may be constrained either to hold his Series B Preferred Shares for an indefinite period of time or to trade and sell them at a loss (i.e. less than the Offer Price).

***The Company may not have enough residual assets to pay the holders of the Series B Preferred Shares in full.***

The Series B Preferred Shares will constitute unsecured and subordinated obligations of the Company. While Shareholders enjoy preference over the holders of Common Shares in some matters, in the event of winding-up of the Company their rights and claims are still subordinated to the claims of all other creditors of the Company,

Under Philippine Corporation law, holders of Series B Preferred Shares will be entitled only to residual assets of the Company which remains after the satisfaction of the claims of the creditors of the Company. Since Series B Preferred Shares are subordinated obligations, there is a substantial risk that the Shareholder will not be able to recover his investment in full or at all, if the Company has no residual assets upon winding-up of its corporate affairs.

The Series B Preferred Shares does not contain any term or condition which restricts the Company from incurring additional indebtedness, including those that which rank senior to or *pari passu* with the Series B Preferred Shares.

***The Company's existing and future indebtedness may affect its ability to pay the amounts due to the holders of the Series B Preferred Shares.***

In order to sustain the business, the Company has outstanding indebtedness and still intends to enter into financing agreements in the future, either directly or indirectly through its Subsidiaries. Such financing agreements, including those already executed, may contain provisions which could limit or restrict the Company to pay the amounts due to the holders of Series B Preferred Shares. There is no guarantee that existing or future financing arrangements will not adversely affect the Company's ability to make payments on the Series B Preferred Shares.

***Holders of the Series B Preferred Shares may not be able to reinvest at a similar return on investment.***

On the Optional Redemption Date or at any time a Tax Event or an Accounting Event occurs, the Company may redeem the Series B Preferred Shares for cash at the redemption price See *"Description of the Series B Preferred Shares"* of this Prospectus. At the time of redemption dividend rates may be lower than at the time of the issuance of the Series B Preferred Shares and, consequently, the holders of the Series B Preferred Shares may not be able to reinvest the proceeds at a comparable yield or purchase securities otherwise comparable to the Series B Preferred Shares.

***The Series B Preferred Shares are non-voting shares.***

Shareholders will not be entitled to elect the Directors of the Company. Generally, Series B Preferred Shares have no voting rights except in the instances enumerated under the law or where voting rights are specifically granted by a corporation to holders of its Preferred Shares.

# PHILIPPINE TAXATION

*The following is a discussion of the material Philippine tax consequences on the acquisition, ownership and disposition of the Series B Preferred Shares, as well as declaration of dividends to holders thereof ("**Preferred Share Transactions**"). Discussion hereof does not purport to cover tax aspects of Series B Preferred Share Transactions under tax laws of other jurisdictions. This discussion is based upon Philippine laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.*

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

***PROSPECTIVE PURCHASERS OF THE SERIES B PREFERRED SHARES ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE SERIES B PREFERRED SHARE TRANSACTIONS, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL OR FOREIGN TAX LAWS.***

On 1 January 2018, Republic Act No. 10963, otherwise known as the TRAIN Law, took effect. The TRAIN Law amended certain provisions of the National Internal Revenue Code of 1997 ("**Tax Code**") by simplifying income tax, estate and donor's taxes, expanding the VAT base and introducing additional items that would be subject to excise taxes. It is the first of five packages of the Comprehensive Tax Reform Program ("**CTRP**") of the Philippine government.

Pursuant to the Tax Code, the following terms used in this section shall refer to:

a. "resident alien" - an individual whose residence is within the Philippines and who is not a citizen thereof;
b. "non-resident alien" - an individual whose residence is not within the Philippines and who is not a citizen of the Philippines;
c. "non-resident alien engaged in trade or business within the Philippines" – a non-resident engaged in trade or business in the Philippines, provided that, a non-resident individual who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year shall be deemed as non-resident alien doing business in the Philippines;
d. "non-resident alien not engaged in trade or business within the Philippines" - non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year shall be deemed as non-resident alien not doing business in the Philippines;
e. "domestic corporation" – a corporation that is created or organized in the Philippines or under its laws;
f. "resident foreign corporation" – a non-domestic corporation engaged in trade or business within the Philippines; and
g. "non-resident foreign corporation" – a non-domestic corporation not engaged in trade or business within the Philippines.

On 11 April 2021, Republic Act No. 11534, or the Corporate Recovery and Tax Incentives for Enterprises Act ("**CREATE**"), being the second package of the CTRP, took effect. The CREATE Law brought about numerous changes with respect to corporate income tax rates, capital gains tax on the sale of shares of stock not traded in the stock exchange, among others Below are some of the salient provisions of the CREATE Law:

(i) Effective 1 July 2020, corporate income tax is reduced from 30% to 25% imposed upon the taxable income derived during each taxable year from all sources within and without the Philippines by every domestic corporation.[2]

Corporations with a net taxable income not exceeding Five Million Pesos (Php 5,000,000.00) and with total assets not exceeding One Hundred Million Pesos (Php 100,000,000.00), excluding the land on which the particular business entity's office, plant and equipment are situated during the taxable year for which the tax is imposed, shall be taxed at 20%.

(ii) Effective 1 July 2020, income tax at the rate of 25% of the taxable income derived from all sources within the Philippines is imposed on foreign corporations engaged in trade or business in the Philippines.

(iii) Effective 1 January 2021, a foreign corporation not engaged in trade or business in the Philippines shall pay a tax equal to 25% of the gross income received during each taxable year from all sources within the Philippines.

(iv) Effective 1 July 2020 until 30 June 2023, the minimum corporate income tax rate ("MCIT") is reduced from 2% to 1%. Any excess of the MCIT over the ordinary corporate income tax shall be carried forward and credited against the latter for the three (3) immediately succeeding taxable years. Subject to certain conditions, the MCIT may be suspended for corporations which suffer losses on account of a prolonged labor dispute, or because of force majeure, or because of legitimate business reverses.

(v) Effective 1 January 2022, regional operating headquarters shall be subject to the regular corporate income tax of 25%.

(vi) The improperly accumulated earnings tax shall no longer be imposed on corporations upon the effectivity of the CREATE onwards.

(vii) A final tax at the rate of 15% is imposed upon the net capital gains realized during the taxable year from the sale, barter, exchange or other disposition of shares of stock in a domestic corporation, except shares sold or disposed of through the stock exchange.

***<u>TAX ON SALE, EXCHANGE OR DISPOSITION OF SHARES</u>***

**SHARES LISTED AND TRADED THROUGH THE PSE**

Without prejudice to the application of an income tax treaty, every sale, barter, exchange, or other disposition of shares of stock listed and traded through the PSE, other than the sale by a dealer in securities, shall be subject to a stock transaction tax at the rate of 6/10 of 1% of the gross selling price or gross value in money of the shares of stock sold, bartered, exchanged or otherwise disposed which shall be paid by the seller or transferor. This stock transaction tax is classified as a percentage tax imposed in lieu of a capital gains tax. A value-added tax ("**VAT**") of 12% is imposed on the commission earned by the PSE-registered broker who facilitated the sale, barter, exchange or disposition through the PSE.

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[2] The term 'corporation' shall include one person corporations, partnerships, no matter how created or organized, joint stock companies, joint accounts, associations, or insurance companies, but does not include general professional partnerships and a joint venture or consortium formed for the purpose of undertaking construction projects or engaging in petroleum, coal, geothermal and other energy operations pursuant to an operating consortium agreement under a service contract with the Government.

However, instead of the stock transaction tax, the tax on sale, exchange or disposition of shares not listed and trade through the PSE shall apply for the sale of listed Company' shares during the trading suspension since the sale thereof may be effected only outside the trading system of the PSE.

On November 7, 2012, the BIR issued Revenue Regulations No. 16-2012 which provides that the sale, barter, transfer, and/or assignment of shares of listed companies that fail to meet the minimum public ownership ("**MPO**") requirement after December 31, 2012 will be subject to capital gains tax and documentary stamp tax.

Pursuant to the PSE Amended Rule on Minimum Public Ownership, listed companies are required, at all times, to maintain a minimum percentage of listed securities held by the public of 10.0% or 20.0%, as applicable, of the listed companies' issued and outstanding shares, exclusive of any treasury shares. For purposes of determining compliance with the MPO, shares held by the following are generally considered "held by the public": (i) individuals (for as long as the shares held are not of a significant size (i.e., less than 10.0%) and are non-strategic in nature; (ii) trading participants (for as long as the shares held are non-strategic in nature); (iii) investment and mutual funds; (iv) pension funds; (v) PCD nominees if this account constitutes a number of shareholders, none of which has significant holdings (provided that if an owner of shares under the PCD Nominee has a shareholding that is 10% or more of the total issued and outstanding shares, then this shareholder is considered a principal stockholder); and (vi) social security funds.

Listed companies which become non-compliant with the MPO on or after 1 January 2013 will be suspended from trading for a period of not more than six (6) months and will automatically be delisted if it remains non-compliant with the MPO after the lapse of the suspension period. Suspended or delisted shares will not be traded on the exchange. In addition, sale of shares of listed companies that do not maintain the MPO are not considered publicly listed for taxation purposes and should, therefore, be subjected to capital gains tax and DST.

On 4 August 2020, the PSE issued Guidelines on MPO Requirement for Initial and Backdoor Listings, effective immediately. Under the guidelines, companies applying for initial listing through an initial public offering are required to have a minimum public offer size of 20% to 33% of its outstanding capital stock, as follows:

| Market Capitalization | Minimum Public Offer |
|---|---|
| Not exceeding ₱500 million | 33% or ₱50 million, whichever is higher |
| Over ₱500 million to ₱1 billion | 25% or ₱100 million, whichever is higher |
| Over ₱1 billion | 20% or ₱250 million, whichever is higher |

A company listing through an initial public offering is required to maintain at least 20% public ownership level at all times, whether the listing is initial or through backdoor listing. For companies doing a backdoor listing, the 20% MPO requirement shall be reckoned from the actual issuance or transfer (as may be applicable) of the securities which triggered the application of the Backdoor Listing Rules or from actual transfer of the business in cases where the Backdoor Listing Rules are triggered by a substantial change in business.

In accordance with the SEC Memorandum Circular No. 13 Series of 2017 issued on 1 December 2017, the MPO requirement on initial public offerings is increased from 10.0% to 20.0%. For existing publicly listed companies, the existing rules and/or guidelines of an exchange on minimum public float duly approved by the SEC still apply. The PSE rule on MPO requires that listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of 10.0% or 20.0%, as applicable, of the listed companies' issued and outstanding shares, exclusive of any treasury shares. Pursuant to PSE Circular No. 2020-0076, the 20% MPO requirement will also apply to companies applying for listing by way of introduction and companies undertaking a backdoor listing. Notwithstanding such rules, however, real estate investment trusts must comply with the minimum of public ownership requirements prescribed by the REIT Act of 2009.

**SHARES NOT LISTED AND TRADED THROUGH THE PSE**

The net capital gains realized by an individual taxpayer or a domestic corporation (other than a dealer in securities) during each taxable year from the sale, exchange or disposition of shares of stock in the Philippine corporation listed at and effected outside the facilities of the PSE, are subject to capital gains tax at the final rate of 15% of the net capital gains realized during the taxable year. Net capital gains realized by resident and non-resident foreign corporations during each taxable year from the sale, exchange or disposition of shares of stock in a Philippine corporation listed at but effected outside of the facilities of the local stock exchange, are also subject to the final tax rate of 15% based on the net capital gains realized during the taxable year.

Further, if the the fair market value of the shares of stock in a Philippine corporation sold outside the facilities of the PSE exceeds the consideration received, the amount by which the fair market value exceeds the selling price shall be deemed a gift that is subject to donor's tax: Provided, however, that a sale, exchange or other transfer of property made in the ordinary course of business (a transaction which is a bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth and will not be subject to donor's tax.

The foregoing, however, is without prejudice to the application of an income tax treaty providing for exemption from capital gains tax. In which case, to avail of the exemption, an application for tax treaty relief has to be filed with and approved by the BIR.

No change in ownership of shares shall be recorded in the stock and transfer book of the Company, unless a Certificate Authorizing Registration has been secured from the BIR, certifying that capital gains and documentary stamp taxes relating to the sale or transfer have been paid or, where applicable, tax treaty relief has been confirmed by the International Tax Affairs Division ("ITAD") of the BIR in respect of the capital gains tax, or other conditions that should be met.

***<u>TAX ON DIVIDENDS</u>***

Under the Tax Code, tax on cash or property dividends received from a domestic corporation shall vary depending on who the recipient is, as follows:

a. citizens or residents of the Philippines (including resident aliens) – final tax rate of 10%;
b. non-resident alien individuals engaged in trade or business within the Philippines – final tax rate of 20% based on the gross amount of dividends, subject to applicable preferential tax rates under tax treaties in force between the Philippines and the country of domicile of such non-resident alien individuals;
c. non-resident alien individuals not engaged in trade or business within the Philippines - tax rate of 25%, subject to applicable preferential tax rates under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals;
d. domestic corporation and resident foreign corporation – exempt from tax;
e. non-resident foreign corporation – final tax rate of 25%. The 25% final tax rate may be reduced to a lower rate of 15% if the tax sparing rule applies, which is when:

(i) the country where the non-resident foreign corporation is domiciled imposes no tax on foreign sourced dividends; or

(ii) the country of domicile of the non-resident foreign corporation allows a credit against the tax due from the nonresident foreign corporation on taxes deemed to have been paid in the Philippines; provided, effective July 1, 2020, the credit against tax due shall be equivalent to 15%, which represents the difference between the regular income tax on corporations and the 15% tax on dividends.

To avail of the 15% preferential tax rate, a non-resident foreign corporation must file an application with the BIR for a confirmatory ruling on its entitlement pursuant to Revenue Memorandum Order No. 46-20 (Guidelines and Procedures for the Availment of the Reduced Rate of 15% on Intercompany Dividends Paid by a Domestic Corporation to a Non-resident Foreign Corporation Pursuant to Section 28 (B) (5) (b) of the Tax Code, as amended dated December 23, 2020). The application has to be filed with the BIR-ITAD within ninety (90) days from "the remittance of the dividends or from the determination by the foreign tax authority of the deemed paid tax credit/non-imposition of tax because of the exemption, whichever is later." A domestic corporation is not required to first secure a ruling from the BIR in order to use the tax sparing rate when it remits the dividends. However, it is required to determine if under the law of the country of domicile of the non-resident foreign corporation, such non-resident foreign corporation is granted the applicable "deemed paid" tax credit, or an exemption from income tax on such dividends

If the regular tax rate is withheld by the Company instead of the reduced rates applicable under an income tax treaty, the non-resident foreign corporation may file a claim for refund from the BIR. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information, and may also involve the filing of a judicial appeal, it may be impractical to pursue such a refund. Taxes on dividends shall be withheld by Company and remitted to the BIR in behalf of the shareholders.

The foregoing, however, is without prejudice to the applicable preferential tax rates under income tax treaties executed between the Philippines and the country of residence or domicile of a non-resident alien or non-resident foreign corporation. The BIR prescribed certain procedures for availment of tax treaty relief on dividends under Revenue Memorandum Order No. 14-2021 (Streamlining the Procedures and Documents for the Availment of Treaty Benefits dated 31 March 2021), as clarified by Revenue Memorandum Circular No. 77-21 (Clarification on Certain Provisions of Revenue Memorandum Order No. 14-21, dated 15 June 2021). To avail of the tax treaty relief benefits, the following shall be observed:

(i) The non-resident income recipient should submit to the withholding agent or income payor the submitted Application Form for Treaty Purposes, Tax Residency Certificate duly issued by the foreign tax authority, and the relevant provision of the applicable tax treaty on whether to apply a reduced rate of, or exemption from, withholding at source on the income derived by the nonresident income recipient. The documents should be submitted to each withholding agent or income payor prior to the payment of income for the first time. The failure to provide the said documents when requested may lead to the withholding using the regular withholding rates without the tax treaty benefit rate.

(ii) When the preferential tax rates have been applied by the withholding agent, it shall file with the ITAD a request for confirmation on the propriety of the withholding tax rates applied by the withholding agent. On the other hand, if the regular withholding rates have been imposed on the income, the non-resident income recipient shall file a tax treaty relief application ("**TTRA**") with ITAD. In either case, each request for confirmation and TTRA shall be supported by the documentary requirements set out in the issuance.

(iii) The request for confirmation shall be filed by the withholding agent at any time after the payment of withholding tax but shall in no case be later than the last day of the fourth month following the close of each taxable year. On the other hand, the filing of the TTRA may be filed by the nonresident income recipient at any time after the receipt of the income.

If the BIR determines that the withholding tax rate applied is lower than the rate that should have been applied on an item of income pursuant to the treaty, or that the non-resident taxpayer is not entitled to treaty benefits, it will issue a BIR Ruling denying the request for confirmation or TTRA. Consequently, the withholding agent shall pay the deficiency tax plus penalties.

If the withholding tax rate applied is proper or higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient's entitlement to treaty benefits. In the latter case, the taxpayer may apply for a refund of excess withholding tax.

For property dividends, taxes such as VAT, DST and local transfer tax may be imposable depending on the type of property distributed as dividends. Stock dividends distributed pro rata to all holders of shares are not subject to Philippine income tax. A stock dividend constitutes income if it gives the shareholder an interest different from that which his former stock holdings represented. A stock dividend does not constitute income if the new shares confer no significantly different rights or interest than did the old. The sale, exchange or disposition of shares received as property dividends by the holder is subject to either capital gains tax and documentary stamp tax or stock transaction tax.

## ***DOCUMENTARY STAMP TAX ("DST")***

There shall be a DST imposed on every original issue of shares of stock by any association, company or corporation, in the amount of ₱2.00 on each ₱200.00, or fractional part thereof, of the par value, of such shares of stock issued. In case of the original issue of shares of stock without par value, the amount of the documentary stamp tax herein prescribed shall be based on the actual consideration for the issuance of such shares of stock.

The transfer of shares, other than by original issuance, by way of sale, agreement to sell, or memoranda of sale, or deliveries, or transfer of shares or certificates of stock in any association, company, or corporation shall be subject to DST of ₱1.50 on each ₱200.00, or fractional part thereof, of the par value of such stock sold or transferred. In the case of stock without par value, the amount of the DST herein prescribed shall be equivalent to 50% of the DST paid upon the original issue of said stock.

The DST is payable by either the transferor or transferee of the shares. However, if the transferor enjoys exemption from the DST, the transferee who is not exempt shall be directly liable for the same.

The sale, barter or exchange of shares of stock listed and traded at the PSE is exempt from DST. In addition, the borrowing and lending of securities executed under the Securities Borrowing and Lending Program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority, are likewise exempt from documentary stamp tax. However, the securities borrowing and lending agreement should be duly covered by a master securities borrowing and lending agreement acceptable to the appropriate regulatory authority, and should be duly registered and approved by the BIR.

## *ESTATE AND DONOR'S TAX*

Shares of a domestic corporation transferred by way of succession is subject to Philippine estate tax. Philippine donor's tax, on the other hand, shall apply if such shares are transferred by way of donation.

Estate tax is equivalent to 6% of the net estate of the deceased, while donor's tax is 6% of the total gifts in excess of ₱250,000.00 gift made during the calendar year by the donor.

When property (other than real property subject to capital gains tax) is transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the property exceeded the value of the consideration shall be deemed a gift or donation subject to donors' tax. However, a sale, exchange, or other transfer of property made in the ordinary course of business, or a transaction made at arm's length and free from donative intent, will be considered as made for an adequate and full consideration in money or money's worth, and will not be subject to donors' tax.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor. The estate tax and the donor's tax, in respect of the Preferred Shares, shall not be collected:

(i) If the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or

(ii) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

## *TAX ON TRANSACTIONS OUTSIDE THE PHILIPPINES*

Gain from sale of shares a domestic corporation is deemed derived entirely from Philippine sources, regardless of the place of sale and thus, subject to Philippine income tax. The transfer of such shares by donation or succession is subject to the donors' tax or estate tax.

Note that the tax treatment of a non-resident shareholder in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such shareholder. This Prospectus does not discuss the tax considerations of non-resident shareholders under laws other than those of the Philippines.

## *PREFERENTIAL RATES UNDER INCOME TAX TREATIES*

Below is a summary of some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

| | **Dividend** | **Stock Transaction Tax (for Sale of Shares Listed and Traded Through PSE)** | **Capital Gains Tax (for Sale of Shares not Listed and Traded Through PSE)** |
|---|---|---|---|

| | | | |
|---|---|---|---|
| **Canada** | 25%[3] | 0.60%[4] | May be exempt[5] |
| **China** | 15%[6] | Exempt[7] | May be exempt[3] |
| **France** | 15%[8] | Exempt[9] | May be exempt[3] |
| **Germany** | 15%[10] | Exempt[11] | May be exempt[3] |
| **Japan** | 15%[12] | 0.60%[2] | May be exempt[3] |
| **Singapore** | 25%[13] | 0.60%[2] | May be exempt[3] |
| **United Kingdom** | 25%[14] | 0.60%[2] | Exempt[15] |
| **United States** | 25%[16] | 0.60%[2] | May be exempt[3] |

[3] 15% if the recipient company controls at least 10% of the voting power of the company paying the dividends;.

[4] If the stock transaction tax is not expressly included in the tax treaty, the income recipient will be subject to stock transaction tax at the rate of 0.6% of the gross selling price or gross value in money of the shares of stock sold, bartered, exchanged or otherwise disposed as provided under Tax Code, as amended by TRAIN Act.

[5] Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.

[6] 10% if the beneficial owner is a company which holds directly at least 10% of the capital of the company paying the dividends;.

[7] Article 2(1)(b) of the RP-China Tax Treaty with respect to Taxes on Income was signed on 18 November 1999.

[8] 10% if the recipient company holds directly at least 10% of the voting shares of the company paying the dividends.

[9] Article 1 of the Protocol to the Tax Convention between the Government of the Republic of the Philippines and the Government of the French Republic signed on January 9, 1976 was signed in Paris, France on 26 June 1995.

[10] 5% if the recipient company holds directly at least 70% of the capital of the company paying the dividends; 10% if the recipient company holds directly at least 25% of the capital of the company paying the dividends;

[11] Article 2 (3)(a) of RP-Germany Tax Treaty with respect to Taxes on Income and Capital signed on 9 September 2013.

[12] 10% if the recipient company holds directly at least 10% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of six months immediately preceding the date of payment of the dividends;.

[13] 15% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year at least 15% of the outstanding shares of the voting shares of the paying company were owned by the recipient company;

[14] 15% if the recipient company is a company which controls directly or indirectly at least 10% of the voting power of the company paying the dividends;

[15] Under the RP-UK Tax Treaty, capital gains on the sale of the shares of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.

[16] 20% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year, at least 10% of the outstanding shares of the voting shares of the paying corporation were owned by the recipient corporation. Notwithstanding the rates provided under the RP-US Tax Treaty with respect to Taxes on Income, corporations which are residents of the United States may avail of the 15% withholding tax rate under the tax-sparing clause of the Philippine Tax Code provided certain conditions are met.

# USE OF PROCEEDS

Following the offer and sale of ₱3,000,000,000.00 perpetual, cumulative, non-voting, non-participating, redeemable, non-convertible, Philippine Peso-denominated Series B Preferred Shares, CPGI expects that the net proceeds of the Offer shall amount to approximately ₱2,953,784,075.00 after fees, commissions and expenses. Assuming an oversubscription of up to ₱2,000,000,000.00, CPGI expects total net proceeds of approximately ₱4,933,667,275.00 after fees, commissions, and expenses.

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

| | **Firm Offer** | **Firm Offer + Oversubscription Option** |
|---|---:|---:|
| Estimated proceeds from the sale of Series B Preferred Shares | ₱3,000,000,000.00 | ₱5,000,000,000.00 |
| Less: Estimated expenses | | |
| Underwriting fees | 29,250,000.00 | 49,250,000.00 |
| Trading Participants selling fees | 750,000.00 | 750,000.00 |
| DST | 159,000.00 | 265,000.00 |
| SEC registration and legal research fee | 1,830,625.00 | 1,830,625.00 |
| PSE Filing fee (inclusive of VAT) | 5,600,000.00 | 5,600,000.00 |
| PDTC Lodgement Fee | 66,200.00 | 77,000.00 |
| Legal fees (excluding OPE)(1) | 4,000,000.00 | 4,000,000.00 |
| Stock Transfer and Receiving Agent fee | 650,000.00 | 650,000.00 |
| Insurance Commission processing fee | 10,100.00 | 10,100.00 |
| Audit fees | 3,900,000.00 | 3,900,000.00 |
| **Total upfront expenses** | **46,215,925.00** | **₱66,382,725.00** |
| **Total Estimated net proceeds for the Offer** | **₱2,953,784,075.00** | **₱4,933,667,275.00** |

*(1) Legal fees to be paid to the Counsel of the Issuer and independent third party counsel.*

**TIMING AND USE OF PROCEEDS**

The net proceeds from this Offering shall be used by the Company based on the following allocation and schedule of disbursements, in order of priority:

| **Purpose** | **Net Proceeds from the Base Offer (₱ Million)** | **Net Proceeds from the Offer assuming the Oversubscription Option is Fully Exercised (₱ Million)** | **Estimated Timing of Disbursement** | **Status of Project Development** |
|---|---:|---:|---|---|
| Redemption of CPGI Fixed Rate 3-Year Bonds with coupon rate of 4.8467% issued | 2,954 | 3,000 | 1 March 2024 | Not applicable |

| | | | | |
|---|---|---|---|---|
| on 1 March 2021 | | | | |
| Partially fund strategic land banking for PHirst Park Homes | 0 | 750 | Q2 2024 to Q3 2024 | Future developments of various PHirst Park Homes projects |
| Partially fund capital expenditures for Azure North development | 0 | 750 | Q2 2024 to Q3 2024 | Future developments of new Azure North projects |
| Fund general corporate requirements | 0 | 434 | April to December 2024 | Not applicable |
| **Total** | 2,954 | 4,934 | | |

***Finance the Redemption of CPG Fixed Rate 3-Year Bonds***

A portion of the net proceeds of the Offer shall be used to redeem CPGI's ₱3 billion Unsecured Fixed Rate Peso Retail Bonds due 1 March 2024. The said bonds which has a coupon rate of 4.8467% per annum were issued on 1 March 2021.

None of the proceeds will be used to refinance the term loans with the parent company or affiliates of the Sole Issue Manager, Sole Lead Underwriter and Sole Bookrunner.

***Strategic Land Banking for PHirst Park Homes***

To capitalize on a huge housing demand in the Philippines, PPHI strategically targeted to develop its first 20 Projects around Calabarzon and Central Luzon, the regions with the highest number of housing backlog. Following the same direction, PPHI likewise aimed at expanding its reach by widening the range of its product offering to other market segments (Socialized & Economic, and the Mid-Income), covering the 6.5 million unmet housing needs.

With solid proofs of concept of its business and operating model, in Q4 2023, PPHI embarks on taking its brand signature outside of Luzon, debuting in the biggest housing market in Visayas (Region VI) via PHirst Park Homes Bacolod in the fourth quarter of 2023.

Experiencing the warm welcome and excitement from the Bacolod market, PPHI is seeding its Visayas expansion plan with capital appropriated to secure identified rawland properties situated in some of the bustling territories both in Bacolod City and Iloilo Province. The Company will allocate ₱750 million from the net proceeds to partially finance the acquisition of the following properties.

| Location | Developer | Allocation for Purchase of Land (₱ Million) | Project Development | Target Timeline |
|---|---|---|---|---|
| Villa Alegra, Bacolod City | PPHI | 300 | Horizontal Development | Q2 2024 |
| San Miguel, Iloilo | PPHI | 250 | Horizontal Development | Q3 2024 |
| Mansilingan Bacolod City | PPHI | 200 | Horizontal Development | Q3 2024 |

| Total | | 750 | | |
|---|---|---|---|---|

This disbursement will either be in the form of equity infusion of the Company into PPHI, or through a loan agreement with this subsidiary.

As of the date of this Prospectus, an agreement for the acquisition of the land in Villa Alegra, Bacolod City has already been signed while negotiations are being undertaken for the acquisitions of the properties in San Miguel, Iloilo and Mansilingan, Bacolod City. Should the terms and conditions of the acquisitions turned out to be unfavorable for the Company or the allotted funds be more than the final price, the Company may consider other sites.

***Capital Expenditures for Azure North Development***

The Company's capital expenditure for 2024 includes the funds needed for the proposed expansion of the Azure North development project in San Fernando, Pampanga under CLC. The Company will allocate ₱750 million from the net proceeds of this Offer to partially finance the capital expenditures for the first building of Azure North Medium Rise Building (MRB) which will comprise six (6) MRBs. This disbursement will either be in the form of equity infusion of the Company into CLC, or through a loan agreement with this subsidiary.

| Project Name | Project Location | Developer | Total Project Cost (₱ Million) | Total Spent to Date (₱ Million) | Allocation from Net Proceeds (₱ Million) | Project Description | Launch Date | Target Date of Completion |
|---|---|---|---|---|---|---|---|---|
| Azure North Medium Rise Building 1 | San Fernando, Pampanga | CLC | 1,100 | 10 | 450 | Low to medium rise building for sale, with total GFA of 13,227 sq. m, 375 units and ₱2.5 Billion sales value | Q2 2024 | Q2 2027 |
| Total | | | 1,350 | 10 | 750 | | | |

***Fund General Corporate Requirements***

If the oversubscription is fully exercised, approximately ₱434 Million out of the ₱4.934 Billion net proceeds will be used to partially finance the general corporate requirements, including but not limited to working capital, of CLC, CCDC or PPHI. This disbursement will either be in the form of equity infusion of the Company into CLC, CCDC or PPHI or through a loan agreement with these subsidiaries.

No amount of the proceeds is to be used to reimburse any officer, director, employee, or shareholder, for services rendered, assets previously transferred, money loaned or advanced, or otherwise.

The Company undertakes that it will not use the net proceeds from the Offer for any purpose, other than as discussed above. The Company's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company's management may find it necessary or advisable to alter its plans. In the event of any substantial deviation, adjustment or reallocation in the planned use of proceeds, the Company shall inform the SEC, PSE and the holders of the Series B Preferred Shares in writing at least 30 days before such deviation, adjustment or reallocation is implemented. Any material or substantial adjustments to the use of proceeds, as indicated above, should be approved by the Board, and disclosed to the PSE. In addition, the Company shall submit via the PSE's online disclosure system, the Electronic Disclosure Generation Technology ("**EDGE**"), the following disclosures to ensure transparency in the use of proceeds:

a. any disbursements made in connection with the planned use of proceeds from the Offer;

b. quarterly progress report on the application of the proceeds from the Offer on or before the first 15 days of the following quarter;

c. annual summary of the application of the proceeds on or before January 31 of the following year; and

d. approval by the Board of any reallocation on the planned use of proceeds. The actual disbursement or implementation of such reallocation must be disclosed by the Company at least 30 days prior to the said actual disbursement or implementation.

The Company shall submit a certification by the Company's Treasurer and external auditor on the accuracy of the information reported by the Company to the PSE, as well as a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in the Prospectus, if any, in the Company's quarterly and annual reports as required in items (b) and (c) above. Such detailed explanation will state the approval of the Board as required in item (d) above.

# DILUTION

The Series B Preferred Shares will not have any dilutive effect as these are non-voting, non-convertible and non-participating.

## DETERMINATION OF OFFER PRICE

The Offer Price of ₱100.00 is at a premium to the Preferred Share's par value of ₱0.53. The Offer Price was arrived at by dividing the desired gross proceeds of up to ₱3,000,000,000.00 (or ₱5,000,000,000.00 in the event that the Oversubscription Option is exercised in full) by the amount of Series B Preferred Shares allocated for this Offer.

The Series B Preferred Shares shall be listed and traded on the PSE under the stock symbol "CPGPB".

# PLAN OF DISTRIBUTION

*CPGI plans to issue the Series B Preferred Shares to institutional and retail investors through a public offering to be conducted through the Sole Issue Manager, Lead Underwriter and Sole Bookrunner.*

## SOLE ISSUE MANAGER, LEAD UNDERWRITER AND SOLE BOOKRUNNER

China Bank Capital Corporation ("**Chinabank Capital**"), an investment house licensed by the SEC, pursuant to an Underwriting Agreement to be entered into with the Company (the "**Underwriting Agreement**") has agreed to act as the Sole Issue Manager, Lead Underwriter and Sole Bookrunner for the Offer and as such, distribute and sell the Series B Preferred Shares at the Offer Price, and has also committed to underwrite up to ₱3,000,000,000.00 of the Series B Preferred Shares on a firm basis, with an Oversubscription Option of up to ₱2,000,000,000.00 in either case subject to the satisfaction of certain conditions provided in the Underwriting Agreement and in consideration of an underwriting fee equivalent to 1.00% of the gross proceeds of the Offer. This shall be inclusive of fees to be paid to the PSE Trading Participants, which shall be equivalent to 0.125% of the total proceeds of the sale of Series B Preferred Shares by such PSE Trading Participants.

There is no arrangement for the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to return to CPGI any unsold Series B Preferred Shares. The Underwriting Agreement may be terminated in certain circumstances prior to payment of the net proceeds of the Series B Preferred Shares being made to CPGI. There is no arrangement giving the Sole Issue Manager, Lead Underwriter and Sole Bookrunner the right to designate or nominate member(s) of the Board of Directors of CPGI.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner is duly licensed by the SEC to, among others, engage in underwriting and distribution of the Series B Preferred Shares. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner may, from time to time, engage in transactions with and perform services in the ordinary course of its business for CPGI.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner has no direct relations with CPGI in terms of ownership by its major stockholder/s.

Chinabank Capital is the wholly owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house on 27 November 2015, with SEC Company Registration No. CS201522558 and SEC Investment House License No. CR 01-2015-00279 (renewed on 18 November 2022), as a result of the spin-off of China Banking Corporation's Investment Banking Group. The firm offers a full suite of investment banking solutions that enable clients to achieve their fundraising objectives and strategic goals. The company's services include arranging, managing, and underwriting debt and equity transactions, such as bond offerings, corporate notes issuances, initial public offerings and follow-on offerings of common and preferred shares, private placement of securities, structured loans, project finance, real estate investment trusts, and asset securitizations. Chinabank Capital also provides financial advisory services, such as deal structuring, valuation, and execution of mergers, acquisitions, divestitures, joint ventures, and other corporate transactions. As of 31 December 2022, it has total assets of ₱3.09 billion and a capital base of ₱3.00 billion.

## SALE AND DISTRIBUTION

The distribution and sale of the Series B Preferred Shares shall be undertaken by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner who shall sell and distribute the Series B Preferred Shares to eligible buyers/investors. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner authorized to organize a syndicate of other underwriters, soliciting dealers and/or selling agents for the purpose of the Offer. Nothing herein shall limit the rights of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner from purchasing the Series B Preferred Shares for its own account.

There are no persons to whom the Series B Preferred Shares are specifically allocated or designated. The Series B Preferred Shares shall be offered to the public at large and without preference.

Of the 30,000,000 Series B Preferred Shares to be offered, 80% or 24,000,000 Preferred Shares are being offered through the Sole Issue Manager, Lead Underwriter and Sole Bookrunner for subscription and sale to qualified institutional buyers and the general public. The Company plans to make available up to 20% or 6,000,000 Series B Preferred Shares for distribution to the respective clients of the 125 PSE Trading Participants of the PSE, acting as Selling Agents. Each PSE Trading Participant shall be allocated 48,000 Series B Preferred Shares (the "TP Allocation") (computed by dividing the aggregate Preferred Shares allotted to the PSE Trading Participants by 125). Based on the initial allocation for each PSE Trading Participant, there will be a total of [•] residual Series B Preferred Shares to be allocated as may be determined by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. Each PSE Trading Participant may undertake to purchase more than their allocation of 48,000 Series B Preferred Shares. Any requests for shares in excess of 48,000 Series B Preferred Shares may be satisfied via the reallocation of any Series B Preferred Shares not taken up by the other PSE Trading Participants.

Prior to the close of the Offer Period, any of the Series B Preferred Shares not taken up by the PSE Trading Participants shall be distributed by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner directly to its clients and the general public. All Series B Preferred Shares not taken up by the PSE Trading Participants, the general public and the clients of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, shall be purchased by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner pursuant to the terms and conditions of the Underwriting Agreement.

## TRADING PARTICIPANT ALLOCATION PROCESS

The total number of Series B Preferred Shares to be allocated to each participating PSE Trading Participant (each a "**Participating TP**") in accordance with the following process:

a) If the total number of Series B Preferred Shares requested by a Participating TP, based on its firm undertaking to purchase (the "**Firm Undertaking**"), does not exceed the TP Allocation, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall fully satisfy the request of such Participating TP. Each Participating TP is assured of not less than the TP Allocation. The balance, if any, shall be re-distributed among those who have signified a commitment to purchase more than the TP Allocation in their Firm Undertaking until all the Series B Preferred Shares allotted for distribution to the PSE Trading Participants are fully allocated.
b) If the total number of Series B Preferred Shares requested by a Participating TP exceeds the TP Allocation, additional shares may be sourced from the Series B Preferred Shares not taken up by the other PSE Trading Participants. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall allocate the Series B Preferred Shares to Participating TPs by: (i) fully satisfying the orders of those Participating TPs

who have Firm Undertakings that are less than or equal to the TP Allocation; and (ii) distributing equitably the remaining Series B Preferred Shares allotted for the PSE Trading Participants to other Participating TPs with orders for additional shares, but only up to their respective Firm Undertakings.

c) In no case shall any Participating TP be awarded more than the Series B Preferred Shares indicated in its Firm Undertaking.
d) If the aggregate number of Series B Preferred Shares requested by all Participating TPs is less than the total Series B Preferred Shares allotted for the PSE Trading Participants, the balance shall be returned to the Sole Issue Manager, Lead Underwriter and Sole Bookrunner.

**LOCAL SMALL INVESTORS**

There will be no allocation to Local Small Investors under the proposed Offer.

**OFFER PERIOD**

The Offer Period shall commence at 9:00 a.m. on [6 February ] 2024 and end at 12:00 noon on [12 February] 2024, or such other date or time as may be mutually agreed between the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner.

**APPLICATION TO PURCHASE**

Applicants may purchase the Series B Preferred Shares during the Offer Period by submitting to the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or the Receiving Agent properly completed Applications to Purchase, together with two signature cards, and the full payment of the purchase price of the Series B Preferred Shares in the manner provided in said Application to Purchase.

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

For foreign corporate and institutional Applicants, in addition to the documents required for corporate and institutional Applicants above, four (4) copies of a representation and warranty statement that the purchase of the Series B Preferred Shares will not violate the laws of their jurisdiction of incorporation or organization, and that they are allowed under such laws to acquire, purchase, and hold the Series B Preferred Shares.

Individual Applicants must also submit, in addition to accomplished Application to Purchase and its required attachments, a photocopy of any two of the following identification cards (“ID”), subject to verification with the original ID: Passport, Driver’s License, Tax Identification (TIN) ID, Professional Regulation Commission (PRC) ID, National Bureau of Investigation (NBI) Clearance, Police Clearance, Postal ID, Voter’s ID, Barangay Certification, Government Service Insurance System (GSIS) e-Card, Social Security System (SSS) Card, Senior Citizen Card, Overseas Workers Welfare Administration (OWWA) ID, OFW ID, Seaman’s Book, Alien Certification of Registration/Immigrant Certificate of Registration, Government Office and GOCC ID, e.g. Armed forces of the Philippines (AFP ID), Home Development Mutual Fund (HDMF ID), National Council for the Welfare of Disabled Persons (NCWDP) Certification, Department of Social Welfare and Development (DSWD) Certification.

A corporate or institutional investor who is exempt from or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, Paying Agent, and Stock Transfer Agent, subject to acceptance by the Issuer as being sufficient in form and substance:

(1) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant Applicant confirming its exemption or preferential rate as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the Corporate Secretary of the Applicant that: (a) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (b) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting the said certification's validity. Should the submitted tax exemption certificate, ruling or opinion expire during the Offer Period, the Applicant must submit an updated/revalidated tax exemption certificate;

(2) a duly notarized undertaking, in the prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the applicant purchases the Series B Preferred Shares for its account, or (ii.b) the Trust Officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Series B Preferred Shares pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificate, ruling or opinion issued by the BIR, executed using the prescribed form, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer and the Registrar, Paying Agent, and Stock Transfer Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax;

(3) with respect to tax treaty relief:

(a) prior to the payment of the initial interest due: (i) three (3) originals of the duly executed and apostilled/consularized BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Applicant or, if the Applicant is a fiscally transparent entity, each of the Applicant's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, as required under Revenue Memorandum Order No. 14-2021; (ii) one (1) original of the apostilled/consularized Tax Residency Certificate duly issued by the respective foreign tax authority of the country of residence of the Applicant or, if the Applicant is a fiscally transparent entity, the country of residence of each of the Applicant's owners or beneficiaries, in the form acceptable for recognition under Philippine laws; (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer; and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Applicant or the Applicant's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Applicant or the Applicant's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief;

(b) prior to the payment of subsequent interests due: (i) three (3) originals of the duly executed and apostilled/consularized new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable; and (ii) one (1) original of the apostilled/consularized Tax Residency Certificate duly issued by the respective foreign tax authority of the country of residence of the Applicant or, if the Applicant is a fiscally transparent entity, the country of residence of each of the Applicant's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; and

(c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Applicant/Registrar, Paying Agent, and Stock Transfer Agent to the Issuer no later than the 1st day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;

(4) such other documentary requirements as may be required by the Issuer or the Registrar, Paying Agent, and Stock Transfer Agent, or as required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Applicant's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Applicant is not doing business in the Philippines; provided that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Applicant on the interest payments to such Applicant; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the Applicant claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar, Paying Agent, and Stock Transfer Agent.

As required under the listing rules of the PSE (the "**PSE Rules**"), the Offer Shares must be in scripless form and lodged with the PDTC. In the event an Applicant does not have a nominated Trading Participant ("**TP**"), the Applicant may apply for opening of a securities trading account with any TP for the lodgment of the Offer Shares. A list of the TPs and their contact information is provided in [https://www.pse.com.ph/directory/].

Applicants may also apply for opening of a trading account with the Sole Issue Manager, Lead Underwriter and Sole Bookrunner's affiliated brokerage house, as provided below and nominate the entity as its endorsing PSE Trading Participant.

| Default Trading Participant | Website | Access/ Contact Details |
|---|---|---|
| China Bank Securities | https://www.chinabankseconline.ph/ | +63 (2) 8333 – 7388<br>+63 (2) 8333 – 7389<br>+63 (2) 8230 6660 to 64 |

Payment for the Series B Preferred Shares shall be made by manager's check/cashier's check, corporate check or personal check drawn against any BSP authorized bank or any branch thereof. All checks should be made payable to "Century Properties Group Inc. - Series B Preferred Shares", crossed "Payee's Account Only," and dated on or before the date of submission of the Application. Cash payments shall not be accepted.

Completed Applications to Purchase and corresponding payments must reach the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or the Receiving Agent prior to the end of the Offer Period, or such earlier date as may be specified by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. Acceptance by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or the Receiving Agent of the completed Application to Purchase shall be subject to the availability of the Series B Preferred Shares and the acceptance by CPGI. In the event that any check payment is returned by the drawee bank for any reason whatsoever or the nominated bank account to be debited is invalid, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase is deemed revoked.

## MINIMUM PURCHASE

A minimum purchase of 500 Series B Preferred Shares shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of 100 Series B Preferred Shares.

## ACCEPTANCE OF APPLICATIONS

CPGI and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner reserve the right to accept or reject applications to subscribe in the Series B Preferred Shares, and in case of oversubscription, allocate the Series B Preferred Shares available to the applicants in a manner they deem appropriate.

## REFUNDS

In the event that the number of Series B Preferred Shares to be allotted to an Applicant, as confirmed by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or Selling Agent, is less than the number covered by its application, or if an Application is wholly or partially rejected by the Company, then the Company shall refund, without interest to such applicant, within five (5) Business Days from the end of Offer Period, all or the portion of the payment corresponding to the number of Series B Preferred Shares wholly or partially rejected. All refunds, without interest, shall be made through the Receiving Agent.

Should the refund be made via a check, an Applicant may retrieve such check refund at the office of the Receiving Agent. Refund checks that remain unclaimed after thirty (30) days from the date such checks are made available for pick-up shall be delivered through registered mail, at the applicant's risk, to the address specified by the applicant in the Application.

## SECONDARY MARKET

CPGI intends to list the Series B Preferred Shares on the Main Board of the PSE. CPGI may purchase the Preferred Shares at any time without any obligation to make *pro-rata* purchases of Series B Preferred Shares from all Shareholders.

## REGISTRY OF SHAREHOLDERS

The Series B Preferred Shares shall be issued in scripless form through the electronic book-entry system maintained by the Registrar and lodged and lodged with PDTC as Depository Agent on Listing Date through Selling Agents nominated by the applicants.

Applicants shall indicate in the proper space provided for in the Application to Purchase the name of the Selling Agent under whose name their Series B Preferred Shares will be registered and the relevant Selling Agent shall sign the Application to Purchase on the space provided therefor.

Legal title to the Series B Preferred Shares will be shown in the Registry of Shareholders which shall be maintained by the Registrar. The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Series B Preferred Shares that is effected in the Registry of Shareholders (at the cost of the requesting Shareholder). The Registrar shall send at least once every quarter a Statement of Account to all Shareholders named in the Registry of Shareholders, confirming the number of Series B Preferred Shares held by each Shareholder of record in the Registry of Shareholders. Such Statement of Account shall serve as evidence of ownership of the relevant Shareholder as of a given date thereof. Any request by Shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Shareholder.

## FIRM COMMITMENT OF UNDERWRITER

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner will fully underwrite, on a firm commitment basis, the Firm Shares.

After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the (i) inability of the Company or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to sell or market the Offer Shares or (ii) the refusal or failure by the Company, the Sole Issuer Manager, Lead Underwriter and Sole Bookrunner, or any other entity or person to comply with any undertaking or commitment to take up any Offer Shares remaining after the Offer Period.

In undertaking the Underwriter's Firm Commitment to Purchase, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner hereby manifests its conformity to comply with and be bound by all duly promulgated and applicable listing and disclosure rules, requirements, and policies of the PSE.

## WITHDRAWAL OF THE OFFER

The Company reserves the right to withdraw the offer and sale of the Offer Shares at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and PSE.

The Company may also withdraw the offer and sale of the Offer Shares at any time on or after the commencement of the Offer Period and prior to the Listing Date, if there is a supervening force majeure or fortuitous event, such as:

a. An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or occurrence of any change in local, national or international financial, political, economic or stock market conditions which renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by this Prospectus, or would have a material adverse effect on the Philippine economy, on the securities or other financial or currency markets of the Philippines, or on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it impracticable or inadvisable to proceed with the Offer in the manner contemplated by this Prospectus, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer's or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or any other entity/ person to take up any Offer Shares remaining after the Offer Period;

b. Issuance of an order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution or listing of the Offer Shares by any court or governmental agency or authority with jurisdiction on the matter, including the SEC or the PSE;

c. Cancellation, revocation or termination of the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration, and the SEC Permit to Sell;

d. Cancellation or suspension of trading in the PSE for at least three (3) consecutive trading days, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Listing Date or such other date as may be approved by PSE;

e. A change or impending change in the law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order which (i) materially and adversely affects: (a) the ability of the Issuer to engage in the business it is presently engaged in; (b) the capacity and due authorization of the Issuer to offer and issue the Offer Shares and enter into the Underwriting Agreement in connection with the Offer or (c) any of the features of the Offer Shares, including the taxes on fees or costs in connection with the Offer; or (ii) would render illegal the performance by of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner of its underwriting obligations hereunder;

f. Any significant, adverse, and unforeseeable change or development in the Issuer's or any of its Subsidiaries' long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public;

g. The Issuer or any of its Subsidiaries decides to or is compelled by any competent court or government authority to stop or is about to stop its operations, which is not remedied within five (5) Business Days from such cessation;

h. Any of the Issuer or its Subsidiaries shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or assignment with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or (ii) any of the Issuer or its Subsidiaries shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or (iii) such receiver, trustee or similar officer shall be appointed; or (iv) any of the Issuer or its Subsidiaries shall initiate or institute (by petition, application or otherwise howsoever), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or (v) any such proceeding shall be instituted against the Issuer or any of its Subsidiaries; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part thereof, of the Issuer or any of its Subsidiaries; or (vi) any event occurs which under the laws of the Philippines or to other jurisdictions, or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing;

i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines;

j. Any court proceeding, litigation, arbitration or other similar proceeding is commenced or threatened against the Sole Issue Manager, Lead Underwriter and Sole Bookrunner of its underwriting obligations hereunder in connection with or with respect to the issuance or sale by the Issuer of the Offer Shares or the Offer in general which renders the performance of its underwriting commitment impossible or impracticable;

k. Any event occurs which makes it impossible for the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to perform its underwriting obligations due to conditions beyond their control, such as issuance by any court, arbitral tribunal, or government agency which has jurisdiction on the matter of an order restraining or prohibiting the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or directing the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to cease, from performing its underwriting obligations;

l. Any representation, warranty or statement made by the Issuer in this Prospectus shall prove to be untrue or misleading in any material respect or Issuer shall be proven to have omitted a material fact necessary in order to make the statements in this Prospectus not misleading, which untruth or omission:(a) was not known and could not have been known to the Sole Issue Manager, Lead Underwriter and Sole Bookrunner on or before commencement of the Offer Period despite the exercise of due diligence, and (b) has a material and adverse effect on the Issuer's or any of its Subsidiaries' long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability;

m. Unavailability of PDTC's lodgment facilities and the PSE's listing facilities used for the Offer and/or listing to or on the target Listing Date, which unavailability impacts the ability of the Issuer and Sole Issue Manager, Lead Underwriter and Sole Bookrunner to fully comply with the listing requirements of PSE; and

n. Any force majeure or fortuitous event, other than the ones enumerated above, that has material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

The Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer's or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or any other entity/person to take up any Offer Shares remaining after the Offer Period.

Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an Applicant shall take place only upon the listing of the Offer Shares on the PSE. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to this section of the Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date.

Notwithstanding the foregoing, the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner recognize and acknowledge that the PSE, in the exercise of its authority as a self-regulatory organization with a mandate to maintain a fair and orderly market, may impose appropriate sanctions and penalties on the relevant party for the termination or withdrawal of the Offer if subsequently, the PSE determines that the termination or withdrawal of the Offer, the underwriting commitment or the Underwriting Agreement after the commencement of the Offer Period and prior to the Listing Date was not warranted based on the facts gathered and properly evaluated by the PSE and after due and proper proceedings initiated by the PSE not later than five (5) Business Days after termination or withdrawal.

# DESCRIPTION OF BUSINESS

## OVERVIEW

CPGI is one of the leading real estate companies in the Philippines with thirty-six (36) years of experience. The Company is primarily engaged in the development, marketing, and sale of mid- and high-rise condominiums, retail leasing and property management.

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

Currently, the Company has seven (7) wholly-owned Subsidiaries namely CCDC, CLC, CCC, PPHI, CDLC, CPMI and CNDC. Through its Subsidiaries, CPGI develops, markets and sells residential, office, medical and retail properties in the Philippines, as well as manages residential and commercial properties in the Philippines.

As of 30 September 2023, the Company has completed 38 projects which include 33 residential projects, consisting of (a) 17,480 completed residential condominium units with an aggregate gross floor area ("GFA") of 1,238,636 sq. m. (inclusive of parking) for its vertical housing developments, and (b) 1,107 single detached homes with an aggregate GFA of 224,114 sq. m. for its Canyon Ranch and Commune Village at Batulao developments.

Currently, the Company is developing 23 master-planned communities that is expected to have 31 condominiums with 18,300 units, 1,414 single detached homes, and 19,869 horizontal houses, with a total expected GFA of 2,694,560 sq. m and commercial leasing projects with 145,021 sq. m of GLA. Among these master-planned communities are:

- ***Century City*** – A 3.4-hectare mixed-use project in Makati City with eight (8) 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. Century Diamond Tower, an office building, was completed in 2019. Century Spire, designed by world renowned architect Daniel Libeskind and interior designed by Giorgio Armani S.P.A., was also completed in October 2022.
- ***Acqua Private Residences*** – Located in Mandaluyong City, this development is comprised of six (6) 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 (5) towers completed; namely: Niagara, Sutherland, Detifoss, Livingstone, and Iguazu. Acqua 6, the last tower, was completed in September 2019. As of the date of this Prospectus, all towers of Acqua Private Residences have been completed.
- ***Azure Urban Resort Residences*** – CPGI's first property in the affordable market segment, Azure Urban Resort Residences is a nine (9)-building residential property set on six (6) hectares in Parañaque City. The development features the first man-made beach in an urban residence in Manila and a beach club designed by Paris Hilton. The nine (9) 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 (8)-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. All of the eight (8) towers have already been completed; namely, Osmeña West, Quezon North, Roxas East, Osmeña East, Roxas West, Quirino West, Quirino East and Quezon South.

- ***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 (2) operating horse racing tracks in the Philippines. A total of 929 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 (3)-phase horizontal residential property, which offers both townhouse units & single attached units. The development covers a total of 2,877 houses currently valued at ₱4.8 Billion. PHirst Park Homes has also launched a 20-hectare development in Lipa, Batangas with 1,698 houses, presently valued at ₱2.9 Billion, in the second quarter of 2018 and the 18-hectare development in San Pablo, Laguna with 1,571 houses, now valued at ₱2.7 Billion, launched in March 2019. PHirst Park Homes Pandi launched in October 2019, with 1,598 houses valued at ₱3.0 Billion as of the date of this Prospectus. PHirst Park Homes Calamba was launched in November 2019 with 1,441 houses now valued at ₱2.5 Billion. PHirst Park Homes Batulao (Nasugbu) was launched in December 2019, with 2,150 houses presently valued at ₱5.3 Billion. PHirst Park Homes Magalang was launched in November 2020, with 1,079 houses currently valued at ₱2.0 Billion. PHirst Park Homes Gen. Trias, PHirst Park Homes Tayabas, and PHirst Park Homes Baliwag were launched in July to August 2021, with 1,339 houses now valued at ₱2.6 Billion; 778 houses currently valued at ₱1.2 Billion; and 822 houses presently valued at ₱1.5 Billion, respectively. In 2022, the Company launched PHirst Park Homes Naic, PHirst Park Homes Balanga and PHirst Park Homes Gapan with 400 houses valued at ₱0.7 Billion, 732 houses valued at ₱1.2 Billion and 546 houses valued at ₱1 Billion. Three (3) new segments under PHirst was also launched in December 2022. PHirst Editions located in Nasugbu, Batangas with 473 houses valued at ₱2 Billion; PHirst Sights in Bay Laguna with 1,816 houses valued at ₱2.1 Billion and PHirst Centrale in Hermosa, Bataan with 528 houses valued at ₱1 Billion and 21 commercial lots at ₱0.6 Billion.

- ***The Resort Residences at Azure North*** – CPGI's first development in Pampanga and outside of Metro Manila. This eight (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. Monaco and Bali towers were completed in 2021. Barbados, the last tower, is expected to be completed in 2025.

- ***Commune Village at Batulao*** – Commune Village is a 6.5-hectare horizontal residential development located in Nasugbu, a nurturing middle ground that is ideal for those who love the cool vistas of Tagaytay and the welcoming beaches of Batangas. Nestled on the foothills of Mt. Batulao, Commune Village features livable spaces in exclusive collaboration with industry-leading Filipino designers, making high-end architecture accessible, with homes by architect Ed Calma called Polygonal Successions and designer Kenneth Cobonpue's Hedera home. New home models Kaizen (2BR) and Sansa (3BR) are also being offered in Commune Village. A fresh take on minimalist design, updated with the new living preferences of buyers in mind.

  It is anchored on 4 pillars: Integrated, Connected, Accessible, and Sustainable. The community has features that can reduce maintenance costs and increase the vitality of the community – from solar-powered street lights and water pumps that reduce power consumption. Plans are also well underway for recreational and retail establishments that cater to a broader range of cultural preferences and that will further increase the commercial value of its land.

  The community is a 1.5 to 2-hour drive from Makati via 4 access points through: (1) Daang Hari Road towards the scenic Nasugbu-Kaybiang Tunnel; (2) Star Tollway to Tanauan Exit; (3) South Luzon Expressway (SLEX); and (4) Cavite Expressway (CAVITEX).

*Century PHirst Corporation*

On February 23, 2023, CPGI announced the expansion of its first home market residential offerings through Century PHirst Corporation (CPC), a wholly-owned subsidiary of Century Limitless Corporation (CLC). Through CPC, CPGI will, by itself, be venturing into the socialized, economic, and mid-income residential markets. CLC is a wholly-owned subsidiary of CPGI.

CPC's flagship projects are: (1) PHirst Editions Batulao located in Nasugbu, Batangas, which was launched in October 2022; (2) PHirst Sights Bay in Laguna, which was launched in December 2022; and (3) PHirst Centrale Hermosa in Bataan, which was launched in December 2022 (PHirst Fairgrounds) and May 2023 (PHirst Impressions).

In addition, the Company has completed Asian Century Center in 2018, an office development project in Bonifacio Global City, in partnership with Asian Carmakers Corporation .

The Company's land bank for future development consists of properties in Quezon City Mandaluyong City, Pampanga, Palawan, Batangas, Laguna, Bulacan, Cavite, Bataan, Nueva Ecija and Bacolod City that cover a total site area of 204.8 hectares.

The Company, through its subsidiary CPMI, also engages in a wide range of property management services, from facilities management and auction services, to lease and secondary sales. CPMI manages 60 projects with a total of 153 buildings and 3.881 million sq. m. of GFA (inclusive of parking) as of 30 September 2023, including properties such as One Corporate Center and Union Bank Plaza in Ortigas, Pacific Star Building in Makati City, Philippine National Bank branches in various locations, National Grid Corporation of the Philippines in Quezon City and San Juan City, The Globe Tower in Cebu and De La Salle University in Lipa City. Of the total CPMI's projects under management, 67% of the properties were not developed by the Company, underscoring CPMI's reputation in the market.

The Company has marketed and sold to clients in more than 15 countries and, as a result, significant portions of its residential properties are sold to Filipinos living abroad. International pre-sales accounted for approximately two-thirds of the total pre-sales, in terms of value, for each of the last three (3) years. The Company conducts its sales and marketing through the Company's extensive domestic and international network of 107 exclusive agents who receive monthly allowances and commissions, and 3,787 external agents which include 2,972 commission-based agents and 815 brokers as of 30 September 2023.

For calendar years ended 31 December 2020, 2021, 2022 and for the nine (9)-month period ended 30 September 2023, revenue was ₱10,836 Million, ₱9,444 Million, ₱11,216 Million and ₱9,661 Million, respectively, and net income was ₱1,149 Million, ₱1,269 Million ₱1,405 Million and ₱1,301 Million, respectively. As of 30 September 2023, the Company had total assets of ₱53,550 Million, and total equity of ₱21,352 Million (excluding non-controlling interest).

## Completed Projects as of 30 September 2023

**Residential Projects**

| 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 |
| Century Spire | Makati City | Residential/Office | 92,138 | 552 | 2022 |
| ***Subtotal*** | | | ***421,258*** | ***4,096*** | |
| | | | | | |
| **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 | 736 | 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 |
| Acqua Tower 6 | Mandaluyong City | Residential | 13,531 | 185 | 2019 |
| ***Subtotal*** | | | ***202,099*** | ***3,169*** | |
| | | | | | |
| **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 |
| Quirino West | Quezon City | Residential | 26,759 | 517 | 2020 |
| Quirino East | Quezon City | Residential | 26,747 | 498 | 2020 |
| Quezon South | Quezon City | Residential | 38,341 | 687 | 2022 |
| ***Subtotal*** | | | ***192,243*** | ***3,254*** | |

| | | | | | |
|---|---|---|---|---|---|
| ***Canyon Ranch*** | | | | | |
| Phase 1 & 2 | Carmona, Cavite | Residential | 166,896 | 779 | *Per house* |
| Moderno | Carmona, Cavite | Residential | 25,304 | 150 | *Per house* |
| ***Subtotal*** | | | ***192,200*** | ***929*** | |
| | | | | | |
| ***The Resort Residences at Azure North*** | | | | | |
| Monaco | Pampanga | Residential | 43,063 | 800 | 2021 |
| Bali | Pampanga | Residential | 43,063 | 806 | 2021 |
| ***Subtotal*** | | | ***86,126*** | ***1,606*** | |
| | | | | | |
| ***Commune Village at Batulao*** | Batangas | Residential | 31,914 | 178 | *Per house* |
| | | | | | |
| **Grand Total** | | | ***1,462,750*** | ***18,587*** | |

**Commercial/ Office Projects**

| Commercial/Office Projects | Location | Type | GLA in sq. m. (with parking) | Units | Year Completed |
|---|---|---|---|---|---|
| Century City Mall | Makati City | Retail | 16,443 | 150 | 2013 |
| Centuria Medical Makati | Makati City | Medical Office | 29,749 | 708* | 2015 |
| Asian Century Center | BGC, Taguig City | Office Building | 29,154 | 51 | 2018 |
| Century Diamond Tower | Makati City | Office Building | 57,137 | 206 | 2019 |
| Novotel Suites Manila | Mandaluyong City | Hotel | 12,538 | 152 | 2022 |
| **Total** | | | **145,021** | **1,267** | |

**555 units sold, 148 units for lease, 5 unsold units open for sale*

## Sold Residential Business Projects as of 30 September 2023

| Project | Location | No. of Units Inventory | No. of Units Sold | % Sold | Total Sales Value (₱ millions) | Sold Revenues (₱ millions) | Remarks |
|---|---|---|---|---|---|---|---|
| **EXISTING IN-CITY VERTICAL DEVELOPMENTS** | | | | | | | |
| Century City | Makati City | 4,097 | 4,075 | 99.46% | 34,190 | 33,447 | Unsold units are mostly in Century Spire, the last tower which is already completed. |
| Azure Urban Resorts Residences | Parañaque City | 5,355 | 5,346 | 99.83% | 22,576 | 22,406 | Unsold units are mostly in Maui, which are the retail units. |
| The Resort Residences at Azure North | San Fernando, Pampanga | 2,426 | 2,309 | 95.18% | 10,419 | 9,646 | Bali and Monaco are already completed. Barbados, the last tower, is expected to be completed in 2025. |
| Acqua Residences | Mandaluyong City | 3,169 | 3,166 | 99.91% | 16,095 | 16,031 | Only a few unsold RFO units. |
| Commonwealth | Quezon City | 3,254 | 3,211 | 98.68% | 13,037 | 12,741 | Unsold units are mostly in Quezon South, the last tower which is already completed. |

| Project | Location | No. of Units Inventory | No. of Units Sold | % Sold | Total Sales Value (₱ millions) | Sold Revenues (₱ millions) | Remarks |
|---|---|---|---|---|---|---|---|
| Commune Village at Batulao | Nasugbu, Batangas | 485 | 251 | 51.75% | 3,402 | 1,541 | Launched in Q4 2017. Completed 178 units. |
| Canyon Ranch | Carmona, Cavite | 929 | 911 | 98.06% | 3,700 | 3,620 | Substantially sold and completed. |
| **TOTAL** | | **19,715** | **19,269** | **97.7%** | **103,419** | **99,432** | |
| **FIRST-HOME MARKET RESIDENTIAL DEVELOPMENTS** | | | | | | | |
| PHirst Park Homes – Tanza | Tanza, Cavite | 2,877 | 2,762 | 96% | 4,794 | 4,442 | Phase 1 & 2 were launched in 2017 and Phase 3 in 2019; 2,638 houses are completed as of September 2023, Phase 1 is 99% sold, Phase 2 is 99% sold, Phase 3 is 88% sold. |
| PHirst Park Homes – Lipa | Lipa, Batangas | 1,698 | 1,477 | 87% | 2,920 | 2,390 | 1,444 houses are completed as of September 2023, Phase 1 is 92% sold, Phase 2 is 80% sold. |
| PHirst Park Homes – San Pablo | San Pablo, Laguna | 1,624 | 1,421 | 88% | 2,855 | 2,396 | Phase 1 was launched in Q1 2019, 96% sold; Phase 2 was launched in Q2 2019, 88% sold; Phase 3 was launched in Q2 2021, 75% sold; 1,065 completed houses as of September 2023 |
| PHirst Park Homes – Pandi | Pandi, Bulacan | 1,598 | 1,291 | 81% | 3,060 | 2,375 | Phase 1 and 2 were launched in Q4 2019; Phase 1 is 60% sold, Phase 2 is 92% sold, Phase 3 is 82% sold; 813 completed houses as of September 2023 |
| PHirst Park Homes – Calamba | Calamba, Laguna | 1,501 | 1,381 | 92% | 2,789 | 2,420 | Phase 1 was launched in Q4 2019, 93% sold; Phase 2 in Q1 2021, 90% sold; 883 completed houses as of September 2023. |

| Project | Location | No. of Units Inventory | No. of Units Sold | % Sold | Total Sales Value (₱ millions) | Sold Revenues (₱ millions) | Remarks |
|---|---|---|---|---|---|---|---|
| PHirst Park Homes-Batulao | Nasugbu, Batangas | 2,150 | 2,083 | 97% | 5,344 | 5,121 | Phase 1A was launched in Q4 2019, 97% sold. Phase 1B was launched in Q3 2020, 98% sold, Phase 2 was launched in Q1 2021, 97% sold; 578 completed houses as of September 2023. |
| PHirst Park Homes – Magalang | Magalang, Pampanga | 1,079 | 1,000 | 93% | 1,996 | 1,821 | Phase 1 was launched in Q4 2020, 93% sold; 569 completed houses as of September 2023. |
| PHirst Park Homes – Gen Tri | Gen. Trias, Cavite | 1,339 | 1,286 | 96% | 2,656 | 2,464 | Phase 1 was launched in Q3 2021. Phase 2 was launched in March 2022, 99% sold. Phase 3 was launched in Q4 2021, 72% sold. |
| PHirst Park Homes – Tayabas | Tayabas, Quezon | 778 | 723 | 93% | 1,253 | 1,166 | Phase 1A was launched in Q3 2021, 98% sold. Phase 1B was launched in Q4 2021, 86% sold. |
| PHirst Park Homes – Baliwag | Baliwag, Bulacan | 822 | 796 | 97% | 1,511 | 1,459 | Phase 1 was launched in Q3 2021, 98% sold. Phase 2 was launched in Q3 2022, 93% sold. |
| PHirst Park Homes – Naic | Naic, Cavite | 704 | 669 | 95% | 1,248 | 1,185 | Phase 1 was launched in Q4 2021, 94% sold. Phase 2 was launched in January 2023, 97% sold. |
| PHirst Park Homes – Balanga | Balanga, Bataan | 732 | 282 | 39% | 1,251 | 500 | Phase 1 was launched in Q2 2022. |
| PHirst Park Homes – Gapan | Gapan, Nueva Ecija | 546 | 116 | 21% | 1,035 | 219 | Phase 1 was launched in late Dec 2022. |
| PHirst Park Homes – Batulao Sequel | Nasugbu, Batangas | 656 | 260 | 40% | 1,309 | 517 | Phase 1A was launched in May 2023. |
| PHirst Park Homes – Lipa The Cove | Lipa, Batangas | 396 | 69 | 17% | 642 | 105 | Phase 4A was launched in August 2023. |

| Project | Location | No. of Units Inventory | No. of Units Sold | % Sold | Total Sales Value (₱ millions) | Sold Revenues (₱ millions) | Remarks |
|---|---|---|---|---|---|---|---|
| PHirst Editions | Nasugbu, Batangas | 629 | 476 | 76% | 3,204 | 2,148 | Phase 1 was launched in Q4 2022, 89% sold. Phase 2 was launched in May 2023, 35% sold. |
| PHirst Sights | Bay, Laguna | 1,816 | 1,608 | 89% | 2,099 | 1,790 | Phases 1 and 2 were launched in Dec 2022 |
| PHirst Centrale | Hermosa, Bataan | 528 | 136 | 26% | 1,037 | 267 | Phase 1 was launched in late Dec 2022 |
| **TOTAL** | | **21,473** | **17,836** | **83.1%** | **41,003** | **32,785** | |
| **GRAND TOTAL** | | **41,188** | **37,105** | **90.1%** | **144,422** | **132,217** | |

## PROPERTIES UNDER MANAGEMENT AS OF 30 SEPTEMBER 2023

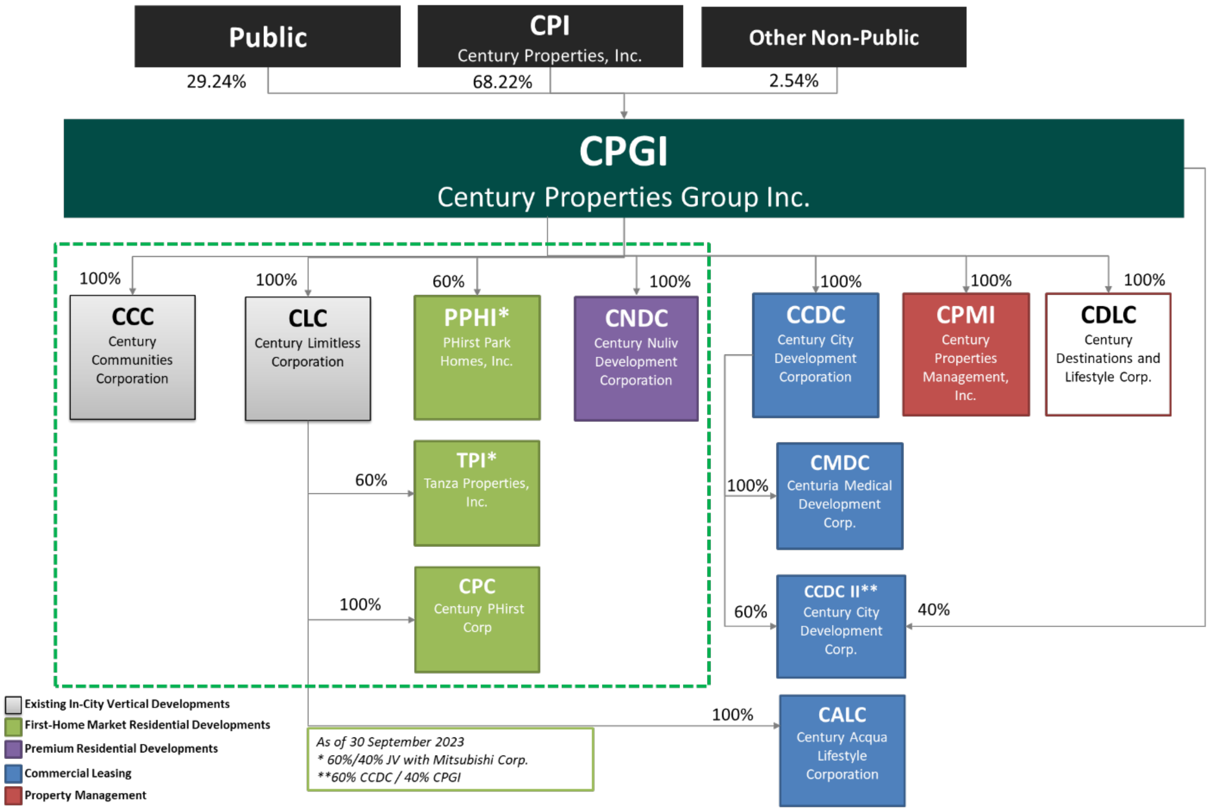
The Company, through CPMI, manages both residential and commercial properties. The following table sets forth information regarding residential properties under its management.

| NO. OF BLDGS. | PROJECT | LOCATION | DEVELOPER | GFA (sq. m.) |
|---|---|---|---|---|
| **CPG PROJECTS** | | | | |
| 7 | Acqua Private Residences | Mandaluyong | Century Limitless Corporation | 199,527 |
| 10 | Azure Urban Residences | Paranaque | Century Limitless Corporation | 235,518 |
| 1 | Batulao Artscapes | Batangas | Century Limitless Corporation | 4,625 |
| 7 | The Residences at Commonwealth | Commonwealth | Century Limitless Corporation | 137,565 |
| 1 | Knightsbridge Condominium | Makati | Century City Development Corp | 64,952 |
| 1 | Phirst Park Homes | Tanza | Century Limitless Corporation | 263,062 |
| 1 | Phirst Park Homes | Pandi | Century Limitless Corporation | 183,329 |
| 1 | Phirst Park Homes | Lipa | Century Limitless Corporation | 19,509 |
| 1 | Phirst Park Homes | San Pablo | Century Limitless Corporation | 63,694 |
| 1 | Phirst Park Homes | Calamba | Century Limitless Corporation | 61,006 |
| 1 | Phirst Park Homes | Batulao | Century Limitless Corporation | 28,088 |
| 1 | Phirst Park Homes | Magalang | Century Limitless Corporation | 103,370 |
| 1 | The Gramercy residences | Makati | Century City Development Corp | 121,595 |
| 1 | The Milano Residences | Makati | Century City Development Corp | 32,738 |
| 1 | The Trump Tower | Makati | Century City Development Corp | 55,504 |
| 1 | Asian Century Center | Taguig | Century City Development Corp | 31,759 |
| 1 | Century City Lifestyle Mall | Makati | Century City Development Corp | 26,919 |
| 1 | Century City Estates Associations, Inc. | Makati | Century City Development Corp | 439,698 |
| 1 | Centuria Medical Makati | Makati | Century City Development Corporation | 74,103 |
| 1 | Century Diamond Tower | Makati | Century City Development Corporation | 63,101 |
| 1 | Century Spire | Makati | Century City Development Corporation | 61,533 |
| 2 | The Resorts Residence at Azure North | Pampanga | Century Limitless Corporation | 64,327 |
| 1 | Bel-Air Soho Condominium | Makati | Meridien East Realty & Development Corp. | 9,468 |
| 2 | Essensa East Forbes | Taguig | Meridien East Realty & Development Corp. | 115,000 |
| 1 | Le Triomphe Condominium | Makati | Meridien East Realty & Development Corp. | 20,239 |
| 1 | West of Ayala Condominium | Makati | Meridien East Realty & Development Corp. | 30,184 |
| 1 | Medical Plaza Ortigas | Pasig | Meridien Property Ventures, Inc. | 34,642 |
| 1 | One Corporate Plaza | Makati | Inchport Realty Corporation | 12,034 |
| 1 | One Magnificent Mile Condominium | Pasig | Meridien Far East Properties | 23,105 |
| 2 | Pacific Star Building | Makati | Penta Pacific Realty Corporation | 56,822 |
| **54** | **TOTAL** | | | **2,637,016** |
| **THIRD-PARTY PROPERTY MANAGEMENT** | | | | |
| 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 | BSA Suites Condominium | Makati | ASB Development Corp. | 22,925 |
| 1 | Golden Empire Tower | Manila | Moldex Land Holdings | 129,514 |
| 1 | The Globe Tower | Cebu | Prosperity Properties & Management Corp | 12,031 |
| 2 | La Nobleza Terrazas | Manila | KTL Development Corporation | 40,805 |
| 1 | Launchpad Building | Mandaluyong | TV5 Network Inc. | 3,700 |
| 1 | One Corporate Center Ortigas | Pasig | Amberland Corporation | 117,799 |
| 1 | Paragon Plaza | Mandaluyong | Fil Estate Properties, Inc. | 71,631 |
| 1 | Pioneer Highlands North | Mandaluyong | Universal Rightfield Property Holdings, Inc. | 89,990 |
| 1 | Prestige Tower Condominium | Pasig | Amberland Corporation | 58,698 |
| 2 | Salcedo Park | Makati | Empire East | 39,430 |
| 2 | Skyway Twin Towers | Pasig | Amberland Corporation | 95,463 |
| 1 | Tiffany Place Condominium | Makati | River Oaks Realty Corporation | 24,702 |
| 1 | Two Lafayette Square | Makati | Megaworld Properties & Holdings, Inc. | 17,189 |
| 1 | Union Bank Plaza | Pasig | Union Bank Plaza | 76,893 |
| **20** | **TOTAL** | | | **875,103** |
| **FACILITY MANAGEMENT** | | | | |
| 1 | Singapore Embassy | Taguig | Singapore Embassy | 15,000 |
| 1 | Fisher-Rosemount Systems, Inc. | Pasig | Emerson | 7,378 |
| 1 | Emerson Manila Shared Services | Quezon City | Office only* | 18,228 |
| 1 | Makati Cinema Square | Makati | MCS Condominium Corporation | 4,000 |
| 6 | National Grid Corporation of the Phils | Quezon City | Government Owned | 19,378 |
| 1 | National Grid Corporation of the Phils | San Juan | Government Owned | 9,989 |
| 2 | HMRID Industrual Park | Taguig | HMRID | 73,000 |
| 2 | PNB Financial Center | Pasig/Makati | Philippine National Bank | 45,389 |
| 1 | PNB | Binondo | Philippine National Bank | 6,935 |
| 1 | PNB | Naga | Philippine National Bank | 4,476 |
| 1 | PNB | Bacolod | Philippine National Bank | 6,912 |
| 6 | Oracle Philippine Coporation | Makati City | Oracle Philippine Coporation | 18,389 |
| 1 | De La Salle University - Lipa | Lipa City Batangas | *No data | 140,000 |
| **25** | **TOTAL** | | | **369,074** |

| | | | | |
|---|---|---|---|---|
| **TOTAL PROJECTS** | 60 | | **TOTAL GFA** | **3,881,193** |
| **TOTAL BUILDINGS** | 153 | | | |

## CORPORATE STRUCTURE

The following chart shows the Company's corporate and ownership structure as of September 30, 2023:




**60%/40% JV with Mitsubishi Corp.*
***60% owned by CCDC and 40% owned by CPGI*

As of the date of this Prospectus, there are no (i) bankruptcy, receivership, or similar proceedings, and (ii) material reclassifications, merger, consolidation or purchase or sale of a significant amount of assets.

## BUSINESS GROUPS AND PRODUCTS


The Subsidiaries are segregated by the target market of each project, allowing each to specialize and focus on their buyers' requirements in pricing, size, location, and amenities. Below is a description of each subsidiary and associate of the Company:

*Century Communities Corporation (CCC)*

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

*Century City Development Corporation (CCDC)*

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

*Century Limitless Corporation (CLC)*

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

*Century Properties Management, Inc. (CPMI)*

CPMI, incorporated on 17 March 1989, is one of the largest property management companies in the Philippines, as measured by total gross floor area under management. CPMI has 46 projects in its portfolio, covering a total GFA of 2.38 million sq.m as of 30 June 2019. The Company believes that CPMI is the first independent and local property management company to introduce international standards in the Philippine property market. CPMI has been awarded 18 safety and security distinctions from the Safety Organization of the Philippines.

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

CDLC, incorporated in 27 March 2014, operates, conducts and engages in hotel business and related business ventures.

*PHirst Park Homes Inc. (PPHI)*

PPHI, incorporated on 31 August 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. On 31 May 2023, the Board of Directors of the Company approved the acquisition of the 40% shareholdings or One Billion Sixty Million (1,060,000,000) common shares with a par value of One Peso (PhP1.00) per share and Two Hundred Sixty Five Thousand (265,000) Preferred B shares with a par value of One Thousand Pesos (PhP1,000.00) per share of Mitsubishi Corporation in PPHI. As of 24 November 2023, the acquisition was concluded and a deed of absolute sale was executed by Mitsubishi in favor of the Company.

*Century Nuliv Development Corporation*
*(Formerly Century Prima Corp.)*

Incorporated in 2020, CNDC shall focus on continuing Century's legacy of serving the needs of the premium and luxury market. Its subdivisions and enclaves consist of premium townvillas, house and lots, and low-rise, low-density condos located in Metro Manila and key growth cities in the Philippines. CNDC's developments feature innovative and inspired architectural designs and provide superior customer experience that is keenly attuned to primary home buyer preferences and new generation living. Century Nuliv Townvillas at Acqua development is the brand's maiden project, strategically located within the award-winning Acqua Private Residences community in Mandaluyong City.

## KEY INVESTMENT HIGHLIGHTS

The Company believes that its competitive strengths include the following:

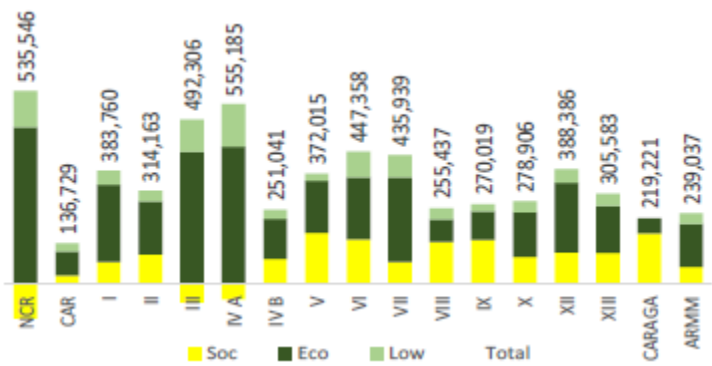
### Growth strategy supported by favorable macroeconomic environment

The Company's entry into affordable housing segment capitalizes on the country's demand for affordable housing. For the period between 2001 and 2015, unmet housing need is already at 6.6 million units. Demand for housing units is expected to increase with housing demand estimated at 5.7 million units for the period between 2016 and 2030 totaling to 12.3 million units of housing need by 2030.

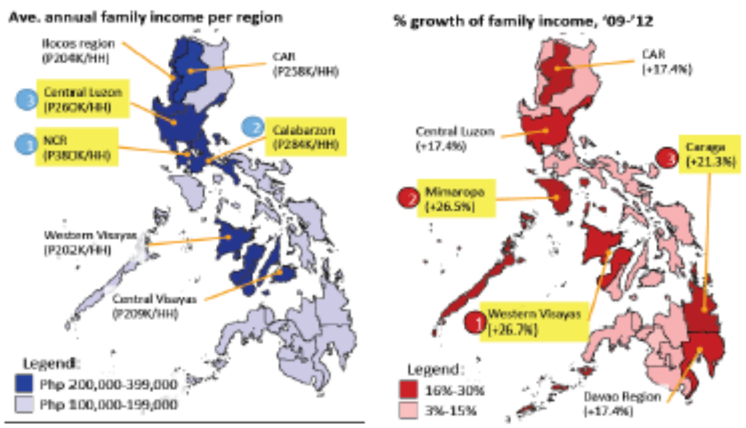
| Segment | Unmet Housing Need, 2001-2015 | Estimated Housing Demand, 2016-2030 | Estimated Housing Need by 2030 |
|---|---|---|---|
| Can't Afford | 786,984 | 1,134,986 | 1,921,970 |
| Socialized | 1,275,921 | 1,369,181 | 2,645,102 |
| Economic | 3,686,429 | 2,509,718 | 6,196,147 |
| Low Cost | 918,820 | 611,815 | 1,530,095 |
| Mid Cost | | 78,705 | 78,705 |
| High End | | 11,767 | 11,767 |
| **Need** | **6,667,614** | **5,716,172** | **12,383,786** |

*Source: SHDA, HUDCC*

**Housing Backlog by Region**




*Source: SHDA, HUDCC*




*Source: SHDA, HUDCC*

**Proven track record of delivering innovative and high-quality projects in the luxury and middle-income condominium segments**

With a thirty-seven (37)-year track record of delivering innovative luxury, middle-income and affordable condominiums, the Company continues to focus on identifying the best global standards and adapting them to the Philippine setting. To date, the Company has introduced into the Philippines FF/FF units (now common throughout the Philippines), the first urban residence featuring a man-made beach, and medical offices sold to doctors.

As of 30 September 2023, the Company has completed 38 projects which include 33 residential projects, consisting of (a) 17,481 completed residential condominium units with an aggregate gross floor area ("GFA") of 1,238,635 sq. m. (inclusive of parking) for its vertical housing developments, and (b) 1,414 single detached homes with an aggregate GFA of 224,113 sq. m. for its Canyon Ranch and Commune Village at Batulao developments.

CPGI also has five (5) commercial leasing projects with 1,267 units and gross leasable area ("GLA") of 145,021 sq. m. These include the Century City Mall, Centuria Medical Makati, Asian Century Center, Century Diamond Tower and Novotel Suites Manila.

These are in addition to the 19 buildings consisting of 4,128 units with an aggregate GFA of 548,262 sq.m. that were completed prior to 2010 by the Meridien, the founding principals' prior development companies. Noteworthy developments of Meridien include: 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.

Furthermore, CPGI has significantly pre-sold, completed and financed projects that are expected to generate positive cash flow for the Company once construction and collection of turnover balances are completed. The cash cycle of condominium projects is such that buyer equity collected during the construction period is around 10% to 30% of total contract price. As a result, the company requires credit facilities to bridge condominium completion. The company is at a stage wherein (27 out of 40) of its projects are already completed. From these 40 projects, the CPGI has already pre-sold 90% in terms of units and has remaining installment contract receivables of ₱24.0 billion. For the remaining eleven (11) projects under construction, the Company has already pre-sold 68% in terms of units, and has remaining installment contract receivables of ₱14.4 billion. These projects are also backed with existing credit facilities, thus further mitigating completion risk.

The Company also leads the Philippines in partnering with globally renowned brands to enhance the prestige and visibility of its developments, leveraging its credibility, track record and focus on quality to make it a preferred partner to global franchises. For example, the Company has previously executed successful tie-ups with Paris Hilton, Versace Home, Trump Organization, Missoni Home, Yoo inspired by Starck, and Armani/Casa.

Complementing its focus on innovation, the Company is similarly dedicated to ensuring its projects are delivered on time and on budget. The Company believes that its reputation for high quality, well-executed projects is of paramount importance and will continue to be a key driver of demand.

**Diverse product offerings capitalizing on various market segments**

Over the years, CPGI has slowly expanded its businesses by slowly shifting into new product offerings, which allows the Company to diversify its revenue base. With the launch of its affordable housing projects and completion of its leasing properties, the Company has grown its affordable housing segment revenue contribution to 55% for the nine-month period in 2023 from 11% for the year 2018. Additionally, the revenue contribution of its leasing business has increased to 10% for the nine-month period in 2023.

The Company, through its joint ventures with Mitsubishi Corporation, is expanding rapidly in the affordable housing market. Its current projects located in Tanza, Cavite; Lipa, Batangas (2); San Pablo, Laguna; Pandi, Bulacan; Calamba, Laguna; Nasugbu, Batangas (2); Magalang, Pampanga; General Trias, Cavite; Tayabas, Quezon; Baliwag, Bulacan; Naic, Cavite; Balanga, Bataan; Gapan; Nueva Ecija; have enjoyed tremendous success, with 84% of its 18,500 units of inventory already pre-sold as of 30 September 2023.

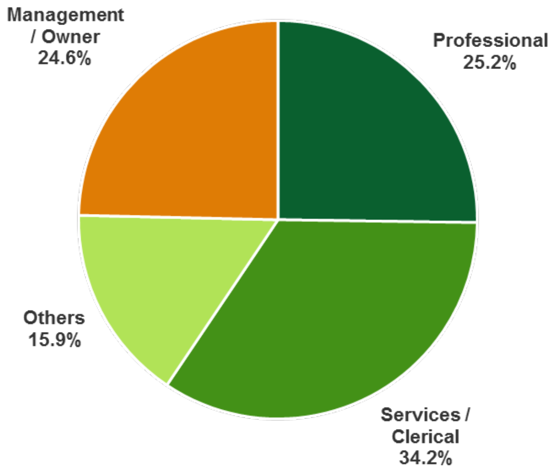
The average price of the homes here is ₱1.2 million, and currently, 90% of its buyers are first time end users, catering to the more than 6 million home backlog per government statistics.

Given the success of the Company in its initial foray into affordable housing, it is allocating 15% of the proceeds of this Offer to partially fund strategic land banking for PHirst Park Homes (see "Use of Proceeds" on page 99 of this Prospectus).

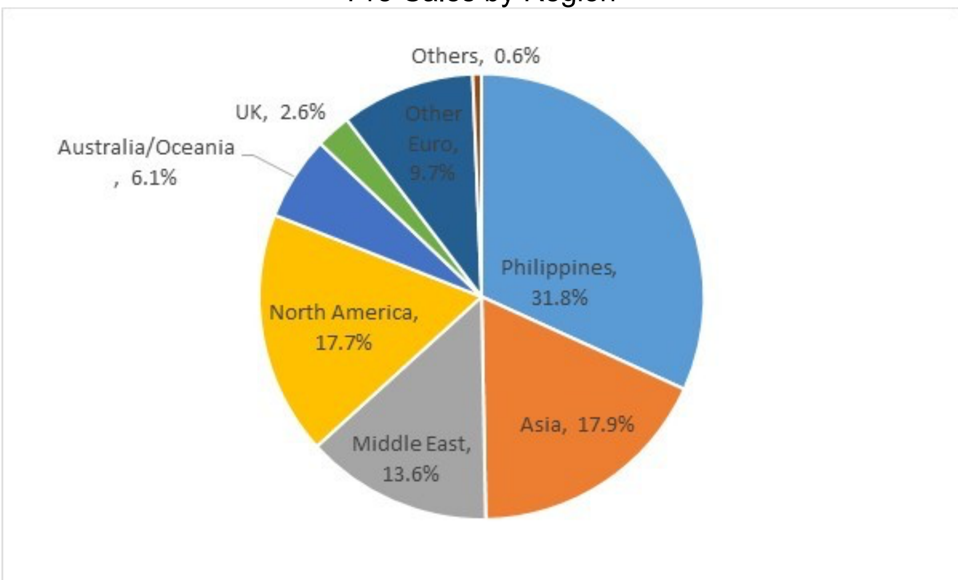
Additionally, CPGI also has five (5) commercial leasing projects with gross leasable area ("GLA") of 145,021 and an average occupancy rate of 87% as of 30 September 2023. These include the Century City Mall, Centuria Medical Makati, Asian Century Center, Century Diamond Tower and Novotel Suites Manila. The Company has registered ₱1 billion total leasing revenues for the nine-month period in 2023.

**Strong International Sales Platform**

The Company employs a progressive marketing strategy, which in addition to successfully marketing to domestic buyers, actively targets OFWs and other overseas buyers in over 50 countries, enabling it to derive approximately 70% of its pre-sales from overseas. The company's OFW customer base is largely formed of professionals, management and services/clerical.




Pre-Sales by Region




The Company believes it has an industry-leading overseas sales and marketing presence, consisting of overseas offices, international selling partners, and a network of 661 overseas agents and 27 international brokers. The Company also conducts about 15 international roadshows per month, which directly generate significant pre-sales while also increasing its brand presence. In addition, the Company has an online sales platform, which allows its overseas customers to access their statements and enables its agents to market its projects in real time.

The Company believes that its significant international presence offers several advantages. First, it believes that the overseas market, underpinned by OFW buyers, represents one of the most resilient sources of demand for Philippine real estate. According to the BSP, OFW remittances exhibited steady growth throughout the recent global financial crisis, in part due to the geographical diversification of OFWs. Second, the geographical diversity of the Company's sales similarly decreases its exposure to any single jurisdiction. Third, the average income of the OFW population is higher than that of Philippine residents, allowing the Company to sell its developments at a higher price point. OFW remittances continued to increase from US$31.3 billion in 2017 to US$32.2 billion in 2018, and US$33.5 billion in 2019. OFW remittances in 2020 registered a slight decline to US$33.2 billion but recovered to

US$34.9 billion in 2021 and further increased to US$36.2 billion in 2022 despite the COVID-19 pandemic. For January to September 2023, OFW remittances amounted to US$24.2 billion.

**Experienced management team**

The Company has an experienced management team that has been with the Company since its founding, with an average of 27 years of operational and management experience in real estate. It has completed projects in all stages of the business cycle, including the Asian financial crisis in the late 1990s. The Company's management team has extensive experience in and in-depth knowledge of the Philippine real estate market and has also developed positive relationships with key market participants, including contractors and suppliers, regulatory agencies and local government officials in the areas where the Company's projects are located.

## BUSINESS STRATEGY

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

**Leverage its industry leading reputation in the high-rise condominium market to develop low to mid-rise condominium developments**

As the Company has completed 30 out of 31 high rise condo buildings, with the remaining 1 building to be substantially completed in 2025, the Company will seek to leverage its industry leading reputation in the condominium market not to develop high rise condominiums, but instead foray into mid-rise condominium and town homes projects, with building heights of no more than fifteen (15)-stories, which shall be less capital intensive, and which will have a quicker cash cycle. It shall seek to also complete these projects within three (3) years, as opposed to the current 5-year construction cycle, in order to reduce carrying costs in general, administrative and interest expenses.

This shall be accomplished through its land bank and joint venture developments in its mixed-use development in Azure North San Fernando, Pampanga. The Company is allocating 15% of the proceeds of this Offer to Partially fund capital expenditures for Azure North development (see "Use of Proceeds" on page 99 of this Prospectus).

**Expansion of First-Home platform to achieve nationwide presence**

PPHI is CPGI's Residential Development Platform catering to the First-Home Market via a range of product lines in the socialized & low-economic (₱580,000 - ₱1.5 Million), high-economic to Affordable (₱1.5 Million - ₱3.5 Million), and Mid-Income (₱3.5 Million - ₱8 Million) segments, essentially covering the full spectrum of the 6.5 Million housing backlog in the Philippines.

By the end of 2023, PPHI would have mustered a Portfolio of 21 Active projects spanning 8 provinces within the Calabarzon and Central Luzon Regions, and also includes its successful entry into the Visayas Area by way of PPH Bacolod. The projects are a combination of stand-alone communities and neighborhood villages within PPHI's 2 masterplanned Townships. Both Townships have appropriated sufficient areas for future commercial and retail business opportunities to support lifestyle essentials of residents within 15-minute proximity.

Within the next 3-5 years, PPHI will mount an accelerated expansion plan to achieve its programmed nationwide presence, launching at least 5 high-margin projects annually in targeted market hotspots. Internally generated funds and external capital sourcing will fund the completion of existing projects while at the same time seed much needed land acquisition efforts. As such, PPHI will continue to be CPGI's revenue and net income driver.

The Company is allocating 15% of the proceeds of this Offer to partially fund strategic land banking for PHirst Park Homes (see "Use of Proceeds" on page 99 of this Prospectus).

**Maintain a stable and positive operating cashflow and recurring earnings from commercial leasing portfolio**

As of September 30, 2023, the Company has five (5) commercial leasing projects with 1,267 units and gross leasable area ("GLA") of 145,021 sq. m. These include the Century City Mall, Centuria Medical Makati, Asian Century Center, Century Diamond Tower and Novotel Suites Manila. During the pandemic, CPGI opted to defer the launch of large leasing projects given high capital expenditure requirements and long payback period business model. The Company is expecting to generate operating cashflow of around P600 million from Commercial Leasing segment.

CPGI will continue to market the un-leased spaces in order to improve its 87% occupancy rate as of September 30, 2023. At the same time, the Company will launch small leasing projects such as Azure North Centuria and Azure North Retail. Azure North Centuria project will have medical clinics and dialysis facility for lease, with a total GFA of 3,440 sq. m, while Azure North Retail project will have retail establishments such as supermarket, convenience store, restaurant, salon, barber shop, home improvement stores, laundry, shoe and bag repair, courier, condo cleaning and driving school, with a total GFA of 3,561 sq. m.

In addition to its existing and planned leasing projects, the Company is seeking to develop more leasing projects in strategic locations with high foot traffic, in the coming years. CPGI hopes that its Commercial Leasing segment to contribute at least 10% of its revenue in the next five (5) years.

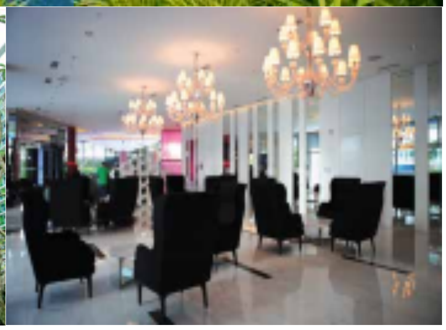
## PROPERTY DEVELOPMENT PROJECTS

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

### Acqua Private Residences

A six (6)-tower master-planned development on a 2.4-hectare at the border of Makati City and Mandaluyong City, Acqua Private Residences has a tropical rainforest-infused design that attempts to combine nature with urban living. The towers each expected have views of the Makati City skyline. Acqua's amenities include a lounge area, juice bar and café, spa, climbing wall, boxing studio, tennis courts, and the first river walk promenade in the Philippines, which feature restaurants, bars, and designer stores. The six (6)-tower project is already complete—consisting of 3,320 units with a total GFA (inclusive of parking) of 227,740 sq.m. and is targeted at customers in the middle-income segment. The Pasig River separates Acqua Private Residences from Makati City, and the property will be easily accessible from Makati City via a bridge at the Pasig River.

**Azure Urban Resort Residences**

Designed by the award-winning master planning and architectural firm Broadway Malyan, Azure Urban Resort Residences consists of nine (9) residential buildings on a six (6)-hectare property, with 80% of the land dedicated to open space. The property is the first man-made beach residential development in the Philippines and features a beach club designed by internationally renowned celebrity, Paris Hilton. In addition to the Paris Beach Club, the property's amenities include a beach volleyball area, Zen garden, lap pool with cascading waterfalls, poolside bar, basketball court, multi-purpose court, THX-certified theater, an open park, playgrounds, and restaurants. The property is located beside the SM Bicutan mall in Parañaque City. The development targets the affordable housing segment, with 5,355 units and have total GFA (inclusive of parking) of 336,909 sq.m. The nine (9) towers have been completed, namely: Rio, Santorini, St. Tropez, Positano, Maui, Miami, Maldives, Boracay, and Bahamas.

**The Resort Residences at Azure North**

CPGI's 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. Monaco and Bali towers were completed in 2021. Barbados, the last tower, is expected to be completed in 2025.

**Century Spire**

Launched in 2013, Century Spire is the last of the 5 residential skyscrapers to rise in Century City, but is the first residential building to bear the Century name. The building's architecture is designed by Daniel Libeskind, the visionary architect behind New York's Ground Zero, while its amenities and common areas are interior-designed by Armani Casa. The 52-story tower has a total GFA (inclusive of parking) of 92,138 sq. m. and 360 residential units, 184 office units and 8 retail units for sale. Century Spire has 21 residential floors, 24 floors of office space and 2 floors of retail space.

**Century Diamond Tower**

Century Properties has also constructed an office building in partnership with Mitsubishi Corporation. The project is situated in a land area of 3,166 sq.m. and will be composed of commercial and IT office units. The entire project has a total GLA (inclusive of parking) of approximately 57,137 with 41 physical floors including 11 parking floors (five (5) basement parking and six (6) above ground parking) with 652 slots. The Philippine Economic Zone Authority ("PEZA")-accredited building was completed in 2019. It has a net leasable area of 58,618 sq. m. and follows the core and shell rating system of the Leadership in Energy and Environmental Design ("LEED"). It is designed with the latest building features including the Variable Refrigerant Flow air-conditioning system, a building automation system, 100% backup power with redundancy, and fire detection and alarm systems.

On 24 August 2020 CPGI acquired its joint venture partner Mitsubishi Corporation's subsidiary's 40% stake in the newly-completed Century Diamond Tower. CPGI paid ₱1.9 billion for the acquisition of Mitsubishi's common shares in CCDCII. The transaction, which was approved by the Philippine Competition Commission ("PCC") on 11 August 2020, made CCDC II a wholly-owned subsidiary of CPGI.

**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 is located 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 (8) towers, seven (7) have already been completed; namely, Osmeña West, Quezon North, Roxas East, Osmeña East, Roxas West, Quirino West and Quirino East.

On December 2022, the last tower at The Residences at Commonwealth, Quezon South, was completed. All 8 towers of the 4.4-hectare project of CPGI located in its first master-planned residential community development in Quezon City have been completed.

**Canyon Ranch**

*Canyon Ranch Phase 1 and Phase 2*


The Canyon Ranch development, located in Carmona, Cavite, is a community south of Manila containing single-family detached homes, single attached homes, duplex, and townhomes. This development is a part of the San Lazaro Leisure Park, which includes one (1) of only two (2) operating horse racing tracks in the Philippines. CPGI acquired the right to develop the land and launched the project in May 2007. The project is a joint venture with the Manila Jockey Club. The development targets middle-income customers and is expected to consist of 929 single detached homes situated on 280,300 sq.m. upon completion. The Canyon Ranch development is a 25-minute drive from Makati City and is highly accessible via the South Luzon Expressway or the Alabang Skyway. The project is close to several shopping destinations, including the Alabang Town Center, Festival Mall, SM Dasmariñas, Pavillion Mall, and Robinsons Place Dasmariñas. As of 30 September 2023, 929 houses have already been completed.

*Canyon Ranch Moderno (Phase 3)*

The Moderno at Canyon Ranch is the expansion and Phase 3 of Canyon Ranch. With 163 homes, it offers an alternative home concept to practical urban families with its uplifting minimalist architecture and green design.

**Asian Century Center**

CPGI's office development in Fort Bonifacio, which has been approximately 97% leased out as of September 2023, is its first venture into the office property segment in Bonifacio Global City. The 21-storey office building, launched in partnership with Asian Carmakers Corporation has a gross leasable area of 30,584 sq. m. Asian Century Center is accredited by the PEZA 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, 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.

***Commune Village at Batulao***

Commune Village is a 6.5-hectare horizontal residential development located in Nasugbu, a nurturing middle ground that is ideal for those who love the cool vistas of Tagaytay and the welcoming beaches of Batangas. Nestled on the foothills of Mt. Batulao, Commune Village features livable spaces in exclusive collaboration with industry-leading Filipino designers, making high-end architecture accessible, with homes by architect Ed Calma called Polygonal Successions and designer Kenneth Cobonpue's Hedera home. New home models Kaizen (2BR) and Sansa (3BR) are also being offered in Commune Village. A fresh take on minimalist design, updated with the new living preferences of buyers in mind.

It is anchored in 4 pillars: Integrated, Connected, Accessible, and Sustainable. The community has features that can reduce maintenance costs and increase the vitality of the community—from solar-powered street lights and water pumps that reduce power consumption. Plans are also well underway for recreational and retail establishments that cater to a broader range of cultural preferences and that will further increase the commercial value of its land.

The community is a 1.5 to 2-hour drive from Makati via 4 access points through: (1) Daang Hari Road towards the scenic Nasugbu-Kaybiang Tunnel; (2) Star Tollway to Tanauan Exit; (3) South Luzon Expressway (SLEX); and (4) Cavite Expressway (CAVITEX).

***PHirst Park Homes Inc.***

PHirst Park Homes Inc. (PPHI), the First Home Buyer Brand of Century Properties Group and Mitsubishi Corporation unveiled its first development in the municipality of Tanza, Cavite, south of Metro Manila in May 2017. The 26-hectare horizontal community is accessible via Governor's Drive, one of the major highways in Cavite, and is about 3 minutes away from SM City Trece Martires.

With the success of PHirst Park Homes Tanza, the Company also launched PHirst Park Homes Lipa in May 2017, and PHirst Park Homes San Pablo in December 2018, PHirst Park Homes Pandi in September 2019, PHirst Park Homes Calamba in September 2019, and PHirst Park Homes Batulao in December 2019, and PHirst Park Homes Magalang in September 2020.

PPHI launched projects in June to August 2021, including PHirst Park Homes General Trias, an 18-hectare project in Cavite; PHirst Park Homes Tayabas, a 23-hectare development and its first project in Quezon Province; and PHirst Park Homes Baliwag, a 15-hectare project in Bulacan which is its second project in the province.

The Company, through PPHI, launched the first phase of PHirst Park Homes Naic and PHirst Park Homes Balanga in the fourth quarter of 2021 and the second quarter of 2022, respectively, with 400 houses valued at ₱0.7 Billion and 732 houses valued at ₱1.2 Billion.

Home seekers can expect the brand's 4Cs in all PPHI master-planned developments: Complete and well-provisioned homes with a perimeter fence and gate, Conceptive amenities that promote a healthy and holistic lifestyle, connected living through WiFi zones and a shuttle service, and a Convenient and simplified selling and buying experience.

*Century PHirst Corporation*

On February 23, 2023, CPGI announced the expansion of its first home market residential offerings through Century PHirst Corporation (CPC), a wholly-owned subsidiary of Century Limitless Corporation (CLC). Through CPC, CPGI will, by itself, be venturing into the socialized, economic, and mid-income residential markets. CLC is a wholly-owned subsidiary of CPGI.

CPC’s flagship projects are: (1) PHirst Editions Batulao located in Nasugbu, Batangas, which was launched in October 2022; (2) PHirst Sights Bay in Laguna, which was launched in December 2022; and (3) PHirst Centrale Hermosa in Bataan, which was launched in December 2022 (PHirst Fairgrounds) and May 2023 (PHirst Impressions).

PHirst Editions Batulao, Century PHirst’s maiden middle-income development, is a horizontal residential project in Nasugbu, Batangas and is located adjacent to the existing PHirst Park Homes Batulao community. PHirst Editions Batulao spans 14 hectares and will house 629 single attached and single detached units with a project sales value of ₱3.06 Billion for middle income, priced from ₱3.2 Million to ₱6 Million.

PHirst Sights Bay in Laguna with 1,816 houses valued at ₱2.1Billion is a project that will cover segments from socialized housing with units priced at ₱580,000, and economic housing with units ranging from ₱800,000 to ₱1.5 Million.

To round up its expansion plan, CPC also ventured into its first mixed-use township in Bataan, PHirst Centrale Hermosa, which will have multiple residential product offerings, as well as support commercial, retail, and institutional components. Launched in May 2023, PHirst Impressions Centrale Hermosa is a townhouse development that occupies 14.5 hectares with 1,574 units valued at around ₱3.12 Billion. Unit prices range from ₱1.7 to ₱ 2.5 Million. Alongside PHirst Impressions is PHirst Fairgrounds, PHirst Centrale Hermosa’s commercial component launched in December 2022. This 3.1 hectare development offers lot cuts ranging from 503-1,531sqm, with the first phase valued at ₱602 Million.

These expansion efforts of PPHI & CPC bring forth a broader range of housing packages and price points to provide first-time home buyers with a wider set of options to acquire their very own home.

**LAND BANK**

The Company has an aggregate land bank with a site area of 2,253,687 sq.m. as of 30 September 2023. CPGI believes that its disciplined land acquisition, usually through joint ventures or installment sales, allows the Company to maintain a higher return on its equity compared to its peers and to have sufficient developable inventory for the next several years.

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

| Location | Land size (in sq. m.) | Product Class |
|---|---|---|
| Mandaluyong | 14,271 | Mixed Use with Mid Rise Condo and Leasing Assets |
| Katipunan, Quezon City | 3,064 | Mixed Use with Mid Rise Condo and Leasing Assets |
| Novaliches, Quezon City | 573,623 | Mixed Use with Mid Rise Condo and Leasing Assets |
| San Fernando, Pampanga | 39,062 | Mixed Use with Mid Rise Condo and Leasing Assets |
| Batulao | 444,029 | Leisure / Tourism |
| Palawan | 564,169 | Leisure / Tourism |
| San Pablo, Laguna | 13,476 | Horizontal Housing |
| Pandi, Bulacan | 2,793 | Horizontal Housing |
| General Trias, Cavite | 5,713 | Horizontal Housing |
| Tayabas, Batangas | 34,818 | Horizontal Housing |
| Baliuag, Bulacan | 90,380 | Horizontal Housing |
| Naic, Cavite | 31,168 | Horizontal Housing |
| Balanga, Bataan | 80,655 | Horizontal Housing |
| Gapan, Nueva Ecija | 25,295 | Horizontal Housing |
| Hermosa, Bataan | 69,457 | Horizontal Housing |
| Batulao, Batangas | 62,201 | Horizontal Housing |
| Bacolod | 27,628 | Horizontal Housing |
| **Total** | **2,253,687** | |

**Employees**

CPGI and its Subsidiaries have 1,092 employees as of 30 September 2023 and 1,025 employees as of 31 December 2022.

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 3,787 agents as of 30 September 2023 and 3,129 agents as of 31 December 2022. 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.

| | 31 December 2022 | 30 September 2023 |
|---|---|---|
| Development operations | 415 | 489 |
| Sales and marketing | 29 | 21 |
| Construction | 54 | 39 |
| Property management | 527 | 543 |

| | | |
|---|---|---|
| **Total** | **1,025** | **1,092** |
| | | |
| **Agents:** | | |
| Subsidized agents | 613 | 815 |
| Agents on commission | 2,516 | 2,972 |
| **Total** | **3,129** | **3,787** |

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 a housing program, an employee stock option plan and a 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.

**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.

**Project Design**

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

**Project Development and Construction**

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

Below is the summary of amount spent on development activities, and its percentage to revenues during the last three (3) fiscal years:

| | **2020 (Php in Millions)** | **2021 (Php in Millions)** | **2022 (Php in Millions)** | **9M 2023 (Php in Millions)** |
|---|---|---|---|---|
| Construction cost incurred | 4,628 | 4,548 | 4,029 | 2,847 |
| Real Estate Revenue | 9,483 | 7,664 | 9,232 | 8,231 |
| % to Real Estate Revenue | *48.8%* | *59.3%* | *43.6%* | *34.6%* |

**Marketing And Sales**

The Company utilizes its 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 107 exclusive agents who receive monthly allowances and commissions, and 3,787 external agents which include 2,972 commission-based agents and 815 brokers as of 30 September 2023.

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.

**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 thirty (30) calendar days from the date of payment. Within this period, the customer is required to submit the complete post-dated checks covering the monthly amortizations and the final turnover balance.

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

**Sales Cancellations**

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

## After Sales Services

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

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

## Insurance

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

## Competition

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

The Company believes that it can effectively compete with other companies in its industry through innovative branding strategies to effectively enhance brand visibility and product appeal while attempting to reinforce credibility as a leading developer in the Philippines. The Company is also developing properties in partnership with global brand names and 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 a limited number of suppliers.

## Customers

The Company has a broad market base including local and foreign individual and institutional clients. The Company is not dependent on a single or few 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 same are continuously maintained and renewed 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 | Active |
| Century City Development Corporation | 4-2007-003034 | 08/13/2007 | Active |
| The Gramercy Residences at Century City | 4-2007-003343 | 08/13/2007 | Active |
| MOMA the Modern Makati | 4-2007-004279 | 10/29/2007 | Active |
| Century City | 4-2007-003035 | 08/13/2007 | Active |
| 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 |

| Trademark Title | Registration No. | Registration Date | Status |
|---|---|---|---|
| Novacity by Century | 4-2013-00009728 | 08/14/2013 | Active |
| Azure | 4-2017-009341 | 12/08/2019 | Active |
| Azure North | 4-2017-009355 | 11/18/2017 | Active |
| St. Tropez | 4-2017-009344 | 11/18/2017 | Active |
| Rio at the Azure | 4-2017-009343 | 08/04/2019 | Active |
| The St. Tropez at the Azure | 4-2017-009345 | 07/25/2019 | Active |
| The Santorini at the Azure | 4-2017-009346 | 11/18/2017 | Active |
| Positano at the Azure | 4-2017-009347 | 07/25/2019 | Active |
| Maui | 4-2017-009348 | 11/18/2017 | Active |
| Maui at the Azure | 4-2017-009349 | 07/25/2019 | Active |
| The Miami at the Azure | 4-2017-009351 | 02/29/2020 | Active |
| The Maldives at the Azure | 4-2017-009352 | 02/29/2020 | Active |
| Bahamas at the Azure | 4-2017-009353 | 03/31/2019 | Active |
| Boracay at the Azure | 4-2017-009354 | 03/31/2019 | Active |
| Barbados at Azure North | 4-2017-009356 | 03/31/2019 | Active |
| Monaco at Azure North | 4-2017-009357 | 03/31/2019 | Active |
| Bali at Azure North | 4-2017-009358 | 03/31/2019 | Active |
| Batulao Artscapes | 4-2017-009367 | 11/09/2017 | Active |
| Batulao Artscapes | 4-2017-009368 | 06/16/2017 | Active |
| Century Estates At Batulao | EFPH2023000079083 | 02/21/2023 | New |
| Commune Village at Batulao | EFPH202300002645941 | 10/26/2023 | New |
| Artventure | 4-2017-011921 | 07/28/2017 | Active |
| Artscapes | 4-2017-011920 | 07/28/2017 | Pending review of application |
| Co. Dorms | 4-2018-002012 | 02/02/2018 | Pending review of application |
| Co. Livingspaces | 4-2018-002013 | 02/02/2018 | Pending review of application |
| Co. | 4-2018-002014 | 02/02/2018 | Pending review of application |
| Co. Spaces | 4-2018-002015 | 02/02/2018 | Pending review of application |
| Prima | 4-2018-002016 | 02/02/2018 | Active |
| Prima Villahome | 4-2018-002017 | 02/02/2018 | Active |
| Prima Townvilla | 4-2018-002018 | 02/02/2018 | Active |
| Prima Resorthome | 4-2018-002019 | 02/02/2018 | Active |
| Century Destinations | 4-2019-00010918 | 06/26/2019 | Active |
| Century Enclaves | 4-2019-00010920 | 06/26/2019 | Active |
| Century Prima | 4-2019-00010919 | 06/26/2019 | Active |
| Century Vertical Villas | 4-2019-00010916 | 06/26/2019 | Active |
| Century TownVillas | 4-2019-00010913 | 06/26/2019 | Active |

| Trademark Title | Registration No. | Registration Date | Status |
|---|---|---|---|
| Century Co. | 4-2019-00010921 | 06/26/2019 | Active |
| Century City Prima Homes At San Fernando | 4-2021-515436 | 07/01/2021 | Pending review of application |
| Century Estate Prima Homes At Batulao And Logo | 4-2021-515437 | 07/01/2021 | Pending review of application |
| Century Prima Residences At Acqua And Logo | 4-2021-515446 | 07/01/2021 | Pending review of application |
| Century Prima Residences At Katipunan And Logo | 4-2021-515440 | 07/01/2021 | Pending review of application |
| Century Prima New Generation Living With Aqua Background And Logo | 4-2021-515443 | 07/01/2021 | Pending review of application |
| Century Prima And Logo | 4-2021-515444 | 07/01/2021 | Pending review of application |
| Century City Prima Towers At San Fernando And Logo | 4-2021-515445 | 07/01/2021 | Pending review of application |
| Century Prima New Generation Living | 4-2021-515442 | 07/01/2021 | Pending review of application |

## Century Communities Corporation

| Trademark Title | Registration No. | Registration Date | Status |
|---|---|---|---|
| Century Communities and Device | 4-2007-003036 | 08/13/2007 | Active |
| 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 Lifestyle 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 |
| 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 |

## Century Nuliv Development Corporation (formerly Century Prima Corp.)

| Trademark Title | Application No. | Application Date | Status |
|---|---|---|---|
| CENTURY NULIV DESTINATIONS | EFPH202200002 058199 | 08/10/2022 | New |
| CEDNTURY NULIV | EFPH202200002 058558 | 08/10/2022 | New |
| CENTURY NULIV ESTATES | EFPH202200002 058641 | 08/10/2022 | New |
| CENTURY NULIV HOMES | EFPH202200002 058749 | 08/10/2022 | New |
| CENTURY NULIV RESIDENCES | EFPH202200002 058807 | 08/10/2022 | New |
| CENTURY NULIV SUITES | EFPH202200002 058839 | 08/10/2022 | New |
| CENTURY NULIV TOWER | EFPH202200002 058892 | 08/10/2022 | New |
| CENTURY NULIV TOWNVILLAS | EFPH202200002 058950 | 08/10/2022 | New |
| NULIV DESTINATIONS | EFPH202200002 058970 | 08/10/2022 | New |
| NULIV ESTATES | EFPH202200002 058996 | 08/10/2022 | New |
| NULIV HOMES | EFPH202200002 059042 | 08/10/2022 | New |
| NULIV RESIDENCES | EFPH202200002 059056 | 08/10/2022 | New |
| NULIV SUITES | EFPH202200002 059068 | 08/10/2022 | New |
| NULIV TOWER | EFPH202200002 059072 | 08/10/2022 | New |
| NULIV TOWNVILLAS | EFPH202200002 059090 | 08/10/2022 | New |
| CENTURY NULIV NEW GENERATION LIVING AND LOGO | EFPH202200002 069791 | 08/18/2022 | New |
| CENTURY N AND LOGO | EFPH202200002 069967 | 08/18/2022 | New |
| CENTURY NULIV HOMES AT ANGELES AND LOGO | EFPH202200002 070037 | 08/18/2022 | New |
| CENTURY NULIV RESIDENCES AT KATIPUNAN AND LOGO | EFPH202200002 070089 | 08/18/2022 | New |
| CENTURY NULIV TOWNVILLAS AT ACQUA AND LOGO | EFPH202200002 070159 | 08/18/2022 | New |
| N HOMES N TOWNVILLAS N CONDO AND LOGO | EFPH202200002 070167 | 08/18/2022 | New |

**Government Approvals/Regulations**

The Company secures various Government approvals such as the 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 30 September 2022.

As of 30 September 2022, the Company is not aware of any existing or probable governmental regulations that will have an impact on the Company's operations.

All Government approvals and permits issued by the appropriate Government agencies or bodies which are material and necessary to conduct the business and operations of the Company, were obtained by the Company and are in full force and effect.

Based on the legal opinion dated 14 November 2019 issued by an independent counsel, Flores Law Office, and unless otherwise indicated below, the material permits and licenses required for the Company's operations are valid and subsisting.

The list of the material permits and licenses of the Company and its Subsidiaries are set out below:

| Issuing Agency | Title of Permit /License | Date of Issuance | Validity/ Expiration Date | Status/Remarks |
|---|---|---|---|---|
| ***Century Properties Group Inc.*** | | | | |
| SEC | Certificate of Incorporation | 13 March 1975 | N.A. | Valid and subsisting. |
| LGU of Makati City | Business Permit | February 1, 2023 | December 31, 2023 | Valid and subsisting. |
| BIR | Certificate of Registration | January 1, 1997/April 27, 2023 (Updated BIR-COR) issued by RDO No. 126, Regular LT Audit Division III) | N.A. | Valid and subsisting. |
| ***Century City Development Corporation*** | | | | |
| SEC | Certificate of Incorporation | 19 December 2006 | N.A. | Valid and subsisting. |
| LGU of Makati City | Business Permit | February 1, 2023 | December 31, 2023 | Valid and subsisting. |
| LGU of Makati City | Business Permit-Lessor CC Mall | February 1, 2023 | December 31, 2023 | Valid and subsisting. |
| LGU of Taguig City | Business Permit-Lessor (Asian Century Center) | March 2, 2023 | December 31, 2023 | Valid and subsisting. |
| BIR | Certificate of Registration | December 20, 2006/June 23, 2023 (Updated BIR-COR) issued by RDO No. 126, Regular LT Audit Division III) | N.A. | Valid and subsisting. |
| ***Century Communities Corporation*** | | | | |
| SEC | Certificate of Incorporation | 15 March 1994 | N.A. | Valid and subsisting. |

| | | | | |
|---|---|---|---|---|
| LGU of Municipality of Carmona, Province of Cavite | Business Permit | January 20, 2023 | December 31, 2023 | For renewal. |
| BIR | Certificate of Registration | June 20, 1994/June 2013 (Newly Enlisted-Revenue District No. Large Taxpayers Service) | N.A. | Valid and subsisting. |
| ***Century Limitless Corporation*** | | | | |
| SEC | Certificate of Incorporation | 19 July 2008 | N.A. | Valid and subsisting. |
| LGU of Mandaluyong City | Business Permit | January 19, 2023 | December 31, 2023 | Valid and subsisting. |
| LGU of Parañaque City | Business Permit | February 17, 2023 | December 31, 2023 | Valid and subsisting. |
| LGU of Quezon City | Business Permit | December 12, 2022 | December 12, 2023 | Valid and subsisting. |
| LGU of San Fernando, Pampanga | Business Permit | February 7, 2023 | December 31, 2023 | Valid and subsisting. |
| LGU of Batulao, Batangas | Business Permit | October 19, 2023 | December 31, 2023 | Valid and subsisting. |
| BIR | Certificate of Registration | May 02, 2023 (Updated BIR-COR) issued by RDO No. 126, Regular LT Audit Division III) | N.A. | Valid and subsisting. |
| ***Century Properties Management, Inc.*** | | | | |
| SEC | Certificate of Incorporation | 17 March 1989 | N.A. | Valid and subsisting. |
| LGU of Makati City | Business Permit | January 20, 2023 | December 31, 2023 | Valid and subsisting. |
| BIR | Certificate of Registration | January 1, 1996/June 2013 (Newly Enlisted-Revenue District No. Large Taxpayers Service) | N.A. | Valid and subsisting. |

| | | | | |
|---|---|---|---|---|
| ***Century Destinations and Lifestyle Corp. (formerly CENTURY PROPERTIES HOTEL AND LEISURE, INC.)*** | | | | |
| SEC | Certificate of Incorporation | 27 March 2014 | N.A. | Valid and subsisting. |
| LGU of Makati City | Business Permit | February 1, 2023 | December 31, 2023 | Valid and subsisting. |
| BIR | Certificate of Registration | 8 April 2014 | N.A. | Valid and subsisting. |
| ***Century Nuliv Development Corporation (formerly CENTURY PRIMA CORP.)*** | | | | |
| SEC | Certificate of Incorporation | 31 January 2020 | N.A. | Valid and subsisting. |
| LGU of Makati City | Business Permit | 1 February 2023 | 31 December 2023 | Valid and subsisting. |
| LGU of Mandaluyong City | Business Permit | 30 January 2023 | 31 December 2023 | Valid and subsisting. |
| BIR | Certificate of Registration | 15 November 2022 (Century Nuliv Development Corporation) | N.A. | Valid and subsisting. |

## MATERIAL AGREEMENTS

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

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

Other than the agreements related to its ordinary course of business, the Company has not signed any material agreements.

## DESCRIPTION OF PROPERTIES

The following is a list of properties owned by the Company and its Subsidiaries as of 30 September 2023. The list excludes condominium titles under the development projects which have been completed although titles are still under the Subsidiaries' names as payments thereof have not yet been completed by the buyers. The list likewise excludes properties which are covered by joint venture agreements and properties still subject to contracts to sell, the titles of which have not been transferred in the name of the Company or Subsidiary upon full payment of the contract price. In pursuit of its trade and business, the Company and its Subsidiaries have entered into various mortgage agreements covering its properties in favor of financial institutions for the purposes of securing development loans. The Company intends to acquire properties within twelve (12) months and the same will be disclosed to the SEC once finalized.

| CENTURY CITY | OWNER'S NAME | TCT NOS. | ADDRESS | DESCRIPTION AND USE |
|---|---|---|---|---|
| KNIGHTSBRIDGE | CENTURY CITY DEVELOPMENT CORP. | TCT NO. 006-2013000519 | Valdez St., corner Spring St., Makati City | Residential/ Commercial |
| CENTURIA | CENTURIA MEDICAL DEVELOPMENT CORP. | TCT NO. 224340 | Valdez St., Makati City | Retail/Office |
| MILANO | MILANO DEVELOPMENT CORP. | TCT NO. 006-2015000268 | Spring St., Makati City | Residential/ Commercial |
| TRUMP | CENTURY CITY DEVELOPMENT CORP. | TCT NO. 006-2011000941 | Salamanca St., Makati City | Residential |
| DIAMOND (FORBES) | CENTURY CITY DEVELOPMENT II CORP. | TCT NO. 224334 | B. Valdez St., Makati City | Commercial |
| SPIRE | CENTURY CITY DEVELOPMENT CORP. | TCT NO. 006-2014000691 | Gen. Luna St., Makati City | Residential/ Office |
| CENTURY CITY MALL | CENTURY CITY DEVELOPMENT CORP. | TCT NO. 006-2011000940 | Kalayaan Ave., Makati City | Commercial/ Retail |

| CLC – ACQUA | OWNER'S NAME | TCT NOS. | ADDRESS | DESCRIPTION AND USE |
|---|---|---|---|---|
| NIAGARA | CENTURY LIMITLESS CORPORATION | TCT NO. 008-2011000713 | Brgy. Hulo, Mandaluyong | Residential |
| SUTHERLAND | CENTURY LIMITLESS CORPORATION | TCT NO. 008-2011000714 | Brgy. Hulo, Mandaluyong | Residential |
| DETTIFOSS | CENTURY LIMITLESS CORPORATION | TCTC NO. 008-2011001016 | Brgy. Hulo, Mandaluyong | Residential |
| LIVINGSTONE | CENTURY LIMITLESS CORPORATION | TCT NO. 008-2011001017 | Brgy. Hulo, Mandaluyong | Residential |
| IGUAZU | CENTURY LIMITLESS CORPORATION | TCT NO. 008-2011001018 | Brgy. Hulo, Mandaluyong | Residential |
| ACQUA BUILDING 6 | CENTURY LIMITLESS CORPORATION | TCT NO. 008-2011000715 | Brgy. Hulo, Mandaluyong | Hotel / Residential |
| PEBBLE | CENTURY LIMITLESS CORPORATION | TCT NO. 008-2011000276 | Brgy. Hulo, Mandaluyong | Retail |

| CLC – AZURE | OWNER'S NAME | TCT NOS. | ADDRESS | DESCRIPTION AND USE |
|---|---|---|---|---|
| RIO | CENTURY LIMITLESS CORPORATION | TCT NO. 010-2014000588 | Km. 16, West Service Road, South Super High Way, Marcelo, Parañaque City | Residential |

| | | | | |
|---|---|---|---|---|
| SANTORINI | CENTURY LIMITLESS CORPORATION | TCT NO. 010-2014000587 | Km. 16, West Service Road, South Super High Way, Marcelo, Parañaque City | Residential |
| ST. TROPEZ | CENTURY LIMITLESS CORPORATION | TCT NO. 010-2014000587 | Km. 16, West Service Road, South Super High Way, Marcelo, Parañaque City | Residential |
| MIAMI | CENTURY LIMITLESS CORPORATION | TCT NO. 010-2015002913 | Km. 16, West Service Road, South Super High Way, Marcelo, Parañaque City | Residential |
| MAUI | CENTURY LIMITLESS CORPORATION | TCT NO. 010-2015002914 | Km. 16, West Service Road, South Super High Way, Marcelo, Parañaque City | Residential |
| MALDIVES | CENTURY LIMITLESS CORPORATION | TCT NO. 010-2015003761 | Km. 16, West Service Road, South Super High Way, Marcelo, Parañaque City | Residential |
| BAHAMAS | CENTURY LIMITLESS CORPORATION | TCT NO. 010-2019003137 | Km. 16, West Service Road, South Super High Way, Marcelo, Parañaque City | Residential |
| BORACAY | CENTURY LIMITLESS CORPORATION | TCT NO. 010-2015003760 | Km. 16, West Service Road, South Super High Way, Marcelo, Parañaque City | Residential |

| CLC – AZURE NORTH | OWNER'S NAME | TCT NOS. | ADDRESS | DESCRIPTION AND USE |
|---|---|---|---|---|
| MONACO | CENTURY LIMITLESS CORPORATION | TCT NO. 042-2018009772 | Brgy. San Jose, San Fernando City, Pampanga | Retail/ Residential |
| BALI | CENTURY LIMITLESS CORPORATION | TCT NO. 042-2018009773 | Brgy. San Jose, San Fernando City, Pampanga | Retail/ Residential |
| BARBADOS | CENTURY LIMITLESS CORPORATION | TCT NO. 042-2019002870 | Brgy. San Jose, San Fernando City, Pampanga | Residential |

| CLC – ACQUA | OWNER'S NAME | TCT NOS. | ADDRESS | DESCRIPTION AND USE |
|---|---|---|---|---|
| OSMEÑA WEST | CENTURY LIMITLESS CORPORATION | TCT NO. 004-2015009483 | Don Antonio Avenue, Matandang Balara, Quezon City | Residential |
| QUEZON NORTH | CENTURY LIMITLESS CORPORATION | TCT NO. 004-2017010840 | Don Antonio Avenue, Matandang Balara, Quezon City | Residential |
| ROXAS EAST | CENTURY LIMITLESS CORPORATION | TCT NO. 004-2017010837 | Don Antonio Avenue, Matandang Balara, Quezon City | Residential |
| OSMEÑA EAST | CENTURY LIMITLESS CORPORATION | TCT NO. 004-2017010835 | Don Antonio Avenue, Matandang Balara, Quezon City | Residential |
| QUIRINO WEST | CENTURY LIMITLESS CORPORATION | TCT NO. 004-2017010841 | Don Antonio Avenue, Matandang Balara, Quezon City | Residential |
| ROXAS WEST | CENTURY LIMITLESS CORPORATION | TCT NO. 004-2017010836 | Don Antonio Avenue, Matandang Balara, Quezon City | Residential |
| QUIRINO EAST | CENTURY LIMITLESS CIORPORATION | TCT NO. 004-2017010839 | Don Antonio Avenue, Matandang Balara, Quezon City | Residential |
| QUEZON SOUTH | CENTURY LIMITLESS CORPORATION | TCT NO. 004-2017010838 | Don Antonio Avenue, Matandang Balara, Quezon City | Residential |

| CNDC – ACQUA EXPANSION TOWNVILLAS | OWNER'S NAME | TCT NOS. | ADDRESS | DESCRIPTION AND USE |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| ACQUA EXPANSION TOWNVILLAS | CENTURY LIMITLESS CORPORATION | TCT NO. 008-2022000609 | Brgy. Hulo, Mandaluyong | Residential Land (JVA between CLC and Century PHirst) |
| ACQUA EXPANSION TOWNVILLAS | CENTURY LIMITLESS CORPORATION | TCT NO. 008-2022000613 | Brgy. Hulo, Mandaluyong | Residential Land |
| ACQUA EXPANSION TOWNVILLAS | CENTURY LIMITLESS CORPORATION | TCT NO. 008-2022000617 | Brgy. Hulo, Mandaluyong | Residential Land |
| | | | | |
| **CCC-MWSS (Novaliches Property)** | **OWNER'S NAME** | **TCT NOS.** | **ADDRESS** | **DESCRIPTION AND USE** |
| | CENTURY COMMUNITIES CORPORATION | TCT NO. 004-2014010377 | Quirino Hi-Way, Greater Lagro, Novaliches, Quezon City | Land |
| | CENTURY COMMUNITIES CORPORATION | TCT NO. 008-2018009232 | Quirino Hi-Way, Greater Lagro, Novaliches, Quezon City | Land |
| | CENTURY COMMUNITIES CORPORATION | TCT NO. 008-2018009491 | Quirino Hi-Way, Greater Lagro, Novaliches, Quezon City | Land |

The Company and its Subsidiaries do not lease any land for development. The Company and its Subsidiaries lease office spaces at Pacific Star Building and Century Diamond Tower, both of which are located in Makati City. Details of the leased offices spaces are as follows:

| Number of Floors | Location | Area | Annual Rent (Php in Millions) | Term |
|---|---|---|---|---|
| 2 Floors | Pacific Star Building Makati | 2,537.1 | 30.1 | 3 years |
| 2 Floors | Century Diamond Tower Makati | 4,075.1 | 37.7 | 5 years |

The cost value of office, computers, furniture and fixture, transportation, and other equipment is ₱2,208.39 million, with a net book value of ₱1,936.21 million as of 30 September 2022 The cost value of construction equipment is ₱251.49 million, and were fully depreciated as of 30 September 2022. The total cost value of equipment owned by the Company and its Subsidiaries as of 30 September 2022 is ₱2,459.88 million, with a net book value of ₱1,936.21 million as of 30 September 2022.

The following is a schedule of equipment owned by the Company and its Subsidiaries as of 30 September 2022.

| Company | Construction Equipment | | Office & Other Equipment | | Consolidated | |
|---|---|---|---|---|---|---|
| (in Million Pesos) | Cost | Net Book Value | Cost | Net Book Value | Cost | Net Book Value |
| Century City Development Corporation | ₱127.44 | ₱0.00 | ₱84.92 | ₱4.48 | ₱212.36 | ₱4.48 |
| Century Limitless Corporation | 119.00 | 0.00 | 1,859.51 | 1,798.38 | 1,978.51 | 1,798.38 |
| Milano Development Corporation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Centuria Medical Development Corporation | 5.06 | 0.00 | 4.95 | 0.55 | 10.01 | 0.55 |
| Century Communities Corp | 0.00 | 0.00 | 12.24 | 0.00 | 12.24 | 0.00 |
| Century Properties Management Inc. | 0.00 | 0.00 | 14.55 | 2.28 | 14.55 | 2.28 |
| Century Properties Group Inc. | 0.00 | 0.00 | 38.72 | 0.31 | 38.72 | 0.31 |
| Century Acqua Lifestyle, Inc | 0.00 | 0.00 | 0.39 | 0.00 | 0.39 | 0.00 |
| Siglo Suites, Inc. | 0.00 | 0.00 | 22.13 | 3.26 | 22.13 | 3.26 |
| Tanza Properties, Inc. | 0.00 | 0.00 | 29.16 | 1.94 | 29.16 | 1.94 |
| PHirst Park Homes, Inc. | 0.00 | 0.00 | 139.33 | 123.63 | 139.33 | 123.63 |
| Phirst Park Homes Development Corp | 0.00 | 0.00 | 0.33 | 0.33 | 0.33 | 0.33 |
| Century Prima Corporation | 0.00 | 0.00 | 2.15 | 1.05 | 2.15 | 1.05 |
| **Total** | **₱251.49** | **₱0.00** | **₱2,208.39** | **₱1,936.21** | **₱2,459.88** | **₱1,936.21** |

As part of CPGI's business strategy, CPGI intends to launch efforts in identified strong and low risk areas, while ensuring sustained competitive presence and delivery of client commitments in its existing developments.

# REGULATORY AND ENVIRONMENTAL MATTERS

## LAW ON HOUSING AND LAND PROJECTS

*Presidential Decree No. 957: The Subdivision and Condominium Buyer's Protective Decree*

Presidential Decree No. 957 is the principal statute which regulates the development and sale of real property as part of a condominium project. It was enacted pursuant to the policy of the state to ensure that real estate subdivision owners, developers, operators, and/or sellers provide and properly maintain roads, drainage, sewerage, water systems, lightning systems and other similar basic requirements in order to guarantee the health and safety of home and lot buyers.

*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*

B.P. 220 and its Implementing Rules and Regulations ("Act-IRR") apply to the development of economic and socialized housing projects in urban and rural areas. Likewise, they apply to the development of either a house and lot or a house or lot only.

*Executive Order No. 71*, *Series of 1993*

Under *Executive Order No. 71*, *Series of 1993*, cities and municipalities assume the powers of the HLURB, now DHSUD, over the following:

a) approval of preliminary as well as final subdivision schemes and development plans of all subdivisions, residential, commercial, industrial, and for other purposes;
b) approval of preliminary as well as final subdivision schemes and development plans of all economic and socialized housing projects;
c) evaluation and resolution of opposition against issuance of development permits for any of said projects; and
d) monitoring the nature and progress of its approved land development projects to ensure their faithfulness to the approved plans and specifications.

*Republic Act No. 7279: Urban Development and Housing Act of 1992*

Republic Act No. 7279, as amended recently by Republic Act No. 10884, or the Urban Development and Housing Act of 1992, requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least fifteen percent (15%) of the total subdivision area or total subdivision project cost, and at least five percent (5%) of condominium area or project cost, at the option of the developer, within the same city or municipality whenever feasible, and in accordance with the standards set by HLURB, now DHSUD, and other existing laws. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development.

*Republic Act No. 9646: Real Estate Service Act*

Real estate dealers, brokers and salesmen are also required to register with HLURB, now DHSUD, before they can sell lots or units in a registered subdivision or condominium project. Furthermore, no person shall practice or offer to practice real estate service in the Philippines unless he/she has satisfactorily passed the licensure examination given by the Professional Regulatory Board of Real Estate Service.

*Republic Act No. 4726: The Condominium Act*

Republic Act No. 4726 likewise regulates the development and sale of condominium projects.

R.A No. 4726 requires the annotation of the master deed or the declaration of restrictions on the title of the land on which the condominium project shall be located. The master deed contains, among other things, the description of the land, building/s, common areas and facilities of the condominium project. The declaration of restrictions shall constitute a lien upon each condominium unit in the project, and shall insure to and bind all condominium owners in the project. Such liens, unless otherwise provided, may be enforced by any condominium owner in the project or by the management body of such project.

*Republic Act No. 11201: Department of Human Settlements and Urban Development Act*

Republic Act No. 11201, otherwise known as "Department of Human Settlements and Urban Development Act was signed by the President on 14 February 2019. The Implementing Riled and Regulations of the Act was approved on 19 July 2019. This Act created DHSUD through the consolidation of HUDCC and HLURB, simultaneously with the reconstitution of HLURB into Human Settlement Adjudication Commission ("**HSAC**"). The functions of the HUDCC and the planning and regulatory functions of HLURB shall be transferred to and consolidated in the DHSUD, while the HSAC shall assume and continue to perform the adjudication functions of HL URB.

The DHSUD shall:

1. Act as the primary national government entity responsible for the management of housing, human settlement and urban development;

2. Be the sole and main planning and policy-making, regulatory, program, coordination, and performance monitoring entity for all housing, human settlement and urban development concerns, primarily focusing on the access to an affordability of basic human needs. The following functions of HLURB are transferred to DHSUD:

    a. The land use planning and monitoring function, including the imposition of penalties for noncompliance to ensure that LGUs will follow the planning guidelines and implement their CLUPs and ZOs;
    b. The regulatory function, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums and similar real estate developments, and imposition of fines and other administrative sanctions for violations, pursuant to PD 957, as amended, BP 220 and other related laws; and
    c. The registration, regulation and supervision of Homeowners Associations, including the imposition of fines for violations, pursuant to RA 9904, Section 26 of RA 8763 in relation to Executive Order No. (EO) 535, series of 1979, and other related laws; and

3. Develop and adopt a national strategy to immediately address the provision of adequate and affordable housing to all Filipinos, and ensure the alignment of the policies, programs, and projects of all its attached agencies to facilitate the achievement of this objective.

All existing policies, and rules and regulations of the HUDCC and the HLURB shall continue to remain in full force and effect unless subsequently revoked, modified or amended by he DHSUD or the HSAC, as the case may be.

All applications for permits, licenses and other issuances pending upon the effectivity of the Act and filed during the transition period shall continue to be acted upon by the incumbents until transition shall have been completed.

All cases and appeals pending with the HLURB shall continue to be acted upon by the HLURB Arbiters and the Board of Commissioners, respectively, until transition shall have been completed and the Commission's operations are in place. Thereafter, the Regional Adjudicators and the Commission shall correspondingly assume jurisdiction over those cases and appeals. All decisions of the Commission shall thenceforth be appealable to the Court of Appeals under Rule 43 of the Rules of Court.

The transition period shall commence upon the effectivity of the Implementing Rules and Regulations and shall end on 31 December 2019. Thereafter, the Act shall be in full force and effect.

*Republic Act No. 9160: Anti-Money Laundering Act, as amended*

On 29 January 2021, Republic Act No. 11521 was enacted, amending certain provisions of Republic Act No. 9160, otherwise known as the Anti-Money Laundering Act of 2001 ("**AMLA**"). The necessary changes were likewise incorporated in the 2018 Implementing Rules and Regulations through the Anti-Money Laundering Council's ("**AMLC**") Regulatory Issuance A, B, and C No. 1 Series of 2021 which took effect on 31 January 2021. In particular, RA 11521 revised the list of "Covered Persons" under the AMLA to include real estate brokers and developers. As such, real estate brokers and developers are now required to submit a covered transaction report involving any single cash transaction exceeding ₱7,500,000 or its equivalent in any other currency.

Further, RA 11521 provides the following suspicious transactions with Covered Persons, regardless of the amounts involved, where any of the following circumstances exist:

1. There is no underlying legal or trade obligation, purpose or economic justification;
2. The client is not properly identified;
3. The amount involved is not commensurate with the business or financial capacity of the client;
4. Taking into account all known circumstances, it may be perceived that the client's transaction is structured in order to avoid being the subject of reporting requirements under the Act;
5. Any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client's past transactions with the covered person;
6. The transaction is in any way related to an unlawful activity or offense under this Act that is about to be, is being or has been committed; or
7. Any transaction that is similar or analogous to any of the foregoing.

Under the AMLA, Covered Persons shall report covered transactions and suspicious transactions to the AMLC, and shall identify and record the true identity of their customers, whether permanent or occasional, and whether natural or juridical persons, or legal arrangements based on official documents. To comply with this, such Covered Persons are obligated to implement appropriate systems of collecting and recording identification information and identification documents, and shall implement and maintain a system of verifying the true identity of their clients, including validating the truthfulness of the information and confirming the authenticity of the identification documents presented, submitted, and provided by the customer, using reliable and independent sources, documents, data, or information. All records of transactions and records of closed accounts are required to be maintained and stored for five (5) years from the date of a transaction or after their closure, respectively.

As a real estate developer, the Company is obligated to comply with the provisions of the AMLA, as amended. Failing to report to the AMLC all covered and suspicious transactions within the prescribed periods may expose real estate developers to penalties.

**SAFETY STANDARDS**

*Presidential Decree No. 1096 or the National Building Code*

Under the Building Code, in order for a person or corporation to erect, construct, alter, repair, move, convert, or demolish any building or structure, a building permit must first be secured from the Building Official assigned at the place where the building work is to be done. A building permit is a written authorization granted by the building official to an applicant allowing him to proceed with the construction of a building after plans, specifications and other pertinent documents required for the construction of the structure have been found to be in conformity with the Building Code.

All buildings or structures as well as accessory facilities thereto shall conform in all respects to the principles of safe construction under the Building Code. Aside from the building permit under the Building Code, an applicant in specific instances may be required to secure a Height Clearance Permit from the Civil Aviation Authority of the Philippines.

*Republic Act No. 9514 or the Fire Code of the Philippines*

The Fire Code seeks to ensure public safety and promote economic development by preventing and suppressing all kinds of destructive fires. Compliance with the following requirements are expected from building owners, administrators, and occupants: inspection requirements, safety measures for hazardous materials, safety measures for hazardous operations or processes, provisions on fire safety construction, protective and warning systems, and abatement of fire hazards. Non-compliance with the said requirements may result into penalties.

**BUSINESS PERMITS**

Before any company may commence operations in the territory of an LGU, it must secure the permits, clearances and licenses from such LGU. Usually, it is assumed that a corporation has complied with all of the permitting requirements of the LGU if it is issued a business permit (also referred to as a mayor's permit in certain jurisdictions). These permits, clearances and licenses must be renewed on an annual basis.

Without these permits, clearances or licenses, the LGU may shut down the operations of a business establishment until these are obtained and the corresponding fees and penalties are settled.

**ZONING AND LAND USE**

*Republic Act No. 7160: Local Government Code of the Philippines*

A city or municipality may, through an ordinance passed by the *Sanggunian*, after conducting public hearings for the purpose, authorize the reclassification of agricultural lands and provide for the manner of their utilization or disposition in the following cases: (i) when the land ceases to be economically feasible and sound for agriculture or (ii) where the land shall have substantially greater economic value for residential, commercial or industrial purposes, as determined by the *Sanggunian* concerned; provided that such reclassification shall be limited to the following percentage of total agricultural land area at the time of the passage of the ordinance:

1. For Highly Urbanized and Independent Component Cities, fifteen percent (15%);
2. For Component Cities and First to Third Class Municipalities, ten percent (10%);
3. For Fourth to Sixth Class Municipalities, five percent (5%).

Land use may be also limited by zoning ordinances enacted by LGUs. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant LGU. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

*Republic Act No. 6657: Comprehensive Agrarian Reform Law of 1998*

Under the Comprehensive Agrarian Reform Law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after 15 June 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

**ENVIRONMENTAL LAWS**

*Environmental Impact Statement System*

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

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

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

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

While a development project may not fall under the categories wherein an ECC is required, it is still required to obtain a Certificate of Non-Coverage from the EMB or the DENR Regional Office. The applicant must submit a Project Description to the EMB, which will then evaluate whether or not an ECC is required for the project. If an ECC is not required, then the EMB will issue a CNC to be submitted to HLURB, now DHSUD.

Aside from the EIS and IEE, engineering, geological and geo-hazard assessments are also required for ECC applications covering subdivisions, housing and other land development and infrastructure projects.

*Presidential Decree No. 1067 or The Water Code of the Philippines*

The Water Code requires a water permit for the utilization, exploitation, and appropriation of natural bodies of water, except in certain instances provided under the Water Code. Examples of the use of water include domestic, municipal, irrigation, power generation, fisheries, livestock raising, industrial, and recreational. Appropriation of water without obtaining the necessary water permit when applicable will expose such entity to penalties.

*Republic Act No. 9275 or The Philippine Clean Water Act of 2004*

The Clean Water Act aims to protects the country's water bodies from pollution from land-based sources (*i.e.,* industries and commercial establishments, agriculture, and community or household activities). It provides for a comprehensive and integrated strategy to prevent and minimize pollution through a multi-sectoral and participatory approach involving all the stakeholders.

It requires owners or operators of facilities that discharge regulated effluents (*i.e.,* wastewater from commercial facilities) to secure a permit to discharge from the DENR. Such discharge permit shall specify the quantity and quality of effluent that said facilities are allowed to discharge into a particular water body, with compliance schedule and monitoring requirement.

*Republic Act No. 8749 or The Philippine Clean Air Act of 1999*

The Clean Air Act aims to create a holistic national program of air pollution management and encourage cooperation and self-regulation among citizens and industries through the application of market-based instruments. It sets air quality standards and emission limits for different industries and sources of air pollution. It also provides for the maximum permissible limits for all major pollutants. Non-compliance exposes the violator to fines and penalties.

*Republic Act No. 9003 or The Ecological Solid Waste Management Act of 2000*

The Ecological Solid Waste Management Act aims to ensure the protection of the public health and environment by adopting a systematic, comprehensive, and ecological solid waste management program using environmentally-sound methods that maximize the utilization of valuable resources and encourage resource conservation and recovery. It also provides guidelines for avoidance and reduction of solid waste through various measures. Violations therewith may result in fines and penalties.'

**PROPERTY REGISTRATION AND NATIONALITY RESTRICTIONS**

*Presidential Decree No. 1529 ("**P.D. 1529**"): Property Registration Decree*

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

**NATIONALITY RESTRICTIONS**

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

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

**REAL PROPERTY TAXATION**

*Republic Act No. 7160: Local Government Code of the Philippines*

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

## REAL ESTATE SALES ON INSTALLMENTS

*Republic Act No. 6552: Realty Installment Buyer Act*

The Realty Installment Buyer Act, more popularly known as the "Maceda Law", applies to all transactions or contracts involving the sale or financing of real estate on installment payments (including residential condominium units, but excluding industrial lots, commercial buildings and sales under the agrarian reform laws).

Under the Maceda Law, where a buyer of real estate has paid at least two (2) years of installments, the buyer is entitled to the following rights in case he/she defaults in the payment of succeeding installments: (a) To pay, without additional interest, the unpaid installments due within the total grace period earned by him, which is fixed at the rate of one month for every one year of installment payments made. However, the buyer may exercise this right only once every five years during the term of the contract and its extensions, if any (b) if the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to fifty percent (50%) of the total payments made, and in cases where five years of installments have been paid, an additional five percent (5%) every year (but with a total not to exceed ninety percent (90%) of the total payments), or (c) buyers who have paid less than two years of installments are given a sixty (60)-day grace period to pay all unpaid installments before the sale can be cancelled, but without right of refund. If a buyer fails to pay the installments due at the expiration of the grace period, the seller may cancel the contract after thirty (30) days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act from the seller.

## CONSTRUCTION LICENSE

A regular contractor's license is required to be obtained from the Philippine Contractors Accreditation Board ("**PCAB**"). In applying for and granting such license, PCAB takes into consideration the applicant-contractor's qualifications and compliance with certain minimum requirements in the following criteria: (i) financial capacity, (ii) equipment capacity, (iii) experience of the firm, and (iv) experience of technical personnel. Philippine laws also require a contractor to secure construction permits and environmental clearances from appropriate government agencies prior to actually undertaking each project.

In the case of *Philippine Contractors Accreditation Board v. Manila Water Co., Inc.* (G.R. No. 217590, 10 March 2020) the Supreme Court held that foreigners can obtain regular licenses from the PCAB. It ruled that the construction industry is not one which the Constitution has reserved exclusively for Filipinos. There is also no prohibition under current laws for foreigners to enter into the same projects as Filipinos in the field of construction. "Private domestic construction contracts" has also been removed from the Foreign Investments Negative List since 1998. Thus, the provision, requiring foreigners to obtain a special license has been declared null and void, along with the provision limiting the regular license to construction firms at least 60% of which is owned by Filipinos. In light of this ruling, foreigners can now obtain regular licenses from the PCAB.

## BOARD OF INVESTMENTS

The Board of Investments ("**BOI**"), an agency attached to the Department of Trade and Industry, was created under the Omnibus Investment Code of 1987 (Executive Order No. 226, as amended). The BOI is responsible for promoting and assisting local and foreign investors to venture in desirable areas of business or economic activities.

Under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law, registered business enterprises specified in the Strategic Investment Priorities Plan ("**SIPP**") enjoy tax and duty incentives to the extent of their approved registered project or activity under the SIPP. Generally, these incentives include the grant of income tax holiday ("**ITH**"), Special Corporate Income Tax rate ("**SCIT**"), enhanced deductions, duty exemption on importation of capital equipment, raw materials, spare parts, or accessories and value-added tax exemption on importation and value-added tax zero-rating on local purchases.

Depending on both the location and industry priority of the registered project or activity as determined in the SIPP, the income tax holiday ("**ITH**") incentive may be granted for a period of four (4) years to seven (7) years followed by five percent (5%) SCIT or enhanced deductions for ten (10) years for export enterprises and for domestic market enterprises under the SIPP engaged in activities that are classified as "critical"; provided, that in no case shall the enhanced deductions be granted simultaneously with the SCIT.

The domestic market enterprise under the SIPP engaged in activities that are classified as "critical" shall refer to those enterprises belonging to industries identified by the National Economic and Development Authority to be crucial to national development.

For domestic market enterprises under the SIPP not classified as "critical", ITH for four (4) to seven (7) years followed by SCIT or enhanced deductions for five (5) years shall be granted; provided, that only domestic market enterprises, which have an investment capital of not less than Five Hundred Million Pesos (₱500,000,000.00) shall be eligible for the SCIT.

In addition to the incentives above, projects or activities of registered enterprises located in areas recovering from an armed conflict or a major disaster, as determined by the Office of the President, shall be entitled to two (2) additional years of ITH.

Projects or activities registered prior to the effectivity of the CREATE Law or under the incentive system provided herein that shall, in the duration of their incentives, completely relocate from the National Capital Region, shall be entitled to three (3) additional years of ITH; provided, that the additional incentive shall commence at the completion of the relocation of operations.

The period of availment of the foregoing incentives shall commence from the actual start of commercial operations with the registered business enterprise availing of the tax incentives within three (3) years from the date of registration, unless otherwise provided in the SIPP and its corresponding guidelines.

Further to BOI Memorandum Circular No. 2023-005, qualified housing projects are only eligible to ITH and duty exemption on capital equipment, raw materials, spare parts, or accessories. Twenty-five percent (25%) of a project's construction materials must be sourced from domestic manufacturers. Additionally, projects that are eligible for five (5) to six (6) years of ITH are required to submit proof of compliance of three hundred (300) trees or five hundred (500) trees, respectively, planted within the project location itself and/or within the community where the project will be located within one (1) year prior to availing the ITH.

Based on the latest BOI guidelines, economic and low-cost housing projects must meet the following criteria to qualify for registration: (a) the selling price of each housing unit shall not exceed Three Million Pesos (₱3,000,000.00) and shall not fall below the price ceiling of socialized housing based on the prevailing price ceiling issued by the DSHUD (i.e. Two Million Five Hundred Thousand Pesos (₱2,500,000.00)); (b) the project must be located outside NCR; (c) the project must have a minimum of one hundred (100) livable dwelling units in a single site or building; (d) the project must be new or expanding economic/low-cost housing project;

I for residential condominium projects, at least fifty one percent (51%) of the total gross floor area must be devoted to housing units.

Economic housing projects with selling price not exceeding Two Million Five Hundred Thousand Pesos (₱2,500,000.00) are required to comply with socialized housing requirement by building socialized housing units in an area equivalent to at least fifteen percent (15%) of the total registered project area or total BOI-registered project cost for subdivision housing and fifteen percent (15%) of the total floor area of qualified saleable housing units for residential condominium projects.

Further, low-cost housing projects with selling price exceeding Two Million Five Hundred Thousand Pesos (₱2,500,000.00) but not exceeding Three Million Pesos (₱3,000,000.00) must build socialized housing units in an area equivalent to at least twenty percent (20%) of the total registered project area or total BOI-registered project cost for subdivision housing and twenty percent (20%) of the total floor area of qualified saleable housing units for residential condominium projects.

**SPECIAL ECONOMIC ZONE**

The PEZA is the government agency that operates, administers and manages designated special economic zones. An Ecozone is a comprehensive land use plan generally created by proclamation of the President of the Philippines. These are areas earmarked by the Government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA-registered enterprises located in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty-free importation of equipment, machinery and raw materials.

Enterprises offering IT services (such as call centers and other Business Process Outsourcing firms using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructure and support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside of Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board and the DENR.

Certain properties of the Company are proclaimed Ecozones. Tenants in those properties may register with PEZA to avail of significant benefits under RA 7916 and its Implementing Rules and Regulations. They can, for example, take advantage of income tax incentives such as income tax holidays or five percent (5%) gross income taxation, thereby making tenancy in our buildings located in Ecozones potentially more attractive.

Pursuant to the CREATE Law, for corporations / enterprises currently registered with investment promotion agencies have been given the following sunset provisions:

a) Those enjoying the ITH are allowed to continue the available incentive for the remaining period of the ITH as specified in the terms of their registration;

b) Those granted ITH but have not yet availed of the incentive may use the ITH for the period as specified in the terms of their registration;
c) Those granted ITH and are entitled to the five percent (5%) tax on gross income earned may be allowed to avail of the five percent (5%) tax provided the five percent (5%) tax shall be allowed for only ten (10) years; and
d) Those availing of the five percent (5%) tax on gross income earned shall be allowed to continue to avail of the incentive for ten (10) years.

**COMPETITION**

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

R.A. No. 10667 or The Philippine Competition Act ("**PCA**") with its implementing rules and regulations ("IRR"), is the primary competition policy of the Philippines. It aims to enhance economic efficiency and promote free and fair competition in trade, industry and all commercial economic activities.

The PCA, as amended, provides for mandatory notification to the Philippine Competition Commission ("PCC") where the value of such transaction exceeds Two Billion Nine Hundred Million Pesos (₱2,900,000,000.00), and where the size of the ultimate parent entity of either party exceeds Seven Billion Pesos (₱7,000,000,000.00) ("**Size of Party**"). Notification is also mandatory for joint venture transactions if either (a) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds Two Billion Nine Hundred Million Pesos (₱2,900,000,000.00); or (b) the gross revenues generated in the Philippines by the assets to be combined in the Philippines or contributed into the proposed joint venture exceed Two Billion Nine Hundred Million Pesos (₱2,900,000,000.00).

Recognizing that joint ventures can result in business efficiencies, the PCC issued Guidelines on Notification of Joint Ventures ("**JV Guidelines**") on 9 September 2018 as joint venture agreements may pose competition concerns as these may result in a substantial lessening of competition in a relevant market. Under the JV Guidelines, joint ventures may be formed by any of the following: (i) incorporating a joint venture company; (ii) entering into a contractual joint venture; or (iii) acquiring shares in an existing corporation. In determining whether the transaction is subject to PCC notification, it must be examined if joint control will exist between or among the joint venture partners. In the absence of joint control, the relevant thresholds for acquisition of shares shall be applied.

**LABOR LAWS**

*Retirement Benefits under the Labor Code*

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private sector employees without a retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month's salary for every year of service, with a fraction of at least six months being considered as one whole year. For the purpose of computing the retirement pay, "one-half month's salary" shall include all of the following: fifteen days' salary based on the latest salary rate; in addition, one-twelfth of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

*Social Security Act*

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under Republic Act No. 11199, the Social Security Act of 2018 to ensure coverage of employees following procedures set out by the law and the SSS. Under the said law, an employer must deduct from its employees their monthly contributions in an amount corresponding to his salary, wage, compensation or earnings during the month in accordance with the monthly salary credits, the schedule and the rate of contributions as may be determined and fixed by the Social Security Commission, pay its share of contribution and remit these to the SSS within a period set by law and/ or SSS regulations. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits.

The failure of the employer to comply with any of its obligations may lead to sanctions, including the imposition of a fine of not less than ₱5,000.00 nor more than ₱20,000.00, or imprisonment for not less than six years and one day nor more than 12 years, or both, at the discretion of the court. The erring employer will also be liable to the SSS for damages equivalent to the benefits to which the employee would have been entitled had his name been reported on time to the SSS and for the corresponding contributions and penalties thereon.

*Home Development Fund Law*

Under Republic Act No. 9679, the Home Development Mutual Fund Law of 2009, all employees who are covered by the SSS must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2.0% of the employee's monthly compensation, up to a maximum of ₱5,000.00, and likewise make a counterpart contribution of 2.0% of the employee's monthly compensation, and remit the contributions to the HDMF. Refusal of an employer to comply, without any lawful cause or with fraudulent intent, particularly with respect to registration of employees as well as collection and remittance of contributions, is punishable by a fine of not less but not more than twice the amount involved, or imprisonment of not more than six years, or both such fine and imprisonment. When the offender is a corporation, the penalty will be imposed upon the members of the governing board and the president or general manager, without prejudice to the prosecution of related offenses under the Revised Penal Code and other laws, revocation and denial of operating rights and privileges in the Philippines and deportation when the offender is a foreigner.

*National Health Insurance Act*

Employers are likewise required to ensure enrolment of its employees in a National Health Insurance Program ("NHIP") administered by the Philippine Health Insurance Corporation, a government corporation attached to the Department of Health tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of Republic Act No. 10606, the National Health Insurance Act of 2013.

On February 20, 2019, Republic Act No. 11223, the Universal Health Care Act, was enacted, which amended certain provisions of the National Health Insurance Act of 2013. Under the said law, all Filipino citizens are now automatically enrolled into the National Health Program. However, membership is classified into two types: (i) direct contributors, and (ii) indirect contributors. Direct contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, migrant workers, including their qualified dependents, and lifetime members. On the other hand, indirect contributors refer to all others not included as direct contributors, as well as their qualified dependents, whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws. Every member is also granted immediate eligibility for health benefit package under the program. An employer who fails or refuses to register its employees, regardless of their employment status, or to deduct contributions from its employees' compensation or remit the same to our Corporation shall be punished with a fine of not less than ₱5,000.00 multiplied by the total number of employees of the firm.

*Other Labor-Related Laws and Regulations*

The Labor Code recognizes subcontracting arrangements, whereby a principal puts out or farms out with a contractor the performance or completion of a specific job, work or service within a definite or predetermined period, regardless of whether such job, work or service is to be performed or completed within or outside the premises of the principal. Such arrangements involve a "trilateral relationship" among: (i) the principal who decides to farm out a job, work or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the job, work, or service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service.

On March 16, 2017, the DOLE issued DOLE Department Order No. 174-17 or Rules Implementing Articles 106 to 109 of the Labor Code, as Amended ("**D.O. No. 174-17**"), under the principle that non-permissible forms of contracting and subcontracting arrangements undermine the constitutional and statutory right to security of tenure of workers. D.O. No. 174-17 empowered the Secretary of Labor and Employment to regulate contracting and subcontracting arrangement by absolutely prohibiting labor-only contracting, and restricting job contracting allowed under the provisions of the Labor Code. Labor-only contracting refers to arrangement where the contractor or subcontractor merely recruits, supplies or places workers to perform a job or work for a principal, and the contractor or subcontractor does not have substantial capital, or the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. D.O. No. 174-17 expressly requires the registration of contractors with the Regional Office of the DOLE where it principally operates, without which, a presumption that the contractor is engaged in labor-only contracting arises.

The Department Order provides that in the event that there is a finding that the contractor or subcontractor is engaged in labor-only contracting and other illicit forms of employment arrangements, the principal shall be deemed the direct employer of the contractor's or subcontractor's employees. Further, in the event of violation of any provision of the Labor Code, including the failure to pay wages, there exists a solidary liability on the part of the principal and the contractor for purposes of enforcing the provisions of the Labor Code and other social legislations, to the extent of the work performed under the employment contract.

**DATA PRIVACY LAWS**

*Republic Act No. 10173: Data Privacy Act*

The Philippines government enacted legislation with the aim to protect the fundamental human right to privacy while ensuring the free flow of information. Republic Act No. 10173, or the "Data Privacy Act of 2012," applies to processing of all types of information, whether that be of individuals or legal entities, except for publicly available information, or those required for public functions. The law provides that when an entity collects personal data, the purpose and extent of processing of such information collected must be legitimate and declared specifically to the owner of the personal information (i.e. whether such information will be used for marketing, data-sharing and the like), and that consent must be obtained from the owner. This requirement applies to all data collectors and data processors. The term data collectors refers to a natural or juridical person who controls or supervises the person collecting, storing, or processing the relevant personal information, while the term data processors refers to a natural or juridical person who processes the information, whether or not outsourced by the data collector.

Personal information that is collected must be retained only for a reasonable period of time. Such a reasonable period of time is the reasonable amount of time the collector needs the information for its purposes, and the collector must notify the owner of the personal information of that duration. The data collector must implement appropriate measures for the storage and protection of the collected personal information from accidental alteration, destruction, disclosure and unlawful processing. Furthermore, the data controller must assign compliance officer(s) to ensure compliance with the provisions of the data privacy law and its accompanying implementing rules and regulations.

# LEGAL PROCEEDINGS

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 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.

### List of Cases as of 7 November 2023:

### Century Limitless Corporation

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| **Department of Justice ("DOJ") / Office of the City Prosecutor** | | | |
| Miyuki Jane B. Oka vs. Jose Eduardo B. Antonio and Jose Marco R. Antonio | DOJ-Manila | Violations of Sections 20 and 17 of Presidential Decree No. 957. | The complainant is the buyer of 2 SPI units, later cancelling 1 unit and consolidating payments to the retained unit. The account was cancelled due to default after not paying TOB upon receipt of the TO notice. Not qualified for Maceda Law refund.<br><br>1. The Investigating Prosecutor issued a Resolution dated 26 October 2022 dismissing the complaint for lack of probable cause.<br>2. The complainant, through counsel, filed a Petition for Review before the Department of Justice seeking the reversal of the Resolution.<br>3. We filed an Opposition/Comment to the Petition for Review that was filed by Oka.<br>4. Awaiting the resolution of the Secretary of Justice to the Petition for Review.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| **Courts** | | | |
| Jose E.B. Antonio vs. Marinela Trinidad | Makati City- RTC, Branch 130 | BP 22 and Estafa | This is a criminal case for Estafa and BP 22 against Marinela Trinidad, as Vice President and Treasurer of TCG Holdings, Inc. and Champ Center for Hospitality Arts and Management Phil. Inc. The case is now submitted for Resolution.<br><br>1. Atty. Alex Mallillin attended the hearing last 4 November 2022 and entered his appearance as the new private prosecutor and counsel of CLC.<br>2. During the hearing, the defense presented its first witness, Marcela T. Gatbonton and identified her judicial affidavit. Gatbonton concluded her Direct, Cross, Re-Direct, and Re-Cross examinations.<br>3. Next hearing on this case is scheduled on 22 January 2024 at 8:30 a.m<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| TCG Holdings, Inc. vs. CLC | Quezon City-RTC, Branch 216 | Petition for Declaratory Relief and Reformation of Instruments and/or Annulment of Contract under Article 1359 of the Civil Code | TCG Holdings, Inc. filed the Petition to obtain either a judicial interpretation, reformation or annulment of the Memorandum of Understanding and Memorandum of Agreement that it entered into with CLC. Based on the complaint, its main reason for initiating the action was to forestall the construction that the subject contracts would allow upon the extrajudicial foreclosure of the properties owned by mortgagors © Culinary Services Inc. and A. Guerrero Development Corp. This is despite the fact that a valid real estate mortgage was constituted over the subject |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
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| | | | lands and the contracts consistently provided for the possibility of having to resort to extrajudicial foreclosure of the mortgaged lands should TCG Holdings, Inc. fail to comply with its obligations.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| TCG Holdings, Inc. and Marinela G. Trinidad vs. CLC, Jose Marco Antonio, Jose Carlo Antonio, Rafael G. Yaptinchay and Isabelita Ching-Sales | Makati City- RTC, Branch 147 | Annulment of Deeds of Revocation of Trust, Reversion of Shares and Inclusion/Reinstatement of President and Board Director | 1. The complaint prays that judgment be rendered: (1) Granting the motion to consolidate this case with the RTC of Quezon City Branch 216 case and thereafter, (2) Declare the Deeds of Revocation of Trust with Reversion of Shares dated 17 January 2020 as null and void; (3) revert the 39,998 common shares of stock and 2 shares of stock in Katipunan Prime Development Corporation to the plaintiffs, TCG Holdings, Inc. and Marinela G. Trinidad (for and in behalf of TCG Holdings, Inc.) respectively; (4) reinstate the plaintiffs, TCG Holdings, Inc. and Marinela G. Trinidad as the stockholders-of-record of Katipunan Prime Development Corporation; (5) Reinstate the plaintiff Marinela G. Trinidad (for and in behalf of TCG holdings, Inc.) as the President and Board Director of Katipunan Prime Development Corporation and; (6) DIRECT the defendants Century Limitless Corporation, Jose Marco R. Antonio as Director of CLC, and the Majority Board of Directors of Katipunan Prime Development Corporation, namely: Jose Marco R. Antonio as Director; Jose Carlo R. Antonio, as Director; Rafael G. Yaptinchay as Treasurer and Director; Isabelita C. Sales as Corporate Secretary and Director, to pay the plaintiffs, TCG holdings, Inc. and Marinela G. Trinidad for Attorney's Fees in the amount of ₱250,000 in addition to litigation expenses and costs of suit.<br><br>2. Next hearing is set on 7 November 2023, 8:30 a.m.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| KPDC vs. Bengzon et al. | R-QZN-22-05776-CV, RTC Branch 101 | Specific Performance/ Consignation | 1.The case is filed by Katipunan Prime Development Corporation where CLC is the majority shareholder for specific performance against Gonzalo Bengzon and other defendants for the delivery of titles subject of the supposed Joint Venture Agreement between CLC and TCG Holdings Inc.<br><br>2. Next hearing of this case is set 29 January 2024.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Abano IFS (For Settlement) | | Unlawful Detainer | 1. The letter offer to Alfredo Abano and Felipito Abano is being prepared for settlement.<br><br>2. The amounts to be paid for the settlement with Felipito Abano and Alfredo Abano are Php1,634,600 and Php573, 500, respectively in the following payment terms:<br><br>15 January 2023 -15%<br>15 February 2023 – 15%<br>Balance upon move out: 70%<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
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| Carino IFS (M-MND-22-03395-SC, CLC vs. Alexander Carino and John Paul Carino) | Mandaluyong City – MTC, Branch 101 | Unlawful Detainer | 1. This is case for unlawful detainer filed against informal settlers who are occupying parcels of land owned by CLC in Mandaluyong City.<br><br>2. Court dismissed the case for lack of merit.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| David IFS (MND-22-03395-SC, CLC vs. David et al.) | Mandaluyong City – MTC, Branch 96 | Unlawful Detainer | 1. This is case for unlawful detainer filed against informal settlers who are occupying parcels of land owned by CLC in Mandaluyong City.<br><br>2. Court dismissed the case for lack of merit.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Jaime Villaflor IFS (MND-22-03390-SC, CLC vs. Villaflor) | Mandaluyong City – MTC, Branch 97 | Unlawful Detainer | 1. This is case for unlawful detainer filed against informal settlers who are occupying parcels of land owned by CLC in Mandaluyong City.<br><br>2. Court dismissed the case for lack of merit.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Reyes IFS (MND-22-03392-SC, CLC vs. Reyes) | Mandaluyong City – MTC, Branch 101 | Unlawful Detainer | 1. This is case for unlawful detainer filed against informal settlers who are occupying parcels of land owned by CLC in Mandaluyong City.<br><br>2. Court dismissed the case for lack of merit.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Marasigan IFS (MND-22-03390-SC, CLC vs. Villaflor) | Mandaluyong City – MTC, Branch 101 | Unlawful Detainer | 1. This is case for unlawful detainer filed against informal settlers who are occupying parcels of land owned by CLC in Mandaluyong City.<br><br>2. Court dismissed the case for lack of merit.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Ricardo Villaflor IFS (MND-22-03389-SC, CLC vs. Ricardo Villaflor) | Mandaluyong City – MTC, Branch 96 | Unlawful Detainer | 1. This is case for unlawful detainer filed against informal settlers who are occupying parcels of land owned by CLC in Mandaluyong City.<br><br>2. Court dismissed the case for lack of merit.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Nicolas IFS (MND-22-03394-SC, CLC vs. Villaflor) | Mandaluyong City – MTC, Branch 97 | Unlawful Detainer | 1. This is case for unlawful detainer filed against informal settlers who are occupying parcels of land owned by CLC in Mandaluyong City.<br><br>2. Court granted the unlawful detainer case and ordered the illegal occupants therein to vacate the premises and pay CLC reasonable rent in the amount computed by the Court.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
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| Salome IFS (M-MND-22-03389-CV, CLC vs. Salome) | Mandaluyong City – MTC, Branch 96 | Unlawful Detainer | 1. This is case for unlawful detainer filed against informal settlers who are occupying parcels of land owned by CLC in Mandaluyong City.<br><br>2. Court dismissed the case for lack of merit.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Benjamin Villaflor et al. IFS (MND-22-03393-SC, CLC vs. Benjamin Villaflor et al.) | Mandaluyong City – MTC, Branch 59 | Unlawful Detainer | 1. This is case for unlawful detainer filed against informal settlers who are occupying parcels of land owned by CLC in Mandaluyong City.<br><br>2. Court dismissed the case for lack of merit.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Arch. Froilan Hoang vs. CLC | Court of Appeals | Refund | CLC filed Petition for Review. Arch. Froilan Hoang filed Comment. Awaiting decision of Court of Appeals.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Armin Esguerra vs. CLC | Court of Appeals | Refund, Cancellation of License to Sell, Damages | The complainant prays for the revocation of CLC's License to Sell on the Azure Urban Resort Residences project, refund of total payments made in the amount of ₱2,249,457.28 plus interest, award of ₱200,000 moral damages and ₱100,000 exemplary damages, and attorney's fees equivalent to 10% of the total monetary award, on the ground of delay in completion of her unit and forfeiture of her payments upon the cancellation of her account. CLC, in its defense, claims that the complainant reneged on her obligation to pay the balance. The arbiter decided in favor of the complainant and ordered the full refund of the payments made as prayed for, with 6% interest per annum, as well as the award of ₱50,000 moral damages, ₱50,000 exemplary damages, ₱50,000 attorney's fees and ₱20,357.65 representing costs of suit in the form of filing fees.<br><br>CLC appealed the decision of the arbiter to the BOC; however, the appeal was denied. The case is now pending with the Court of Appeals for review of the decisions of the arbiter and the BOC.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Baby Calope vs. CLC | Court of Appeals | Reinstatement of Account and Damages | The complainant prays for the reinstatement of the Reservation Agreement in relation to her purchased unit in Commonwealth by Century and ordering CLC to allow her to update her account, and an award of moral and exemplary damages and attorney's fees, on the ground that her account was unilaterally terminated without notice. On the contrary, CLC alleges that the complainant was able to receive a copy of the Notarial Notice of Cancellation, thus rendering the cancellation of her account in full effect. The arbiter dismissed the complaint for lack of merit, to which the complainant-buyer elevated on appeal with the Commission.<br><br>The complainant appealed the decision of the arbiter to the BOC; however, the appeal was denied. On Motion for Reconsideration, the BOC reversed its decision and resolved in favor of the complainant. The case is now pending with the Court of Appeals for review of the resolution of the BOC. |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| | | | This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Beatrix Alicia Arcega Pinar vs. CLC | Court of Appeals | Refund with Interest | The complainant prays for the full refund of her payments amounting to ₱1,267,996.48 with interest at legal rate, an award of actual damages of ₱80,000 representing unnecessary rental fees paid after September 2018, ₱50,000 attorney's fees, and exemplary damages of ₱100,000, on the ground of delay in delivery of the unit. In its defense, CLC alleges that the complainant was in fact delinquent in her payments, which led to the cancellation of her account, and is thus not entitled to a full refund. The arbiter found for the complainant-buyer and ordered the refund of ₱1,267,996.48 with legal interest computed from the filing of the case until fully paid, exemplary damages of ₱10,000, attorney's fees of ₱10,000, and costs of suit.<br><br>CLC appealed the decision of the arbiter to the BOC; however, the appeal was denied. The case is now pending with the Court of Appeals for review of the decisions of the arbiter and the BOC.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Bobby Libor vs. CLC | Court of Appeals | Refund | The complainant prays for the payment of the refund over the cancellation of his purchase of a condominium unit in Azure Urban Residences Resort that was received by his authorized representative, who allegedly did not remit said amount to him. CLC argues that HLURB, now DHSUD, has no jurisdiction to hear the complaint. The arbiter dismissed the complaint and ordered the complainant to accept the payment made by his authorized representative.<br><br>The complainant appealed the decision of the arbiter to the BOC; however, the appeal was denied. On Motion for Reconsideration, the BOC reversed its decision and resolved in favor of the complainant. The case is now pending with the Court of Appeals for review of the resolution of the BOC.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Sps. Charlton and Caroline Lim vs. CLC | Court of Appeals | Refund | The complainants pray for the refund of their payments amounting to ₱4,818,288.50 with legal interest, an award of ₱1,000,000 moral damages and attorney's fees equivalent to 25% of total claims due, as well as costs of suit, on the ground of engaging in real estate practices prior to the issuance of the License to Sell and delay in the completion and delivery of their unit. CLC alleges that it is compliant with the HLURB, now DHSUD, rules on selling real estate with the required license to sell. On the contrary, the complainants were in breach of the CTS by defaulting in their payments, resulting in the cancellation of their account.<br><br>CLC appealed the decision of the arbiter to the BOC; however, the appeal was denied. The case is now pending with the Court of Appeals for review of the decisions of the arbiter and the BOC.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Algainy P. Alug vs. CLC | Court of Appeals | Refund and Damages | The complainant prayed for the HLURB, now DHSUD, to (1) Revoke the Registration Certificate and License To Sell of the respondent; (2) Nullify the notarial cancellation and direct the rescission of the contract involving condominium unit 602; (3) Direct the respondent to pay the complainant |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| | | | the following: (3.1) ₱ 2,184,349.91 as refund or return of payments; (3.2) ₱240,278.48 by way of compensatory damages; and (3.3) ₱50,000.00 as Litigation expenses.<br><br>The case is now pending with the Court of Appeals for review of the decisions of the arbiter and the BOC.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Sps. Luisito and Cherry Cruz vs. CLC | HLURB (now DHSUD) | Refund and Damages | This is a Complaint for refund/reimbursement under PD 957 in view of the alleged delay in the turnover of the unit.<br><br>Answer filed on 10 December 2021. Awaiting for the Order of Mandatory Conference to be issued by the arbiter. CLC filed its Position Paper on 13 April 2022.The Complainants filed their Position Paper dated 25 April 2022. CLC filed its Appeal Memorandum dated 22 September 2022.<br><br>The case is now pending with the Court of Appeals for review of the decisions of the arbiter and the BOC.<br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| **DHSUD (previously HLURB)** | | | |
| Algainy P. Alug vs. CLC | HLURB (now DHSUD) | Reinstatement and Damages | This is a Complaint for reinstatement of possession of the unit under PD 957 in view of the alleged unfair real estate practices.<br><br>Position Paper filed in October 2023. Awaiting Arbiter's decision.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Kenneth Ian T. Moyes vs. CLC | HLURB-NCR (now DHSUD) | Refund | The complainant alleged bad faith on the part of CLC in the sale of a condominium unit in Acqua Private Residences, Iguazu Tower, and sought payment in the amount of ₱1,801,156.56, constituting the loan he has to pay to Banco de Oro from July 2018 to July 2019 without the unit being turned over to him. The complainant further claims that he made an overpayment amounting to ₱1,637,584.05, which must be returned to him. Finally, he prays for the replacement of the unit delivered to him with a unit of the same size and area located at the topmost floor of the building. CLC argues that the complainant is not entitled to the reliefs prayed for and that the case must be dismissed for failure to state cause of action.<br><br>The arbiter dismissed the complaint. The complainant filed an appeal with the BOC, which was granted in its Decision dated 25 July 2021. The BOC ordered CLC to refund the overpayment amounting to ₱552,900 with interest. CLC filed a Motion for Reconsideration which is now pending for resolution.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Reynelda Denolan vs. CLC | HLURB-NCR (now, DHSUD) | Refund with Damages | The complainant prayed that her total payment for purchasing a condominium unit at the Azure Urban Resort Residences amounting to ₱4,620,000 be refunded due to the fact that there was no effective cancellation of the CTS before the unit was sold to a third person. In its defense, CLC claims that the complainant is not entitled to a full refund as she voluntarily cancelled her account and refused to pay the remaining monthly amortization and turnover balance of the total contract price. CLC filed its Answer on 2 March 2020, and subsequently, its Position Paper on 9 September 2021. |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| | | | CLC appealed the decision of the arbiter to the Commission level for resolution.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Nadia Natalee Shuriah vs. CLC | HLURB-Region 3 (now, DHSUD) | Refund | On 18 July 2022, CLC received summons dated 13 July 2022 with attached Complaint. The complainant is a buyer of Unit 1733 of The Resort Residences at Azure North located at the North Luzon Expressway (NLEX) San Fernando, Pampanga (the Project). The buyer prayed for a refund of all the payments and monthly amortizations for the unit in the total sum of ₱1,411,797.18 and for the following damages/interest: (1) attorney's fees amounting to ₱300,000.00; (2) moral damages amounting to ₱200,000.00; (3) exemplary damages amounting to ₱100,000.00; (4) plus 6% annual legal interest.<br><br>This case is dismissed at Arbiter level. Complainant appealed the Arbiter's decision at Commission level. Decision is now pending at Commission level.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Philip Hipolito vs. CLC | HLURB-NCR (now, DHSUD) | Refund | Complainant prayed for full refund with damages under PD 957 for alleged delay in turnover (₱1,070,676.65).<br><br>CLC submitted its Position Paper. Decision is now pending at Arbiter level.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Megan Faye Enriquez Diputado, et.al. vs. CLC | HLURB-NCR (now, DHSUD) | Refund | Complainant prayed for full refund with damages under PD 957 for alleged delay in turnover (₱2,339,397.23).<br><br>CLC submitted its Appeal Memorandum at Commission level. Decision is now pending at Commission level.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Carmelo Cordero Cabatic, Jr., vs. CLC | HLURB-Region 3 (now, DHSUD) | Refund | Complainant prayed for full refund with damages under PD 957 for alleged delay in turnover (₱744,219.99).<br><br>CLC submitted its Position Paper. Decision is now pending at Arbiter level.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Alejandro Alfonso E. Navarro and Maria Amina O. Amado vs. CLC | HLURB-NCR (now, DHSUD) | Refund | Complainant prayed for full refund with damages under PD 957 for alleged false advertisements (₱8,614,564.13).<br><br>Both parties are under mediation.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Filipina Hequibal vs. CLC | HLURB-NCR (now, DHSUD) | Refund | Complainant prayed for full refund under basis of equity (₱265,000.00).<br><br>CLC submitted its Position Paper. Decision is now pending at Arbiter level. |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| | | | This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Victor Domingo vs. CLC | HLURB-Region 4-A (now, DHSUD) | Refund | Complainant prayed for full refund with damages under PD 957 for alleged delay in turnover (₱3,308,218.88).<br><br>CLC submitted its Appeal Memorandum at Commission level. Decision is now pending at Commission level.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Mia Angelie Goyenechea vs. CLC | HLURB-NCR (now, DHSUD) | Refund | Complainant prayed for full refund with damages under PD 957 for alleged delay in turnover (₱1,445,077.80 ).<br><br>CLC submitted its Appeal Memorandum at Commission level. Decision is now pending at Commission level.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |

## Century City Development Corporation

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| **Courts** | | | |
| CCDC vs. Joannie Lumacang | Makati City - RTC, Branch 148 | Reconveyance of Title | CCDC filed a case to compel the Registry of Deeds to re-issue the condominium certificate of title in the name of the developer, CCDC, after it had successfully evicted the buyer, Ms. Joannie Lumacang, from the unit. The court decided in favor of CCDC and will order the enforcement thereof after attaining finality.<br><br>For execution of reconveyance. Case already final with Entry of Judgment issued by the Court of Appeals (dismissing the Petition filed by Lumacang's counsel). The judge issued an order holding the motion for issuance of the Writ of Execution under abeyance pending compliance with the service of the decision to Lumacang. The sheriff reported the service of the decision to defendant's addresses on record which was received by the security guard and the receptionist in all instances. CCDC filed the motion to lift the judge's latest order considering the sheriff's service of the decision via substituted service.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Sps. Cheng vs. CCDC | Makati City – RTC, Branch 235 | Nullification, Rescission, Injunction and Damages | Cheng is the buyer of Unit 201 Gramercy Residences, partially paid through loan with UCPB. She defaulted in her payments and UCPB sent notice of buyback to CCDC. CCDC then sent the NNC and notice to vacate to Cheng.<br><br>Cheng seeks the nullification of the NNC and believes that CCDC has no right to cancel the CTS after the TCP is fully paid. In its defense, CCDC argues that the DOU compels CCDC to buy back the unit after the default in loan by borrower Cheng.<br><br>As counterclaim, CCDC seeks to compel Cheng to sign the Deed of Reconveyance as mandated under the CTS. The Notice of Lis Pendens was annotated on the CCT with Cheng as registered owner.<br><br>1. The next hearing on the case is set on 19 January 2024 at 8:30 a.m.<br>2. The case was turned over by Atty. Alex Mallillin to its new handling lawyer, Atty. Daren Liban. |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| | | | This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Baolong- Collection of Sum of Money (M-MKT-21-03718-CV, Balong Technology Industry Group Ltd., Inc. vs. CCDC II) | Makati City – RTC, Branch 57 | Collection of Sum of Money | 1. External counsel Divina Law is actively handling the case.<br>2. Eloisa Martin of CLC (formerly of CCDC) identified her Judicial Affidavits which we adopted as her direct testimony. In the course of her cross-examination, Ms. Martin was asked about the payment that Jasong Huang made and if such payment was made for the benefit of Baolong - to which she stated that Jason Huang, as far as she knows, paid for another entity. Counsel for Baolong asked if a contract was executed for that other entity and asked if the witness can produce a copy. At which point, we objected based on relevance and in any case such motion should have been made in writing. The Court sustained our objection and directed plaintiff to file a written motion should they intend to do so.<br><br>3. The continuation of the cross examination of the witness is set on 5 December 2023 at 8:30 a.m., depending on the resolution of the motion.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Baolong- Replevin (M-MKT-21-03292-CV, Baolong Technology Industry Group Ltd., Inc. vs. CCDC II, | RTC Makati Br.129 | Replevin | 1. External Counsel Divina Law DIVINALAW is actively handling the case.<br>2. Case is already resolved by virtue of the compromise agreement executed between Baolong and CLC. |
| Kondo vs. CCDC | Court of Appeals | Refund | On 22 January 2016, Hiroshi Kondo and CCDC entered into a CTS for the purchase of 13 units in Spire, particularly units SPI-1601, 1602, 1603, 1604, 1605, 1606, 1607, 1608, 1609, 1610, 1611, 1612, and 1614. CCDC cancelled the purchase due to non-payment of the turnover balance.<br><br>The case is now pending with the Court of Appeals for review of the decisions of the arbiter and the BOC.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| **DHSUD (previously HLURB)** | | | |
| Grace V. Trinidad and Jan Darell V. Trinidad through their Attorney-in-Fact Alma Regina V. Espinosa | HLURB-NCR (now, DHSUD) | Refund | The complainant is the buyer of Unit 1411 and a parking slot in Century Spire for the total price of ₱12,550,407, with turnover date of 7 June 2019. The complainant filed a complaint with the HSAC. Both parties filed their respective Position Papers. On 8 September 2022, CLC received the Order dated 23 August 2022 stating that both parties are willing to explore the possibility of amicable settlement.<br><br>Set for mediation.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Sps. Nelia Allado Chan and Chan Hock Guan vs. CCDC | HLURB-NCR (now, DHSUD) | Refund | On 6 December 2022, CLC received the Alias Summons dated 28 November 2022 with the attached Complaint and with an order for the former to file its Answer within twenty (20) days from receipt thereof. |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| | | | The complainants are buyers of SPI-0602. The complainants demanded ₱5, 865,504.80 plus legal interest at the rate of 12% per annum counted from February 2020, the date of the extrajudicial demand. CCDC, in its defense, stated that it is justified in relocating the complaints due to a provision in the executed CTS allowing CCDC to relocate the complainants in case of a change in the number of saleable units.<br><br>CCDC filed its Answer dated 27 December 2022. The case is set for Mandatory Conference to explore the possibility of amicable settlement.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |

## Century Communities Corporation

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| **Courts** | | | |
| Republic of the Philippines Represented By the DOTr vs. CCC and the Register of Deeds | Quezon City – RTC, Branch 98 | Expropriation | On 30 June 2023, we received another Formal Entry of Appearance dated 27 June 2023 filed by Atty. Romeo N. Juayno, Jr.<br><br>On 18 July 2023, we received a Motion to Admit Reply dated 10 July 2023 filed by Rogelio A. Mendoza.<br><br>On 25 July 2023, we received a Manifestation and Motion (to take judicial Notice of Complaint before RTC 76 Quezon City) dated 12 July 2023 filed by Atty. Juayno, Jr.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Republic of the Philippines Rep. by the Department of Transportation vs. The 1, 411 Awardees of the NWSA Employees Housing Project and the Register of Deeds | Quezon City – RTC, Branch 216 | Expropriation | On 15 June 2023, we received from the court an Omnibus Order dated 7 June 2023. The court resolved (i) that the Motion for Reconsideration of the 1,411 Awardees dated 19 September 2022 and the Motion for Partial Reconsideration of the Republic of the Philippines dated 27 September 2022 are denied, and the Order of substitution by Century of the 1,411 Awardees as defendant in this case as embodied in the Omnibus Order dated 12 September 2022 is maintained and (ii) a Special Order is issued granting Century's Motion for Execution Pending Appeal, and a writ of execution issue to enforce and implement the Order of the court dated 29 June 2022, as modified by the Order dated 16 September 2022, directing the Republic of the Philippines to deposit or consign with the Office of the Clerk of Court of RTC Quezon City, the sum of PhP4,495,568,000.00 representing the difference between the amount already paid and the just compensation as determined by the court.<br><br>On 21 June 2023, the court issued an Order giving due course and approving the Republic Record on Appeal.<br><br>On 10 July 2023, we received a Motion for Partial Reconsideration (Re: Omnibus Order dated 7 June 2023) filed by the plaintiff Republic of the Philippines.<br><br>On 25 July 2023, we received a Manifestation and Motion (To Take Judicial Notice of Complaint before RTC 76, Quezon City) filed by Atty. Romeo Juayno, Jr. |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| | | | This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| CCC vs. Hon Marilou D. Runes-Tamang | Court of Appeals | Petition for Certiorari | On 6 April 2022, the Court issued its Consolidated Decision granting our Petition. Thus, the assailed Resolutions of the trial court dated 28 July 2020 and 7 September 2020 declaring the sufficiency of the Republic's and the DOTr's provisional deposit were nullified and set aside.<br><br>We filed our Memorandum on 17 February 2023.<br><br>More importantly, the Court determined the subject properties as commercial valued at ₱47,000 per square meter. Accordingly, plaintiffs were directed to deposit the additional amount of ₱3,797,162,000 in favor of Century without prejudice to the subsequent determination of just compensation. |
| Nelson Babaran vs. The 1,411 Awardees Rep. by their Attorney-in-Fact Genaro C. Bautista and CCC | Malolos, Bulacan – RTC | Petition for Declaratory Relief seeking a judicial declaration affirming the validity of the Deed of Absolute Sale he executed with Genaro Bautista representing the Awardees. | On 12 December 2022, we have filed our Answer to the Petition. On 9 January 2023, we received Babaran's Reply with Answer to Compulsory Counterclaims.<br><br>The Motion for Reconsideration is now submitted for resolution.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| The 1,411 Awardees of the NWSA Employees Housing Project (NEHP) vs. Hon Eleuterio L. Bathan et.al | Court of Appeals | Petition for Certiorari pertaining to the Order dated September 28, 2020 granting Century's Motion to Release Provisional Deposit. | On 25 May 2022, the petitioner filed its Motion to Withdraw the Petition citing the agreement of the parties amicably resolving their respective claims.<br><br>In its Resolution dated 21 June 2022, the Court directed the petitioners' counsel, Atty. Gil Valera, to submit within ten (10) days the petitioners' written conformity to the filed Motion to Withdraw.<br><br>On 5 October 2022, Atty. Valera filed the petitioner's Retraction of Motion to Withdraw Petition. As such, the Court required the parties to file their respective Memoranda.<br><br>The Memorandum will be filed on 18 January 2023.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| The 1,411 Awardees of the NWSA Employees Housing Project (NEHP) vs. Hon Eleuterio L. Bathan et.al | Court of Appeals | Petition for Certiorari pertaining to the Order dated July 24, 2020 recognizing Genaro C. Bautista as the attorney-in-fact of the 1,411 awardees of the NWSA Employees Housing Project and the release of the provisional deposit to Genaro Bautista and Century Communities. | On 7 January 2021, the Court of Appeals issued its Resolution of even date dismissing the instant Petition for the petitioners' failure to pay docket fees within the prescribed period.<br><br>On 26 January 2021, the petitioners filed their Motion for Reconsideration. On 8 March 2021, we filed our Comment to the petitioners' Motion.<br><br>On 6 June 2022, the Court issued its Resolution of even date denying the petitioners' Motion for Reconsideration.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| 77 Awardees of the NWSA Employees Housing Project et al. vs. Hon Betlee Ian J. Barraquias, et al. | Court of Appeals | Petition for Certiorari assailing the Omnibus Order dated April 4, 2022 and the Order dated June 24, 2022 issued by Judge Barraquias in CIVIL CASE NO. R- QZN-19-17419-CV denying petitioners' participation and/or intervention therein. | On 9 January 2023, we received the Court's Resolution denying the petitioners' Application for Temporary Restraining Order and/or Writ of Preliminary Injunction. Furthermore, the petitioners were directed to correct the infirmities of their Petition.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| 1,411 Awardees vs. Hon. Marilou D. Runes-Tamang | Court of Appeals | Petition for Certiorari filed by the Tañada faction of the 1,411 Awardees to assail Judge Tamang's orders releasing the provisional deposit to Century. | The Court issued its Consolidated Decision dated 6 April 2022 denying the Petition.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| 1,411 Awardees vs. Hon. Marilou D. Runes-Tamang | Court of Appeals | Petition for Certiorari assailing Judge Tamang's Order dated February 26, 2021 ordering (i) the expropriation of the subject properties; (ii) the payment of just compensation in favor of Century; and (iii) the grant of an easement of right of way in favor of Century. | On 25 May 2022, the petitioners-Awardees filed their Motion to Withdraw citing the agreement of the parties amicably settling their dispute.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| Avelino T. Amores, et al. vs. Hon Aurora A. Hernandez – Calledo | Court of Appeals | Petition for Certiorari and Prohibition dated March 10, 2020 filed by the Tañada Faction of the 1,411 Awardees to question Judge Calledo's orders granting the Writ of Preliminary Mandatory Injunction in favor of Century, insofar as the possession of the 7 hectares and 2,000 sqm. lots are concerned. | The Court issued its Consolidated Decision dated 6 April 2022 dismissing the Petition.<br><br>On 18 May 2022, the petitioners filed their Motion for Partial Reconsideration. On 16 September 2022, we filed our Comment thereto.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |
| **DHSUD (previously HLURB)** | | | |
| Herminigilda Macalalad vs. CCC & CBKR – HLURB Reg. IV | HLURB-Calamba (now, DHSUD) | Delivery of Title and Damages | This is a complaint arising from CCC's alleged failure to deliver the title over the subject property.<br><br>An appeal is pending with the Office of the President. Title and ₱50,000 damages were released to complainant.<br><br>CCC received the Decision dated 6 June 2022. CCC filed a Motion for Reconsideration on the Assailed Decision. Waiting for the Resolution on this case.<br><br>This case has no material adverse effect on the Company's consolidated financial position and results of operations. |

## PHirst Park Homes Inc.

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| **Courts** | | | |
| Allan C. Ravelo vs PPHI | DARAB | Disturbance Compensation | Ravelo claimed to be a tenant-farmer in the portion of the land acquired for the GenTri project.<br><br>The DARAB Provincial Agrarian Reform Adjudicator ruled in favor of PPHI on the ground that Ravelo is not a farmer-tenant, and hence, not entitled to compensation.<br><br>Pending appeal by Ravelo before the Board filed in October 2022.<br><br>PPHI conducted due diligence and procured all the necessary permits, including from DAR, finding no tenant occupying the land.<br><br>Ravelo was unable to prove that he was an actual tenant-farmer. Thus, he is not entitled to disturbance compensation.<br><br>The DARAB-PARAD dismissed the case for lack of merit. Appeal to the DAR was likewise dismissed for lack of merit. Dismissal already attained finality. |
| Wilfredo Delos Santos, et. al | Malolos, Bulacan – RTC | Reconveyance | Delos Santos, et al. alleged that Fermin and Severina Santos, from whom PPHI acquired the property for the Pandi project, deprived them of their shares over the property. They asserted that the Deed of Donation was forged, and that the adverse claim that was annotated on the title of the property was not validly cancelled.<br><br>PPHI filed its Answer in December 2022. PPHI alleges that it is a buyer in good faith and an innocent purchaser for value. PPHI conducted legal and technical due diligence prior to acquisition which showed that the property was legally and physically owned by the sellers. PPHI could not have had knowledge of the facts that allegedly transpired within the family forty (40) years ago. Thus, the property cannot be reconveyed to Delos Santos, et al. Hence, the complainants' recourse is to go after the estate of the deceased sellers.<br><br>Pre-trial was conducted in 10 August 2023. Mediation was set on 31 August 2023 but no amicable settlement was reached. JDR is scheduled on 6 December 2023. |
| National Grid Corporation of the Philippines | Malolos, Bulacan – RTC | Expropriation (RTC-Malolos) | NGCP claimed that it needs to expropriate a portion of the Pandi project in order to construct and implement its Hermosa-San Jose 500kv Transmission Line Project which was certified as an energy project of national significance.<br><br>PPHI filed its Answer on 12 September 2022. The RTC issued a Writ of Possession on 30 September 2022 without considering PPHI's Answer.<br><br>PPHI filed an MR questioning the validity of the Writ. The RTC and NGCP have likewise not notified the affected homeowners, hence, the Writ cannot be validly enforced. The motion is still pending with the RTC.<br><br>On 29 December 2022, NGCP filed a Motion for Break Open/Demolition which PPHI opposed on |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| | | | 4 January 2023. The motion is also pending with the RTC.<br><br>The expropriation is invalid because NGCP failed to prove its authority to expropriate and the reasonable necessity to expropriate the properties. NGCP also failed to offer just compensation for the expropriation of the properties.<br><br>Meanwhile, the RTC should exercise judicial courtesy because of the pending Supreme Court ("SC") Petition for the issuance of TRO. |
| | | Petition for TRO (Supreme Court) | PPHI filed a Petition before the SC to enjoin the RTC and NGCP from proceeding with the expropriation case.<br><br>The SC is yet to act on the Petition.<br><br>This case questions the propriety of NGCP's act of expropriating the property given that they did not follow with the guidelines set forth under the ROW Act, i.e., there was no genuine necessity to expropriate PPHI's property.<br><br>On 6 July 2023, the SC issued a TRO against NGCP and the RTC-Malolos prohibiting them from proceeding with the expropriation case and demolishing PPHI Project/units, until further notice from the Court. |
| | | Petition for Certiorari (Court of Appeals) | PPHI filed a petition questioning the propriety of the dismissal by the RTC-Malolos of the Motion for reconsideration it filed in the expropriation case whereby the Court denied PPHI's motion and upheld the issuance of the writ of possession in favor of NGCP.<br><br>On 30 June 2023, PPHI received NGCP's Comment to the Petition. PPHI filed its reply thereto on 5 July 2023.<br><br>The Petition is currently pending resolution by the Court of Appeals. |
| | | Complaint for Indirect Contempt (RTC-Malolos) | PPHI filed this complaint against certain NGCP individuals who participated and facilitated the demolition of certain units in PPHI Pandi despite the lack of demolition permit and order from the expropriation court. The respondents filed their answer in July 2023. The court remanded the case to the expropriation court for consolidation with the expropriation case.<br><br>In September 2023, PPHI reminded the Court that the expropriation court proceedings is the subject of a TRO from the SC and thus, the hearing for the indirect contempt case will just be delayed if remanded to the expropriation court. The Court has yet to issue an order in response to PPHI's Manifestation and Motion. |

| CASE TITLE | COURT / AGENCY | NATURE | BACKGROUND OF THE CASE |
|---|---|---|---|
| Eduardo Dagumampan, Jr. vs. PHirst Park Homes Inc. | DHSUD | Refund | Complainant is a buyer of PPH-Tanza. When the unit was turned over to him in March 2023, there were punchlist items that were identified. Upon completion of the punchlist, he again complained of items which were no longer within the scope of deliverables of PPHI. Complainant filed this case seeking for refund and alleging that the unit turned over to him was not the one agreed upon.<br><br>PPHI filed its Answer in August 2023. It's position is that all of the agreed items in the executed CPA have already been delivered and/or rectified. Thus, complainant cannot allege beyond what was agreed upon in the contract. PPHI also filed its Position Paper in September 2023. Complainant, on the other hand, did not file his Position Paper.<br><br>The DHSUD has yet to issue its resolution on the matter. |

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

## MARKET INFORMATION

The shares of the Company consist solely of Common Shares, which are presently being traded in the PSE, Inc. The high, low and close prices for the shares of the Company for each quarter within the last four (4) fiscal years are as follows:

| (in ₱) | 2023 | | | 2022 | | | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Quarter | High | Low | Close | High | Low | Close | High | Low | Close | High | Low | Close |
| First quarter | 0.410 | 0.350 | 0.365 | 0.430 | 0.370 | 0.420 | 0.470 | 0.375 | 0.380 | 0.570 | 0.335 | 0.370 |
| Second quarter | 0.380 | 0.345 | 0.360 | 0.425 | 0.360 | 0.365 | 0.570 | 0.380 | 0.570 | 0.430 | 0.325 | 0.370 |
| Third quarter | 0.370 | 0.320 | 0.330 | 0.395 | 0.345 | 0.355 | 0.540 | 0.405 | 0.440 | 0.405 | 0.345 | 0.360 |
| Fourth quarter | | | | 0.385 | 0.330 | 0.385 | 0.470 | 0.380 | 0.400 | 0.495 | 0.355 | 0.450 |

The closing price of the Company's Common Shares of stock as of 29 November 2023 is ₱0.310 per share.

## STOCKHOLDERS

The number of shareholders of the Company's Common Shares of record as of 30 September 2023 is Four Hundred Ninety Six (496). The number of issued and outstanding Common Shares of the Company as of 30 September 2023 are Eleven Billion Six Hundred Ninety Nine Million Seven Hundred Twenty Three Thousand Six Hundred Ninety (11,699,723,690) with total paid-up capital of ₱6,200,853,553.

The top 20 stockholders of Common Shares as of 30 September 2023 are as follows:

| Name | Number of Shares Held | % to Total |
|---|---|---|
| CENTURY PROPERTIES, INC. | 6,311,104,949 | 53.942 |
| PCD NOMINEE CORPORATION (FILIPINO) | 4,966,471,895 | 42.449 |
| F. YAP SECURITIES, INC. | 169,183,755 | 1.446 |
| TRIVENTURES CONSTRUCTION & MANAGEMENT CORPORATION | 119,441,756 | 1.021 |
| PCD NOMINEE CORPORATION (NON-FILIPINO) | 113,138,179 | 0.967 |
| QIU NINI | 6,800,000 | 0.058 |
| ERNESTO B. LIM | 6,000,000 | 0.051 |
| PEDRO RIZALDY ALARCON | 1,000,000 | 0.009 |
| GOH WAY SIONG | 1,000,000 | 0.009 |
| ANTONIO A. INDUCTIVO | 723,959 | 0.006 |
| VICTOR S. CHIONGBIAN | 688,732 | 0.006 |
| RAFAEL JAY P. RAMORES | 510,596 | 0.004 |
| VICENTE GOQUIOLAY & CO., INC. | 395,288 | 0.003 |

| | | |
|---|---|---|
| MAGDALENO B. DELMAR, JR. | 361,458 | 0.003 |
| CRISANTO L. DAPIGRAN | 217,000 | 0.002 |
| REGINA CAPITAL DEV. CORP. 000351 | 200,000 | 0.002 |
| ALFRED REITERER | 200,000 | 0.002 |
| PACIFICO B. TACUB | 150,661 | 0.001 |
| ROMAN T. YAP | 144,794 | 0.001 |
| ANTONIO C. CUYOS | 139,223 | 0.001 |

Under Article 6 of the Company's Articles of Incorporation, all shareholders have been denied their pre-emptive right to subscribe, purchase or take any part of any stock of the Company.

**FOREIGN EQUITY HOLDERS**

As of 30 September 2023, the percentage of the total outstanding capital stock of the Company held by foreigners is 1.044%.

| Class of Shares | Total Outstanding Shares | Local Shares | Foreign Shares |
|---|---|---|---|
| Common Shares | 11,599,600,690 | 11,478,462,210 | 121,138,480 |
| Percentage Holdings | | 98.956% | 1.044% |

**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.

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 as provided in certain loan agreements.

Below is the summary of CPGI's dividend declaration for 2013 until 2023.

| **Cash Dividends** | | | | |
|---|---|---|---|---|
| **Fiscal Year** | **Total Amount of Dividends** | **Amount of dividends per share** | **Date of Declaration** | **Date of Payment** |
| 2012 | 184,436,193 | ₱0.019024 | 15 April 2013 | 16 May 2013 |
| 2013 | 184,471,576 | ₱0.0190 | 30 April 2014 | 5 June 2014 |
| 2014 | 201,158,909 | ₱0.0173418822 | 15 June 2015 | 16 July 2015 |
| 2015 | ₱205,022,943 | ₱0.0177 | 22 June 2016 | 20 July 2016 |
| 2016 | ₱205,065,834 | ₱0.0177 | 22 May 2017 | 19 June 2017 |
| 2017 | ₱199,999,999 | ₱0.0172 | 8 June 2018 | 6 July 2018 |
| 2018 | ₱137,919,252 | ₱0.01189 | 25 June 2019 | 23 July 2019 |
| 2019 | ₱147,847,020 | ₱0.0063 | 26 August 2020 | 18 September 2020 |
| | | ₱0.0063 | | 18 November 2020 |

| | | | | |
|---|---|---|---|---|
| 2020 | ₱114,923,406 | ₱0.0050 | 21 July 2021 | 18 August 2021 |
| | | ₱0.0050 | | 18 October 2021 |
| 2021 | 0 | 0 | - | - |
| 2022 | ₱140,475,907.9 | ₱0.006055 | 29 June 2023 | 11 August 2023 |
| | | ₱0.006055 | | 13 October 2023 |

Below is the summary of the Company's stock dividend declaration for Common Shareholders.

| **Stock Dividends** | | | | |
|---|---|---|---|---|
| **Fiscal Year** | **Total Number of Shares** | **Dividend Rate** | **Date of Declaration** | **Date of Payment** |
| 2013 | 1,999,999,993 | 20.661985% | 13 October 2014 | 14 November 2014 |

CPGI's net income for fiscal year 2015 was ₱1,530.6 Million, and it paid dividends of ₱205.0 Million to its stockholders in July of 2016. CPGI's net income for fiscal year 2016 was ₱727.1 Million, and it paid dividends of ₱205.1 Million to its stockholders in June of 2017. CPGI's net income for fiscal year 2017 was ₱650 Million, and it paid dividends of ₱200 Million to its stockholders in June of 2018. CPGI's net income for fiscal year 2018 was ₱1,118 Million, and it paid dividends of ₱138 Million to its stockholders in June of 2019. CPGI's net income for fiscal year 2019 was ₱1,479 Million, and it paid dividends of ₱148 Million to its stockholders in September and November of 2020. CPGI's net income for fiscal year 2020 was ₱1,149 Million, and it paid dividends of ₱115 Million to its stockholders in August and October of 2021. CPGI's net income for fiscal year 2022 was ₱1,404 Million, and it paid dividends of ₱140 Million to its stockholders in August and October of 2023.

The Subsidiaries do not have a stated dividend policy. CCDC declared dividends to CPGI of ₱100 Million in 2017 and ₱201 Million in 2018. CLC declared dividends to CPGI of ₱300 Million in 2015 and ₱300 Million in 2016, ₱700 Million in 2017, ₱700 Million in 2018, ₱850 Million in 2019 and ₱350 Million in 2020 and ₱400 Million in 2022. CCDC II declared dividends to CPGI of ₱140 Million in 2020 and ₱50 Million in 2022. CPMI declared dividends to CPGI of ₱49 Million in 2021 and ₱35 Million in 2022 . PPHI declared dividends to CPGI of ₱80.62 Million in 2021, ₱155.61 Million in 2022 and ₱1,238.91 Million in January to September 2023. Each subsidiary ensures that on aggregate, the Subsidiaries adhere to CPGI's dividend policy of distributing at least 10% of CPGI's prior year's net income.

## RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES, INCLUDING RECENT ISSUANCE OF SECURITIES CONSTITUTING AN EXEMPT TRANSACTION

Short-Term Master Promissory Notes

On 5 June 2023, the Company entered into a Master Trust and Agency Agreement with PNB Trust for the Issuance of Short-Term Master Promissory Note ("**MPN**").

On 7 July 2023, the Company issued a six-month Short-Term Series A MPN due 3 January 2024 amounting to P86 million at a fixed rate of 6.7181% per annum. The proceeds of the Short-Term MPN were utilized for the Company's working capital and/or general corporate purposes.

On 9 August 2023, the Company issued a six-month Short-Term Series B MPN due 5 February 2024 amounting to P144 million at a fixed rate of 6.0731% per annum. The proceeds of the Short-Term MPN were utilized for the Company's working capital and/or general corporate purposes.

On 13 September 2023, the Company issued a six-month Short-Term Series C MPN due 11 March 2024 amounting to P49 million at a fixed rate of 6.7807% per annum. The proceeds of the Short-Term MPN were utilized for the Company's working capital and/or general corporate purposes.

On 13 September 2023, the Company issued a six-month Short-Term Series D MPN due 7 September 2024 amounting to P63 million at a fixed rate of 7.1457% per annum. The proceeds of the Short-Term MPN were utilized for the Company's working capital and/or general corporate purposes.

The issuances of the MPN were made on the basis of Section 10.1(l) of the Securities Regulation Code ("**SRC**") or on the basis of the qualified buyer exemption, which is a transaction exempt from the securities registration requirement. Accordingly, all the lenders or the beneficial owners of the MPN are qualified buyers as such term is defined in the SRC and its implementing regulations (as amended by SEC Memorandum Circular No. 6, series of 2021) ("**SRC Rules**").

The CP IS form was submitted for each series as a notice of exemption from the registration requirement prior to the issuance of the MPN, pursuant to Rule 10.1.6.1 of the SRC Rules.

## SELECTED FINANCIAL INFORMATION

The selected financial information set forth in the following tables has been derived from the Company's unaudited interim condensed consolidated financial statements as of and for the nine (9) months ending 30 September 2023 and 2022 and its audited consolidated financial statements as of and for the years ending 31 December 2022, 2021 and 2020. This should be read in conjunction with the unaudited interim condensed consolidated financial statements and audited consolidated financial statements annexed to this Prospectus, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included herein.

The Company's unaudited interim condensed consolidated financial statements were prepared in compliance with PAS 34, "Interim Financial Reporting", as modified by the application of the financial reporting reliefs issued and approved by the SEC, and were reviewed by SGV & Co., in accordance with PSRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The Company's audited consolidated financial statements were prepared in accordance with the PFRS and were audited by SGV & Co., in accordance with PSA.

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|---|
| | **2023** | **2022** | **2022** | **2021** | **2020** | **2019** |
| **Revenue** | | | | | | |
| Real estate sales | 8,231 | 7,371 | 9,232 | 7,664 | 9,483 | 12,685 |
| Leasing revenue | 1,047 | 963 | 1,363 | 1,200 | 795 | 713 |
| Property management fee and other services | 345 | 303 | 423 | 400 | 390 | 412 |
| Hotel Revenue | 32 | - | - | - | - | - |
| Interest income from real estate sales | 40 | 111 | 109 | 180 | 168 | 504 |
| **Total Revenue** | **9,695** | **8,748** | **11,127** | **9,444** | **10,836** | **14,314** |
| | | | | | | |
| **Cost** | | | | | | |
| Cost of real estate sales | 4,756 | 4,662 | 5,608 | 4,808 | 6,083 | 8,460 |
| Cost of leasing | 326 | 278 | 441 | 352 | 227 | 217 |
| Cost of Hotel Services | 31 | - | - | - | - | - |
| Cost of services | 192 | 196 | 268 | 273 | 286 | 295 |
| **Total Costs** | **5,305** | **5,136** | **6,317** | **5,433** | **6,596** | **8,972** |
| | | | | | | |
| **Gross Profit** | **4,390** | **3,612** | **4,810** | **4,011** | **4,240** | **5,342** |
| | | | | | | |
| **General, administrative and selling expenses** | **2,396** | **2,017** | **2,771** | **2,693** | **2,864** | **3,235** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Other Income (Expenses)** | | | | | | |
| Interest and other income | 629 | 347 | 470 | 398 | 568 | 573 |
| Gain on change in fair value of investment properties | (7) | 22 | 28 | 226 | 559 | 261 |
| Gain (loss) on change in fair value of derivative asset | - | - | - | - | - | (76) |
| Share in net earnings of JVs and associate | 2 | 4 | 4 | 9 | 7 | 11 |
| Interest and other financing charges | (970) | (672) | (918) | (895) | (948) | (937) |
| Unrealized foreign exchange loss (gain) | - | - | 1 | 3 | 2 | (117) |
| **Total Other Income (Expenses)** | **(346)** | **(299)** | **(415)** | **(259)** | **188** | **(285)** |
| | | | | | | |
| **Income Before Tax** | **1,648** | **1,296** | **1,624** | **1,059** | **1,564** | **2,056** |
| | | | | | | |
| **Provision for Income Tax** | **344** | **150** | **219** | **(210)** | **415** | **577** |
| | | | | | | |
| **Net Income** | **1,304** | **1,146** | **1,405** | **1,269** | **1,149** | **1,479** |
| | | | | | | |
| **Other Comprehensive Income** | | | | | | |
| Net change in fair value of equity instruments at fair value through OCI | 0 | 0 | 0 | 0 | (1) | 0 |
| Remeasurement (Loss) Gain on Defined Benefit Plan | 0 | (5) | 64 | 76 | (37) | (15) |
| **Total Comprehensive Income** | **1,304** | **1,141** | **1,469** | **1,345** | **1,111** | **1,464** |

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| **ASSETS** | | | | | |
| **Current Assets** | | | | | |
| Cash and cash equivalents | 3,832 | 4,131 | 3,693 | 2,474 | 4,005 |
| Short-term investments | 18 | 37 | 1,033 | 285 | - |
| Receivables | 10,383 | 9,845 | 9,295 | 11,491 | 10,967 |
| Real estate inventories | 16,659 | 17,724 | 16,143 | 14,651 | 15,558 |
| Due from related parties | 1,724 | 975 | 527 | 464 | 420 |
| Advances to suppliers and contractors | 1,101 | 1,750 | 2,427 | 2,428 | 2,007 |
| Investment in bonds | - | - | - | 464 | - |
| Prepayments and other current assets | 2,002 | 1,642 | 1,895 | 1,810 | 1,409 |
| **Total Current Assets** | **35,719** | **36,104** | **35,013** | **34,067** | **34,366** |
| | | | | | |
| **Noncurrent Assets** | | | | | |
| Real estate receivables – net of current portion | 1,063 | 109 | 366 | 125 | 1,138 |
| Investment in bonds | - | - | - | - | 464 |
| Investment in and advances to JV | 277 | 275 | 275 | 265 | 259 |
| Deposits for purchased land | 1,112 | 1,410 | 1,359 | 1,354 | 1,079 |
| Investment properties | 12,388 | 12,395 | 13,995 | 13,628 | 12,933 |
| Property and equipment | 2,480 | 2,484 | 1,816 | 1,784 | 1,648 |
| Deferred tax assets – net | 44 | 34 | 27 | 86 | 42 |
| Other noncurrent assets | 1,174 | 1,120 | 1,657 | 1,700 | 1,513 |
| **Total Noncurrent Assets** | **18,538** | **17,827** | **19,494** | **18,942** | **19,076** |
| | | | | | |
| **TOTAL ASSETS** | **54,257** | **53,931** | **54,507** | **53,009** | **53,442** |
| | | | | | |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current Liabilities** | | | | | |
| Accounts and other payables | 5,627 | 4,995 | 5,251 | 5,592 | 5,703 |
| Contract liabilities | 3,282 | 2,769 | 3,049 | 1,458 | 1,784 |
| Short-term debt | 579 | 235 | 468 | 812 | 1,453 |
| Current portion of long-term debt | 3,980 | 2,192 | 5,468 | 5,447 | 5,462 |
| Current portion of bonds payable | 2,993 | - | 2,992 | 119 | 1,393 |
| Current portion of liability for purchased land | 67 | 67 | 67 | 67 | 67 |
| Current portion of lease liability | 14 | 16 | 26 | 5 | 22 |
| Due to related parties | 390 | 358 | 317 | 270 | 171 |
| Income tax payable | 205 | 69 | 70 | 62 | 9 |
| Other current liabilities | 76 | 68 | 109 | 352 | 35 |
| **Total Current Liabilities** | **17,213** | **10,769** | **17,817** | **14,184** | **16,099** |
| | | | | | |
| **Noncurrent Liabilities** | | | | | |
| Long-term debt – net of current portion | 5,270 | 8,814 | 6,371 | 9,409 | 9,881 |
| Bonds payable – net of current portion | 5,874 | 5,917 | 2,955 | 2,966 | 3,060 |

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Liability for purchased land – net of current portion | 0 | 64 | 141 | 208 | 268 |
| Lease liability – net of current portion | 9 | 12 | 32 | - | 40 |
| Pension liabilities | 252 | 231 | 280 | 373 | 307 |
| Deposit for future stock subscription | - | - | - | - | 42 |
| Deferred tax liabilities – net | 2,557 | 2,542 | 2,648 | 2,952 | 2,708 |
| Other noncurrent liabilities | 1,726 | 1,790 | 1,913 | 1,786 | 1,421 |
| **Total Noncurrent Liabilities** | **15,688** | **19,370** | **14,340** | **17,694** | **17,727** |
| | | | | | |
| **Total Liabilities** | **32,901** | **30,139** | **32,157** | **31,878** | **33,826** |
| | | | | | |
| **Equity** | | | | | |
| Capital stock | | | | | |
| Common Stock | 6,201 | 6,201 | 6,201 | 6,201 | 6,201 |
| Preferred Stock | 16 | 16 | 16 | 16 | - |
| Additional paid-in capital | 5,525 | 5,525 | 5,525 | 5,525 | 2,640 |
| Treasury shares | (3,110) | (110) | (110) | (110) | (110) |
| Other components of equity | (683) | (683) | (683) | (683) | 99 |
| Retained earnings | 11,120 | 10,514 | 9,814 | 9,029 | 8,734 |
| Remeasurement Loss on Defined Benefit Plan | 18 | 17 | (43) | (118) | (81) |
| **Total equity attributable to Parent Company** | **19,087** | **21,480** | **20,720** | **19,859** | **17,483** |
| **Non-controlling interests** | **2,269** | **2,312** | **1,630** | **1,272** | **2,133** |
| **Total Equity** | **21,356** | **23,792** | **22,350** | **21,131** | **19,616** |
| | | | | | |
| **TOTAL LIABILITIES AND EQUITY** | **54,257** | **53,931** | **54,507** | **53,009** | **53,442** |

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Income before income tax | 1,648 | 1,624 | 1,059 | 1,565 | 2,056 |
| Adjustments for: | | | | | |
| Interest and other financing charges | 970 | 918 | 895 | 948 | 937 |
| Loss (gain) from change in fair value of derivative | - | - | - | - | 76 |
| Depreciation and amortization | 89 | 56 | 68 | 59 | 58 |
| Retirement expense | 21 | 47 | 50 | 54 | 41 |
| Loss on pre-termination of derivative | - | - | - | - | 40 |
| Gain from pre-termination of lease contracts | - | - | - | (6) | - |
| Impairment of investment in associate | - | - | - | - | - |
| Interest income | (158) | (163) | (220) | (263) | (616) |
| Gain from change in fair value of investment properties | 7 | (28) | (225) | (559) | (261) |
| Foreign exchange loss (gain) | - | - | - | - | (116) |
| Impairment on investment in joint venture | - | 3 | | | |
| Share in net earnings of joint ventures and associate | (2) | (4) | (9) | (7) | (11) |
| Loss (gain) on sale of investment property | - | 1 | 34 | 13 | (4) |
| **Operating income before working capital changes** | **2,575** | **2,454** | **1,651** | **1,804** | **2,199** |
| Decrease (increase) in: | | | | | |
| Receivables | (1,451) | (184) | 2,135 | 489 | (1,336) |
| Real estate inventories | 1,483 | 127 | (1,317) | 1,455 | 2,735 |
| Advances to suppliers and contractors | 26 | 677 | 1 | (421) | 230 |
| Other assets | (313) | 306 | (27) | (650) | (423) |
| Increase (decrease) in: | | | | | |
| Accounts and other payables | 608 | (256) | (8) | (488) | 759 |
| Contract liabilities | 513 | (280) | 1,591 | (326) | (510) |
| Liability from purchased land intended for development | (63) | (77) | (67) | (60) | (33) |
| Other liabilities | (140) | (80) | (117) | 590 | 418 |
| **Cash generated by (used in) operations** | **3,237** | **2,686** | **3,841** | **2,392** | **4,038** |
| Interest received | 118 | 53 | 40 | 263 | 616 |
| Interest and other financing costs paid | (960) | (1,018) | (1,150) | (1,273) | (1,944) |
| Income taxes paid | (300) | (288) | (63) | (137) | (363) |
| Retirement benefits paid | - | (15) | (31) | (43) | (6) |
| **Net cash provided by (used in) operating activities** | **2,094** | **1,418** | **2,637** | **1,203** | **2,341** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Proceeds from: | | | | | |
| Refund of deposits for purchased land | - | - | - | - | 182 |
| Sale of investment properties | - | 31 | 93 | 29 | 157 |
| Marginal deposits | - | - | - | - | 32 |
| Refund of rental deposits | - | - | - | 20 | 7 |
| Sale of property and equipment | - | - | 12 | - | - |
| Maturity of short-term investments | 19 | 996 | 464 | - | - |
| Payments for: | | | | | |
| Additions to investment properties | - | (13) | (269) | (113) | (1,251) |

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|
| | **2023** | **2022** | **2021** | **2020** | **2019** |
| Additions to short-term investments | - | - | (747) | (285) | - |
| Additions to investment in bonds | - | - | - | - | (464) |
| Additions to property and equipment | (81) | (160) | (29) | (223) | (355) |
| Deposits for purchased land | - | (81) | (5) | (275) | (238) |
| Intangible assets | (7) | - | (22) | (5) | (2) |
| Marginal deposits | - | - | - | - | - |
| Acquisition of non-controlling interest | - | - | - | (1,900) | - |
| Collections from (advances to) related parties | (126) | (443) | (63) | (45) | (25) |
| **Net cash used in investing activities** | **(195)** | **329** | **(566)** | **(2,798)** | **(1,957)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Proceeds from: | | | | | |
| Short-term and long-term debt | 1,476 | 6,776 | 3,365 | 6,100 | 12,464 |
| Issuance of preferred stock | - | - | - | 2,911 | - |
| Deposits for preferred shares | 1 | (30) | - | 56 | 412 |
| Issuance of bonds payable | 3,000 | 3,000 | 3,000 | - | 3,000 |
| Additional investment from non-controlling interest | - | 320 | 200 | - | 827 |
| Deposits for future stock subscription | - | - | - | - | 42 |
| Receipts of advances from related parties | 32 | 41 | 47 | 126 | 72 |
| Payments for: | | | | | |
| Short-term and long-term debt | (2,898) | (7,869) | (6,751) | (7,225) | (14,807) |
| Deferred financing cost | (82) | (117) | (83) | (86) | (150) |
| Cash dividends | (216) | (202) | (327) | (297) | (126) |
| Dividends paid to non-controlling interest | (500) | (200) | (160) | (96) | - |
| Lease liabilities | (11) | (29) | (24) | (17) | (11) |
| Deposits for preferred shares | - | - | - | - | - |
| Bonds payable | - | (3,000) | (119) | (1,394) | - |
| Redemption of preferred shares | (3,000) | | | | |
| Bond issuance cost | - | - | - | (14) | - |
| Stock issuance cost | - | - | - | - | (52) |
| **Net cash provided by financing activities** | **(2,198)** | **(1,310)** | **(852)** | **64** | **1,670** |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | (299) | 438 | 1,220 | (1,531) | 2,055 |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** | 4,131 | 3,693 | 2,474 | 4,005 | 1,950 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | **3,832** | **4,131** | **3,693** | **2,474** | **4,005** |

## SEGMENT REVENUE AND NIAT

| **Nine (9)-Months ended 30 September 2023** | **CLC** | **CCC** | **CPMI** | **CCDC** | **CDLC** | **PPHI** | **CPC** | **CPGI & Eliminating Entries** | **CPGI Consolidated** |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | 3,692 | 0 | 345 | 1,283 | 0 | 4,394 | 0 | (20) | 9,695 |
| Net Income | 550 | (8) | 67 | 251 | 0 | 1,096 | (42) | (610) | 1,304 |

| **Nine (9)-Months ended 30** | **CLC** | **CCC** | **CPMI** | **CCDC** | **CDLC** | **PPHI** | **CPC** | **CPGI & Eliminating Entries** | **CPGI Consolidated** |
|---|---|---|---|---|---|---|---|---|---|

| September 2022 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | 2,747 | - | 303 | 1,930 | - | 3,805 | - | (36) | 8,748 |
| Net Income | 815 | (8) | 45 | 485 | - | 683 | (11) | (861) | 1,146 |

| FY 2022 | CLC | CCC | CPMI | CCDC | CDLC | PPHI | CPC | CPGI & Eliminating Entries | CPGI Consolidated |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | 3,147 | 0 | 423 | 2,438 | 0 | 5,160 | 0 | (43) | 11,126 |
| Net Income | 738 | (7) | 49 | 655 | 0 | 1,078 | (24) | (1,084) | 1,405 |

| FY 2021 | CLC | CCC | CPMI | CCDC | CDLC | PPHI | CPC | CPGI & Eliminating Entries | CPGI Consolidated |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | 3,810 | - | 400 | 2,166 | - | 3,068 | - | - | 9,444 |
| Net Income | 904 | (6) | 27 | 869 | - | 463 | - | (987) | 1,269 |

| FY 2020 | CLC | CCC | CPMI | CCDC | CDLC | PPHI | CPC | CPGI & Eliminating Entries | CPGI Consolidated |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | 5,754 | 651 | 390 | 2,447 | - | 1,606 | - | (12) | 10,836 |
| Net Income | 786 | 42 | 11 | 711 | - | 223 | - | (623) | 1,149 |

| FY 2019 | CLC | CCC | CPMI | CCDC | CDLC | PPHI | CPC | CPGI & Eliminating Entries | CPGI Consolidated |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | 8,666 | 14 | 412 | 4,739 | - | 844 | - | (361) | 14,314 |
| Net Income | 1,477 | 2 | 13 | 337 | (3) | 37 | - | (384) | 1,479 |

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

## FINANCIAL RATIOS

Please refer to the section entitled "Selected Financial Information" located on page 190 of this Prospectus for further details.

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 | 2020 | 2019 |
| Net income attributable to the equity holders of the parent company | 847 | 777 | 901 | 950 | 796 | 1,282 |
| Dividends declared to preferred shares | 101 | 151 | 202 | 50 | 353 | - |
| | 747 | 626 | 700 | 900 | 443 | 1,282 |
| Weighted average number of shares | 11,600 | 11,600 | 11,600 | 11,600 | 11,600 | 11,600 |
| **EPS, basic / diluted (₱)** | **0.064** | **0.054** | **0.060** | **0.078** | **0.038** | **0.110** |
| | | | | | | |
| Gross Profit Margin | | | | | | |
| Revenue | 9,695 | 8,748 | 11,126 | 9,444 | 10,836 | 14,314 |
| Gross Profit | 4,390 | 3,612 | 4,809 | 4,011 | 4,240 | 5,342 |
| **Gross Profit Margin (%)** | **45.3%** | **41.3%** | **43.2%** | **42.5%** | **39.1%** | **37.3%** |
| | | | | | | |

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 | 2020 | 2019 |
| NIAT Margin | | | | | | |
| Net income | 1,304 | 1,146 | 1,405 | 1,269 | 1,149 | 1,479 |
| Revenue | 9,695 | 8,748 | 11,126 | 9,444 | 10,836 | 14,314 |
| **NIAT Margin (%)** | **13.5%** | **13.1%** | **12.6%** | **13.4%** | **10.6%** | **10.3%** |
| | | | | | | |
| Return on Asset (ROA) | | | | | | |
| Total annualized net income after tax | 1,739 | 1,528 | 1,405 | 1,269 | 1,149 | 1,479 |
| Total asset current year | 54,257 | 53,629 | 53,931 | 54,507 | 53,009 | 53,442 |
| Total asset as of beginning of period | 53,931 | 54,507 | 54,507 | 53,009 | 53,442 | 49,366 |
| Average total asset | 54,094 | 54,068 | 54,219 | 53,758 | 53,225 | 51,404 |
| **ROA (%)** | **3.2%** | **2.8%** | **2.6%** | **2.4%** | **2.2%** | **2.9%** |
| | | | | | | |
| Return on Equity (ROE) | | | | | | |
| Total annualized net income after tax | 1,739 | 1,528 | 1,405 | 1,269 | 1,149 | 1,479 |
| Total equity current year | 21,356 | 23,460 | 23,792 | 22,350 | 21,131 | 19,616 |
| Total equity prior year | 23,792 | 22,350 | 22,350 | 21,131 | 19,616 | 17,463 |
| Average total equity | 22,574 | 22,905 | 23,071 | 21,740 | 20,373 | 18,539 |
| **ROE (%)** | **7.7%** | **6.7%** | **6.1%** | **5.8%** | **5.6%** | **8.0%** |
| | | | | | | |
| Interest coverage ratio | | | | | | |
| Total net income after tax | 1,304 | 1,146 | 1,405 | 1,269 | 1,149 | 1,479 |
| Add: Provision for income tax | 344 | 150 | 219 | (210) | 415 | 577 |
| Add: Interest expense | 890 | 581 | 796 | 795 | 784 | 748 |
| EBIT | 2,538 | 1,877 | 2,420 | 1,855 | 2,349 | 2,804 |
| Interest expense | 890 | 581 | 796 | 795 | 784 | 748 |
| **Interest coverage ratio (x)** | **2.85** | **3.23** | **3.04** | **2.33** | **3.00** | **3.75** |
| | | | | | | |
| Debt service coverage ratio | | | | | | |
| Total debt service excluding sale of receivables with recourse and refinancing | 3,590 | 4,853 | 6,230 | 4,538 | 4,538 | 3,367 |
| Add: Cash and cash equivalents | 3,842 | 3,328 | 4,131 | 3,693 | 2,474 | 4,005 |
| Cash Before Debt Service | 7,432 | 8,180 | 10,361 | 8,231 | 7,012 | 7,372 |
| Divide: Debt service | 3,590 | 4,853 | 6,230 | 4,538 | 4,538 | 3,367 |
| **Debt service coverage ratio (x)** | **2.07** | **1.69** | **1.66** | **1.81** | **1.55** | **2.19** |
| | | | | | | |
| Current ratio | | | | | | |
| Current Assets | 35,720 | 33,951 | 36,104 | 35,013 | 34,067 | 34,366 |
| Current Liabilities | 17,213 | 11,435 | 10,769 | 17,817 | 14,183 | 16,099 |
| **Current ratio (x)** | **2.1** | **3.0** | **3.4** | **2.0** | **2.4** | **2.1** |
| | | | | | | |
| Quick Ratio | | | | | | |
| Current Assets | 35,720 | 33,951 | 36,104 | 35,013 | 34,067 | 34,366 |
| Inventory | 16,659 | 15,519 | 17,723 | 16,143 | 14,651 | 15,558 |
| Quick Assets | 19,061 | 18,432 | 18,380 | 18,870 | 19,416 | 18,807 |
| Current Liabilities | 17,213 | 11,435 | 10,769 | 17,817 | 14,184 | 16,099 |
| **Quick Ratio (x)** | **1.1** | **1.6** | **1.7** | **1.1** | **1.4** | **1.2** |
| | | | | | | |
| Debt to equity ratio | | | | | | |
| Short-term debt | 579 | 304 | 235 | 468 | 812 | 1,453 |
| Current portion of long-term debt | 3,980 | 2,600 | 2,192 | 5,468 | 5,447 | 5,462 |
| Current portion of bonds payable | 3,000 | 0 | 0 | 2,992 | 119 | 1,393 |
| Long-term debt – net of current Portion | 5,270 | 8,070 | 8,814 | 6,371 | 9,409 | 9,881 |
| Bonds payable – net of current | 5,867 | 5,909 | 5,917 | 2,955 | 2,966 | 3,060 |
| Debt | 18,695 | 16,883 | 17,159 | 18,254 | 18,753 | 21,248 |
| Equity | 21,356 | 23,460 | 23,792 | 22,350 | 21,131 | 19,616 |

| In Million Pesos (₱) | For the nine (9) months ended 30 September (Unaudited) | | For the years ended 31 December (Audited) | | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 | 2020 | 2019 |
| **Debt to equity ratio (x)** | **0.9** | **0.7** | **0.7** | **0.8** | **0.9** | **1.1** |
| | | | | | | |
| Net debt to equity ratio | | | | | | |
| Debt | 18,695 | 16,883 | 17,159 | 18,254 | 18,753 | 21,248 |
| Less: Cash and cash equivalents | 3,832 | 3,328 | 4,131 | 3,693 | 2,474 | 4,005 |
| Net Debt | 14,864 | 13,556 | 13,028 | 14,561 | 16,279 | 17,243 |
| Total Equity | 21,356 | 23,460 | 23,792 | 22,351 | 21,131 | 19,616 |
| **Net debt to equity ratio (x)** | **0.7** | **0.6** | **0.5** | **0.7** | **0.8** | **0.9** |
| | | | | | | |
| EBITDA | | | | | | |
| Net income after tax | 1,304 | 1,146 | 1,405 | 1,269 | 1,149 | 1,479 |
| Provision for income tax | 344 | 150 | 219 | (210) | 415 | 577 |
| Income before Income Tax | 1,648 | 1,296 | 1,624 | 1,059 | 1,564 | 2,056 |
| Interest expense | 890 | 581 | 796 | 795 | 784 | 748 |
| Depreciation and amortization | 89 | 46 | 56 | 68 | 59 | 58 |
| **EBITDA** | **2,627** | **1,923** | **2,476** | **1,922** | **2,408** | **2,861** |
| | | | | | | |
| Debt | | | | | | |
| Debt | 18,695 | 16,883 | 17,159 | 18,254 | 18,753 | 21,248 |
| EBITDA (Annualized for Interim) | 3,502 | 2,564 | 2,476 | 1,922 | 2,408 | 2,861 |
| **Debt-to-EBITDA (x)** | **5.3** | **6.6** | **6.9** | **9.5** | **7.8** | **7.4** |
| | | | | | | |
| Net Debt | 14,864 | 13,556 | 13,028 | 14,561 | 16,279 | 17,243 |
| EBITDA (Annualized for Interim) | 3,502 | 2,564 | 2,476 | 1,922 | 2,408 | 2,861 |
| **Net Debt-to-EBITDA** | **4.2** | **5.3** | **5.3** | **7.6** | **6.8** | **6.0** |
| | | | | | | |
| Asset to equity ratio | | | | | | |
| Total Assets | 54,257 | 53,629 | 53,931 | 54,507 | 53,009 | 53,442 |
| Total Equity | 21,356 | 23,460 | 23,792 | 22,350 | 21,131 | 19,616 |
| **Asset to equity ratio (x)** | **2.5** | **2.3** | **2.3** | **2.4** | **2.5** | **2.7** |
| | | | | | | |
| Total Liabilities / Total Equity | | | | | | |
| Total Liabilities | 32,901 | 30,169 | 30,139 | 32,156 | 31,878 | 33,826 |
| Total Equity | 21,356 | 23,460 | 23,792 | 22,350 | 21,131 | 19,616 |
| **Total Liabilities / Total Equity** | **1.5** | **1.3** | **1.3** | **1.4** | **1.5** | **1.7** |

Notes:

a) These financial ratios are not required by and are not a measure of performance under PFRS. Investors should not consider these financial ratios in isolation or as an alternative to net income as an indicator of the Group's operating performance or to cash flow from operating, investing and financing activities as a measure of liquidity, or any other measures of performance under PFRS. Because there are various calculation methods for these financial ratios, the Group's presentation of these measures may not be comparable to similarly titled measures used by other companies.

b) Gross Profit is the Group's Core Revenue (Real estate sales, Leasing revenue, Property management fee and other services, Interest income from accretion) less its Direct Costs (Cost of real estate sales, Cost of Leasing, Cost of services). Gross Profit Margin is computed by dividing the Group's Gross Profit by its Core Revenue.

c) NIAT Margin is computed by dividing Net income attributable to the owners of the parent company by its Core Revenue.

d) Return on assets is calculated by dividing net income (net income for the nine (9)-month period ended September 30 divided by three multiplied by four) for the period by average total assets (beginning plus end of the period divided by two).

e) Return on equity is calculated by dividing net income (net income for the nine (9)-month period ended September 30 divided by three multiplied by four) for the period by average total equity (beginning plus end of the period divided by two).

f) Interest coverage ratio is equal to EBIT divided by interest expenses.

g) Debt service coverage ratio is equal to the sum of the Company's total debt service for period and cash and cash equivalents divided by the total debt service. Debt service means debt principal amortizations, interest payments, financing fees and charges during such period, with the exclusion of payments made for the period pertaining to refinancing activities and rediscounting of receivables transactions sold on a with recourse basis.

h) Current ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity.
i) Quick ratio is calculated by dividing Quick Assets (Current Assets less Inventory) of the Group by its Current Liabilities. This ratio is used as a test of the Group's liquidity.
j) Debt-to-EBITDA is calculated by dividing EBITDA (EBITDA for the nine (9)-month period ended September 30 divided by three multiplied by four) for the period by total interest-bearing debt.
k) Debt-to-equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.
l) Net debt-to-equity ratio is calculated as total interest-bearing debt minus cash and cash equivalents divided by total equity as of the end of the period.
m) Asset-to-equity ratio is total assets over total equity.
n) Liabilities-to-equity ratio is total liabilities over total equity.
o) EBITDA is computed by adding back provision for income tax, interest expense, and depreciation and amortization to the net income for the period.

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

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

## REVIEW OF NINE (9)-MONTH 2023 VS NINE (9)-MONTH 2022

### *Results of Operations and Material Changes to the Company's Income Statement for the nine (9)-month period ended 30 September 2023 compared to 30 September 2022 (In Millions of Peso)*

| | | | Movement | |
|---|---|---|---|---|
| | **2023** | **2022** | **Amount** | **%** |
| **REVENUE** | | | | |
| Real estate revenue | **₱8,230.64** | ₱7,370.74 | ₱859.91 | 11.67% |
| Leasing revenue | **1,046.94** | 962.78 | 84.16 | 8.74% |
| Property management fee and other services | **344.50** | 303.11 | 41.39 | 13.65% |
| Hotel Revenue | **32.39** | - | 32.39 | 100.00% |
| Interest income from real estate sales | **40.12** | 111.83 | (71.71) | -64.12% |
| | **9,694.60** | **8,748.46** | **946.14** | **10.81%** |
| **COST AND EXPENSES** | | | | |
| Cost of real estate revenue | **4,756.00** | 4,662.39 | 93.62 | 2.01% |
| Cost of leasing | **326.52** | 278.07 | 48.46 | 17.43% |
| Cost of Hotel Services | **30.83** | - | 30.83 | 100.00% |
| Cost of services | **191.58** | 195.46 | (3.88) | -1.98% |
| | **5,304.93** | **5,135.91** | **169.02** | **3.29%** |
| **GROSS PROFIT** | **4,389.66** | **3,612.55** | **777.12** | **21.51%** |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** | **2,396.18** | 2,017.01 | 379.17 | 18.80% |
| **OTHER INCOME (EXPENSES)** | | | | |
| Interest and other income | **629.40** | 346.58 | 282.83 | 81.61% |
| Gain from change in fair value of investment properties | **(7.21)** | 21.78 | (28.99) | -133.11% |
| Share in net earnings of JVs and associate | **1.96** | 3.92 | (1.96) | -50.00% |
| Interest and other financing charges | **(969.91)** | (671.69) | (298.22) | 44.40% |
| | **(345.75)** | (299.41) | (46.34) | 15.48% |
| **INCOME BEFORE INCOME TAX** | **1,647.73** | 1,296.13 | 351.60 | 27.13% |
| **PROVISION FOR INCOME TAX** | **343.62** | 149.78 | 193.84 | 129.42% |
| **NET INCOME** | **₱1,304.11** | **₱1,146.35** | **₱157.76** | **13.76%** |

**11.67% increase in real estate revenue**
The increase in real estate revenue is mostly due to increase in sales take up, collections and construction activities of affordable housing projects during the period.

**8.74% increase in leasing revenue**
The increase was mainly increase in the number of tenants during the period.

**100.00% increase in hotel revenue**
The increase was mainly due to the commencement of hotel during the year.

**13.65% increase in property management fee and other services**
The increase is primarily due to increase in management fee and service rates for property managed.

**64.12% 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 decreased since majority of the projects are already turned over.

**17.43% increase in cost of leasing**
The increase is directly attributable to higher leasing revenues.

**100.00% increase in cost of hotel service**
The increase is directly related to hotel revenues during the year.

**18.80% increase in general, administrative and selling expenses**
The increase is directly related to higher selling and marketing expenses for the affordable business segment due to higher sales take up and upfront expenses for newly launched projects.

**81.61% increase in interest and other income**
The increase is mainly attributable to the increase in interest income from cash in banks, money market placements and short-term investment and increase in forfeited collections.

**133.11% decrease in gain from change in fair value**
The decrease is mainly attributable to lower fair value of Centuria Medical Makati and Century City Mall in 2023 compared to the same period in 2022.

**50.00% decrease in share in net income from its associate**
The decrease is due to lower reported income of some associates.

**44.40% increase in interest and other financing charges**
The increase was due to higher outstanding interest-bearing debt.

**129.42% increase in Provision for Income Tax**
The increase was primarily due to higher taxable income during the period.

**As a result of the foregoing, net income increased by 13.76%.**

***Financial Condition and Material Changes to the Company's Statement of Financial Position for the period-ended 30 September 2023 compared to 31 December 2022 (In Millions of Peso)***

| | | | Movement | |
|---|---|---|---|---|
| | **2023** | 2022 | Amount | % |
| **ASSETS** | | | | |
| Cash and cash equivalents | **₱3,831.62** | ₱4,130.88 | (₱299.26) | -7.24% |
| Short-term investments | **18.26** | 36.79 | (18.53) | -50.37% |
| Receivables | **10,382.80** | 9,845.28 | 537.52 | 5.46% |
| Real estate inventories | **16,658.86** | 17,723.40 | (1,064.54) | -6.01% |
| Due from related parties | **1,101.24** | 975.32 | 125.92 | 12.91% |
| Advances to suppliers and contractors | **1,724.45** | 1,749.97 | (25.52) | -1.46% |
| Other current assets | **2,002.29** | 1,642.04 | 360.25 | 21.94% |
| **Total Current Assets** | **35,719.52** | **36,103.68** | **(384.16)** | **-1.06%** |
| Noncurrent portion of installment contract receivables | **1,062.90** | 109.04 | 953.86 | 874.78% |
| Deposits for purchased land | **1,111.79** | 1,409.48 | (297.69) | -21.12% |
| Investments in and advances to JVs and associate | **277.33** | 275.37 | 1.96 | 0.71% |
| Investment properties | **12,387.77** | 12,394.98 | (7.21) | -0.06% |
| Property and equipment | **2,479.65** | 2,484.32 | (4.67) | -0.19% |
| Deferred tax assets–- net | **43.87** | 33.20 | 10.67 | 32.14% |
| Other noncurrent assets | **1,174.12** | 1,121.02 | 53.10 | 4.74% |
| **Total Noncurrent Assets** | **18,537.43** | **17,827.41** | **710.02** | **3.98%** |
| **TOTAL ASSETS** | **54,256.94** | **53,931.09** | **325.85** | **0.60%** |
| | | | | |
| **LIABILITIES** | | | | |
| Accounts and other payables | **5,627.98** | 4,994.70 | 633.28 | 12.68% |
| Contract liabilities | **3,281.83** | 2,769.10 | 512.73 | 18.52% |
| Short-term debt | **579.01** | 235.14 | 343.87 | 146.24% |
| Current portion of: | | | | |
| Long-term debt | **3,979.92** | 2,192.45 | 1,787.47 | 81.53% |
| Bonds Payable | **2,992.85** | - | 2,992.85 | 100.00% |
| Liability from purchased land | **67.20** | 67.20 | - | 0.00% |
| Lease Liability | **14.40** | 15.43 | (1.03) | -6.65% |
| Due to related parties | **389.93** | 358.06 | 31.87 | 8.90% |
| Income Tax Payable | **204.53** | 68.58 | 135.95 | 198.24% |
| Other current liabilities | **75.66** | 68.16 | 7.50 | 11.00% |
| **Total Current Liabilities** | **17,220.46** | **10,768.82** | **6,451.64** | **59.91%** |
| Noncurrent portion of: | | | | |
| Long-term debt | **5,269.67** | 8,813.86 | (3,544.19) | -40.21% |
| Bonds Payable | **5,873.93** | 5,917.25 | (43.32) | -0.73% |
| Liability from purchased land | **0.45** | 63.78 | (63.33) | -99.29% |
| Lease Liability | **9.15** | 12.30 | (3.15) | -25.58% |
| Pension liabilities | **251.67** | 231.19 | 20.48 | 8.86% |
| Deferred tax liabilities | **2,557.50** | 2,542.14 | 15.36 | 0.60% |
| Other noncurrent liabilities | **1,725.63** | 1,789.21 | (63.58) | -3.55% |
| **Total Noncurrent Liabilities** | **15,680.85** | **19,369.73** | **(3,688.88)** | **-19.04%** |
| **Total Liabilities** | **32,901.31** | **30,138.55** | **2,762.76** | **9.17%** |
| **EQUITY** | | | | |
| Capital stock | | | | |
| Common | **6,200.85** | 6,200.85 | - | 0.00% |
| Preferred | **15.90** | 15.90 | - | 0.00% |
| Additional paid-in capital | **5,524.78** | 5,524.78 | - | 0.00% |
| Treasury shares | **(3,109.67)** | (109.67) | (3,000.00) | 2,735.48% |
| Other components of equity | **(683.20)** | (683.20) | - | 0.00% |
| Retained earnings | **11,120.11** | 10,514.10 | 606.01 | 5.76% |
| Remeasurement loss on defined benefit plan | **17.66** | 17.44 | 0.22 | 1.25% |
| Total Equity Attributable to Equity Holders of the Parent Company | **19,086.42** | **21,480.20** | **(2,393.78)** | **-11.14%** |
| Non-controlling interests | **2,269.21** | **2,312.34** | **(43.13)** | **-1.87%** |
| **Total Equity** | **21,355.63** | **23,792.54** | **(2,436.91)** | **-10.24%** |
| **TOTAL LIABILITIES AND EQUITY** | **₱54,256.94** | **₱53,931.09** | **325.85** | **0.60%** |

**7.24% decrease in cash and cash equivalents**
The decrease is primarily due to repayment of debt during the year.

**50.37% decrease in short-term investments**
During the year the Group decreased the placement on money market exceeding three (3) months but less than one (1) year.

**14.98% increase in total current receivables and noncurrent portion of installment contract receivables**
The increase is due to growth in recognized real estate revenues and leasing revenues recognized.

**12.91% 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.

**14.96% increase in total other current and non-current assets**
The increase is primarily due to increase in creditable withholding taxes and input taxes.

**21.12% decrease in deposit for purchased land**
The increase is due to application of deposit for purchased land as payment for purchased land.

**32.14% increase in deferred tax assets**
The increase is due to higher future deductible amount during the year.

**12.68% 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.

**18.52% increase in contract liabilities**
The increase is attributable to collections from customers booked as liability pending satisfaction of criteria for revenue recognition.

**12.57% decrease in total current and noncurrent short-term debt and long-term debt**
The decrease was due to net repayment of loans during the period.

**49.85% increase in total current and noncurrent bonds payable**
The increase was due to new issuance of bond in March 2023.

**48.35% decrease in total current and noncurrent liabilities from purchased land**
Due to payment made during the period.

**8.90% increase in due to related parties**
The increase is 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.

**198.24% increase in income tax payable**
Due primarily to higher taxable income during the period.

**10.24% decrease in total stockholders' equity**
Due to redemption of preferred shares and declaration of dividends to preferred shareholders, minority shareholders and common shareholders net of the income recognized for the nine-months period ended September 30, 2023.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger a direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

The top five (5) key performance indicators of the Company are shown below:

| Key Performance Indicators | 30 September 2023 | 30 September 2022 |
|---|---|---|
| Current Ratios (a) | 2.1x | 3.0x |
| Debt to Equity (b) | 0.9x | 0.7x |
| Debt to EBITDA (c) | 5.3x | 6.6x |
| Return on Assets (d) | 3.2% | 2.8% |
| Return on Equity (e) | 7.7% | 6.7% |

Notes:

a) Current ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.
b) Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.
c) Debt to EBITDA is calculated by dividing annualized EBITDA by total interest-bearing debt.
d) Return on assets is calculated by dividing annualized net income by average total assets (beginning plus end of the period divided by two).
e) Return on equity is calculated by dividing annualized net income by average total equity (beginning plus end of the period divided by two).

Current ratio decreased mainly due to the increase in current liabilities, primarily as a result of in maturing of bonds payable and long-term debt.

Debt to equity increased considering due to decrease in equity as a result of the redemption of preferred shares.

Debt to EBITDA decreased primarily due to the increase in annualized EBITDA as of September 30, 2023 compared to the same period as of September 30, 2022.

Return on Assets and Return on Equity increased due to higher annualized net income recognized during the period ended September 30, 2023 compared to the same period ended September 30, 2022.

## Key Performance Indicators

### Selected Financial Indicators
### 30 September 2023 and 30 September 2022

| Financial Ratios | 30-Sep-23 (Unaudited) | 30-Sep-22 (Unaudited) |
|---|---|---|
| **Current/Liquidity Ratios** | | |
| Current Assets | 35,719,516,285 | 33,951,432,879 |
| Current Liabilities | 17,213,310,516 | 11,435,171,145 |
| **Current Ratios** | **2.1** | **3.0** |
| | | |
| Current Assets | 35,719,516,285 | 33,951,432,879 |
| Inventory | 16,658,863,431 | 15,519,401,708 |
| Quick Assets | 19,060,652,854 | 18,432,031,171 |
| Current Liabilities | 17,213,310,516 | 11,435,171,145 |
| **Quick Ratios** | **1.1** | **1.6** |
| | | |
| **Liabilities and Debt Ratios** | | |
| Short-term debt | 579,012,745 | 304,454,458 |
| Long-term debt – Current | 3,979,919,509 | 2,600,048,005 |
| Long-term debt – Non-current | 5,269,665,115 | 8,069,847,414 |
| Bonds payable | 8,866,782,827 | 5,908,945,537 |
| **Debt** | **18,695,380,196** | **16,883,295,414** |
| **Equity** | **21,355,629,627** | **23,460,424,264** |
| **Debt-to-Equity** | **0.9** | **0.7** |
| | | |
| Debt | 18,695,380,196 | 16,883,295,414 |
| Cash and Cash Equivalents | 3,831,615,470 | 3,327,745,535 |
| **Net Debt** | **14,863,764,726** | **13,555,549,879** |
| **Equity** | **21,355,629,627** | **23,460,424,264** |
| **Net Debt-to-Equity** | **0.7** | **0.6** |

| Financial Ratios | 30-Sep-23 (Unaudited) | 30-Sep-22 (Unaudited) |
|---|---|---|
| Debt | 18,695,380,196 | 16,883,295,414 |
| EBITDA (Annualized for Interim) | 3,502,352,588 | 2,564,548,521 |
| **Debt-to-EBITDA** | **5.3** | **6.6** |
| | | |
| Income before Income Tax | 1,647,729,386 | 1,296,129,556 |
| Interest Expense | 890,121,045 | 581,023,635 |
| Depreciation and amortization | 88,914,010 | 46,258,200 |
| **EBITDA** | **2,626,764,441** | **1,923,411,391** |
| | | |
| **Asset to Equity Ratios** | | |
| Total Assets | 54,256,942,249 | 53,629,580,708 |
| Total Equity | 21,355,629,627 | 23,460,424,264 |
| **Asset to Equity Ratio** | **2.5** | **2.3** |
| | | |
| **Liabilities to Equity Ratio** | | |
| Total Liabilities | 32,901,312,622 | 30,169,156,444 |
| Total Equity | 21,355,629,627 | 23,460,424,264 |
| **Liabilities to Equity Ratio** | **1.5** | **1.3** |
| | | |
| **Profitability Ratios** | | |
| Revenue | 9,694,596,140 | 8,748,457,563 |
| Gross Profit | 4,389,662,114 | 3,612,546,825 |
| **Gross Profit Ratio** | **45%** | **41%** |
| | | |
| **Total Net Income after tax** | **1,738,816,997** | **1,528,471,119** |
| Total Asset CY | 54,256,942,249 | 53,629,580,708 |
| Total Asset PY | 53,931,100,448 | 54,506,509,548 |
| **Average Total Asset** | **54,094,021,349** | **54,068,045,128** |
| **Return on Asset** | **3.2%** | **2.8%** |
| | | |
| **Total Net Income after tax** | **1,738,816,997** | **1,528,471,119** |
| Total Asset CY | 21,355,629,627 | 23,460,424,264 |
| Total Asset PY | 23,792,541,874 | 22,350,664,641 |
| **Average total equity** | **22,574,085,751** | **22,905,544,453** |
| **Return on Equity** | **7.7%** | **6.7%** |
| | | |
| Net Income | 1,304,112,748 | 1,146,353,339 |
| Revenue | 9,694,596,140 | 8,748,457,563 |
| **Net Income after Tax Margin** | **13.5%** | **13.1%** |

## REVIEW OF YEAR END 2022 VS YEAR END 2021

### Results of Operations and Material Changes to the Company's Income Statement for the year ended 31 December 2022 compared to the year ended 31 December 2021
***(In Millions of Pesos)***

| | | | Movement | |
|---|---|---|---|---|
| | **2022** | **2021** | **Amount** | **%** |
| **REVENUE** | | | | |
| Real estate revenue | **₱9,231.48** | ₱7,664.40 | ₱1,567.08 | 20.45% |
| Leasing revenue | **1,362.47** | 1,200.37 | 162.11 | 13.50% |
| Property management fee and other services | **423.37** | 400.01 | 23.36 | 5.84% |
| Interest income from real estate sales | **109.32** | 180.12 | (70.80) | -39.31% |
| | **11,126.65** | **9,444.90** | **1,681.75** | **17.81%** |
| **COST AND EXPENSES** | | | | |
| Cost of real estate revenue | 5,607.26 | 4,808.42 | 798.84 | 16.61% |
| Cost of leasing | 440.82 | 352.04 | 88.77 | 25.22% |
| Cost of services | 268.35 | 272.73 | (4.38) | -1.61% |
| | **6,316.43** | **5,433.19** | **883.23** | **16.26%** |
| **GROSS PROFIT** | **4,810.22** | **4,011.70** | **798.52** | **19.90%** |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** | **2,771.10** | 2,692.91 | **78.19** | **2.90%** |
| **OTHER INCOME (EXPENSES)** | | | | |
| Interest and other income | 469.28 | 397.55 | 71.73 | 18.04% |
| Gain from change in fair values of investment properties | 28.25 | 225.50 | (197.25) | -87.47% |
| Income from investment in associate | 3.92 | 8.94 | (5.03) | -56.20% |
| Foreign exchange gain (loss) | 1.06 | 3.21 | (2.15) | -66.96% |
| Interest and other financing charges | (917.89) | (894.59) | (23.30) | 2.60% |
| | **(415.39)** | (259.39) | **(156.00)** | **60.14%** |
| **INCOME BEFORE INCOME TAX** | **1,623.73** | 1,059.41 | **564.33** | **53.27%** |
| **PROVISION FOR INCOME TAX** | **218.97** | (209.70) | **428.67** | **-204.42%** |
| **NET INCOME** | **₱1,404.76** | ₱1,269.11 | **₱135.65** | **10.69%** |

**20.45% increase in real estate revenue**
The increase in real estate revenue is mostly due to increase in sales take up, collections and construction activities of affordable housing projects during the period.

**13.50% increase in leasing revenue**
The increase was mainly due to the increase in the number of tenants during the period.

**5.84% increase in property management fee and other services**
The increase is primarily due to the increase in management fee and service rates for property managed.

**39.31% 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 decreased since majority of the projects are already turned over.

**16.61% increase in cost of sales**
The increase is mainly due to the increase in real estate revenues.

**25.22% increase in cost of leasing**
The increase is directly attributable to higher leasing revenues.

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**18.04% increase in interest and other income**
The increase is mainly attributable to the increase in interest income from cash in banks, money market placements and short-term investments and increase in forfeited collection or cancelled buyers discount.

**87.47% decrease in gain from fair value of investment property**
The decrease is mainly attributable to lower incremental fair value appreciation of Century Diamond Tower in 2022 compared to the same period in 2021.

**56.20% decrease in share in net income from its associate**
The decrease is due to lower reported income of some associates.

**204.42% increase in provision for income tax**
The increase was primarily due to higher taxable income during the period and impact of change in corporate income tax rate as a result of CREATE Law in 2021.

**As a result of the foregoing, net income increased by 10.69%**

**Financial Condition and Material Changes to the Company's Statement of Financial Position for the year ended 31 December 2022 compared to 31 December 2021**
***(In Millions of Pesos)***

| | | | Movement | |
|---|---|---|---|---|
| | **2022** | **2021** | **Amount** | **%** |
| **ASSETS** | | | | |
| Cash and cash equivalents | **₱4,130.88** | ₱3,693.08 | 437.80 | 11.85% |
| Short-term investments | **36.79** | 1,032.51 | (995.73) | -96.44% |
| Receivables | **9,845.28** | 9,295.13 | 550.16 | 5.92% |
| Real estate inventories | **17,723.40** | 16,143.10 | 1,580.30 | 9.79% |
| Due from related parties | **975.32** | 526.96 | 448.36 | 85.08% |
| Advances to suppliers and contractors | **1,749.97** | 2,426.74 | (676.77) | -27.89% |
| Other current assets | **1,642.04** | 1,895.47 | (253.42) | -13.37% |
| **Total Current Assets** | **36,103.68** | **35,012.99** | **1,090.70** | **3.12%** |
| Noncurrent portion of installment contract receivables | 109.04 | 366.00 | (256.96) | -70.21% |
| Deposits for purchased land | 1,409.48 | 1,358.81 | 50.67 | 3.73% |
| Investments in and advances to JVs and associate | 275.37 | 274.50 | 0.86 | 0.31% |
| Investment properties | 12,394.98 | 13,995.03 | (1,043.23) | -11.43% |
| Property and equipment | 2,484.32 | 1,815.84 | 111.66 | 36.81% |
| Deferred tax assets – net | 33.20 | 26.76 | 6.44 | 24.06% |
| Other noncurrent assets | 1,121.02 | 1,656.58 | (535.55) | -32.33% |
| **Total Noncurrent Assets** | **17,827.42** | **19,493.52** | **(1,666.11)** | -8.55% |
| **TOTAL ASSETS** | **53,931.10** | **54,506.51** | **(575.41)** | -1.06% |
| | | | | |
| **LIABILITIES** | | | | |
| Accounts and other payables | 4,994.69 | 5,251.10 | (256.41) | -4.88% |
| Contract liabilities | 2,769.10 | 3,048.61 | (279.51) | -9.17% |
| Short-term debt | 235.14 | 468.36 | (233.22) | -49.79% |
| Current portion of: | | | | |
| Long-term debt | 2,192.45 | 5,467.83 | (3,275.37) | -59.90% |
| Bonds Payable | - | 2,992.05 | (2,992.06) | -100.00% |
| Liability from purchased land | 67.20 | 67.20 | - | 0.00% |
| Lease Liability | 15.43 | 25.54 | (10.11) | -39.57% |
| Due to related parties | 358.06 | 317.36 | 40.70 | 12.83% |
| Income Tax Payable | 68.58 | 69.41 | (0.83) | -1.20% |
| Other current liabilities | 68.16 | 109.55 | (41.39) | -37.78% |
| **Total Current Liabilities** | **10,768.82** | **17,817.01** | **(7,048.20)** | **-39.56%** |
| Noncurrent portion of: | | | | |
| Long-term debt | 8,813.86 | 6,370.78 | 2,443.08 | 38.35% |
| Bonds Payable | 5,917.25 | 2,955.14 | 2,962.11 | 100.24% |
| Liability from purchased land | 63.78 | 141.14 | (77.36) | -54.81% |
| Lease Liability | 12.30 | 31.60 | (19.30) | -61.08% |
| Pension liabilities | 231.19 | 279.63 | (48.44) | -17.32% |
| Deferred tax liabilities | 2,542.14 | 2,647.91 | (105.76) | -3.99% |
| Other noncurrent liabilities | 1,789.21 | 1,912.63 | (123.42) | -6.45% |
| **Total Noncurrent Liabilities** | **19,369.74** | **14,338.83** | **5,030.91** | **35.09%** |
| **Total Liabilities** | **30,138.56** | **32,155.84** | **(2,017.29)** | **-6.27%** |
| **EQUITY** | | | | |
| Capital stock | 6,200.85 | 6,200.85 | - | 0.00% |
| Preferred shares | 15.90 | 15.90 | - | 0.00% |
| Additional paid-in capital | 5,524.78 | 5,524.78 | - | 0.00% |
| Treasury shares | (109.67) | (109.67) | - | 0.00% |
| Other components of equity | (683.20) | (683.20) | - | 0.00% |
| Retained earnings | 10,514.10 | 9,814.34 | 699.76 | 7.13% |
| Remeasurement loss on defined benefit plan | 17.44 | (42.50) | 59.95 | -141.03% |
| Total Equity Attributable to Equity Holders of the Parent Company | **21,484.72** | 20,720.50 | 759.71 | 3.67% |
| Non-controlling interest | **2,312.34** | 1,630.17 | 682.17 | 41.85% |
| **Total Equity** | **23,792.54** | **22,350.67** | 1,441.88 | 6.45% |
| **Total Liabilities and Equity** | **₱53,931.10** | **₱54,506.51** | (575.41) | -1.06% |

**11.85% increase in cash and cash equivalents**

Increase is primarily due to cash sales and collection from matured accounts and maturity of short-term investments.

**96.44% decrease in short-term investments**
During the year the Group decreased the placement on money market exceeding three (3) months but less than one (1) year.

**3.03% decrease in total receivables and noncurrent portion of installment contract receivables**
The decrease is primarily due to collections of maturing accounts.

**9.79% increase in real estate inventories**
The increase is primarily due to acquisition of raw land of affordable housing projects amounting to P1.75 billion and reclassification of certain retail office from investment properties to real estate inventories.

**85.08% 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.

**27.89% decrease in advances to suppliers.**
The decrease is due to recoupment through progress billings from completion of Century Spire and The Residences at Commonwealth Quezon South

**11.43% decrease in investment properties**
The decrease is due to reclassification of certain retail office from investment properties to inventories due to change management intent from leasing to selling of these units.

**24.06% increase in deferred tax assets**
The increase is due to additional deferred tax assets recognized during the year.

**22.21% decrease in total other current and non-current assets**
The decrease is due to amortization of deferred selling expenses and recognition of advances to land owner to real estate inventories.

**4.88% decrease in accounts and other payables**
The decrease is due to payments of payable for the period.

**9.17% decrease in total contract liabilities**
The decrease is due to recognition of customers deposits as revenue during the period as the accounts meet the accounting criteria for revenue recognition.

**8.66% decrease in total short-term and long-term debt**
The decrease is attributable to payments made by the Group during the year.

**37.13% decrease in total current and non-current liabilities from purchased land**
Due to payments made during the year.

**51.46% decrease in total current and non-current lease liability**
The decrease is due to retirement of lease liability in relation to office spaces the Group no longer occupies.

**12.83% increase in due to related parties**
The increase is 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.

**8.15% decrease in total of other current and noncurrent liabilities**
The decrease is mostly attributable to recognition of deferred lease income during the year and recognition of equity portion of deposit from preferred shares of CALC.

**17.32% decrease in pension liabilities**
The decrease is attributable to benefits paid during the year and remeasurement gain on defined benefit plan recognized during the year.

**6.45% increase in total stockholders' equity**
The increase is due to the net income recorded for the year ended 31 December 2022, recognition of equity portion from deposit from preferred shares of CALC, additional investment from Mitsubishi Corporation interest amounting to ₱320 million net of dividend declarations and remeasurement gain recognized during the year.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations apart from the impact of ongoing Covid-19 pandemic.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

The top five (5) key performance indicators of the Company are shown below:

| Key Performance Indicators | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Current Ratios (a) | 3.4x | 2.0x |
| Debt to Equity (b) | 0.7x | 0.8x |
| Debt to EBITDA (c) | 6.9x | 9.5x |
| Return on Assets (d) | 2.6% | 2.4% |
| Return on Equity (e) | 6.1% | 5.8% |

Notes:

a) Current ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.
b) Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.
c) Debt to EBITDA is calculated by dividing EBITDA by total interest-bearing debt.
d) Return on assets is calculated by dividing net income by average total assets (beginning plus end of the period divided by two).
e) Return on equity is calculated by dividing net income by average total equity (beginning plus end of the period divided by two).

Current ratio increase as a result of the decline in current liabilities, primarily as a result of payment of bond during the year.

Debt to equity decreased as a result of the decline in debt from the long-term debt while total equity increased due to the net income as of 31 December 2022 and additional investment from minority interest compared to the same period as of 31 December 2021.

Debt to EBITDA decreased primarily due to the increase in EBITDA as of 31 December 2022 compared to the same period as of 30 December 2021.

Return on Assets and Return on Equity increased due to higher net income recognized during the period ended 31 December 2022 compared to the same period ended 31 December 2021.

| Financial Ratios | 31-Dec-22 | 31-Dec-21 |
|---|---|---|
| **Current/Liquidity Ratios** | | |
| Current Assets | 36,103,684,078 | 35,012,984,828 |
| Current Liabilities | 10,768,820,128 | 17,817,016,575 |
| **Current Ratios** | **3.4** | **2.0** |
| | | |
| Current Assets | 36,103,684,078 | 35,012,984,828 |
| Inventory | 17,723,397,564 | 16,143,099,068 |
| Quick Assets | 18,380,286,514 | 18,869,885,760 |
| Current Liabilities | 10,768,820,128 | 17,817,016,575 |
| **Quick Ratios** | **1.7** | **1.1** |

| Financial Ratios | 31-Dec-22 | 31-Dec-21 |
|---|---|---|
| **Liabilities and Debt Ratios** | | |
| Short-term Debt | 235,141,310 | 468,360,083 |
| Long-term Debt – Current | 2,192,453,618 | 5,467,828,327 |
| Long-term Debt – Non-current | 8,813,861,924 | 6,370,779,023 |
| Bonds Payable | 5,917,253,923 | 5,947,195,429 |
| **Debt** | **17,158,710,775** | **18,254,162,862** |
| **Equity** | **23,792,541,874** | **22,350,664,641** |
| **Debt-to-Equity** | **0.7** | **0.8** |
| | | |
| Debt | 17,158,710,775 | 18,254,162,862 |
| Cash and Cash Equivalents | 4,130,877,582 | 3,693,074,161 |
| **Net Debt** | **13,027,833,193** | **14,561,088,701** |
| **Equity** | **23,792,541,874** | **22,350,664,641** |
| **Net Debt-to-Equity** | **0.5** | **0.7** |
| | | |
| Debt | 17,158,710,775 | 18,254,162,862 |
| EBITDA (Annualized for Interim) | 2,475,710,475 | 1,922,133,566 |
| **Debt-to-EBITDA** | **6.9** | **9.5** |
| | | |
| Income before Income Tax | 1,623,732,848 | 1,059,406,284 |
| Interest Expense | 795,984,164 | 795,147,267 |
| Depreciation and amortization | 55,993,463 | 67,580,015 |
| **EBITDA** | **2,475,710,475** | **1,922,133,566** |
| | | |
| **Asset to Equity Ratios** | | |
| Total Assets | 53,931,100,448 | 54,506,509,548 |
| Total Equity | 23,792,541,874 | 22,350,664,641 |
| **Asset to Equity Ratio** | **2.3** | **2.4** |
| | | |
| **Liabilities to Equity Ratio** | | |
| Total Liabilities | 30,138,558,574 | 32,155,844,907 |
| Total Equity | 23,792,541,874 | 22,350,664,641 |
| **Liabilities to Equity Ratio** | **1.3** | **1.4** |
| | | |
| **Profitability ratios** | | |
| Revenue | 11,126,646,235 | 9,444,895,630 |
| Gross Profit | 4,810,221,057 | 4,011,702,937 |
| **Gross Profit Ratio** | **43%** | **42%** |
| | | |
| Net Income Attributable to Equity Holders of the Parent Company | 1,404,759,079 | 950,750,431 |
| Revenue | 11,126,646,235 | 9,444,895,630 |
| **Net Income Margin to Parent Company** | **12.6%** | **10.1%** |
| | | |
| **Total Net Income after tax** | **1,404,759,079** | **1,269,106,148** |
| Total Asset CY | 53,931,100,448 | 54,506,509,548 |
| Total Asset PY | 54,506,509,548 | 53,008,903,420 |
| **Average Total Asset** | **54,218,804,998** | **53,757,706,484** |
| **Return on Asset** | **2.6%** | **2.4%** |
| | | |
| **Total Net Income After Tax** | **1,404,759,079** | **1,269,106,148** |
| Total Equity CY | 23,792,541,874 | 22,350,664,641 |
| Total Equity PY | 22,350,664,641 | 21,131,273,660 |
| **Average Total Equity** | **23,071,603,258** | **21,740,969,151** |
| **Return on Equity** | **6.1%** | **5.8%** |
| | | |
| **Net Income** | 1,404,759,079 | 1,269,106,148 |
| Revenue | 11,126,646,235 | 9,444,895,630 |
| **Net Income after Tax Margin** | **12.6%** | **13.4%** |

## REVIEW OF YEAR END 2021 VS YEAR END 2020

### Results of Operations and Material Changes to the Company's Income Statement for the year ended 31 December 2021 compared to the year ended 31 December 2020
***(In Millions of Pesos)***

| | 2021 | 2020 | Movement Amount | % |
|---|---|---|---|---|
| **REVENUE** | | | | |
| Real estate revenue | **₱7,664.40** | ₱9,482.62 | (₱1,818.22) | -19.17% |
| Leasing revenue | **1,200.37** | 795.03 | 405.34 | 50.98% |
| Property management fee and other services | **400.01** | 389.72 | 10.29 | 2.64% |
| Interest income from real estate sales | **180.12** | 168.37 | 11.75 | 6.98% |
| | **9,444.90** | 10,835.74 | (1,390.84) | -12.84% |
| **COST AND EXPENSES** | | | | |
| Cost of real estate revenue | **4,808.42** | 6,082.95 | (1,274.53) | -20.95% |
| Cost of leasing | **352.04** | 226.53 | 125.51 | 55.41% |
| Cost of services | **272.73** | 285.99 | (13.26) | -4.64% |
| | **5,433.19** | 6,595.47 | (1,162.28) | -17.62% |
| **GROSS PROFIT** | **4,011.70** | 4,240.27 | (228.58) | -5.39% |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** | **2,692.91** | 2,863.71 | (170.80) | -5.96% |
| **OTHER INCOME (EXPENSES)** | | | | |
| Interest and other income | **397.55** | 568.07 | (170.52) | -30.02% |
| Gain from change in fair values of investment properties | **225.50** | 558.62 | (333.12) | -59.63% |
| Income from investment in associate | **8.94** | 6.79 | 2.15 | 31.66% |
| Foreign exchange gain (loss) | **3.21** | 2.07 | 1.14 | 55.07% |
| Interest and other financing charges | **(894.59)** | (947.51) | 52.92 | -5.59% |
| | **(259.39)** | 188.04 | (447.43) | -237.94% |
| **INCOME BEFORE INCOME TAX** | **1,059.41** | 1,564.60 | (505.19) | -32.29% |
| **PROVISION FOR INCOME TAX** | **(209.70)** | 415.37 | (625.07) | -150.49% |
| **NET INCOME** | **₱1,269.11** | ₱1,149.23 | ₱119.88 | 10.43% |

In 2021, persistent lockdowns imposed by the Government slowed down the sales take-up, collections, construction activities and project launches, as a continuing effect of the pandemic. This mostly affected in city vertical condominium projects of the Group, resulting to a 19% decline in total real estate sales. However, affordable housing projects, which are located outside Metro Manila, continue to improve its revenue contribution from P2.2B in 2020 to P3.91B in 2021. This is a result of the initial recognition of real estate sales revenues from newly launched projects of affordable housing projects in 2021 off-setting such decline. The increase in leasing revenue is a result of the rentals from the Century Diamond Tower, contributing full year rental in 2021 against its initial rental contribution in 2020, its year of completion. While mall operations declined, the impact on the leasing portfolio is not significant as its contribution is marginal to the total revenue of the Company prior to the COVID-19 pandemic.

**19.17% decrease in real estate revenue**
Real estate revenue has decreased as a result of the slowdown both in sales conversion, construction and development activities and project launches due to prevailing community quarantine restrictions, primarily from in city vertical housing projects.

**50.98% increase in leasing revenue**
The increase was mainly due to the full year lease revenue recognition of Century Diamond Tower and Asian Century Center.

**6.98% increase in interest income from real estate sales**
Interest income from real estate sales represents interest accretion from 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 slightly increased from the sale of units still in progress in 2021.

**20.95% decrease in Cost of Sales**
The decrease is mainly due to lower real estate revenues.

**55.41% increase in Cost of leasing**
The increase is directly attributable to higher leasing revenues.

**5.96% decrease in general, administrative and selling expenses**
The decrease is a result of further rationalization of operations efficiencies during the year.

**30.02% decrease in interest and other income**
The decrease is primarily attributable to lower-level income from forfeited collections or cancelled buyers' accounts.

**31.66% increase in share in net income from its associate**
The increase is due to higher reported income of some associates.

**59.63% decrease in gain from fair value of investment property**
The decrease was mainly due to lower incremental fair value appreciation of Century Diamond Tower in 2021 compared to 2020, the year when initial recognition of fair value gain was recognized.

**5.59% decrease in interest and other financing charges**
The decrease was mainly due to lower borrowing rates and outstanding interest-bearing debts in 2021 compared with 2020.

**150.49% decrease in Provision for Income Tax**
The decrease was primarily due to lower taxable income during the period and impact of change in corporate income tax rate as a result of CREATE Law.

**As a result of the foregoing, net income increased by 10.43%.**

**Financial Condition and Material Changes to the Company's Statement of Financial Position for the year ended 31 December 2021 compared to 31 December 2020**
***(In Millions of Pesos)***

| | 2021 | 2020 | Movement Amount | % |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | **₱3,693.08** | ₱2,473.56 | ₱1,219.52 | 49.30% |
| Short-term investments | **1,032.51** | 285.24 | 747.27 | 261.98% |
| Receivables | **9,295.13** | 11,491.05 | (2,195.92) | -19.11% |
| Real estate inventories | **16,143.10** | 14,651.33 | 1,491.77 | 10.18% |
| Due from related parties | **526.96** | 464.42 | 62.54 | 13.47% |
| Advances to suppliers and contractors | **2,426.74** | 2,427.70 | (0.96) | -0.04% |
| Investment in bonds | **-** | 463.75 | (463.75) | -100.00% |
| Other current assets | **1,895.47** | 1,809.90 | 85.57 | 4.73% |
| **Total Current Assets** | **35,012.99** | 34,066.95 | 946.04 | 2.78% |
| Noncurrent portion of installment contract receivables | **366.00** | 124.77 | 241.22 | 193.32% |
| Deposits for purchased land | **1,358.81** | 1,354.24 | 4.57 | 0.34% |
| Investments in and advances to JVs and associate | **274.50** | 265.56 | 8.94 | 3.37% |
| Investment properties | **13,995.03** | 13,627.58 | 367.45 | 2.70% |
| Property and equipment | **1,815.84** | 1,783.59 | 32.25 | 1.81% |
| Deferred tax assets – net | **26.76** | 86.28 | (59.52) | -68.98% |
| Other noncurrent assets | **1,656.58** | 1,699.93 | (43.35) | -2.55% |
| **Total Noncurrent Assets** | **19,493.52** | 18,941.96 | 551.56 | 2.91% |
| **TOTAL ASSETS** | **54,506.51** | 53,008.91 | 1,497.60 | 2.83% |
| **LIABILITIES** | | | | |
| Accounts and other payables | **5,251.10** | 5,591.64 | (340.54) | -6.09% |
| Contract liabilities | **3,048.61** | 1,457.77 | 1,590.84 | 109.13% |
| Short-term debt | **468.36** | 811.95 | (343.59) | -42.32% |
| Current portion of: | | | | |
| Long-term debt | **5,467.83** | 5,447.30 | 20.53 | 0.38% |
| Bonds Payable | **2,992.05** | 118.78 | 2,873.27 | 2418.98% |
| Liability from purchased land | **67.20** | 67.20 | - | 0.00% |
| Lease Liability | **25.54** | 4.53 | 21.01 | 463.80% |
| Due to related parties | **317.36** | 270.01 | 47.35 | 17.54% |
| Income Tax Payable | **69.41** | 61.50 | 7.91 | 12.86% |
| Other current liabilities | **109.55** | 352.67 | (243.12) | -68.94% |
| **Total Current Liabilities** | **17,817.01** | 14,183.35 | 3,633.66 | 25.62% |
| Noncurrent portion of: | | | | |
| Long-term debt | **6,370.78** | 9,408.87 | (3,038.09) | -32.29% |
| Bonds Payable | **2,955.14** | 2,965.99 | (10.85) | -0.37% |
| Liability from purchased land | **141.14** | 208.34 | (67.20) | -32.25% |
| Lease Liability | **31.60** | - | 31.60 | 100.00% |
| Pension liabilities | **279.63** | 372.99 | (93.36) | -25.03% |
| Deferred tax liabilities | **2,647.91** | 2,951.53 | (303.62) | -10.29% |
| Other noncurrent liabilities | **1,912.63** | 1,786.56 | 126.07 | 7.06% |
| **Total Noncurrent Liabilities** | **14,338.83** | 17,694.28 | (3,355.45) | -18.96% |
| **Total Liabilities** | **32,155.84** | 31,877.63 | 278.21 | 0.87% |
| **EQUITY** | | | | |
| Capital stock | **6,200.85** | 6,200.85 | - | 0.00% |
| Preferred shares | **15.90** | 15.90 | - | 0.00% |
| Additional paid-in capital | **5,524.78** | 5,524.78 | - | 0.00% |
| Treasury shares | **(109.67)** | (109.67) | - | 0.00% |
| Other components of equity | **(683.20)** | (682.85) | (0.35) | 0.05% |
| Retained earnings | **9,814.34** | 9,028.95 | 785.39 | 8.70% |
| Remeasurement loss on defined benefit plan | **(42.50)** | (118.50) | 76.00 | -64.14% |
| Total Equity Attributable to Equity Holders of the Parent Company | **20,720.50** | 19,859.46 | 861.04 | 4.34% |
| Non-controlling interest | **1,630.17** | 1,271.82 | 358.35 | 28.18% |

| | | | | |
|---|---|---|---|---|
| | **22,350.67** | 21,131.28 | 1,219.39 | 5.77% |
| | **₱54,506.51** | ₱53,008.91 | ₱1,497.60 | 2.83% |

**49.30% increase in Cash and cash equivalents**
Increase is primarily due to cash sales and collection from matured accounts.

**261.98% increase in Short-term investments**
The increase is primarily due additional short-term money market placements above three (3) months.

**16.83% decrease in total receivables and noncurrent portion of installment contract receivables**
The decrease is primarily due to collections of maturing accounts.

**10.18% increase in Real estate inventories**
The increase is primarily due to acquisition of raw land of affordable housing projects amounting to ₱1.58 Billion.

**13.47% 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.

**6.09% decrease in Accounts and other payables**
Decrease was due to payments made to contractors and suppliers and lower accrued expenses for the period as in-city vertical projects are nearing completion.

**109.13% increase in total contract liabilities**
The increase is attributable to collections from customers booked as liability pending satisfaction of criteria for revenue recognition.

**21.45% decrease in total Short-term and Long-term debt**
Decrease was due to repayment of loans and lower loan drawdowns.

**92.79% increase in total current and non-current bonds payable**
The increase was due to the newly issued ₱3 Billion bond in March 2021.

**24.39% decrease in total current and non-current liabilities from purchased land**
Due to payments made during the year.

**1,161.37% increase in total current and non-current lease liability**
This pertains to the lease liability accrued from the lease contract entered by the Group as a lessee in accordance with PFRS 16.

**17.54% increase in Due to related parties**
The increase is 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.

**12.86% increase in tax payable**
This is mostly attributable to the higher taxable income recognized during the year.

**5.47% decrease in total of other current and noncurrent liabilities**
The decrease is mostly attributable to recognition of advance rental during the year.

**25.03% decrease in Pension liabilities**
The decrease is attributable to benefits paid during the year and remeasurement gains on defined benefit plan recognized during the year.

**10.29% decrease in deferred tax liabilities**
This is mostly attributable to the impact of the CREATE Law.

**5.77% increase in total stockholders' equity**
This is due to the net income recorded for the year ended 31 December 2021, additional investment from Mitsubishi Corporation interest amounting to ₱200 Million net of dividend declarations and remeasurement gains recognized during the year.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

The top five (5) key performance indicators of the Company are shown below:

| Key Performance Indicators | 31 December 2021 | 31 December 2020 |
|---|---|---|
| Current Ratios (a) | 2.0x | 2.4x |
| Debt to Equity (b) | 0.8x | 0.9x |
| Debt to EBITDA (c) | 9.5x | 7.8x |
| Return on Assets (d) | 2.4% | 2.2% |
| Return on Equity (e) | 5.8% | 5.6% |

Notes:

a) Current ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.
b) Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.
c) Debt to EBITDA is calculated by dividing EBITDA by total interest-bearing debt.
d) Return on assets is calculated by dividing net income by average total assets (beginning plus end of the period divided by two).
e) Return on equity is calculated by dividing net income by average total equity (beginning plus end of the period divided by two).

Current ratio decreased mainly due to the increase in current liabilities, primarily as a result of the Company's maturing bonds payable and long-term debt.

Debt to equity decreased as a result of the decline in debt from long-term debt while total equity increased due to net income as of 31 December 2021 and additional investment from minority interest compared to the same period as of 31 December 2020.

Debt to EBITDA increased primarily due to the decline in EBITDA as of 31 December 2021 compared to the same period as of 31 December 2020.

Return on Equity increased due to higher net income recognized during the period ended 31 December 2021 compared to the same period ended 31 December 2020.

| Financial Ratios | 31-Dec-21 | 31-Dec-20 |
|---|---|---|
| **Current/Liquidity Ratios** | | |
| Current Assets | 35,012,984,828 | 34,066,943,185 |
| Current Liabilities | 17,817,016,575 | 14,183,354,919 |
| **Current Ratios** | **2.0** | **2.4** |
| | | |
| Current Assets | 35,012,984,828 | 34,066,943,185 |
| Inventory | 16,143,099,068 | 14,651,328,952 |
| Quick Assets | 18,869,885,760 | 19,415,614,233 |
| Current Liabilities | 17,817,016,575 | 14,183,354,919 |
| **Quick Ratios** | **1.1** | **1.4** |
| | | |
| **Liabilities and Debt Ratios** | | |
| Short-term Debt | 468,360,083 | 811,948,735 |
| Long-term Debt – Current | 5,467,828,327 | 5,447,303,305 |
| Long-term Debt – Non-current | 6,370,779,023 | 9,408,872,360 |
| Bonds Payable | 5,947,195,429 | 3,084,766,287 |

| Financial Ratios | 31-Dec-21 | 31-Dec-20 |
|---|---|---|
| **Debt** | **18,254,162,862** | **18,752,890,687** |
| **Equity** | **22,350,664,641** | **21,131,273,660** |
| **Debt-to-Equity** | **0.8** | **0.9** |
| | | |
| Debt | 18,254,162,862 | 18,752,890,687 |
| Cash and Cash Equivalents | 3,693,074,161 | 2,473,555,750 |
| **Net Debt** | **14,561,088,701** | **16,279,334,937** |
| **Equity** | **22,350,664,641** | **21,131,273,660** |
| **Net Debt-to-Equity** | **0.7** | **0.8** |
| | | |
| Debt | 18,254,162,862 | 18,752,890,687 |
| EBITDA (Annualized for Interim) | 1,922,133,566 | 2,408,094,098 |
| **Debt-to-EBITDA** | **9.5** | **7.8** |
| | | |
| Income before Income Tax | 1,059,406,284 | 1,564,604,768 |
| Interest Expense | 795,147,267 | 784,022,304 |
| Depreciation and amortization | 67,580,015 | 59,467,026 |
| **EBITDA** | **1,922,133,566** | **2,408,094,098** |
| | | |
| **Asset to Equity Ratios** | | |
| Total Assets | 54,506,509,548 | 53,008,903,420 |
| Total Equity | 22,350,664,641 | 21,131,273,660 |
| **Asset to Equity Ratio** | **2.4** | **2.5** |
| | | |
| **Liabilities to Equity Ratio** | | |
| Total Liabilities | 32,155,844,907 | 31,877,629,760 |
| Total Equity | 22,350,664,641 | 21,131,273,660 |
| **Liabilities to Equity Ratio** | **1.4** | **1.5** |
| | | |
| **Profitability ratios** | | |
| Revenue | 9,444,895,630 | 10,835,744,692 |
| Gross Profit | 4,011,702,937 | 4,240,276,075 |
| **Gross Profit Ratio** | **42%** | **39%** |
| | | |
| Net Income Attributable to Equity Holders of the Parent Company | 950,750,431 | 795,555,466 |
| Revenue | 9,444,895,630 | 10,835,744,692 |
| **Net Income Margin to Parent Company** | **10.1%** | **7.3%** |
| | | |
| **Total Net Income after tax** | **1,269,106,148** | **1,149,234,036** |
| Total Asset CY | 54,506,509,548 | 53,008,903,420 |
| Total Asset PY | 53,008,903,420 | 53,441,685,612 |
| **Average Total Asset** | **53,757,706,484** | **53,225,294,516** |
| **Return on Asset** | **2.4%** | **2.2%** |
| | | |
| **Total Net Income After Tax** | **1,269,106,148** | **1,149,234,036** |
| Total Equity CY | 22,350,664,641 | 21,131,273,660 |
| Total Equity PY | 21,131,273,660 | 19,615,569,488 |
| **Average Total Equity** | **21,740,969,151** | **20,373,421,574** |
| **Return on Equity** | **5.8%** | **5.6%** |
| | | |
| **Net Income** | 1,269,106,148 | 1,149,234,036 |
| Revenue | 9,444,895,630 | 10,835,744,692 |
| **Net Income after Tax Margin** | **13.4%** | **10.6%** |

## REVIEW OF YEAR END 2020 VS YEAR END 2019

### Results of Operations and Material Changes to the Company's Income Statement for the year ended 31 December 2020 compared to the year ended 31 December 2019
***(In Millions of Pesos)***

| | | | Movement | |
|---|---|---|---|---|
| | **2020** | **2019** | **Amount** | **%** |
| **REVENUE** | | | | |
| Real estate revenue | **₱9,482.62** | ₱12,685.39 | (₱3,202.77) | -25.25% |
| Leasing revenue | **795.03** | 713.38 | 81.65 | 11.45% |
| Property management fee and other services | **389.72** | 412.15 | (22.43) | -5.44% |
| Interest income from real estate sales | **168.37** | 504.10 | (335.72) | -66.60% |
| | **10,835.74** | 14,315.02 | (3,479.28) | -24.31% |
| **COST AND EXPENSES** | | | | |
| Cost of real estate revenue | **6,082.95** | 8,459.54 | (2,376.59) | -28.09% |
| Cost of leasing | **226.53** | 217.45 | 9.08 | 4.18% |
| Cost of services | **285.99** | 295.24 | (9.25) | -3.13% |
| | **6,595.47** | 8,972.23 | (2,376.76) | -26.49% |
| **GROSS PROFIT** | **4,240.27** | 5,342.79 | (1,102.51) | -20.64% |
| **GENERAL, ADMINISTRATIVE AND SELLING EXPENSES** | **2,863.71** | 3,235.82 | (372.11) | -11.50% |
| **OTHER INCOME (EXPENSES)** | | | | |
| Interest and other income | **568.07** | 573.36 | (5.29) | -0.92% |
| Gain from change in fair values of investment properties | **558.62** | 260.93 | 297.69 | 114.09% |
| Income from investment in associate | **6.79** | 11.18 | (4.39) | -39.27% |
| Foreign exchange gain (loss) | **2.07** | 116.33 | (114.26) | -98.22% |
| Gain (loss) from change in fair value of derivatives (Note 9) | **-** | (76.05) | 76.05 | 100.00% |
| Interest and other financing charges | **(947.51)** | (936.68) | (10.83) | 1.16% |
| | **188.04** | (50.93) | 238.97 | -469.21% |
| **INCOME BEFORE INCOME TAX** | **1,564.60** | 2,056.03 | (491.43) | -23.90% |
| **PROVISION FOR INCOME TAX** | **415.37** | 577.56 | (162.19) | -28.08% |
| **NET INCOME** | **₱1,149.23** | ₱1,478.47 | (₱329.24) | -22.27% |

The pandemic has slowed down the sales take-up, collections, and construction activities due to quarantine restrictions imposed by the Government, resulting to a 25% decline in total real estate sales revenue. However, as affordable housing projects are located outside Metro Manila, the Company was able to resume construction as soon as the restrictions from provincial cities were lifted. The initial recognition of real estate sales revenues from newly launched projects of affordable housing projects in 2020 offsets such decline.

While mall operations declined, the impact on the leasing portfolio is not significant as its contribution is marginal to the total revenue of the Company prior to the COVID-19 pandemic. The increase in leasing revenue is a result of the initial rentals from the recently completed Century Diamond Tower.

**25.25% decrease in real estate revenue**
Real estate revenue has decreased as a result of the slowdown both in sales conversion and on construction and development activities due to the prevailing community quarantine restrictions.

**11.45% increase in leasing revenue**
The increase was mainly due to the start of leasing revenue recognition for initial leased out floor spaces of Century Diamond Tower and Asian Century Center.

**5.44% decrease in property management fee and other services**
The decrease was mainly due to reduced services rendered for the period due to streamlined building and property operations while NCR is in community quarantine.

**66.60% decrease in interest income from real estate sales**

Interest income from real estate sales represents interest accretion from 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 decreased since majority of the projects are already turned over, and due to the slowdown in new sales during the nine (9)-month period in 2020.

**28.09% decrease in cost of sales**
The decrease was mainly due to the decrease in real estate revenue.

**3.13% decrease in cost of services**
The decrease was directly attributable to the decrease in property management fee and other services.

**4.18% increase in cost of leasing**
The increase was directly attributable to the increase in leasing revenue.

**11.50% decrease in general, administrative and selling expenses**
The decrease was a result of cost cutting efforts of the management during the period.

**39.27% decrease in net income from its associate**
The decrease was due to a lower share in income from its associate.

**114.09% increase in gain from fair value of investment property**
The increase was mainly due to the initial recognition of fair value gain from Century Diamond Tower building.

**100.00% decrease in fair value of derivatives and 98.22% decrease in foreign exchange gain (loss)**
The decrease was due to absence of similar transactions or instruments during the nine (9)-month period as of December 31, 2020.

**28.08% decrease in provision for income tax**
The decrease was primarily due to lower taxable income during the period.

**As a result of the foregoing, net income decreased by 22.27%.**

**Financial Condition and Material Changes to the Company's Statement of Financial Position for the year ended 31 December 2020 compared to 31 December 2019**
***(In Millions of Pesos)***

| | 2020 | 2019 | Movement Amount | % |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and cash equivalents | **₱2,473.56** | ₱4,005.01 | (₱1,531.45) | -38.24% |
| Short-term investments | **285.24** | - | 285.24 | 100.00% |
| Receivables | **11,491.05** | 10,967.15 | 523.90 | 4.78% |
| Real estate inventories | **14,651.33** | 15,558.01 | (906.68) | -5.83% |
| Due from related parties | **464.42** | 419.65 | 44.77 | 10.67% |
| Advances to suppliers and contractors | **2,427.70** | 2,006.51 | 421.19 | 20.99% |
| Investment in bonds | **463.75** | - | 463.75 | 100.00% |
| Other current assets | **1,809.89** | 1,409.17 | 400.72 | 28.44% |
| Total Current Assets | **34,066.94** | 34,365.50 | (298.56) | -0.87% |
| Noncurrent portion of installment contract receivables | **124.78** | 1,137.66 | (1,012.88) | -89.03% |
| Investment in bonds | **-** | 463.75 | (463.75) | -100.00% |
| Deposits for purchased land | **1,354.24** | 1,079.44 | 274.80 | 25.46% |
| Investments in and advances to JVs and associate | **265.56** | 258.77 | 6.79 | 2.62% |
| Investment properties | **13,627.59** | 12,932.53 | 695.06 | 5.37% |
| Property and equipment | **1,783.59** | 1,648.12 | 135.47 | 8.22% |
| Deferred tax assets – net | **86.28** | 42.15 | 44.13 | 104.70% |
| Other noncurrent assets | **1,699.92** | 1,513.77 | 186.15 | 12.30% |
| Total Noncurrent Assets | **18,941.96** | 19,076.19 | (134.23) | -0.70% |
| TOTAL ASSETS | **53,008.90** | 53,441.69 | (432.79) | -0.81% |
| | | | | |
| LIABILITIES | | | | |
| Accounts and other payables | **5,591.63** | 5,703.06 | (111.43) | -1.95% |
| Contract liabilities | **1,457.78** | 1,784.09 | (326.31) | -18.29% |
| Short-term debt | **811.95** | 1,452.69 | (640.74) | -44.11% |
| Current portion of: | | | | |
| Long-term debt | **5,447.30** | 5,462.17 | (14.87) | -0.27% |
| Bonds Payable | **118.78** | 1,392.65 | (1,273.87) | -91.47% |
| Liability from purchased land | **67.20** | 67.20 | - | 0.00% |
| Lease Liability | **4.52** | 21.64 | (17.12) | -79.11% |
| Due to related parties | **270.01** | 171.19 | 98.82 | 57.73% |
| Income Tax Payable | **61.50** | 9.35 | 52.15 | 557.75% |
| Other current liabilities | **352.67** | 35.28 | 317.39 | 899.63% |
| Total Current Liabilities | **14,183.34** | 16,099.32 | (1,915.98) | -11.90% |
| Noncurrent portion of: | | | | |
| Long-term debt | **9,408.87** | 9,880.55 | (471.68) | -4.77% |
| Bonds Payable | **2,965.99** | 3,060.38 | (94.39) | -3.08% |
| Liability from purchased land | **208.33** | 268.34 | (60.01) | -22.36% |
| Lease Liability | **-** | 39.54 | (39.54) | -100.00% |
| Pension liabilities | **372.99** | 307.40 | 65.59 | 21.34% |
| Deposit for future stock subscription | **-** | 42.48 | (42.48) | -100.00% |
| Deferred tax liabilities | **2,951.53** | 2,708.27 | 243.26 | 8.98% |
| Other noncurrent liabilities | **1,786.57** | 1,419.84 | 366.73 | 25.83% |
| Total Noncurrent Liabilities | **17,694.28** | 17,726.80 | (32.52) | -0.18% |
| Total Liabilities | **31,877.62** | 33,826.12 | (1,948.50) | -5.76% |
| EQUITY | | | | |
| Capital stock | **6,200.85** | 6,200.85 | - | 0.00% |
| Preferred shares | **15.90** | - | 15.90 | 100.00% |
| Additional paid-in capital | **5,524.78** | 2,639.74 | 2,885.04 | 109.29% |
| Treasury shares | **(109.67)** | (109.67) | - | 0.00% |
| Other components of equity | **(682.85)** | 99.39 | (782.24) | -787.04% |
| Retained earnings | **9,028.95** | 8,733.92 | 295.03 | 3.38% |
| Remeasurement loss on defined benefit plan | **(118.50)** | (81.17) | (37.33) | 45.99% |
| Total Equity Attributable to Equity Holders of the Parent Company | **19,859.46** | 17,483.06 | 2,376.40 | 13.59% |
| Non-controlling interest | **1,271.82** | 2,132.51 | (860.69) | -40.36% |

| | | | | |
|---|---|---|---|---|
| Total Equity | **21,131.28** | 19,615.57 | 1,515.71 | 7.73% |
| Total Liabilities and Equity | **₱53,008.90** | ₱53,441.69 | (₱432.79) | -0.81% |

**38.24% decrease in cash and cash equivalents**
The decrease is primarily due to repayment of debt during the year.

**100.00% increase in short-term investments**
The increase is primarily due to the increase in short-term money market placements above three (3) months.

**5.83% decrease in real estate inventories**
The decrease is primarily due to the recognition of cost of sales for sold units.

**10.67% increase in due from related parties**
This is 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.

**20.99% increase in advances to suppliers and contractors**
The increase is due to additional down payments to suppliers and contractors to new and ongoing projects.

**104.70% increase in deferred tax assets**
The increase is due to additional deferred tax assets recognized during the year.

**20.08% increase in other current and non-current assets**
The 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.

**25.46% increase in deposits for purchased land**
The increase is due to additional deposits for land in Novaliches and Katipunan.

**5.37% 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.

**8.22% 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.

**18.29% decrease in contract liabilities**
The decrease was due to recognition of customers deposits as revenue during the period as the accounts meet the accounting criteria for revenue recognition.

**6.71% decrease in total short-term and long-term debt**
The decrease was due to net repayment of loans during the period.

**30.73% decrease in short-term and long-term bonds payable**
The decrease was due to payment of the five (5)-year bond payable in first quarter of 2020.

**17.88% decrease in total liabilities from purchased land**
This is due to payment made during the period.

**92.60% decrease in total lease liability**
The decrease is due to retirement of lease liability in relation to office spaces the Group no longer occupies.

**57.73% increase in due to related parties**
This is 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.

**21.34% increase in pension liabilities**
This is due to additional retirement expense during the year.

**557.75% increase in income tax payable**
Due primarily to higher tax payable after the application of creditable withholding taxes for the year.

**8.98% increase in deferred tax liability**
Due to the additional deferred tax liabilities recognized for the year.

**47.01% increase in other and noncurrent liabilities**

The increase is due to increase in security and rental deposits from Century Diamond Tower tenants and increase in deposit for preferred shares.

**100% increase in preferred shares, 109.29% increase in additional paid-in capital and 100% decrease in deposit for future stock subscription**
The increase is due to the issuance of 30,000,000 preferred shares with a par value of ₱0.53. Additional paid in capital net of issuance cost was recognized in excess of the par value of preferred shares issued. Deposit for future stock subscription was reclassified as part of aforementioned issuance.

**40.36% decrease in non-controlling interest and 787.04% decrease in other components of equity**
The decrease is primarily due to acquisition of minority interest in Century City Development II net of the share in net income for PPHI during the period and dividend declared by Tanza I.

**7.73% increase in total stockholders' equity**
The increase is due to the net income recorded for the year period ended 31 December 2020, preferred shares issued and additional paid in capital from issuance of preferred shares amounting to ₱15.9 Million and ₱2,885.03 Million, respectively. The increase in stockholders' equity was reduced by the acquisition of minority interest totaling ₱1,900 Million resulting to reduction of minority interest and other components equity and common and preferred dividend declaration during the year amounting to ₱596.53 Million.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.
There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

The top five (5) key performance indicators of the Company are shown below:

| Key Performance Indicators | 31 December 2020 | 31 December 2019 |
|---|---|---|
| Current Ratios (a) | 2.4x | 2.1x |
| Debt to Equity (b) | 0.9x | 1.1x |
| Debt to EBITDA (c) | 7.8x | 7.4x |
| Return on Assets (d) | 2.2% | 2.9% |
| Return on Equity (e) | 5.6% | 8.0% |

Notes:

a) Current ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.
b) Debt to Equity ratio computed by dividing total interest-bearing debt (includes short-term and long-term debts and bonds payable) by total equity.
c) Debt to EBITDA is calculated by dividing EBITDA by total interest-bearing debt.
d) Return on assets is calculated by dividing net income by average total assets (beginning plus end of the period divided by two).
e) Return on equity is calculated by dividing net income by average total equity (beginning plus end of the period divided by two).

Current ratio increased mainly due to the decrease in current liabilities, primarily as a result of decline in current portion of Bonds Payable and Long-term Debt as of 31 December 2020 compared to the same period as of 31 December 2019.

Debt to equity decreased as a result of the decline in debt from the payment of bonds and long-term debt while total equity increased due to the issuance of preferred shares during the period ended 31 December 2020 compared to the same period as of 31 December 2019.

Debt to EBITDA increased primarily due to the decline in EBITDA as of 31 December 2020 compared to the same period as of 31 December 2019.

Return on Asset declined due to lower net income recognized for the year ended 31 December 2020 compared to the same period ended 31 December 2019.

Return on Equity declined due to lower net income recognized during the period and increase in Equity as result of the issuance of preferred shares during the year ended 31 December 2020 compared to the same period ended 31 December 2019.

## Key Performance Indicators

### Selected Financial Indicators
### 31 December 2020 and 31 December 2019

| Financial Ratios | 31-Dec-20 | 31-Dec-19 |
|---|---|---|
| **Current/Liquidity Ratios** | | |
| Current Assets | 34,066,943,185 | 34,365,499,239 |
| Current Liabilities | 14,183,354,920 | 16,099,335,229 |
| **Current Ratios** | **2.40** | **2.13** |
| | | |
| Current Assets | 34,066,943,185 | 34,365,499,239 |
| Inventory | 14,651,328,952 | 15,558,004,362 |
| Quick Assets | 19,415,614,233 | 18,807,494,877 |
| Current Liabilities | 14,183,354,920 | 16,099,335,229 |
| **Quick Ratios** | **1.37** | **1.17** |
| | | |
| **Liabilities and Debt Ratios** | | |
| Short-term Debt | 811,948,735 | 1,452,692,919 |
| Long-term Debt – Current | 5,447,303,305 | 5,462,166,897 |
| Long-term Debt – Non-current | 9,408,872,360 | 9,880,550,051 |
| Bonds Payable | 3,084,766,287 | 4,453,032,166 |
| **Debt** | **18,752,890,687** | **21,248,442,033** |
| **Equity** | **21,131,273,659** | **19,615,569,488** |
| **Debt-to-Equity** | **0.89** | **1.08** |
| | | |
| Debt | 18,752,890,687 | 21,248,442,033 |
| Cash and Cash Equivalents | 2,473,555,750 | 4,005,009,231 |
| **Net Debt** | **16,279,334,937** | **17,243,432,802** |
| **Equity** | **21,131,273,659** | **19,615,569,488** |
| **Net Debt-to-Equity** | **0.77** | **0.88** |
| | | |
| Debt | 18,752,890,687 | 21,248,442,033 |
| EBITDA (Annualized for Interim) | 2,408,094,097 | 2,861,187,076 |
| **Debt-to-EBITDA** | **7.79** | **7.43** |
| | | |
| Income Before Income Tax | 1,564,604,767 | 2,056,032,947 |
| Interest Expense | 784,022,304 | 747,608,418 |
| Depreciation and Amortization | 59,467,026 | 57,545,711 |
| **EBITDA** | **2,408,094,097** | **2,861,187,076** |
| | | |
| **Asset to Equity Ratios** | | |
| Total Assets | 53,008,903,420 | 53,441,685,612 |
| Total Equity | 21,131,273,659 | 19,615,569,488 |
| **Asset to Equity Ratio** | **2.51** | **2.72** |
| | | |
| **Liabilities to Equity Ratio** | | |
| Total Liabilities | 31,877,629,761 | 33,826,116,124 |
| Total Equity | 21,131,273,659 | 19,615,569,488 |
| **Liabilities to Equity Ratio** | **1.51** | **1.72** |
| | | |
| **Profitability Ratios** | | |
| Revenue | 10,835,744,692 | 14,315,016,268 |
| Gross Profit | 4,240,276,075 | 5,342,782,822 |
| **Gross Profit Ratio** | **39%** | **37%** |
| | | |
| Net Income Attributable to Equity Holders of the Parent Company | 795,555,466 | 1,281,748,829 |
| Revenue | 10,835,744,692 | 14,315,016,268 |
| **Net Income Margin to Parent Company** | **7.3%** | **9.0%** |
| | | |
| **Total Net Income after tax** | **1,149,234,036** | **1,478,470,199** |

| Financial Ratios | 31-Dec-20 | 31-Dec-19 |
|---|---|---|
| Total Asset CY | 53,008,903,420 | 53,441,685,612 |
| Total Asset PY | 53,441,685,612 | 49,366,682,829 |
| **Average Total Asset** | **53,225,294,516** | **51,404,184,221** |
| **Return on Asset** | **2.2%** | **2.9%** |
| | | |
| **Total Net Income After Tax** | **1,149,234,036** | **1,478,470,199** |
| Total Equity CY | 21,131,273,660 | 19,615,569,488 |
| Total Equity PY | 19,615,569,488 | 17,463,466,559 |
| **Average Total Equity** | **20,373,421,574** | **18,539,518,024** |
| **Return on Equity** | **5.6%** | **8.0%** |
| | | |
| Net Income | 1,149,234,036 | 1,478,470,199 |
| Revenue | 10,835,744,692 | 14,315,016,268 |
| **Net Income After Tax Margin** | **10.6%** | **10.3%** |

# INTERESTS OF INDEPENDENT LEGAL COUNSELS AND INDEPENDENT AUDITORS

LEGAL MATTERS

All legal opinion/matters in connection with the issuance of the Preferred Shares that are subject of this Offer shall be passed upon by Chinabank Capital for the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, SyCipLaw, and CPGI's legal counsel for the Company, ACCRALAW. Chinabank Capital and SyCipLaw have no direct or indirect interest in CPGI. Chinabank Capital and SyCipLaw may, from time to time, be engaged by CPGI to advise in its transactions and perform legal services on the same basis that they provide such services to their other clients.

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

INDEPENDENT AUDITORS

SGV & Co., independent auditors, audited the consolidated financial statements of the Company as at 31 December 2022, 2021, and 2020 and for the years ended 31 December 2022, 2021, and 2020 in accordance with Philippine Standards on Auditing (PSA) and reviewed the accompanying interim condensed consolidated statement of financial position of Century Properties Group Inc. and Subsidiaries as at 30 September 2023 and for the nine-month periods ended 30 September 2023 and 2022 in accordance with Philippine Standards on Review Engagements, 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. 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.

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

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

AUDIT AND AUDIT-RELATED FEES

The following table sets out the aggregate fees billed for each of the last two fiscal years and interim third quarter 2023 for professional services rendered by SGV & Co.

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Audit and audit-related fees | ₱9.1 million | ₱8.6 million | ₱7.8 million |

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 2022.

## CAPITAL EXPENDITURES

The table below sets out our actual capital expenditures in for the year ended 31 December 2020, 2021, 2022 and for the nine (9)-month period ending 30 September 2023.

| | **Expenditure (in ₱ Millions)** |
|---|---|
| 2020 | 6,231.6 |
| 2021 | 6,543.1 |
| 2022 | 5,841.7 |
| September 30, 2023 | 3,391.3 |

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 the Offer. 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.

## DIRECTORS, EXECUTIVE OFFICERS, AND CONTROL PERSONS

### Directors and Executive Officers

The directors of the Company are elected at the regular annual stockholders' meeting. They hold office for a term of one (1) year until the next succeeding annual meeting and until their respective successors have been elected and qualified. The executive officers hold office until their respective successors have been elected and qualified.

The directors and executive officers of the Company as of 30 September 2023 are as follows:

| Name of Director | Position | Age | Citizenship |
|---|---|---|---|
| Jose E.B. Antonio | Executive Chairman | 76 | Filipino |
| John Victor R. Antonio | Vice Chairman | 50 | Filipino |
| Jose Marco R. Antonio | President and CEO | 49 | Filipino |
| Jose Carlo R. Antonio | Director | 40 | Filipino |
| Hilda R. Antonio | Director | 76 | Filipino |
| Stephen T. CuUnjieng | Independent Director | 64 | Filipino |
| Carlos C. Ejercito | Independent Director | 77 | Filipino |
| Jose L. Cuisia, Jr. | Independent Director | 79 | Filipino |
| Aileen Christel U. Ongkauko | Independent Director | 55 | Filipino |
| Rafael G. Yaptinchay | Director | 73 | Filipino |
| Ricardo P. Cuerva | Director | 78 | Filipino |
| Danny E. Bunyi | Corporate Secretary | 58 | Filipino |
| Carlos Benedict K. Rivilla, IV | Assistant Corporate Secretary/ Vice-President Corporate Affairs | 51 | Filipino |
| Julienne Cruz | Group Head for Corporate Communications | 40 | Filipino |
| Atty. Isabelita Ching Sales | Group Head for Legal Services and Corporate Affairs, Chief Information Officer and Chief Compliance Officer | 44 | Filipino |
| Ritchelle T. Cordero | Group Head for Human Resources and Administration | 43 | Filipino |
| Ponciano S. Carreon, Jr. | Chief Financial Officer/Corporate Treasurer/Investor Relations Officer | 49 | Filipino |

**Amb. Jose E.B. Antonio,** 76 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 Master's 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 been duly appointed by former President Duterte as *the* Philippines' special envoy to the United States of America ("U.S.A."), 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**, 50 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 finished his Master's in Business Administration ("MBA") program from the Wharton School in 2003.

**Mr. Jose Marco R. Antonio**, 49 years old, Filipino, is President and Chief Executive Officer of the Company. Prior to joining the Company, 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 MBA from the Wharton School in 2004.

**Mr. Jose Carlo R. Antonio**, 40 years old, Filipino, is a Director of the Company and a member of the Board of Directors. 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**, 76 years old, Filipino, is a Director of the Company and a member of the Board. She is the wife of the Chairman, Amb. Jose E.B. Antonio. She is a philanthropist and 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**, 78 years old, Filipino, is a Director of the Company and a member of the Board. Mr. Cuerva was a co-founder of Meridien and served as Meridien's President from 1988 to 1996. He also currently serves as a member of the Rotary Club of Makati City. Mr. Cuerva graduated from San Beda College in 1961 with a Bachelor of Science Degree in Business Administration and obtained his MBA from Ateneo De Manila in 1971. Mr. Cuerva is the President and owner of Century Project Management and Construction Corporation, which oversees the construction of the Company's vertical developments.

**Mr. Rafael G. Yaptinchay**, 73 years old, Filipino, is a Director of the Company and a member of the Board. Mr. Yaptinchay was a co-founder of Meridien and served as Meridien's President from 1996 to 2009. He 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 in Economics) and received his MBA from Asian Institute of Management in 1974.

**Amb. Jose L. Cuisia Jr.,** 79 years old, Filipino citizen, is the former Ambassador Extraordinary and Plenipotentiary of the Republic of the Philippines to the U.S.A. Ambassador Cuisia is also well-respected figure in Philippine business, with over 32 years in financial services, most recently as the President and Chief Executive Officer ("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 SSS 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 BSP, 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., and Philippine Investment Management, Inc. He likewise serves as an Independent Director of Manila Water Company, Inc.

**Mr. Stephen T. CuUnjieng**, 64 years old, Filipino citizen, is a prominent investment banker, and currently serves as an Independent Director of 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., as well as 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**, 77 years old, Filipino, is the former Chairman of the UCPB and currently the Chairman and CEO of Northern 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 MBA 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.

**Ms. Aileen Christel U. Ongkauko**, 55 years old, Filipino citizen, is concurrently the Group President and CEO of La Filipina Uy Gongco Corporation & Subsidiaries, a highly diversified agribusiness, livestock, and food company established more than a century ago. She is also a Director of South Balibago Resources Inc. and Ateneo Family Business Development Center. Ms. Ongkauko was also former Director of Aboitiz Equity Ventures International, Aboitiz Power International, Pilmico International, and Advisor to the Board for Weather Philippines, Inc. She graduated *magna cum laude* and was a Departmental Awardee from Ateneo de Manila University, where she earned her degree in Bachelor of Arts in Management Economics.

**Atty. Danny E. Bunyi**, 58 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**, 51 years old, Filipino, is the Assistant Corporate Secretary and 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 (4) 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 17 August 2011.

**Mr. Ponciano S. Carreon, Jr.**, 49 years old, Filipino, is the Chief Financial Officer ("**CFO**"), Corporate Treasurer, and Head for Investor Relations. Prior to joining CPGI, he served as CFO of Landco Pacific Corporation, CFO of Arthaland Corporation, Assistant Vice President of Controllership at SM Development Corporation, 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 Bachelor of Science in Accountancy degree at San Beda College and a Certified Public Accountant Licensure Examination board topnotcher.

**Ms. Julienne Cruz,** 40 years old, Filipino, is the new Group Head for Corporate Communications of the Company effective 1 November 2021. Prior to joining the Company in 2007, she served as a Public Relations ("**PR**") Associate in Grupo Agatep (formerly Agatep Associates) and a television production member of various motoring media shows. As part of her corporate background, she served as PR Associate, Advertising Manager, Marketing Communications Manager, and Assistant Vice President for Communications of the Company until 2020. She graduated with a Bachelor's Degree in Communication Arts from Miriam College Quezon City in 2005. Ms. Cruz is taking her MBA degree through the Regis program of the Ateneo Graduate School of Business in Makati.

**Atty. Isabelita Ching-Sales**, 44 years old, Filipino, serves as the Company's Group Head for Legal Services and Corporate Affairs, Chief Information Officer, and Chief Compliance Officer. Prior to joining Century Properties, Atty. Ching-Sales was the Chief Legal Counsel and Chief Information Officer of Asiatrust Development Bank, also a publicly-listed company. Having undergone extensive training and experience on loans, credit, and branch banking operations, she was also appointed Head for Credit Support Department, and still is the Corporate Secretary of Asiatrust Development Bank, now NextGenesis Corporation. Atty Ching-Sales also 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 and Juris Doctor degree at San Beda College of Law and San Sebastian College Recoletos Manila, Institute of Law.

**Mr. Ritchelle T. Cordero**, 43 years old, Filipino, is the Group 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 Bachelor of Arts in Philosophy and Human

Resources Development. He completed the Executive MBA degree program at the Asian Institute of Management in 2017. Prior joining the Company, he was the Human Resources ("**HR**") Manager of Ayala Property Management Corporation, a subsidiary of Ayala Land Inc., HR Officer of DMCI Project Developers, Inc., and 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. The Company does not believe that its business is dependent on the services of any particular employee.

As of the date of this Prospectus, the directors and key officers of the Company have no material pending civil or criminal cases filed by or against them.

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

**Significant Employee**

The Issuer has no employee and non-executive officer who is expected to make, individually on his own, a significant contribution to the business.

# COMPENSATION AND BENEFITS OF KEY MANAGEMENT PERSONNEL

Information as to the aggregate compensation paid or accrued during the last two (2) 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 (in Php) | Bonus (in Php) | Other Annual Compensation (in Php) |
|---|---|---|---|---|
| Aggregate executive compensation for CEO and top 4 Most Highly Compensated Officers/ Directors:<br><br>1. Jose Marco Antonio (President and Chief Executive Officer)<br><br>2. Jose Eduardo Antonio (Executive Chairman)<br><br>3. Jose Carlo Antonio (Director)<br><br>4. John Victor Antonio (Vice Chairman)<br><br>5. Rafael Yaptinchay (Director) | Projected 2023<br><br>Actual 2023 (as of Sept)<br><br>Actual 2022<br><br>Actual 2021 | 71,293,378.79<br><br>46,804,236.12<br><br>67,257,904.52<br><br>67,175,110.12 | 5,484,106.06<br><br>9,265,917.61<br><br>0.00<br><br>0.00 | 0<br><br>0<br><br>0<br><br>0 |
| Aggregate executive compensation of all other officers unnamed | Projected 2023<br><br>Actual 2023 (as of Sept)<br><br>Actual 2022<br><br>Actual 2021 | 25,365,703.30<br><br>17,693,766.36<br><br>23,929,908.77<br><br>26,981,041.72 | 1,951,207.95<br><br>5,419,986.37<br><br>0.00<br><br>333,861.10 | 0<br><br>0<br><br>0<br><br>0 |

Information as to the aggregate compensation paid or accrued of the following members of management who are not at the same time directors during the financial year follows:

<table>
<tr><th>Name of Officer/Position</th><th>Salary (in Php)</th><th>Bonus (in Php)</th><th>Total (in Php)</th></tr>
<tr><td>Ponciano S. Carreon, Jr. (CFO/Treasurer/Investor or Relations Officer)</td><td rowspan="5">17,693,766.36</td><td rowspan="5">5,419,986.37</td><td rowspan="5">23,113,752.73</td></tr>
<tr><td>Ritchelle T. Cordero (HR Head)</td></tr>
<tr><td>Carlos Benedict K. Rivilla (Asst. Corp. Sec./Corp. Affairs)</td></tr>
<tr><td>Julienne M. Cruz (Group Head for Corporate Communications)</td></tr>
<tr><td>Isabelita C. Sales (Group Head for Legal Services and Corporate Affairs, Chief Information and Chief Compliance Officer)</td></tr>
</table>

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.

# SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN RECORD AND BENEFICIAL OWNERS

**Security Ownership of Certain Record and Beneficial Owners**

As of 30 September 2023, the Company is aware of only (2) stockholders owning 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)<br><br>(relationship with issuer – Majority shareholder controlled by Antonio family) | -CPI-<br><br>Carlos Benedict K. Rivilla, IV Duly authorized representative | Filipino | 6,311,104,949 | 53.94% |
| Common | PCD Nominee Corporation (Filipino) (G/F Phil Stock Exchange Bldg., Makati)<br><br>(relationship with issuer – None) | Majority | Filipino | 4,966,471,895 | 42.44% |

As advised to the Company, BDO Securities Corporation and F. Yap Securities, Inc. own more than 5% of the Company's Common Shares under the PCD Nominee Corporation.

# 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 30 September 2023, 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 – Direct | Filipino | 0.68% |
| Common | John Victor R. Antonio | 1 – Direct | Filipino | 0.000000028% |
| Common | Jose Marco R. Antonio | 1 – Direct | Filipino | 0.000000028% |
| Common | Jose Carlo R. Antonio | 1 – Direct | Filipino | 0.000000028% |
| Common | Rafael G. Yaptinchay | 1 – Direct | Filipino | 0.000000028% |
| Common | Ricardo Cuerva | 214,995,169– Indirect | Filipino | 1.838%% |
| Common | Jose L. Cuisia | 1 – Direct | Filipino | 0.000000028% |
| Common | Stephen T. Cuunjieng | 1 – Direct | Filipino | 0.000000028% |
| Common | Carlos C. Ejercito | 1 – Direct | Filipino | 0.000000028% |
| Common | Hilda R. Antonio | 1 – Direct | Filipino | 0.000000028% |
| Common | Aileen Christel U. Ongkauko | 1 – Direct | Filipino | 0.000000028% |
| - | Atty. Danny E. Bunyi | none | Filipino | 0.0000000% |
| - | Carlos Benedict K. Rivilla, IV | none | Filipino | 0.0000000% |
| - | Julienne M. Cruz | none | Filipino | 0.0000000% |
| - | Isabelita Ching Sales | none | Filipino | 0.0000000% |
| - | Ponciano S. Carreon Jr. | none | Filipino | 0.0000000% |
| Common | Aggregate shareholding of all directors and officers as a group | 294,525,179 | | |

## VOTING TRUST HOLDERS OF 5.0% OR MORE

As of September 30, 2023, the Company does not know of any person who holds more than 5% of its Common Shares under a voting trust or similar agreement.

## CHANGES IN CONTROL

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

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company, in its regular conduct of business, enters into transactions with related parties principally consisting of advances and reimbursement of expenses, development, management, marketing, leasing, and administrative service agreements and purchases, which are made based on terms agreed upon by the parties.

As of 30 September 2023 and 31 December 2022, the amounts due from related parties are ₱1,101.24 Million and ₱975.32 Million, respectively.

The amounts due to related parties of the Company amounted to ₱389.93 Million and ₱358.06 Million, as of 30 September 2023 and 31 December 2022, respectively.

Related party transactions are disclosed in the Company's reviewed consolidated financial statements as of 30 September 2023 and audited consolidated financial statements as of 31 December 2022, 2021, and 2020 under "Related Party 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.

## FAMILY RELATIONSHIPS

Except for Messrs. Jose E.B. Antonio, John Victor R. Antonio, Jose Marco R. Antonio, Jose Carlo R. Antonio and Ms. Hilda 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, and Jose Carlo R. Antonio are brothers while Ms. Hilda R. Antonio is their mother and 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.

## INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

The Company is not aware of any of the following events having occurred during the past five (5) years up to the date of this 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 (2) 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.

## DESCRIPTION OF DEBT

As of 30 September 2023, CPGI had the equivalent of ₱25.45 billion of approved credit facilities, of which ₱18.89 billion is outstanding.

The following table describes the consolidated outstanding long and short-term debt of CPGI and its subsidiaries as of 30 September 2023.

| Description of Indebtedness | Borrower | Lender | Original Principal Amount (In ₱ Million) | Maturity / Due Date | Amount Outstanding as of 30 September 2023 (In ₱ Million) |
|---|---|---|---|---|---|
| **Term Loan** | | | | | |
| Term Loan | CCDC | Banco de Oro | 4,200 | Sep. 2024 | 2,538 |
| Term Loan (short-term) | CPMI | BPI | 15 | Feb. 2024 | 15 |
| Term Loan | PPHI | BPI | 850 | Various (Oct 2023 to Mar 2024) | 29 |
| Term Loan | PPHI | CBS | 500 | Dec. 2026 | 463 |
| Term Loan | CLC | DBP | 1,000 | Jul. 2026 | 300 |
| Term Loan | CCDC II | PNB | 4,000 | Various (Oct 2023 to Oct 2027) | 3,923 |
| Term Loan (short-term) | CPGI | PNB | 342 | Various (Jan to Sep 2024) | 342 |
| Term Loan (short-term) | CPGI | PTC | 130 | Aug. 2024 | 130 |
| Term Loan | PPHI | SBC | 450 | May 2025 | 239 |
| Term Loan | CLC | UCPB | 1,000 | Sep. 2024 | 380 |
| ***Sub-total*** | | | ***12,487*** | | ***8,359*** |
| | | | | | |
| **Contract-To-Sell Financing** | | | | | |
| Contract-To-Sell Financing | CCDC | Banco de Oro | 500 | Various (Oct. 2023) | 1 |
| Contract-To-Sell Financing | CLC | Banco de Oro | | Various (Oct 2023 to Sep 2026) | 282 |
| Contract-To-Sell Financing | MDC | Banco de Oro | | Various (Oct 2023 to Apr 2024) | 18 |
| Contract-To-Sell Financing | TPI I | Banco de Oro | 1,500 | Various (Oct 2023 to Apr 2027) | 19 |
| Contract-To-Sell Financing | TPI II | Banco de Oro | | Various (Oct 2023 to Oct 2027) | 53 |
| Contract-To-Sell Financing | TPI III | Banco de Oro | | Various (Oct 2023 to Dec 2027) | 39 |

| | | | | | |
|---|---|---|---|---|---|
| Contract-To-Sell Financing | PPHI | Banco de Oro | | Various (Oct 2023 to Dec 2027) | 106 |
| Contract-To-Sell Financing | CCDC | Chinabank | 1,000 | Various (Oct 2023 to Sep 2027) | 223 |
| Contract-To-Sell Financing | CLC | Chinabank | | Various (Oct 2023 to Aug 2030) | 458 |
| Contract-To-Sell Financing | CMDC | Chinabank | | Various (Oct 2023 to Feb 2026) | 4 |
| Contract-To-Sell Financing | TP I | SBC | 500 | Various (Oct 2023 to Dec 2031) | 5 |
| Contract-To-Sell Financing | TP II | SBC | | Various (Oct 2023 to Dec 2031) | 6 |
| Contract-To-Sell Financing | TP III | SBC | | Various (Oct 2023 to Jan 2032) | 8 |
| Contract-To-Sell Financing | PPHI | SBC | | Various (Oct 2023 to Dec 2032) | 216 |
| ***Sub-total*** | | | ***3,500*** | | ***1,437*** |
| | | | | | |
| **Letter of Credit / Trust Receipt** | | | | | |
| Letter of Credit / Trust Receipt | CCDC | Philtrust Bank | 410 | | - |
| Letter of Credit / Trust Receipt | CLC | Philtrust Bank | | Various (Oct 2023 to Mar 2024) | 94 |
| ***Sub-total*** | | | ***410*** | | ***94*** |
| | | | | | |
| **Bonds** | | | | | |
| Bonds | CPGI | Bonds | 3,000 | Mar. 2024 | 3,000 |
| Bonds | CPGI | Bonds | 3,000 | Feb. 2027 | 3,000 |
| Bonds | CPGI | Bonds | 3,000 | Various (Mar 2026 to Mar 2030) | 3,000 |
| ***Sub-total*** | | | ***9,000*** | | ***9,000*** |
| | | | | | |
| **Leasing Facility** | | | | | |
| Leasing Facility | CCDC | BDO Leasing and Finance | 50 | Oct. 2023 | 0[1] |
| ***Sub-total*** | | | ***50*** | | ***0*** |
| | | | | | |
| **Grand Total** | | | **25,447** | | **18,890** |

[1] The outstanding balance excludes guaranty deposit of P172,400.00. [BDO LEASING]

The Company currently avails of four (4) main types of credit facilities namely term loan, Contract-To-Sell Financing, Letter of Credit / Trust Receipt, and Leasing Facility.

The Company's term loan facilities granted by various financial institutions are paid back from profits of the business, according to a fixed amortization schedule. The Company's term loans are secured by real estate mortgage, chattel mortgage, corporate guaranty and assignment of leasehold rental. The Company has availed of term loans with maturity ranging from more than one (1) year up to five (5) years, for additional working capital, and for the development of certain projects.

Contract-to-Sell financing are credit facilities extended by financial institutions which purchase accounts receivables of the Company covered by Contracts to Sell of buyers of units from various projects, both on a with and without recourse basis.

Letter of Credit / Trust Receipts is a type of financing extended by various banks to finance purchases mainly of construction materials for the Company's projects like cement and rebars from various suppliers. The banks essentially pay the Company's suppliers then require the Company to execute trust receipts over the goods purchased.

A bank has also extended a leasing facility to the Company for the purpose of renting equipment and vehicles used in the conduct of business. Under this facility, a lease guarantees the Company (the lessee or renter) the use of various equipment and vehicles and guarantees the bank (the property owner) regular payments from the Company for a specific period.

# 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 [2022], the Company's submitted to the SEC the certification of compliance on corporate governance and the Annual Corporate Governance Report (ACGR). CPGI has also complied with the memorandum circular of the PSE on the submission of the corporate governance Guidelines for listed corporations. Changes were implemented on the company's website to improve its corporate governance section and the monitoring of updates and disclosures pursuant to respective SEC Memorandums.

# THE PHILIPPINE STOCK MARKET

*The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by us, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or any of their respective subsidiaries, affiliates or advisors in connection with the offer and sale of the Series B Preferred Shares.*

**Brief History**

The Philippines initially had two stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulating, governed by its respective Board of Governors elected annually by its members.

Several steps initiated by the Philippine government have resulted in the unification of the two bourses into the PSE. The PSE was incorporated in 1992 by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two exchanges were revoked. The PSE previously maintained two trading floors, one in Makati City and the other in Pasig City, which were linked by an automated trading system that integrated all bid and ask quotations from the bourses. In February 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City. The PSE Tower houses the PSE corporate offices and a single, unified trading floor.

In June 1998, the Philippine SEC granted the Self-Regulatory Organization status to the PSE, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On 8 August 2001, the PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC. The PSE had an authorized capital stock of ₱120 million, of which 61.2 million shares were subscribed and fully paid-up as of 30 June 2018. Each of the 184 member-brokers was granted 50,000 common shares of the new PSE at a par value of ₱1.00 per share. In addition, a trading right evidenced by a "Trading Participant Certificate" was immediately conferred on each member broker allowing the use of the PSE's trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President of the PSE.

On 15 December 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE's Main Board or the Small, Medium and Emerging Board. Recently, the PSE issued Rules on Exchange Traded Funds ("**ETF**") which provides for the listing of ETFs on an ETF Board separate from the PSE's existing boards.

The PSE has a benchmark index, referred to as the PSEi, which reflects the price movements of the 30 largest and most active stocks at the PSE. The PSEi is a free float market capitalization-weighted index.

With the increasing calls for good corporate governance and the need to consistently provide full, fair, accurate and timely information, the PSE adopted a new online disclosure system to support the provision of material information coming from listed companies and enhance access to such reports by the investing public. In December 2013, the PSE Electronic Disclosure Generation Technology ("**EDGE**"), a new disclosure system co-developed with the Korea Exchange, went live. The EDGE system provided a dedicated portal for listed company disclosures and also offered a free-to download mobile application for easy access by investors.

In June 2015, the PSE shifted to a new trading system, the PSEtrade XTS, which utilizes NASDAQ's X-stream Technology. The PSEtrade XTS, which replaced the NSC trading platform provided by NYSE Euronext Technologies SAS, is equipped to handle large trading volumes. It is also capable of supporting the future requirements of the PSE should more products and services be introduced.

In November 2016, the Exchange received regulatory approvals to introduce new products in the stock market – the Dollar Denominated Securities and the Listing of PPP Companies.

In June 2018, the PSE received approval from the Philippine SEC to introduce short selling in the equities market.

In November 2023, the PSE launched its short selling program, with a total of 53 securities that were initially eligible for short selling.

The PSE launched its Corporate Governance Guidebook in November 2010 as another initiative of the PSE to promote good governance among listed companies. It is composed of 10 guidelines embodying principles of good business practice and based on internationally recognized corporate governance codes and best practices.

The table below sets out movements in the composite index as of the last Business Day of each calendar year from 2006 to 2022, and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

| Year | PSEi Level | Number of Listed Companies | Market Capitalization (in ₱ billion) | Value Turnover (in ₱ billion) |
|---|---|---|---|---|
| 2006 | 2,982.54 | 239 | 7,173.19 | 572.63 |
| 2007 | 3,621.60 | 244 | 7,976.84 | 1,338.25 |
| 2008 | 1,872.85 | 246 | 4,072.16 | 763.90 |
| 2009 | 3,052.68 | 248 | 6,032.22 | 994.15 |
| 2010 | 4,201.14 | 253 | 8,866.11 | 1,207.38 |
| 2011 | 4,371.96 | 253 | 8,696.96 | 1,422.59 |
| 2012 | 5,812.73 | 254 | 10,930.09 | 1,771.71 |
| 2013 | 5,889.83 | 257 | 11,931.29 | 2,546.18 |
| 2014 | 7,230.57 | 263 | 14,251.72 | 2,130.12 |
| 2015 | 6,952.08 | 265 | 13,465.57 | 2,151.41 |
| 2016 | 6,840.64 | 265 | 14,438.77 | 1,929.50 |
| 2017 | 8,558.42 | 267 | 17,583.13 | 1,958.36 |
| 2018 | 7,466.00 | 267 | 16,150.00 | 1,740.00 |
| 2019 | 7,815.30 | 271 | 16,705.30 | 1,772.58 |
| 2020 | 7,139.70 | 274 | 15,888.90 | 1,770.90 |
| 2021 | 7,122.60 | 276 | 18,081.10 | 2,232.50 |
| 2022 | 6,566.39 | 286 | 16,558.49 | 1,788.69 |
| 3Q23 | 6,321.24 | 285 | 16,700.00 | 1,210.00 |

*Source: PSE website and Annual Reports*

**Trading**

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bid or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Equities trading on the PSE starts at 9:30 a.m. and ends at 12:00 p.m. for the morning session, and resumes at 1:00 p.m. and ends at 3:00 p.m. for the afternoon session. Trading days are Monday to Friday, except legal and special holidays and days when the BSP clearing house is closed and such other days as may be declared by the SEC or the PSE, to be a non-trading day.

Minimum trading lots range from five to 1,000,000 shares depending on the price range and nature of the security traded. The minimum trading lot for a company's shares is 100 shares. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated through the enforcement of static and dynamic thresholds. The upper static threshold enforces a 50%, while the lower static threshold enforces as 30%, trading band within which the price of a stock is allowed to move. When the price of a listed security moves up by 50% (price ceiling) or down by 30% (floor price) on a particular day (to be reckoned from the last closing price or the last adjusted closing price, whichever is higher), the price of that security is automatically frozen by the PSE, unless there is an official statement from the corporation or a government agency justifying such price fluctuation, in which case the affected security can still be traded but only at the frozen price. If the subject corporation fails to submit such explanation, a trading halt is imposed by the PSE on the listed security the following day. Resumption of trading shall be allowed only when the disclosure of the subject corporation is disseminated, subject again to the trading ban.

The dynamic threshold is the maximum allowable price difference between an update in the Last Traded Price ("**LTP**") of a given stock or group of stocks and its preceding LTP that is equal to a percentage set by the PSE, subject to the classification of a stock or a group of stocks based on its trade frequency. The Dynamic Threshold of a listed stock may vary from 10%, 15% and 20% depending on its trade frequency.

In cases where an order has been partially matched, only the portion of the order that will result in a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

- In case the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 50% of the previous day's reference or closing price, or the last adjusted closing price); otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60%. All orders breaching the 60% static threshold will be rejected by the PSE.

- In case the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under the existing regulations (i.e., 20% for security cluster A and newly-listed securities, 15% for security cluster B and 10% for security cluster C); otherwise, such order will be rejected by the PSE.

**Non-Resident Transactions**

Registration of investments of non-residents in the Offer Shares for purposes of sourcing foreign exchange needed to service capital repatriation or dividend remittance from the Philippine banking system shall be the responsibility of the foreign investor.

The application for registration of Philippine equity securities listed in the PSE (such as the Offer Shares) may be done with an authorized agent bank ("**AAB**") with authority to operate a foreign currency deposit unit that has been designated by the non-resident investor to register his investments. Applications for registration of such securities are accompanied by: (i) Authority to Disclose Information in BSP-prescribed format covering all investments to be registered with the registering AAB, (ii) purchase invoice or subscription agreement, or equivalent document, and (iii) Certificate of Inward Remittance (CIR) of foreign exchange or equivalent document. Proof of registration of the investment in such securities comes in the form of a Bangko Sentral Registration Document to be issued by the registering AAB.

**Settlement**

The Securities Clearing Corporation of the Philippines ("**SCCP**") is a wholly-owned subsidiary of the PSE, and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP received its permanent license to operate on 17 January 2002. It is responsible for:

- synchronizing the settlement of funds and the transfer of securities through Delivery versus Payment clearing and settlement of transactions of Clearing Members, who are also Trading Participants of the PSE;

- guaranteeing the settlement of trades in the event of a Trading Participant's default through the implementation of its Fails Management System and administration of the Clearing and Trade Guaranty Fund; and

- performance of Risk Management and Monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a three-day rolling settlement environment, which means that settlement of trades takes place three days after transaction date (T+3). The deadline for settlement of trades is 12:00 noon of T+3. Securities sold should be in scripless form and lodged under the book entry system of the PDTC. Each PSE Trading Participant maintains a Cash Settlement Account with one of the nine existing Settlement Banks of SCCP which are BDO Unibank, Inc., Rizal Commercial Banking Corporation, Metropolitan Bank & Trust Company, Deutsche Bank, Union Bank of the Philippines, The Hongkong and Shanghai Banking Corporation Limited, Maybank Philippines, Inc., Asia United Bank, and China Banking Corporation. Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its Central Clearing and Central Settlement ("**CCCS**") system on 29 May 2006. CCCS employs multilateral netting, whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each clearing member. All cash debits and credits are also netted into a single net cash position for each clearing member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-eligible trade cleared through it.

**Scripless Trading**

In 1995, the PDTC (formerly the Philippine Central Depository, Inc.), was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On 16 December 1996, the PDTC was granted a provisional license by the Philippine SEC to act as a central securities depository.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders' meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares in favor of the PCD Nominee Corporation, a corporation wholly-owned by the PDTC, whose sole purpose is to act as nominee and legal title holder of all shares lodged in the PDTC. "Immobilization" is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and the corresponding transfer of Beneficial Ownership of the immobilized shares in the account of the PCD Nominee through the PDTC participant will be recorded in the issuing corporation's registry. This trust arrangement between the participants and PDTC through the PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the Philippine SEC. No consideration is paid for the transfer of legal title to the PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g. brokers and custodians) will be recognized by the PDTC as the Beneficial Owners of the lodged equity securities. Thus, each Beneficial Owner of shares, through his participant, will be the Beneficial Owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each Beneficial Owner's holdings, in the records of the participants. Beneficial Owners are thus advised that in order to exercise their rights as Beneficial Owners of the lodged shares, they must rely on their participant-brokers and/or participant-custodians.

Any Beneficial Owner of shares who wishes to trade his interests in the shares must course the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP, and into the PDTC system. Once it is determined on the settlement date (T+3) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the SCCP Central Clearing and Central Settlement system, in accordance with the SCCP and PDTC Rules and Operating Procedures. Once settled, the Beneficial Ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a shareholder wishes to withdraw his shareholdings from the PDTC system, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the upliftment of the shares lodged under the name of the PCD

Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under the PCD Nominee. The expenses for upliftment are for the account of the uplifting shareholder.

The difference between the depository and the registry would be on the recording of ownership of the shares in the issuing corporations' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are cancelled and a confirmation advice is issued in the name of PCD Nominee to confirm new balances of the shares lodged with the PDTC. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of the PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the PCD Nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current "de facto" custodianship role.

**Amended Rule on Lodgment of Securities**

On 24 June 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that commencing on 1 July 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the Philippine SEC, without any jumbo or mother certificate in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III Part A of the Revised Listing Rules.

For listing applications, the amended rule on lodgment of securities is applicable to:

- The offer shares/securities of the applicant company in the case of an initial public offering;
- The shares/securities that are lodged with the PDTC, or any other entity duly authorized by the Philippine SEC in the case of a listing by way of introduction;
- New securities to be offered and applied for listing by an existing listed company; and
- Additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof to wit:

- For a new company to be listed at the PSE as of 1 July 2009, the usual procedure will be observed but the transfer agent of the company shall no longer issue a certificate to PCD Nominee but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the depository participants on the listing date.
- On the other hand, for an existing listed company, the PDTC shall wait for the advice of the transfer agent that it is ready to accept surrender of PCD Nominee jumbo certificates and upon such advice the PDTC shall surrender all PCD Nominee jumbo certificates to the transfer agent for cancellation. The transfer agent shall issue a

Registry Confirmation Advice to PDTC evidencing the total number of shares registered in the name of PCD Nominee in the listed company's registry as of confirmation date.

Further, the PSE apprised all listed companies and market participants on 21 May 2010 through Memorandum No. 2010-0246 that the Amended Rule on Lodgement of Securities under Section 16 of Article III, Part A of the Revised Listing Rules of the PSE shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the PSE.

**Issuance of Stock Certificates for Certificated Shares**

On or after the listing of the shares on the PSE, any Beneficial Owner of the shares may apply with PDTC through his broker or custodian-participant for a withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are on the account of the uplifting shareholder.

Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the shares into certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the relevant company's transfer agent.

**Amended Rule on Minimum Public Ownership**

Under the PSE Amended Rule on Minimum Public Ownership, listed companies are required, at all times, to maintain a minimum percentage of listed securities held by the public of 10.0% of the listed companies' total issued and outstanding shares (i.e., exclusive of treasury shares), or at such percentage that may be prescribed by the PSE. For purposes of determining compliance with the MPO, shares held by the following are generally considered "held by the public": (i) individuals (for as long as the shares held are not of a significant size (i.e., less than 10.0%) and are non-strategic in nature; (ii) trading participants (for as long as the shares held are non-strategic in nature); (iii) investment and mutual funds; (iv) pension funds; (v) PCD nominees if this account constitutes a number of shareholders, none of which has significant holdings (provided that if an owner of shares under the PCD Nominee has a shareholding that is 10% or more of the total issued and outstanding shares, then this shareholder is considered a principal stockholder); and (vi) social security funds.

Listed companies which become non-compliant with the MPO on or after 1 January 2013 will be suspended from trading for a period of not more than six (6) months and will automatically be delisted if it remains non-compliant with the MPO after the lapse of the suspension period. Suspended or delisted shares will not be traded on the exchange. In addition, sale of shares of listed companies that do not maintain the MPO are not considered publicly listed for taxation purposes and should, therefore, be subjected to capital gains tax and DST.

On 4 August 2020, the PSE issued Guidelines on MPO Requirement for Initial and Backdoor Listings, effective immediately. Under the guidelines, companies applying for initial listing through an initial public offering are required to have a minimum public offer size of 20% to 33% of its outstanding capital stock, as follows:

| Market Capitalization | Minimum Public Offer |
|---|---|
| Not exceeding ₱500 million | 33% or ₱50 million, whichever is higher |
| Over ₱500 million to ₱1 billion | 25% or ₱100 million, whichever is higher |
| Over ₱1 billion | 20% or ₱250 million, whichever is higher |

A company listing through an initial public offering is required to maintain at least 20% public ownership level at all times, whether the listing is initial or through backdoor listing. For companies doing a backdoor listing, the 20% MPO requirement shall be reckoned from the actual issuance or transfer (as may be applicable) of the securities which triggered the application of the Backdoor Listing Rules or from actual transfer of the business in cases where the Backdoor Listing Rules are triggered by a substantial change in business.

In accordance with the SEC Memorandum Circular No. 13 Series of 2017 issued on 1 December 2017, the MPO requirement on initial public offerings is increased from 10.0% to 20.0%. For existing publicly listed companies, the existing rules and/or guidelines of an exchange on minimum public float duly approved by the SEC still apply. The PSE rule on MPO requires that listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of 10.0% or 20.0%, as applicable, of the listed companies' issued and outstanding shares, exclusive of any treasury shares. Pursuant to PSE Circular No. 2020-0076, the 20% MPO requirement will also apply to companies applying for listing by way of introduction and companies undertaking a backdoor listing. Notwithstanding such rules, however, real estate investment trusts must comply with the minimum of public ownership requirements prescribed by the REIT Act of 2009.

# FINANCIAL STATEMENTS

Annex A: Audited Consolidated Financial Statements as of 31 December 2022, 2021 and 2020 and for the years ended 31 December 2022, 2021, and 2020 and reviewed Interim Condensed Consolidated Financial Statements as of 30 September 2023 and for the nine months ended 30 September 2023 and 2022.

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***CENTURY PROPERTIES GROUP INC. and CHINA BANK CAPITAL CORPORATION have exercised due diligence in ascertaining that all material representations contained in this Prospectus and supplements thereto are true and correct in all material respects and that no material information, which was necessary in order to make the statements contained in said documents not misleading, was omitted.***