SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
MAY 19 2014
MARKET REGULATION DEPT.
BY: TIME: 3:30 pm

1. Check the appropriate box:

   [ ] Definitive Information Statement [X] Preliminary Information Statement

2. Name of Registrant as specified in its charter SHANG PROPERTIES, INC.

3. Philippines
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: 145490

5. BIR Tax Identification Code: 000-144-386

6. Level 5, Shangri-La Plaza Mall
   EDSA cor. Shaw Boulevard, Mandaluyong City 1552
   Address of principal office Postal Code

7. Registrant's telephone number, including area code (632) 635-8300

8. The annual meeting of Registrant's stockholders will be held on **24 JUNE 2014 at 10:00 AM** at the Palawan Ballroom, Edsa Shangri-La Hotel, Manila, No. 1 Gardenway, Ortigas Center, Mandaluyong City
   Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders:
   02 JUNE 2014, which is fifteen (15) business days from the date of the Annual Stockholders' Meeting on **24 JUNE 2014**.

10. No proxy solicitations will be made by Registrant.

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	**4,764,056,287** common shares (* not included are the Registrant's 2,695 treasury shares)

12. Are any or all of registrant's securities listed in a Stock Exchange?

    Yes X No _____

    If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

    The Registrant's Common Shares are listed with the Philippine Stock Exchange.

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

GENERAL INFORMATION

The annual meeting of Registrant's stockholders will be held on **24 JUNE 2014 at 10:00 AM** at Edsa Shangri-La Hotel, Manila.

The approximate date on which the Information Statement is first to be sent or given to security holders is on **02 JUNE 2014**, which is fifteen (15) business days from the date of the Annual Stockholders' Meeting on **24 JUNE 2014**.

Registrant's complete mailing address is as follows: **SHANG PROPERTIES, INC.**, Level 5, Shangri-La Plaza Mall, Edsa cor. Shaw Blvd., Mandaluyong City.

DISSENTER'S RIGHT OF APPRAISAL

Any stockholder of the Registrant shall have the right to dissent and demand payment of the fair value of his/her shares as provided under the Corporation Code of the Philippines. There is no matter scheduled to be taken up during the Annual Stockholder's Meeting which would give rise to the exercise of a stockholder's right of appraisal.

INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

No director or officer of the Registrant or nominee for election as director of Registrant, or associate of any of the foregoing has/have a substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Annual Stockholders Meeting, other than election to office for some of such persons.

No director of the Registrant has informed the Registrant in writing or otherwise that he intends to oppose any action to be taken by the Registrant at the meeting.

Control Information and Voting Rights

As of the date of submission of this Information Statement, the Registrant has 4,764,056,287 issued and outstanding common shares all with a par value of One Peso (₱1.00) per share. All shares have identical voting rights. Every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock as of record date. Every stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate his votes and give one candidate/nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal or he may distribute them on the same principle among as many candidates as he shall see fit provided that the total number of votes cast by him shall not exceed the number of shares owned multiplied by the whole number of directors to be elected.

The record date for the Registrant's Annual Stockholders' Meeting is **04 JUNE 2014.**

Every stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate his votes and give one candidate/nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal or he may distribute them on the same principle among as many candidates as he shall see fit provided that the total number of votes cast by him shall not exceed the number of shares owned multiplied by the whole number of directors to be elected.

There are no stated conditions precedent to the exercise of cumulative voting rights.

Security Ownership of Certain Record and Beneficial Owners *of More Than 5%*

Following are the stockholders who are known to the Issuer to be directly or indirectly the record and/or beneficial owner of more than 5% of any class of the Issuer's voting shares as of **30 APRIL 2014**

Title of Class	Name, address of record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation (Filipino) G/F, MSE Building 6767 Ayala Avenue Makati City	R	Filipino	2,654,148,451	55.71%

Common	Travel Aim Investment B. V. 7/F Atrium Bldg., Strawinskylaan 3105 1077Z, Amsterdam, Netherlands	R	Foreign	1,648,869,372	34.61%
Common	Ideal Sites & Properties, Inc.	R	Filipino	1,465,615,626	30.76%

Travel Aim Investments B. V. is a wholly-owned subsidiary of Kerry Properties Limited. Kerry Properties Limited is a Bermuda company incorporated in 1996 and listed on the Hong Kong Stock Exchange. It is controlled by the Kuok Group, and was formed to hold the Hong Kong and Mainland China property investments and developments and infrastructure interests of the Kuok Group. In the Philippines, the interests of the Kuok Group are chaired by Mr. Edward Kuok who is also the Chairman and Director of the Issuer.

Ideal Sites and Properties, Inc. (Ideal) is the owner of record of 1,465,615,626shares. These shares serve as underlying securities to the Philippine Deposit Receipts (PDRs) issued by Ideal. Ideal is a member of the Kuok Group of Companies.

PCD Nominee Corporation is a wholly-owned subsidiary of the Philippine Depository & Trust Co. (*formerly* Philippine Central Depository, Inc.) The PCD Nominee Corporation is the registered owner of the shares in the books of the Company's transfer agent in the Philippines. The beneficial owners of such shares are PCD's participants, who hold the shares on their behalf or on behalf of their clients and/or principals. PCD is a private company organized by the major institutions actively participating in the Philippine capital market.

Security Ownership of Management (as of *30 April 2014*)

Title of Class	Name of Beneficial Owner	Amount and Nature of beneficial ownership	Citizenship	Percent of Class
Common	Edward Kuok Khoon Loong	808,008(D)	Malaysian	0.000%
Common	Alfredo C. Ramos	158(D)	Filipino	0.000%
Common	Ho Shut Kan	1,570 (D)	New Zealand	0.000%
Common	Cynthia R. Del Castillo	1(D)	Filipino	0.000%
Common	Benjamin I. Ramos	2 (D)	Filipino	0.000%
Common	Maximo G. Licauco III	1(D)	Filipino	0.000%
Common	Manuel M. Cosico	1,000(D)	Filipino	0.000%
Common	Federico G. Noel, Jr.	1(D)	Filipino	0.000%
Common	Danila Regina I. Fojas	10 (D)	Filipino	0.000%
Common	Kin Sun Andrew Ng	930,010 (D)	British Hong Kong	0.000%
Common	Wilfred Shan Chen Woo	1,000 (D)	Canadian	0.000%
Common	Wilkie Lee	14,000(D)	Australian	0.000%
Common	Johnny O. Cobankiat	32,302(D)	Filipino	0.000%
Common	Antonio O. Cojuangco	3,026,964(D)	Filipino	0.063%
Common	Koay Kean Choon	1(D)	Malaysian	0.000%

As of the reporting of SEC Form 20-IS for 2014, the aggregate ownership of all directors and officers as a group unnamed is 4,912,537 shares or *0.001%* of the outstanding shares of Issuer.

VOTING TRUST / HOLDERS OF 5% OR MORE

None of the shareholders of Registrant have entered into a voting trust agreement, so that all questions relating to the same are irrelevant to the Registrant.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On 28 May 2008, Shang Global City Properties, Inc., of which Issuer's subsidiary Shang Global City Holdings, Inc., is an equity holder to the extent of 40%, entered into a Deed of Absolute Sale with Fort Bonifacio Development Corporation ("FBDC"), for the purchase of a 15,120 sqm. parcel of land within the development in Taguig City, Philippines, known as the Bonifacio Global City. A luxury hotel and condominium development is envisioned to be constructed on this property.

On 30 June 2008, the Issuer and its wholly-owned subsidiary, Shang Fort Bonifacio Holdings, Inc. (SFBHI), entered into a Shareholders' Agreement (Agreement) with Oceans Growth Limited (OGL), a subsidiary of Shangri-La Asia Limited (SA), and Alphaland Corporation (AC). Under the Agreement, SFBHI shall cause its wholly-owned subsidiary, Fort Bonifacio Shangri-La Hotel, Inc. (FBSHI) to issue 5,000 common

shares to OGL and 2,500 common shares to AC such that upon completion of the issuance to, and, subscription by OGL and AC, FBSHI shall become a joint venture company with the following ownerships structure:

SFBHI	-	40%
OGL	-	40%
AL	-	20%
		100%

On 02 April 2014, the Issuer's subsidiaries, Shang Global City Holdings, Inc. and Shang Fort Bonifacio Holdings, Inc. have agreed to acquire Alphaland Development, Inc.'s 20% equity in Shang Global City Properties, Inc. and Fort Bonifacio Shangri-La Hotel, Inc., respectively.

On 09 November 2009, the Issuer entered into a Memorandum of Agreement with its subsidiary Shang Properties Realty Corporation ("SPRC") (formerly, The Shang Grand Tower Corporation), wherein Issuer agreed with SPRC to develop a portion of Issuer's Property located at Edsa cor. Shaw Blvd., Mandaluyong City, into another commercial / retail building ("Project") comprised of a shopping mall, parking facilities, and high-rise residential condominium building to be known as "One Shangri-La Place". Under the MOA, Issuer commits to transfer a portion of its Property where the Project will be constructed, and to contribute up to PHP TWO BILLION FIVE HUNDRED MILLION and 00/100 (PHP2,500,000,000.00) to partially fund the construction of the Project. SPRC, for its part, will put up the rest of the funding required for the construction of the Project. Issuer and SPRC also agreed to allocate the Project as follows: (i) the mall area, together with its facilities and amenities, shall be allocated exclusively to Issuer; (ii) the residential portion of the Project will be allocated exclusively to SPRC; (iii) all the parking slots that will be built beneath the mall area (basement parking) and 8% of the podium parking slots, shall be allocated to the Issuer; (iv) 92% of the podium parking slots will be allocated to SPRC.

On 31 March 2011, Issuer's subsidiary, Shang Property Developers, Inc. executed a Deed of Absolute Sale with Asian Plaza I Condominium Corporation and Asian Plaza, Inc. (both are Filipino corporations), for the purchase of the mixed use condominium project known as the Asian Plaza I and the parcel of land of which said project stands, for a consideration of PHP **SIX HUNDRED FIFTEEN MILLION and 00/100 (PHP615,000,000.00)**. The Asian Plaza I is located at the corner of Gil Puyat Ave., Tordesillas St. and H. V. de la Costa St., Salcedo village, Makati City.

On 27 June 2011, Issuer purchased L'hirondelle Holdings, Inc.'s 50million common shares and 270million preferred shares in Shangri-La Plaza Corporation ("SLPC") (representing 21.28% equity in SLPC), for a total consideration of P450,000,000.00. Said sale increased Issuer's equity in SLPC from 78.72 % previously to 100%, making SLPC a wholly-owned subsidiary of Issuer. SLPC owns and operates the mall establishment known as the Shangri-La Plaza which is located in Mandaluyong City.

On 17 February 2012, during its regular meeting, the Board passed resolutions to authorize the Issuer to guarantee in part, to the maximum extent of 50%, the term loan of its affiliate, Fort Bonifacio Shangri-La Hotel, Inc. from a local bank to partially finance the construction of a mixed hotel and residential/service apartments a the Bonifacio Global City in Taguig City.

With Issuer's subsidiaries:

a. With Shangri-La Plaza Corporation (SLPC)

i) A portion of the Issuer's land where the Shangri-La Plaza Mall is located is being leased to SLPC. The lease is for a period of twenty five (25) years from 6 January 1993. Rental income is calculated at 10% of SLPC's annual rental income from mall operations plus a certain percentage of the carpark's net income.

ii) Pursuant to the MOA between Issuer and its subsidiary Shang Property Realty Corporation (described in the disclosure in Item 1(a) above), of the mixed development project to be known as the One Shangri-La Place, Issuer shall be allocated the mall area together with its facilities and amenities of said development. Issuer and SLPC have in turn entered into an agreement whereby SLPC shall lease said mall facility from Issuer of a period of five (5 years commencing on September 2012, renewable upon mutual agreement of the Parties. Rental income is calculated at 12% of SLPC's annual rental income from mall operations

b. With SPI Parking Services, Inc. (SPSI)

On 16 January 2002, the Issuer entered into an agreement with SLPC and SPSI. Under the terms and conditions of the agreement, SPSI will be granted limited usufructuary rights over the Issuer's parking spaces for a consideration equivalent to a certain percentage of SPSI's gross income less direct and indirect expenses. The agreement is effective until 31 December 2002 and shall be renewed automatically for another year unless a notice of non-renewal is served by the Issuer or SPSI.

c. With Shang Properties Realty Corporation (formerly, The Shang Grand Tower Corporation)

On May 8, 2005, the Issuer entered into a Memorandum of Agreement ("MOA") with Shang Properties Realty Corporation ("SPRC") whereby Issuer, as registered owner of a parcel of land located along St. Francis Road cor. Internal Road, Shangri-La Complex. Mandaluyong City ("Property"), agreed with SPRC for the latter to develop the Property into a two-tower high rise residential condominium to be known as The St. Francis – Shangri-La Place ("Project"). SPRC shall provide the funding for the Project which was completed in 2009.

The MOA, among others, provides that Issuer, as the owner of the Property, commits to transfer the same, free from all liens and encumbrances, in favor of the Condominium Corporation that will be incorporated upon the completion of the Project. Pending the transfer of the Property to the Condominium Corporation, Issuer shall allow the use of the Property for the construction of the Project, subject to the terms and conditions hereinafter stipulated. SPRC shall provide funding for the construction of the Project. It is the intention of the Parties to allocate the resulting units in the Project between them, with each party taking ownership and possession of its respective allocated units ("Allocated Units"), with full power and discretion on the disposition of the same, subject only the pertinent conditions hereunder contained. The allocation between the Parties of the Net Saleable Area shall be at the ratio of twenty percent (20%) to Issuer and eighty percent (80%) to SPRC subject to adjustment based on mutual agreement of the Parties. The actual designation of the Parties' respective Allocated Units shall be determined upon completion of the final plans and shall be incorporated in a supplemental agreement to be executed by the Parties. The Parties also agreed that Seventy Five (75) contiguous parking slots shall be allocated to the Issuer. The allocation of the remaining parking slots net of the 75 slots allocated to Issuer, shall be eighty percent (80%) to SPRC and twenty percent (20%) to Issuer subject to adjustment based on mutual agreement of the Parties. The actual designation of the parking slots shall be determined upon completion of the final plans and shall be incorporated in a supplemental agreement to be executed by the Parties.

On 09 November 2009, the Issuer entered into a Memorandum of Agreement with its subsidiary Shang Properties Realty Corporation ("SPRC") (formerly, The Shang Grand Tower Corporation), wherein Issuer agreed with SPRC to develop a portion of Issuer's Property located at Edsa cor. Shaw Blvd., Mandaluyong City, into another commercial / retail building ("Project") comprised of a shopping mall, parking facilities, and high-rise residential condominium building to be known as "One Shangri-La Place". This MOA was rescinded by the Parties on 20 September 2013, wherein SPRC purchased the land from Issuer to become both the landowner and developer of the Project.

With Issuer's affiliates:

a. Edsa Shangri-La Hotel & Resort, Inc.

The Issuer leased a portion of its land to an affiliate, Edsa Shangri-La Hotel and Resort, Inc., where the latter's Edsa Shangri-La Hotel is located. The lease is for a period of twenty five (25) years commencing on 28 August 1992, renewable for another twenty five years at the option of the lessee. Rental income is computed on a fixed percentage of the Hotel's room, food and beverage, dry goods and other service payments.

b. With other affiliates:

On 1 January 2001, the Issuer entered into a cost sharing agreement with SLPC and other related companies for the services rendered by the officers of the Company to its related companies. Other transactions with related companies substantially consist of reimbursement of expenses paid for by the Issuer in behalf of its affiliates and vice-versa.

Between Issuer's Affiliates:

a. Shang Property Management Corporation entered into a Memorandum of Agreement with KSA Realty Corporation, pursuant to which the former shall assist the latter in managing and administering the leasing operations of The Enterprise Center.

b. Shang Property Management Corporation entered into a Memorandum of Agreement with The Enterprise Center Condominium Corporation pursuant to which the former shall assist the latter in managing and administering the condominium development known as The Enterprise Center , specifically with respect to the common areas thereof.

The Issuer's subsidiaries have not undergone any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets not classified as ordinary.

CHANGES IN CONTROL

As regards changes in control, there are no pending or proposed changes which will affect the Registrant.

The Directors, Independent Directors and Executive Officers of the Registrant *with their business experience for the last five years* are as follows:

Name	Citizenship	Director/ No. of Years	Age	Office Held	Directorship in other reporting (Listed) Companies
Edward Kuok Khoon Loong	Malaysian	Yes /18	61	Chairman	None
Alfredo C. Ramos	Filipino	Yes /22	70	Vice Chairman	Anglo Philippine Holdings Corp., The Philodrill Corp., Vulcan and Industrial Mining and Development Corp., Penta Capital Holdings Corp., Philippine Seven Corp.
Cynthia R. Del Castillo	Filipino	Yes /9	61		Sanitary Wares & Mfg. Corp.
*Alexandra Ramos – Padilla (resigned 27 November 2013 and replaced by Maximo G. Licauco III for the remainder of the term)	Filipino	Yes / 5	40		None
Benjamin I. Ramos	Filipino	Yes /2	46		None
Wilfred Shan ChenWoo	Canadian	Yes/1	56		none
Danila Regina I. Fojas	Filipino	Yes/ 9	60		None
Kin Sun Andrew Ng	British Hong Kong	Yes/6	57	Group Financial Controller	None
Federico G. Noel, Jr.	Filipino	Yes /12	52	Corporate Secretary	None
Ma. Myla Rae M. Santos-Orden	Filipino	(No)	48	Asst. Corp. Secretary	None
Wilkie Lee		Yes / 3	57		None
Johnny O. Cobankiat***	Filipino	Yes /4	63		None
Antonio O. Cojuangco***	Filipino	Yes / 4	62		None
Ho Shut Kan	New Zealand	Yes / 4	65		None
Manuel M. Cosico	Filipino	Yes/1	72		None
Koay Kean Choon	Malaysian	Yes/1	59	Senior Project Director	None
MaximoG. Licauco III	Filipino	Yes/less than 1			None

Edward Kuok Khoon Loong is the Chairman of the Company and also Vice Chairman of Kerry Holdings Limited. He has been with the Kuok Group since 1978. He has a Master's degree in Economics from the University of Wales in the United Kingdom.

Alfredo C. Ramos is the Vice Chairman of the Company. He is the Chairman of the Board of Anglo Philippine Holdings, Inc., Anvil Publishing, Inc., Carmen Copper Corporation, NBS Express, Inc. and Vulcan Materials Corporation. He is the Chairman and President of Atlas Consolidated Mining & Development Corporation, The Philodrill Corporation, National Book Store, Inc., Vulcan Industrial & Mining Corporation and United Paragon Mining Corporation. He is also the President of Abacus Book & Card Corporation, Crossings Department Store Corp., Power Books, Inc., and MRT Holdings Inc. He is Vice Chairman of Shangri-La Plaza Corporation, MRT Development Corporation, Metro Rail Transit Corporation and LR Publications, Inc.

Johnny O. Cobankiat is President of Co Ban Kiat Hardware, Inc., Ace Hardware, Philippines, and Coby's Marketing Corp. He is Vice Chairman of the Federation of Filipino-Chinese Chamber of Commerce, Director of R. Nubla Securities, Inc. and of the Philippine Hardware Association.

Antonio O. Cojuangco is the Chairman of Ballet Philippines, CAP Life Insurance Corporation, Cinemalaya Foundation, Mantrade Development Corporation, Nabasan Subic Development Corporation, Radio Veritas, Tanghalang Pilipino and Directories Philippines Corporation. He is the President and Director of Calatagan Golf Club Inc. and Canlubang Golf and Country Club.

Cynthia Roxas Del Castillo is a Partner at Romulo, Mabanta, Buenaventura, Sayoc & de los Angeles and has been with the firm for over 30 years. She served as Dean of the Ateneo Law School from 1990 to 2000 and as a Professor of Civil Law and Securities Regulation. She holds an Ll.B from Ateneo, graduated Valedictorian in 1976 and placed 11th in the 1976 Bar Examinations. She currently serves as Corporate Secretary and Director of other various Philippine corporations.

******Alexandra Ramos – Padilla*** is the General Manager of Crossings Department Store, Corporate Secretary and Director of Alakor Securities Corporation and Director of Music One Corporation. She previously worked with Wal-Mart Stores, Inc. in Shenzhen, China and has an MBA from the Kellogg Graduate School of Management.
(RESIGNED EFFECTIVE 27 NOVEMBER 2013 AND WAS REPLACED BY MAXIMO G. LICAUCO)

Benjamin I. Ramos is the President of Powerbooks since 2009 and is the Special Assistant to the Vice President at National Book Store. He was previously the President of Tokyo, Tokyo, Inc., the largest Japanese fast food chain in the Philippines from 1990 to 2008 and has an MBA from the Stanford Graduate School of Business.

Ho Shut Kan is co-managing director of Kerry Properties Limited [KPL]. He is responsible for overseeing the operation of the project companies and the projects of the Group in Hong Kong, Macau and overseas. He is a non-executive director of Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust, which is listed in Hong Kong.

Wilfred Shan Chen Woo is the Executive Assistant to the Chairman of the Board. He is a member of the Institute of Chartered Accountants of British Columbia as well as a member of the Canadian Institute of Chartered Accountants since 1985. He graduated in 1982 from the University of British Columbia in Vancouver, Canada with a Bachelor's Degree in Commerce, majoring in Accounting and Management Information Systems.

Wilkie Lee is a Project Director of Kerry Properties Ltd. with extensive experience in the real estate business in Australia and Hong Kong. He obtained his Bachelor's Degree in Civil Engineering from the University of Saskatchewan, Canada and a Masters Degrees in Business Administration from the University of Notre Dame, USA and the London Business School.

Danila Regina I. Fojas is the Executive Vice President and General Manager of Shangri-La Plaza Corporation. Her core expertise is in general and marketing management. In her previous capacity as a corporate officer of San Miguel Corporation and its subsidiaries, she assumed various marketing positions in the Philippines, Indonesia and the international beer operations based in Hong Kong. She is the first female to graduate with honors at the Asian Institute of Management, where she also held two concurrent positions as core faculty member and Executive Managing Director for Marketing and Customer Relations. She completed her Masters in Business Management with Distinction in 1978 and participated in the one-year advanced top management course in economics and business development at the University of the Asia and the Pacific in 1993. She is also a Director of KSA Realty Corporation.

Kin Sun Andrew Ng is a Director and Group Financial Controller. He also serves as Director on the various boards of Shang Properties affiliates and subsidiaries. Prior to joining the Kerry Group in Hong Kong in 1993, he worked for one of the largest audit firms in Hong Kong, handling audit, taxation and accounting. He is an associate member of the Hong Kong Society of Accountants and a fellow member of the Association of Chartered Certified Accountants in the U.K. He graduated from the Hong Kong Shue Yan University with a degree in Accounting.

Federico G. Noel, Jr. is the General Counsel of the Company. He is also the Corporate Secretary and Legal Counsel for the other Kuok Group companies in the Philippines including the Shangri-La Plaza Corporation and the Shangri-La Hotels. He graduated from the Ateneo Law School in 1991 with a Juris Doctor degree.

Manuel M. Cosico is a Partner of Romulo Mabanta Buenaventura, Sayoc & de los Angeles Law Firm. He is Chairman of Construction Industry Arbitration Commission (CIAC) since 2011 and was a former Arbitrator of CIAC from 2001 to 2011. He was previously the Presiding Judge of Branch 136 of the Regional Trial Court of Makati from 1986 to 1991 and a Special Criminal Court Judge from 1986 to 1991. He was a former Professor of Evidence, Civil Procedure, Special Proceedings and Trial Techniques at Ateneo de Manila University.

Maximo G. Licauco III is a Director of The Philodrill Corporation. He is also President of Filstar Distributors Corporation (Hallmark Licensee) and Area Vice President of National Book Store, Inc. ***(REPLACED MS. ALEXANDRA PADILLA, TO SERVE FOR THE REMAINDER OF MS. PADILLA'S TERM AND UNTIL HIS SUCCESSOR IS DULY QUALIFIED)***

Koay Kean Choon is the Senior Project Manager of Issuer. He worked as M & E Manager with Kerry Project Management Ltd. Hong Kong and as Senior Project Manager from 2000-2011 for Shangri-La Hotel Management Ltd.

Ma. Myla Rae M. Santos– Orden is Assistant Corporate Secretary and has been the Assistant Legal Counsel of the Company for the past 12 years.

**** Messrs. Johnny Cobankiat, Antonio Cojuangco and Manuel M Cosico were elected independent directors. All of the foregoing independent directors have no relationship with Ideal Sites and Properties, Inc., either as directors or officers.*

The Directors of the Company are elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

(2) Significant Employees

Issuer does not have an employee who is not an executive officer who is expected to make a significant contribution to the business of Issuer. There are also no key personnel on whom the business of the Issuer is highly dependent such as to merit any special arrangement.

(3) Family Relationships

Mr. Alfredo Ramos and Ms. Alexandra Padilla are father and daughter. Mr. Benjamin Ramos is the nephew of Mr. Alfredo Ramos. Mr. Maximo G. Licauco III is the brother-in-law of Alfredo Ramos.

(4) Involvement in Certain Legal Proceedings

(A) None of the directors or executive officers of the Issuer has had any bankruptcy petition filed by or against any business of which such director or executive officer was a general partner or executive officer either at the time of bankruptcy or within two years to that time;

(B) None of the directors or executive officers of the Issuer has had any conviction by final judgment in a criminal proceedings, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

(C) None of the directors or executive officers of the Issuer has been 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;

(D) None of the directors or executive officers of the Issuer has been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self regulatory organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Nomination of Regular (Non-independent) and Independent Directors

Pursuant to the SEC approved Amended by-Laws of the Registrant wherein new provisions on the nomination and election of the regular and independent members of the Board of Directors were added in compliance with the SRC and SEC Rules and Regulations, the Registrant shall duly publish in a newspaper of general circulation the Notice to Stockholders calling for nominations for regular and independent members of the Registrant's Board of Directors who shall be elected during the Annual Stockholders Meeting on ***24 JUNE 2014.*** All nominations received by the Corporate Secretary of Registrant shall be forwarded to the Nomination Committee for evaluation in accordance with the nomination guidelines set forth in the Amended By-Laws.

The specific wordings of Article III, Section 2 of the Issuer's Amended By-Laws setting out the following guidelines and procedures for the nomination and election of the Issuer's regular and independent directors are as follows:

Section 2(a). Election of Independent Directors and their qualification. - Pursuant to the provisions of the Securities Regulation Code and the pertinent regulations of the Securities and Exchange Commission, the Corporation's Board of Directors shall have at least two (2) independent directors or such number of independent directors as corresponds to at least twenty (20%) of the Corporation's board size, whichever is lesser. The independent directors shall be elected in the same manner as the other members of the Board of Directors as provided in these By-Laws.

Section 2 (b). Qualification and Disqualification of Independent Director – Any stockholder having at least one (1) share registered in his name may be elected Independent Director, provided, however, that no person shall qualify or be eligible for nomination or election as Independent Director if he is engaged in any business which competes with or is antagonistic to that of the Corporation. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:

(i) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any corporation (other than one in which the corporation owns at least 40% of the capital stock) engaged in the business which the Board of Directors, by at least three-fourths vote, determines to be competitive or antagonistic to that of the Corporation; or

(ii) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any other corporation or entity engaged in any line of business of the Corporation, when in the judgment of the Board of Directors, by at least two-thirds (2/3) vote, the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or

(iii) If the Board of Directors, in the exercise of its judgment in good faith, determine by at least two-thirds (2/3) vote that he is the nominee of any person set forth in (i) or (ii) above.

In determining whether or not a person is a controlling person, beneficial owner, or the nominee of another, the Board of Directors may take into account such factors as business and family relationship.

For the proper implementation of this provision, all nominations for the election of Independent Directors shall follow the procedure described below."

Section 2 (c). The Board of Directors shall constitute, from among themselves, a Nomination Committee. The Nomination Committee shall have at least three (3) members, one of whom is an independent director. It shall promulgate the guidelines or criteria to govern the conduct of the nominations for both regular and independent directors, which shall include the following:

(i) The nomination of regular and independent directors shall be conducted by the Nomination Committee prior to a stockholders' meeting. All nominations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominee.

(ii) The Nomination Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for regular and independent director/s.

(iii) After the nomination, the Nomination Committee shall prepare a Final List of Candidates fore regular and independent directors which shall contain all the following information about all the nominees:

- Names, ages, and citizenship of all nominees;
- Positions and offices that each nominee has held, or will hold if known;
- Term of office and the period during which the nominee has served as director;
- Business experience during the past five (5) years;
- Other directorships held in SEC reporting companies, naming each company;
- Family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons chosen by the company to become directors or executive officers;
- Involvement in legal proceedings, i.e., a description of any of the following events that occurred during the past five (5) years up to the latest date that are material to an evaluation of the ability of integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the company:
- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- Any conviction by final judgment, including the nature of the offense, in a criminal proceedings, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- 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
- Being found by a domestic or foreign 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 securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.
- Disclosure if owning directly or indirectly as record and/or beneficial owner of any class of the company's voting securities;
- Disclosure of owning voting trust of more than 5% of the company's securities; and

- *Any such other information as may be required to be disclosed by the Securities and Exchange Commission although not expressly provided for above.*

The Notice to the Issuer's Shareholders respecting the submission of nominations for regular and independent directors will be published in a newspaper of general circulation. A copy of said Notice, as well as of the Affidavit of Publication executed by the relevant newspaper organization shall form part of the Issuer's Definitive 20-IS submission.

The Nomination Committee is chaired by Mr. Edward Kuok Khoon Loong, while the Committee Members are Ms. Cynthia N. del Castillo, Federico G. Noel, Jr., and Antonio O. Cojuangco.

Involvement in Certain Legal Proceedings

(i) On 14 July 1993, a complaint was initially filed before the Pasig Regional Trial Court (RTC-Pasig) by the principal contractor of the Shangri-La Plaza Mall against the Issuer and its Board of Directors for the recovery of the balance of alleged unpaid construction work, compensatory and moral damages, legal fees, and litigation costs. On 27 October 1998, the RTC-Pasig issued an order directing the parties to arbitrate their dispute under the Arbitration Law. On July 31, 2006, the Arbitral Tribunal that was constituted by the Parties, ordered BF Corporation to file its Statement of Claims, and the Issuer and the other defendants to file their respective Answers thereafter. BF had increased its claims for unpaid billings, change orders, damages, etc., to a total of about ₱228.6 million, Issuer and the other defendants have put forth counterclaims in the total amount of about ₱380 million. After due hearings on arbitration and the submission by the Parties of their respective memoranda, the Arbitral Tribunal, in its Decision dated 31 July 2007, ruled that BF is entitled to an award of only ₱46,905,987.79, while Issuer is entitled to an award of ₱8,387,484.06. Both Parties have appealed the Decision of the Arbitral Tribunal to the Court of Appeals and the same are pending with said body to date.

(ii) On November 23, 2005, Issuer together with The Shang Grand Tower Corporation (a subsidiary of Issuer), were named respondents in a case before the Bureau of Legal Affairs of the Intellectual Property Office of the Philippines (BLA-IPPHIL), entitled "ASB Development Corporation v. The Shang Grand Tower Corporation and Edsa Properties Holdings, Inc., for unfair competition, false and fraudulent declaration and damages with application for issuance of a Temporary Restraining Order and Writ of Preliminary Injunction." Complainant ASB alleges that Respondents committed acts of unfair competition and false and fraudulent declaration by the Respondents' use of the terms "St. Francis" for their residential condominium project located along St. Francis St. cor Shaw Blvd., Mandaluyong City. Issuer is the project owner, while TSGTC is the project developer. On December 19, 2006, the BLA-IPPHIL rendered its decision and ruled that Respondents cannot use the name "St. Francis Towers", but they can use the name "St. Francis – Shangri-La Place". The BLA, however, did not award any damages to ASB stating that no evidence was presented by ASB as to the amount of damages it suffered. Respondents and ASB have both partially appealed the BLA Decision. The Office of the Director General promulgated its Decision on 03 September 2008. ASB appealed said Decision before the Court of Appeals. The Court of Appeals having issued its Decision on 18 December 2009 favoring ASB's position, TSGTC (now SPRC), appealed the same to the Supreme Court. The Supreme Court has yet to decide on this case **to date.**

The Issuer is not involved in any litigation / legal proceedings with any third party other than the two (2) cases described above, up to the latest date.

Information on Cases, Judgments, Decrees, etc., Against Registrant's Directors and Executive Officers.

None of the directors or executive officers of the Registrant has had any bankruptcy petition filed by or against any business of which such director or executive officer was a general partner or executive officer either at the time of bankruptcy or within five (5) years up to the latest date; None of the directors or executive officers of the Registrant has had any conviction by final judgment in a criminal proceedings, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses; None of the directors or executive officers of the Registrant has been 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 None of the directors or executive officers of the Registrant has been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self regulatory organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

As to the disclosures required in Item 1 of Part IV, Paragraph (D), there are no disclosable transactions as regards the requested disclosures in this item given that Registrant has no transaction or proposed transactions to which Registrant was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest: (i) any director or executive officer of the Registrant; (ii) any nominee for election as a director; (iii) any security holder named in response to Part IV, paragraph I, or (iv) any member of the immediate family of the persons aforenamed.

The information above is true during the past five (5) years up to the latest date.

Parents of Registrant

Travel Aim Investments B.V. is a wholly-owned subsidiary of Kerry Properties Limited (KPL). KPL is a Bermuda Company incorporated in 1996 and listed on the Hong Kong Stock Exchange. The Company was formed to hold the Hong Kong and Mainland China property investments and developments and infrastructure interests of the Kuok Group. KPL has the power to vote the shares of Travel Aim.

Ideal Sites and Properties Inc. is a Philippine company incorporated in 1989. It is affiliated with the Kuok Group and was formed to primarily engage in property development and investments. Shang Properties, Inc, and Oro Group Ventures, Inc. are the major shareholders of Ideal.

National Bookstore, Inc., is a closed Philippine company which owns the Philippines' biggest chain of bookstores. The Ramos family controls National Bookstore and has the power to vote its shares.

Resignation of Director Since the Last Annual Shareholders' Meeting

*Alexandra Ramos – Padilla resigned on 27 November 2013 and was replaced by Maximo G. Licauco III for the remainder of her term).

Proxy Solicitations

No proxy solicitations will be made by the Registrant.

Compensation of Directors and Executive Officers

The following is a summary of the aggregate compensation paid or accrued during the last two (2) fiscal years, i.e. 2012 and 2013 and to be paid in the ensuing fiscal year 2014 to the Company's Chief Executive Officer and four (4) other most highly compensated executive officers who are individually named, and to all other officers and directors of the Company as a group:

OFFICERS/DIRECTORS	FISCAL YEAR	AGGREGATE COMPENSATION (in ₱)		
		Basic	Bonus	Total
2014	2014	35,601,280.00	13,477,112.43	49,078,392.43
Kin Sun Andrew Ng, Group Financial Controller				
Vicente P. Formoso, Vice President, Chief Financial Officer/Treasurer				
Federico G. Noel, Jr., Corporate Legal Counsel				
Eden Lin, Project Manager				
Danila Regina I. Fojas, Executive Vice President				
VICENTE P. FORMOSO RESIGNED FROM THE ISSUER EFFECTIVE JANUARY 2013				
2013	2013	34,763,536.00	13,530,877.43	48,294,413.43
Kin Sun Andrew Ng, Group Financial Controller				
Vicente P. Formoso, Vice President, Chief Financial Officer/Treasurer				
Federico G. Noel, Jr., Corporate Legal Counsel				
Eden Lin, Project Manager				
Danila Regina I. Fojas, Executive Vice President				
2012	2012	41,801,383.00	13,589,334.47	55,390,717.47
Kin Sun Andrew Ng, Group Financial Controller				
Vicente P. Formoso, Vice President, Chief Financial Officer/Treasurer				
Federico G. Noel, Jr., Corporate Legal Counsel				
Eden Lin, Project Manager				
Danila Regina I. Fojas, Executive Vice President				

No actions will be taken by Registrant during the Annual Stockholders Meeting as regards any bonus, profit sharing or other compensation plan, contract or arrangement in which any director, nominee for election as a director, or executive officer of the registrant will participate, any pension or retirement plan in which any such person will participate, or the granting or extension to any such person of any option/s, warrant/s or right/s to purchase any securities. The members of the board are not paid per diem for their attendance to board meetings.

Independent Public Accountants

The Registrant has had no disagreements with its Accountants Sycip Gorres Velayo & Co. The representatives of said Accountants will be present during the annual stockholders' meeting, and shall have the opportunity to make a statement is they desire to do so. They shall also be available to respond to appropriate questions.

The Issuer has had no disagreements with its Accountants SGV & Co. The Issuer is compliant with the SRC rule 68, as amended, par 3(b)(iv), and has observed the rotation of signing partners for its Independent Public Accountants, SGV. With respect to SGV, the signing partner **starting 2012 is MR. ARNEL DE JESUS, replacing Mr. Aldrin Cerrado who has been the signing partner for five years, in compliance with the SEC's rotation requirement**. SGV is a SEC-accredited external auditing form for the period 04 February 2010 to 03 February 2013. ***SGV will be recommended for re-appointment as External Auditor for the year 2014-2015 during the Annual Stockholders' Meeting on 24 JUNE 2014.***

AUDIT COMMITTEE

Pursuant to the provisions of Registrant's Manual of Corporate Governance, the Registrant has an Audit Committee which is chaired by Mr. Alfredo C. Ramos **and co-chaired by Mr. Johnny Cobankiat who is an independent director. Manuel M. Cosico is a member of the Committee.**(Per Registrant's Manual of Corporate Governance Provisions, the Audit Committee shall be composed of at least three members of the Board, one of whom shall be an independent director. Mr. Johnny Cobankiat and George Go are independent directors).

Issuance and Exchange of Securities

The merger of Registrant and Kuok Philippine Properties, Inc. ("KPPI"), with the Registrant as the surviving entity, and KPPI as the absorbed entity, was duly approved by the SEC on 25 July 2007. Pursuant to the Plan of Merger of Registrant and KPPI, as approved by the Board of Directors of Registrant, all KPPI shareholders as of the date of approval by the Securities and Exchange Commission of the Merger ("Record Date"), were entitled to exchange every seven (7) of their KPPI shares with one (1) share of the Registrant. Fractional shares (shares less than 7) held by the qualified KPPI shareholders were paid by the Registrant in cash. The shares of the Registrant which was issued to the KPPI shareholders was taken from out of an increase in the Authorized Capital Stock of the Registrant from ₱6,000,000,000.00 (representing 6,000,000,000 common shares at ₱1.00 par value per share) to ₱8,000,000,000.00 (representing 8,000,000,000 common shares at ₱1.00 par value per share), which increase in the Authorized Capital Stock has been duly approved by the SEC. All shares issued to KPPI shareholders have been duly listed with the Philippine Stock Exchange.

Only common shares were issued which shall enjoy the same rights (dividend, voting, and other rights) as those common shares of the Registrant already issued and outstanding. No preferred shares will be issued on account of the increase in the Authorized Capital Stock.

As regards dividends, the dividend policy of the Registrant is as set forth in Article VIII of its By-Laws which states that dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all shareholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with existing laws.

The pre-emptive rights of all common shareholders of the Registrant (old and new) are denied in Article Seventh of the Articles of Incorporation of Registrant, which states that "No holder of shares of the Corporation shall have, as such holder, any pre-emptive right to acquire, purchase, or subscribe to any share of the capital stock of the Corporation which it may issue or sell, whether out of the number of shares authorized by these Articles of Incorporation as originally filed, or by any amendment thereof, or out of the shares of the capital stock of the Corporation acquired by it after the issuance thereof."

There are no provisions in the By-Laws of Registrant that would delay, defer, or prevent a change in control of the Registrant.

No dividends in arrears or defaults in principal interest

The Registrant has no dividends in arrears or defaults in principal or interest in respect of any of their respective securities.

OTHER MATTERS

During the annual stockholders' meeting, the shareholders shall be requested to:

(i) approve the minutes of the Annual Stockholders' Meeting held on **26 JUNE 2013**, which minutes reflect the following: call to order, proof of notice of meeting, certification of quorum, approval of minutes of the previous annual stockholders' meeting, approval of the Management's report of operations **for 2013**, ratification of the acts of the Board of Directors, election of directors, appointment of the firm of Sycip Gorres Velayo & Co. as the Registrant's External Auditors, and adjournment.

(ii) ratify the acts of Management and the Board of Directors since the Annual Stockholders' Meeting held **26 JUNE 2013** up to the date of this year's Annual Stockholders' Meeting. The items covered with respect to this general ratification are the acts of Board of Directors in the ordinary course of business, with those acts of significance having been subject of prior disclosures to the SEC.

(iii) approve and ratify the Registrant's Audited Financial Statements as of **31 December 2013**, elect the Board of Directors for the year **2014-2015**, elect the Registrant's external auditors.

Other than the above, no other action shall be taken during the annual stockholders' meeting.

VOTING PROCEDURES

The vote of at least a majority of the stockholders present in person or by proxy and entitled to vote, a quorum being present, shall be required for approval or election. The votes shall be taken and counted viva voce, by the secretary of the Meeting.

CORPORATE GOVERNANCE MANUAL

In August 2002, the Board of Directors of the Issuer adopted its Corporate Governance Manual which it submitted to the Securities and Exchange Commission. The Manual includes provisions on:

- Compliance System
- Duties and responsibilities of Compliance Officer
- Plan for Compliance including the general responsibilities and qualifications of:
  - Board of Directors
  - Board Committees
  - Corporate Secretary
  - External Auditor
  - Internal Auditor
- Communication Process
- Training Process
- Reportorial/Disclosure System
- Monitoring Assessment

On August 3, 2005, the Board of Directors of Issuer approved the amendment of Issuer's Manual of Corporate Governance such as to add thereto provisions for the creation of a nomination committee for both regular and independent directors of Issuer, in compliance with the relevant provision of the Securities and Regulation Code.

On 17 August 2009, the Issuer's Board of Directors approved further revisions to the Issuer's Manual on Corporate Governance such as to render the same compliant with SEC Memorandum Circular No. 6, Series of 2009,

On 23 February 2011, this Issuer's Board of Directors approved the latest revisions to the Corporation's Manual on Corporate Governance following the missive of the Sec to ensure the Manual's faithful conformity with the SEC's Memorandum Circular No. 6 Series of 2009.

Internal Control

In performing their duties, the Registrant's Board of Directors also acknowledge their responsibility for the Registrant's system of internal financial control. The system is designed with a view to provide reasonable assurance against any material misstatement or loss. This aims to ensure that assets of the Registrant are safeguarded, proper accounting records are maintained and that the financial information used within the business and for publication is reliable. The control system also includes clearly drawn lines of accountability and delegation of authority and comprehensive reporting and analysis against approved annual budgets.

Regular reports are also be prepared for the Board to ensure that Directors are supplied with all the information they require in timely and appropriate manner.

Audit Committee

Pursuant to its Corporate Governance Manual, the Board created an Audit Committee in August 2002. The membership in said committee is compliant with the composition set forth in the Issuer's Manual of Corporate Governance. The Committee acts in an advisory capacity and makes recommendation to the Board. It also review the findings and plans of the internal and external auditors of the Registrant and liaises, on behalf of the Board, with the auditors. The Committee meets regularly to review audit reports, status of the Registrant's audits, internal controls, interim and final financial statements prior to recommending them to the Board for approval.

The Audit Committee is scheduled to meet at least three times a year. The Committee is chaired by Mr. Alfredo Ramos, and Co-chaired by Johnny O. Cobankiat. Manuel M. Cosico is a member of the Committee.

Nomination Committee

Pursuant to its Corporate Governance Manual, the Board created a Nomination Committee. The Nomination Committee shall have at least three (3) members, one of whom is an independent director. The procedure for the nomination of regular and independent directors is detailed in the Issuer's amended Manual on Corporate Governance as well as in Issuer's amended By-Laws.

Nomination of Independent Director/s

The nomination of independent directors shall be conducted by the Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominee.

The Nomination Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.

DISCLOSURE OF THE LEVEL OF PUBLIC OWNERSHIP OF THE ISSUER (PER PSE MEMO NO. 2010-0505, DATED 28 OCTOBER 2010)

In compliance with PSE Memorandum No. 2010-0505 which requires the disclosure of the level of public ownership of the Issuer, as of 30 April 2014, is 65.29% of the Issuer's total issued and outstanding shares is publicly owned in accordance with the PSE's guidelines for the computation of public ownership.

PART II.

INFORMATION REQUIRED IN A PROXY FORM

Part II and its required disclosures are not relevant to the Registrant since Registrant will not be requesting or soliciting proxies.

UNDERTAKING

Registrant undertakes to provide without charge to each person solicited, on the written request of any such person, a copy of the registrant's report on the SEC Form 17-A, and shall indicate the name and address of the person to whom such written request is to be directed. At the discretion of Management, a charge may be made for exhibits, provided such charge is limited to reasonable expenses incurred by the Registrant in furnishing such exhibits.

PART III.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Mandaluyong this 19th day of May 2014.

SHANG PROPERTIES, INC.
By:

FEDERICO G. NOEL, JR.
Corporate Secretary

ADDENDUM TO THE ANNUAL REPORT

Management's Discussion and Analysis (MD & A) or Plan of Operation

Furnish the information required by Part III, Paragraph (A) of "Annex C, as amended" for the most recent fiscal year and for the immediately preceding fiscal year.

(A) Management's Discussion and Analysis (MD&A) or Plan of Operation

(1) Plan of Operation – N/A (SPI has revenue in each of the last two fiscal years)

(2) Management's Discussion and Analysis

(a) Full Fiscal Years

Key Performance Indicators

		31-Dec		%
		2013	2012	Change
Turnover	(Php M)	6,909	5,406	27.8%
Profit Attributable to shareholders	(Php M)	2,011	1,646	22.2%
Earnings per share	(PhpCtv)	0.422	0.346	22.2%
Net Asset Value per share	(Php)	4.564	4.251	7.3%
Price Earnings Ratio	(Times)	7.742	8.792	-11.9%

- Turnover consists of sales from Residential Condominium, Rental Revenue, Interest Income and Other Income. Shang Properties' total revenues increased by ₱1.5B to ₱6.9B for fiscal year 2013 from ₱5.4B total revenues for fiscal year 2012. Sales from residential condominium units accounted for ₱3.9B or 57% of the total revenues. Revenue from leasing operations amounted to ₱2.3B, higher by ₱490.2M from last year's ₱1.8B. Interest income and other income decreased by ₱225.1M.

- Profit attributable to shareholders represents net income from operations after tax of the Group. It went up by ₱364.8 or 22.2% compared with last year.

- Earnings per share of ₱0.422 were higher by 22.2% from last year's ₱0.346.

- Net Asset value per share is calculated by dividing the total net asset of the company (Total asset – Total liabilities) by the number of shares outstanding.

- Net asset value per share increased by 7.3% mainly due to higher income generated during the year.

- Price Earnings ratio is a valuation of the company's current share price compared to per share earnings. It is computed by dividing the market value per share by the earnings per share. Price earnings ratio is lower by 11.9% to 7.742 this year from 8.792 last year. The Group' year-end share price in 2013 is ₱3.27 from ₱3.04 in 2012.

Results of Operations

Shang Properties, Inc.' consolidated net income attributable to shareholders for the year ended December 31, 2013 amounted to ₱2B, ₱364.8M higher than the ₱1.6B posted in the same period last year.

Calendar Year 2013 Compared to Calendar Year 2012

The Group' gross revenue increased by 27.8% to ₱6.9B in 2013 from ₱5.4B in 2012, mainly due to higher revenue from the sale of condominium units and higher rental income from mall and office leasing operations.

1. Residential condominium projects revenue of ₱3.9B is higher by ₱1.2B from last year's ₱2.7B due to higher sales recognized from One Shangri-La Place and Shang Salcedo Place projects.

2. Shangri-La Plaza's growth of ₱343M was mainly due to the revenue generated by the newly opened East Wing Mall and rental escalation of the existing mall.

3. The office leasing operations at The Enterprise Center grew by ₱141.2M to ₱803.8M mainly due to improved average occupancy rate to 97% in 2013 from 86% in 2012.

4. Interest and other Income decrease by ₱225.1M mainly due to higher fair value adjustments of investment properties recognized in 2012 while in 2013 no adjustments was recognized as the Group assessed that the fair value adjustment is insignificant.

Total Expenses of the Group amounted to ₱3.8B, ₱845.1M higher compared with last year's ₱3B mainly due to the following:

1. Increase in cost of condominium sales due to more units sold in 2013.

2. General and administrative expenses decrease by ₱24.7M mainly due to lower marketing and advertising and condominium dues expenses this year compared with last year.

3. Unreimbursed share in common expenses increase by ₱85M mainly due to unrecovered actual cost of utilities, janitorial and security expenses of the newly opened East Wing Mall that are borne by the Group.

4. Increase in depreciation expense by ₱1.6M mainly due to capitalized office improvements and purchase of transportation equipment.

5. Insurance expense increase by P3.9M due to higher premiums paid during the period.

6. Interest expense and bank charges increase by ₱12.7M mainly due to loan availment during the year.

Calendar Year 2012 Compared to Calendar Year 2011

Shang Properties consolidated net income attributable to equity holders for the year ended December 31, 2012 amounted to ₱1.6B, ₱589.8M higher from ₱1.1B recorded in 2011.

The Group' consolidated revenues for the year totaled to ₱5.4B, ₱1.8B higher than the revenues posted in 2011. This was mainly due to higher revenue performance of residential condominium projects, lease of retail and office spaces.

1. Residential condominium projects realized revenue of ₱2.7B is higher by ₱2.1B from ₱623.6M last year mainly due to higher sales bookings of One Shangri-la Place.

2. The Shangri-La Plaza Mall reported rental revenues of ₱1.0B compared to ₱962.8M over the same period last year. The ₱59M or 6.0% increase was mainly due to rental escalations and sustained growth in tenants' sales on percentage rental structure.

3. The office leasing operation of KSA Realty Corporation realized revenues of ₱662.5M is slightly lower by ₱3.9M from ₱666.5M last year due to lower occupancy rate of 86% in 2012 against 88% in 2011.

4. Other Income decrease by ₱305M or 26.2% from ₱1.2B last year mainly due to the decrease in interest income due to lower level of money market placements and decrease in gain on fair value adjustment of investment properties.

The Group's total cost and expenses went up by ₱1.7B to ₱3.0B in 2012. This was mainly due to the following:

1. Increase in cost of condominium sales of One Shangri-La Place as a result of higher revenues generated in 2012.

2. Increase in general and administrative expenses by ₱66.6M or 18.7% mainly due to higher advertising and promotions and other operating cost due to increase in business activities.

3. Increase in depreciation by ₱1.3M or 8.7% due to capitalized office improvements and purchase of company vehicles.

4. Increase in taxes and licenses by ₱9.2M due to payment of documentary stamps on new bank loans.

Calendar Year 2011 Compared to Calendar Year 2010

Shang Properties posted a ₱1.1B net income for the year 2011, ₱56M or 5.6% higher from ₱1.0B recorded the previous year.

The Group' consolidated revenues amounted to ₱2.5B, an increase of ₱56.7M or 2.3% from ₱2.4B recorded last year.

1. Shangri-La Plaza Corporation (SLPC) posted ₱69M or 7.7% increase in revenues from ₱893.9M in 2010 to ₱962.8M in 2011 mainly due to rental escalations and sustained growth in tenants' sales on percentage rental structure. This year's share in net income from SLPC is higher compared with last year due to buyout of minority shares in June 2011.

2. KSA Realty Corporation' office leasing operation increased by ₱16.5M due to higher occupancy rate of 88% in 2011 against 81% in 2010.

3. Revenues from condominium projects decrease by ₱43M or 6.5% mainly due to lower condominium sales of St. Francis Shangri-La Place. As of end - 2011, this project is 99% sold.

The Group's total cost and expenses increased by ₱587M or 63%, from ₱932M in 2010 to ₱1.5B in 2011. This was mainly due to the following:

1. The recognition of provision for impairment of goodwill amounting to ₱394.9M. In 2011, the recoverable amount of the cash generating unit to which goodwill is allocated approximates the carrying amount due to the increase in the discount rates to 18.37%, while in 2010, the recoverable amount of the cash generating units to which goodwill is allocated is higher than its carrying amount, thus no impairment loss was recognized in 2010.

2. Increase in cost of condominium sales of One Shangri-La Place as a result higher revenues realized in 2011.

3. Increase in depreciation by ₱2.9M due to the purchase of company vehicles.

4. Increase in insurance by ₱3.3M due to higher premium paid this year.

The Group's Other Income (Expense) account went up by ₱734.9M mainly due to the following:

1. Increase in gain on revaluation of Investment Properties amounting to ₱610.5M due to the higher market value of land as per report of an independent appraiser.

2. Increase in interest income by ₱108.2M due to interest on accretion of installment contracts receivables from sales of condominium units.

3. Increase in other miscellaneous income by ₱15.4M mainly due to dividend income received from Mactan Shangri-La Hotel.

Financial Condition

Calendar Year 2013 Compared to Calendar Year 2012

Total assets of the Company amounted to ₱39B, a growth of ₱3B from total assets of ₱36B in December 31, 2012. The following are significant movements in the assets:

Increase in cash and cash equivalents by ₱290.5M due to collection from sales of condominium projects and proceeds from bank loans.

Decrease in financial assets at fair value through profit or loss by ₱1.9M to ₱30.3M due to the decrease in fair value adjustment recognized on stock market investment.

Receivables increased by ₱2.2B due to higher installment receivables from the sale of condominium units from various projects.

Decrease in condominium units held for sale by ₱90.9M to ₱119.5M mainly due to the sale of residential condominium units at St. Francis Shangri-La Place.

Decrease in construction in progress by ₱815.5M was mainly due to the completion of East Wing Mall and reclassified under Investment Properties.

Decrease in prepayments and other current assets by ₱161.6M mainly due to the decrease in creditable withholding taxes used in payment of income taxes due for the year.

Decrease in investment in associates by ₱73.1M due to the sale shares in Exchange Properties Resources Corporation.

Increase in investment properties by ₱1.6B mainly due to reclassification of completed cost of East Wing Mall from Construction in progress.

Increase in real estate development project by ₱203.8M mainly due to the development cost of The Rise and reversal of accumulated impairment loss.

Decrease in property and equipment by ₱4.2M mainly due to depreciation.

Decrease in refundable deposits by ₱5.7M due to refund.

Decrease in deferred income tax assets by ₱42.2M mainly due to the reversal of accumulated impairment loss on real estate development project.

Increase in accounts payable and other current liabilities by ₱898.7M due to higher payables to contractors for the construction of various projects.

Increase in bank loans primarily due to availments during the year.

Increase in deposit from tenants and deferred lease income by ₱201.8M mainly due to higher deposits from new tenants of the East Wing Mall of Shangri-La Plaza.

Increase in dividends payable by ₱2.9M due to declaration of cash dividends amounting to ₱238.2M on August 14, 2013.

Increase in income tax payable by ₱7.9M due to higher taxable income generated during the year.

Decrease in accrued employee benefits by ₱33.4M was mainly due to the effect of adoption of the Revised PAS 19. The changes in accounting policies have been applied retrospectively which resulted to the increase in 2012 accrued employee benefits by ₱36.1M (to ₱73.7M from previously reported ₱37.2M).

Calendar Year 2012 Compared to Calendar Year 2011

Total assets of the Company amounted to ₱36B, a growth of ₱1.6B from total assets of ₱34.4B in 2011.

Cash and cash equivalents increased by ₱164.2M mainly due to collection from sales of One Shangri-La Place condominium units.

Financial assets at fair value through profit or loss increased by ₱4.9M to P32.3M due fair value adjustment recognize during the year on marketable securities.

Receivables decreased by ₱100.9M due to collection of installment receivables and liquidation of advances to contractors and suppliers for the completion of projects.

Condominium units held for sale increased by P203.2M mainly represents remaining condominium units at The St. Francis Shangri-La Place.

Construction in progress increased by ₱637.1M due to cost incurred for new and ongoing projects.

Prepayments and other current assets decreased by ₱42M. The cash in escrow in 2011 in compliance with the MOAs entered by SPDI with Sigma and GF & P was capitalized to construction cost in Shang Salcedo Place project.

Property and equipment increased by ₱10.5M due to office building improvements and purchase of company vehicles.

Refundable deposits increased by ₱13.4M due to deposits paid to contractors.

Increase in deferred income tax assets by ₱65.9M due to the difference in profit recognized from installment method versus percentage of completion.

Decrease in accounts payable and other current liabilities by ₱368.5M due to payment to contractors and suppliers.

The increase in bank loans was due to availment of ₱1.0B.

Increase in deposit from tenants and deferred lease income by ₱169.7M was mainly due to the deposit from new tenants at the East Wing Mall of Shangri-La Plaza.

Dividends payable increased by ₱2.2M due to higher dividend per share declared in 2012 amounting to ₱390.5M from ₱350.1M in 2011.

Income tax payable increase by ₱2.0M due to higher income generated during the year.

Increase in accrued employee benefits by ₱5.0M was mainly due to accrual of retirement benefits.

Calendar Year 2011 Compared to Calendar Year 2010

The Company's total assets amounted to ₱34.4B, an increase of ₱681.6M from total assets of ₱33.8B in 2010.

Cash and cash equivalents decreased by ₱2.5B mainly due to payments for the construction of the on-going projects.

Receivables increased by ₱860.4M due to the launching of One-Shangri-la Place project which resulted to higher advances to contractors and suppliers.

Real estate properties held decreased by ₱440K due to memorial lots sold during the year.

Construction in progress increase by ₱1.0B due to the construction cost of various projects.

Prepayments and other current assets increased by ₱289.7M due higher prepaid commission and other deposits.

₱75.9M installment contracts receivable in 2010 represents the long term portion of receivables from the sale of One Shangri-La Place condominium.

Investment in associates is higher by ₱646.8M due to additional investment to Fort Bonifacio Shangri-La Hotel project.

Property and equipment increased by ₱28.4M due to building improvement.

Increase in refundable deposits by ₱6.8M mainly due to deposits to security service contractor.

Increase in deferred income tax assets by ₱93.7M due to the difference in profit recognized from installment method versus percentage of completion.

Decrease in goodwill was mainly due to provision for impairment loss amounting to ₱394.9M.

Increase in accounts payable and other current liabilities by ₱533.9M mainly due to customer' deposit for the down payments of condominium unit buyers with executed contracts which are to be applied against receivables upon recognition of revenue.

The decrease in bank loans by ₱369.5M was due to the repayment of the principal.

Dividends payable decreased by ₱1.6M due to the lower dividend per share declared in 2011 to an aggregate amount of ₱350.1M from ₱428.6M in 2010.

Increase in income tax payable by ₱4.4M represents higher income generated during the year.

Decrease in accrued employee benefits by ₱3.8M was mainly due to payments made during the year.

Changes in Financial Condition

Net Cash provided by operating activities in 2013 amounted to ₱2.1B. The Cash inflows in 2013 includes collection of revenues from condominium units of One Shangri-La and Shang Salcedo projects, higher rental from East Wing and Main Mall of the Shangri-La Plaza and office leasing of The Enterprise Center. In 2012, Net Cash provided by operating activities amounted to ₱609.9M generated mainly from the sales of One Shangri-La Place project and rental from Shangri-La Plaza Mall and office leasing of The Enterprise Center.

Net cash used in investing activities in 2013 amounted to ₱1.5M used mainly for the completion of One Shangri-La Place project. In 2012, net cash used in investing activities amounted to ₱123.9M for the construction of various projects. In 2011, Net Cash used in investing activities amounted to ₱694.1M mainly for investments on Fort Bonifacio Shangri-La Hotel project.

Net Cash used in financing activities in 2013 amounted to ₱237.8M used in repayment of loan principal and interests and cash dividends to shareholders. In 2012, cash used in financing activities of ₱319M in repayment of loan principal and interests and cash dividends to shareholders. In 2011, net cash used in financing activities of ₱1.6B was used on the acquisition of minority shares at Shangri-La Plaza, repayment of loan principal and interest and cash dividends to shareholder.

Information required by Part 111, Paragraph (A) (2) (b) of "Annex C" of SRC Rule 12

(i) There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely result in the registrant's liquidity increasing or decreasing in any material way.
(ii) There are no known events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of obligation.
(iii) There are no off balance sheet material transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
(iv) There are no material commitments for capital expenditures.
(v) There are no known trends, events or uncertainties that have had or that are reasonably expected to have material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
(vi) There are no significant elements of income or loss that did not arise from the Registrant's continuing operations.
(vii) Causes of material changes from period to period of FS including vertical and horizontal analysis of material item. Please see discussion under financial condition.
(viii) There are no seasonal aspects that had a material effect on the financial statements.

(B) Information of Independent Accountant and other related matters

1. External audit fee and services

	2013	2012
a. Audit and audit related fees	2,694,303	1,999,400
b. Tax fees	-	302,145
c. All other fees	-	-

(C) Interim Periods

Item 1. Management Discussion and Analysis of Financial Condition and Results of Operations

Key Performance Indicators

		March 31 2014	March 31 2013	Change
Turnover	(Php M)	1,577.0	1,326.2	18.9%
Profit attributable to shareholders	(Php M)	542.1	358.3	51.3%
Earnings per Share	(PhpCtv)	0.114	0.075	51.3%
Net Asset Value per share	(Php)	4.606	4.265	8.0%
Debt to Equity Ratio	(Ratio)	0.580:1	0.591:1	-1.8%

- Turnover consists of Condominium Sales, Rental Revenue, Interest Income and Other Income. For the three (3) months ended March 31, 2014, the Group's consolidated revenues amounted to ₱1,577.0M, higher by ₱250.7M or 18.9% from ₱1,326.2M of total revenues realized in the same period last year. The condominium sales posted an increase of ₱116.4M mainly due to higher sales from Shang Salcedo Place. Leasing operation posted a revenue growth of 28% or ₱140.5 million to ₱642.3M in 2014 from ₱501.9M in 2013. Interest and Other income decrease by ₱6.2M.

- Profit attributable to equity holders of Parent Company amounted to ₱542.1M, higher by ₱183.8M or 51.31% compared with the same period last year.

- Earnings per share for the three months ended March 31, 2014 posted a positive variance of 51.3% to ₱0.114 from last year's ₱0.075.

- Net Asset value per share is calculated by dividing the total net asset of the Group (Total asset – Total liabilities and minority interest) by the number of shares outstanding. Net asset value per share increased by 8% mainly due to the income generated during the period.

- Debt to Equity measures the exposure of creditors to that of the stockholders. It gives an indication of how leveraged the group is. It is determined by dividing total debt by stockholder's equity. The Group's financial position remains solid with debt to equity ratio of 0.580:1 as of 31 March 2014 and 0.591:1 as of 31 March 2013.

Financial Condition

Total assets of the Company amounted to ₱39.6B, an increase of ₱586.5M from total assets of ₱39 billion in December 31, 2013. The following are significant movements in the assets:

- Increase in cash and cash equivalents by ₱153.9M mainly due to sales collection from projects and proceeds from bank loans.

- Receivables increased by ₱673.2M mainly due to higher receivables from sales of condominium.

- Decrease in Construction in Progress by ₱263.3M mainly due to completed project.

- Prepayments and other current assets decreased by ₱74.2M due to utilization of prepayments during the period.

- Increase in refundable deposits by ₱6.1M mainly due to new deposits paid for utilities during the period.

- Current ratio is 2.06:1 as of March 31, 2014 from 2.09:1 as of December 31, 2013.

Total liabilities increased by ₱300.7M from ₱14.3B in 2013 to ₱14.6B in 2014 due to the following:

- Increase in accounts payable and other current liabilities by ₱214.9M mainly due to higher payables to suppliers for the construction of projects.

- Dividends payable increased by ₱2.6M mainly due to declaration of cash dividends amounting to ₱333,484,129 or ₱0.07 per share to all shareholders as of March 07, 2014.

- Income tax payable increased by ₱78.6M due to taxable income generated during the period.

- Decrease in accrued employee benefits by ₱2.6M mainly due to the payments made during the period.

- Increase in bank loans was primarily due to availments during the period.

- Decrease in deferred lease income by ₱5.6M was mainly due to recognition of lease income during the period.

Results of Operation

Consolidated Net Income for the period ended March 31, 2014 amounted to ₱542.1M higher by 51.3% from last year's ₱358.3M due to the following:

A. Condominium Projects:
   - Increase in condominium sales by ₱116.4M due to higher sales and completion level of the Projects.

B. Leasing Operations:
   - Shangri-La Plaza's growth was mainly generated by the revenue of new mall at East Wing and rental escalation of the existing mall.
   - Increase in rental revenue from The Enterprise Center mainly due to higher average occupancy of 97.84% this year from last year's 94.45%.

C. Interest and other income decrease by ₱6.1M mainly due to last year's gain on sale of subsidiary.

Total Expenses of the Group amounted to ₱802.2M, 4.9% higher compared with last year's ₱764.4M. This was mainly due to the following:

- Increase in taxes and licenses by ₱34.6M mainly due to timing difference in recording of real property taxes.
- Insurance increased by ₱930K due to the insurance cost of the East wing mall.
- Unrecovered reimbursable expenses increased by P3.2M mainly due to utilities, janitorial and security maintenance of the East wing mall.

Share in net profits of associates decreased by P1.6M mainly due to net loss recorded by an associate during the period.

Increase in net income attributable to minority interest was due to the higher level of income generated by KSA Realty Corporation during the period.

Provision for income tax is higher by ₱19.5 million mainly due to higher taxable income generated during the period against the same period last year.

Financial Soundness Indicators

	End of March 2014	End of December 2013
Current Ratio[1]	2.06:1	2.09:1
Debt-to-equity ratio[2]	0.58:1	0.57:1
Asset-to-equity ratio[3]	1.58:1	1.57:1
	1Q 2014[7]	1Q 2013
Interest rate coverage ratio[4]	17.64:1	12.64:1
Return on assets[5]	1.8%	1.4%
Return on equity[6]	2.9%	2.2%

[1]Current assets/current liabilities

[2]Total liabilities/stockholders' equity

[3]Total asset/stockholders' equity

[4]Income before interest and taxes/interest expense

[5]Net Income/average total assets

[6]Net Income/average stockholders' equity

[7]2Q1Net income after tax annualized/average of end March-2014 and end Dec-13 assets and equity