



COVER SHEET

SEC Registration Number

(Company's Full Name)

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



 Month Day
 (Annual Meeting)

Total Amount of Borrowings	
-	-
Domestic	Foreign

Cashier

Remarks: Please use BLACK ink for scanning purposes.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING
OF
SHANG PROPERTIES, INC.

To be held on 18 June 2015 at 10:00 A.M.



To All Stockholders:

Please be advised that the Annual Meeting of the Stockholders of **SHANG PROPERTIES, INC.** (the "Corporation") will be held on 18 June 2015 at 10:00 A.M. at the *Garden Ballroom, Edsa Shangri-La Hotel, Manila, No. 1 Gardenway, Ortigas Center, Mandaluyong City.*

The Agenda of the meeting is set forth below:

- 1) Call to Order
- 2) Certification of Notice and Quorum
- 3) Approval of the Minutes of the Annual Meeting of the Stockholders held on 24 June 2014
- 4) Report of Management
- 5) Ratification of Acts of Management and the Board of Directors
- 6) Election of the Board of Directors for the year 2015-2016
- 7) Election of External Auditors
- 8) Other Matters
- 9) Adjournment

The Board of Directors has fixed the close of business hours on **27 May 2015** as the record date for the determination of the stockholders in good standing entitled to notice of and to vote at such meeting.

Minutes of the Stockholders' Meetings and SEC Form 17-A (Annual Report) for the year ended 31 December 2014 as well as the resolutions of the Board of Directors, will be available for examination during office hours at the office of the Corporate Secretary.

In case you cannot personally attend the meeting, you may send a proxy to represent you. Proxies must be filed with and received by the office of the Corporate Secretary of the Corporation before the date set for the annual meeting. In the absence of a written specification to the contrary, proxies in favor of, or which may be voted by, the management, will be in favor of the nominees of the management in the election of directors of the Corporation.

Mandaluyong City, Metro Manila, 26 May 2015.

BY ORDER OF THE BOARD OF DIRECTORS
OF SHANG PROPERTIES, INC.


MARIA MYLA RAE S. ORDEN
Assistant Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☒ Definitive Information Statement

☐ 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) 370-2700

8. The annual meeting of Registrant's stockholders will be held on 18 JUNE 2015 at 10:00 AM at the Garden 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:
27 MAY 2015, which is fifteen (15) business days from the date of the Annual Stockholders' Meeting on 18 JUNE 2015.

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

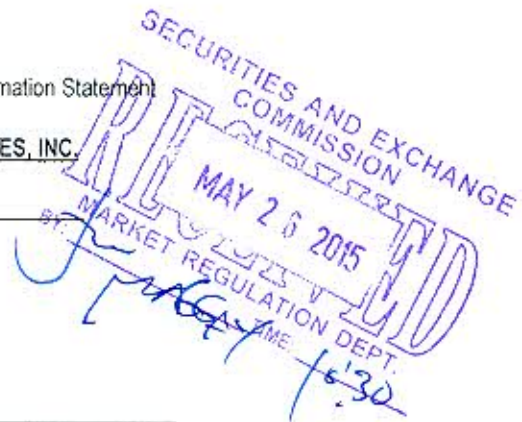
(* not included are the Registrant's 2,695 treasury shares)

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

Yes ☒ 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.



INFORMATION REQUIRED IN INFORMATION STATEMENT

GENERAL INFORMATION

The annual meeting of Registrant's stockholders will be held on **18 JUNE 2015 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 **27 MAY 2015**, which is fifteen (15) business days from the date of the Annual Stockholders' Meeting on **18 JUNE 2015**.

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 (P1.00) 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 **27 MAY 2015**.

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.

Top Twenty Stockholders of the Issuer

The Top 20 stockholders of the Issuer as of 15 May 2015 are:

Name of Stockholders	Number of Shares Held	Percent to Total Outstanding
1. PCD Nominee Corporation (Filipino)	2,658,596,913	55.81%
2. Travel Aim Investment B.V.	1,648,869,372	34.61%
3. PCD Nominee Corporation (NF)	62,174,683	1.31%
4. KGMPP Holdings, Incorporated	52,925,445	1.11%
5. CCS Holdings, Incorporated	47,633,492	1.00%
6. Pecanola Company Limited	43,175,495	0.91%
7. Kuok Foundation Overseas Limited	37,023,839	0.78%
8. Kuok Brothers SDN	37,023,839	0.78%
9. GGC Holdings, Incorporated	26,224,322	0.55%
10. Kerry Holdings Limited	26,090,624	0.55%
11. Kuok (Singapore) Limited	24,848,214	0.52%
12. Kerry (1989) Ltd.	12,424,107	0.26%

13. Kuok Traders (Hong Kong) Ltd.	11,407,363	0.24%
14. Federal Homes, Inc.	4,808,478	0.10%
15. Luxhart Assets Limited	3,975,714	0.08%
16. Yan, Lucio W. Yan & /or Clara	3,142,857	0.07%
17. Antonio O. Cojuangco	3,026,964	0.06%
18. Sysmart Corporation	1,671,231	0.04%
19. Exchange Equity Corporation	1,570,000	0.03%
20. Egan, Victoria Z.	1,099,000	0.02%
	4,707,711,952	98.83%

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 15 MAY 2015.

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	1,192,981,287	25.04%
Common	Travel Aim Investment B. V. 25/F Kerry Centre 683 King's Road Quarry Bay, HK	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 1,465,615,626 shares. 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. The votes for Ideal Sites and Properties, Inc., are to be cast by the said company's appointed proxy, who is usually the chairman of the Issuer's Annual Shareholders' Meeting. The Annual Shareholders' Meeting is usually chaired by Mr. Edward Kuok Khoon Loong, and in his absence, by Mr. Alfredo C. Ramos.

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.

Per the information supplied by the Philippine Depository & Trust Co., following are the entities holding 5% or more of the shares of the Issuer (as of 15 May 2015)

1. BPI SECURITIES CORPORATION – 1,500,147,452.00 – 31.4888692%
2. ALAKOR SECURITIES CORPORATION – 792,066,918.00 – 16.6258934
(* The shares of Ideal Sites & Properties, Inc., were deducted from the total PCD shares. Also, the discrepancy between the figures for PCD shares as of 15 May 2015 provided by the Issuer's Stock Transfer Agent, and the figures provided by the Philippine Depository & Trust Co., are accounted for the difference in the timing of the reporting and recording of transactions.)

Security Ownership of Management (as of 30 April 2015)

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	157(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. Licaucó 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	1,000(D)	Malaysian	0.000%

As of the reporting of SEC Form 20-IS for 2015, the aggregate ownership of all directors and officers as a group unnamed is 4,816,026 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%
AC	-	20%
		100%

On 02 April 2014, the Issuer's wholly owned subsidiaries, Shang Global City Holdings, Inc., and Shang Fort Bonifacio Holdings, Inc., acquired Alphaland Development, Inc.'s Twenty Per Cent (20%) equity in Shang Global City Properties, Inc., and Fort Bonifacio Shangri-La Hotel, Inc.

On 02 September 2014, the SEC approved the merger between Shang Global City Properties, Inc., and Fort Bonifacio Shangri-La Hotel, Inc., with Shang Global City Properties, Inc., as the surviving entity.

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. On 20 September 2013, Shang Properties Realty Corporation purchased the Property from Issuer.

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.

As noted above, on 02 September 2014, the SEC approved the merger between Shang Global City Properties, Inc., and Fort Bonifacio Shangri-La Hotel, Inc., with Shang Global City Properties, Inc., as the surviving entity. Other than this merger, Issuer's other subsidiaries have not undergone any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets not classified as ordinary.

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 at 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) 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 & 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 Services 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 Services 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.
- c. Shang Property Management Services Corporation entered into a Memorandum of Agreement with The St. Francis Shangri-La Place 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.

As noted above, on 02 September 2014, the SEC approved the merger between Shang Global City Properties, Inc., and Fort Bonifacio Shangri-La Hotel, Inc., with Shang Global City Properties, Inc., as the surviving entity. Other than this merger, Issuer's other 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 /23 yrs. & 30 days	61	Chairman	None
Alfredo C. Ramos	Filipino	Yes /26yrs. & 8 mos.	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 /13yrs & 10 mos.	61		Sanitary Wares & Mfg. Corp.
Benjamin I. Ramos	Filipino	Yes /4 yrs. & 8 mos.	46		None
Wilfred Shan Chen Woo	Canadian	Yes/3 yrs. & 8 mos.	56		none
Danila Reginal. Fojas	Filipino	Yes/12 yrs. & 10 mos.	60		None

Kin Sun Andrew Ng	British Hong Kong	Yes/9 yrs. & 10 mos.	57	Group Financial Controller	None
Federico G. Noel, Jr.	Filipino	Yes /15 yrs & 5 mos.	52	Corporate Secretary	None
Ma. Myla Rae M. Santos-Orden	Filipino	(No)	48	Asst. Corp. Secretary	None
Wilkie Lee		Yes /6 yrs & 10 mos.	57		None
Johnny O. Cobankial***	Filipino	Yes /7 yrs. & 10 mos.	63		None
Antonio O. Cojuangco***	Filipino	Yes /7 yrs. & 8 mos.	62		None
Ho Shut Kan	New Zealand	Yes /4 yrs & 10 mos.	65		None
Manuel M. Cosico	Filipino	Yes/1 yr & 10 mos.	72		None
Koay Kean Coon	Malaysian	Yes/1 yr & 10 mos.	59	Senior Project Director	None
Maximo G. Licaucio III	Filipino	Yes/1 yr. & 5 mos.	65		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. Cobankial 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, Air Asia Phil. Inc. 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.

Benjamin I. Ramos is the President ROI Corp an investment company. He was previously the President of Powerbooks, Inc., and also President of Tokyo Tokyo, Inc., the largest Japanese fast food chain in the Philippines. He 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. Licaucó 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.

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 General Counsel of the Company for the past 15 years.

**** Messrs. Johnny Cobankial, Antonio Cojuangco 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.

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. Licaucó 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.

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

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 **18 JUNE 2015**. 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 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.

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 directors.

(iii) After the nomination, the Nomination Committee shall prepare a Final List of Candidates for 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 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 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 received the nominations for Independent Directors to serve for 2015-2016 as follows: Antonio O. Cojuangco and Johnny O. Cobankiat. They were nominated by Ideal Sites and Properties, Inc. Both Messrs. Cojuangco and Cobankiat have no relationship with Ideal Sites and Properties, Inc., either as directors or officers. The votes for Ideal Sites and Properties, Inc., are to be cast by the said company's appointed proxy, who is usually the chairman of the Issuer's Annual Shareholders' Meeting. The Annual Shareholders' Meeting is usually chaired by Mr. Edward Kuok Khoo Loong, and in his absence, by Mr. Alfredo C. Ramos.

The nominees for regular directors to serve for 2015-2016 are as follows:

- 1) Edward Kuok Khoo Loong
- 2) Danila Regina I. Fojas
- 3) Alfredo C. Ramos
- 4) Benjamin I. Ramos
- 5) Cynthia R. Del Castillo
- 6) Ho Shut Kan
- 7) Maximo G. Licaucio III
- 8) Manuel M. Cosico
- 9) Wilkie Lee
- 10) Koay Kean Choon
- 11) Kin Sun Andrew Ng
- 12) Federico G. Noel, Jr.
- 13) Wilfred Shan Chen Woo

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 P228.6 million. Issuer and the other defendants have put forth counterclaims in the total amount of about P380 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 P46,905,987.79, while Issuer is entitled to an award of P8,387,484.06. 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) (now the Shang Properties Realty Corporation), 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, in its 21 July 2014 DECISION, which has attained FINALITY, decided in favor of Issuer, and exonerated issuer from charges of unfair competition. Despite the finality of the SC's Decision in this case, there remains an offshoot case pending with the Court of Appeals which has its roots in the opposition filed by ASB (now St. Francis Square Development Corporation) to the use by SPRC of the mark "St. Francis-Shangri-La Place."

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.

The information above is true during the past five (5) years 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 aforementioned.

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

None. There has been no resignation by any Director as of the date of the last Annual Shareholders' Meeting.

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. 2013 and 2014 and to be paid in the ensuing fiscal year 2015 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 P)		
		Basic	Bonus	Total
2015				
Kin Sun Andrew Ng, Group Financial Controller		37,338,106.00	15,249,285.07	52,587,391.07
Federico G. Noel, Jr., Corporate Legal Counsel				
Eden Lin, Project Manager				
Danila Regina I. Fojas, Executive Vice President				
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				
<i>*VICENTE P. FORMOSO RESIGNED FROM THE ISSUER EFFECTIVE JANUARY 2013</i>				
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				

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 if 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 firm for the period 14 FEBRUARY 2013 to 13 FEBRUARY 2016. *SGV will be recommended for re-appointment as External Auditor for the year 2015-2016 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 P6,000,000,000.00 (representing 6,000,000,000 common shares at P1.00 par value per share) to P8,000,000,000.00 (representing 8,000,000,000 common shares at P1.00 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 **24 JUNE 2014**, 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 2014, 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 **24 JUNE 2014** 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.

Following are the acts of significance of the Board previously disclosed to the SEC and which are to be ratified in the forthcoming Annual Stockholders' Meeting:

1. On 19 February 2014, the Board approved the following:

- i) The declaration of P.060 per share cash dividend to all shareholders of record as of 07 March 2014, to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 31 December 2013, to be Paid on or before 14 March 2014;
- ii) Passed resolutions to approve the audited financial statements of the Issuer for the period ended 31 December 2013.

2. On 14 August 2014, the Board approved the following:

- i) Cash Dividends – The declaration of P0.06500 per share cash dividend to all shareholders of records as of 29 August 2014 to be taken from the unrestricted retained earnings as reflected in the unaudited financial statements of the Issuer as of 30 June 2014 to be paid on or before 10 September 2014.

3. On 25 November 2014, the Board approved the adoption of a Whistleblowing Policy.

4. On 27 March 2015, the Board approved the following:

- i) The declaration of P0.08500 per share cash dividend to all shareholders of record as of 15 April 2015, to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 31 December 2014, to be paid on or before 20 April 2015;
- ii) Passed resolutions to approve the audited financial statements of the Issuer for the period ended 31 December 2014.

Also for ratification are the various acts of the Board in the ordinary course.

- (iii) approve and ratify the Registrant's Audited Financial Statements as of 31 December 2014, elect the Board of Directors for the year 2015-2016, 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 24 June 2014, this Issuer's Board of Directors approved the latest revisions to the Corporation's Manual on Corporate Governance in compliance with the SEC Memorandum Circular No. 9, Series of 2014.

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 2015, 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.

MARKET INFORMATION

- (a) The shares of the Issuer are listed and traded on the Philippine Stock Exchange. The high and low sales prices for each quarter within the last two (2) fiscal years of the Issuer's shares are as follows:

Year	High	Low
2014		
First Quarter	P3.29	P3.05
Second Quarter	3.60	3.08
Third Quarter	3.47	3.20
Fourth Quarter	3.60	3.18
2013		
First Quarter	3.87	3.00
Second Quarter	3.95	2.71
Third Quarter	3.69	3.00
Fourth Quarter	3.95	2.71

The high and low of Issuer's shares for the period 01 January 2015 to 31 March 2015 are as follows:

High: P3.34

Low: P3.10

The closing price for the Issuer's shares on 31 March 2015 is P3.28.

The high and low of Issuer's shares for 15 May 2015 are as follows:

High: P3.31

Low: P3.30

The closing price for the Issuer's shares on 15 May 2015 is P3.31.

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 ANNUAL REPORT ON 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 26th day of May 2015.

SHANG PROPERTIES, INC.

By:


MARIA MYLA RAE S. ORDEN
Assistant 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		%
		2014	2013	Change
Turnover	(Php M)	7,612	6,909	10.2%
Profit Attributable to shareholders	(Php M)	2,735	2,011	36.0%
Earnings per share	(Php Ctv)	0.574	0.422	36.0%
Net Asset Value per share	(Php)	5.001	4.562	9.6%
Price Earnings Ratio	(Times)	5.747	7.742	(25.8%)

- Turnover consists of sales from Residential Condominium, Rental Revenue, Interest Income and Other Income. Shang Properties' total revenues increase by ₱703.7M to ₱7.6B for fiscal year 2014 from ₱6.9B total revenues for fiscal year 2013. Sales from residential condominium units accounted for ₱3.8B or 49% of the total revenues. Revenue from leasing operations amounted to ₱2.6B, higher by ₱285.9M from last year's ₱2.3B. Interest income and other income increased by ₱588.7M.
- Profit attributable to shareholders represents net income from operations after tax of the Group. It went up by ₱724.1M or 36% compared with last year.
- Earnings per share of ₱0.574 were higher by 36% from last year's ₱0.422.
- 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 9.6% 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 and calculated by dividing the market value per share by the earnings per share. Price earnings ratio is lower by 25.8% to 5.747 this year from 7.742 last year. The Group' year-end share price in 2014 is ₱3.30 from ₱3.27 in 2013.

Results of Operations

Shang Properties, Inc.' consolidated net income attributable to shareholders for the year ended December 31, 2014 amounted to ₱2.7B, ₱724.1M higher than the ₱2B posted in the same period last year.

Calendar Year 2014 Compared to Calendar Year 2013

The Group' gross revenue increased by P703.7M or 10.2% to P7.6B in 2014 from P6.9B in 2013, mainly due to higher revenue from the mall and office leasing operations and other income derive from remeasurement arising from business combination.

1. Residential condominium projects revenue of P3.8B is lower by P170.9M from last year's P3.9B mainly due to the fewer saleable units for One Shangri-La Place this year as most of the units have been sold.
2. Shangri-La Plaza's growth of P196.6M was mainly due to the revenue of new east wing mall and rental escalation of the existing mall.
3. The office leasing operations at The Enterprise Center grew by P72.1M to P875.8M mainly due to higher average occupancy rate to 98% in 2014 from 97% in 2013.
4. The increased in rental revenue of Edsa Shangri-La Hotel by P7M was mainly due to improved occupancy.
5. Interest and other income increase by P588.7M mainly due to the gain on remeasurement arising from the acquisition of additional 20% equity interest in Shang Global City Properties and Fort Bonifacio Shangri-La Hotel from a Third Party.

Total Expenses of the Group amounted to P3.5B, P361.5M lower compared with last year's P3.8B mainly due to the following:

1. Decrease in cost of condominium sales due lower sales during the year.
2. General and administrative expenses increase by P90.5M primarily due to increase in staff cost for additional workload.
3. Interest expense and bank charges increase by P42.1M mainly due to loan availment.
4. Increase in taxes and licenses by P60.4M mainly due to real property taxes paid for the New East Wing Mall and higher business permits due to higher revenues.
5. Unreimbursed share in common expenses decrease by P10.1M mainly due to the improved occupancy of the East Wing Mall, which resulted to higher tenants reimbursement.
6. Increase in depreciation expense by P2.2M mainly due to the capitalized office improvements and the purchase of transportation equipment.
7. Insurance expense increase by P1.9M particularly due to premiums paid for the East Wing Mall.

Calendar Year 2013 Compared to Calendar Year 2012

The Group' gross revenue increased by 27.8% to P6.9B in 2013 from P5.4B 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 P3.9B is higher by P1.2B from last year's P2.7B due to higher sales recognized from One Shangri-La Place and Shang Salcedo Place projects.
2. Shangri-La Plaza's growth of P343M 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 P141.2M to P803.8M mainly due to improved average occupancy rate to 97% in 2013 from 86% in 2012.
4. Interest and other Income decrease by P225.1M 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 P3.8B, P845.1M higher compared with last year's P3B 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 P24.7M 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 P85M 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 P1.6M 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 P12.7M 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 P1.6B, P589.8M higher from P1.1B recorded in 2011.

The Group' consolidated revenues for the year totaled to P5.4B, P1.8B 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 P2.7B is higher by P2.1B from P623.6M last year mainly due to higher sales bookings of One Shangri-La Place.
2. The Shangri-La Plaza Mall reported rental revenues of P1.0B compared to P962.8M over the same period last year. The P59M 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 P662.5M is slightly lower by P3.9M from P666.5M last year due to lower occupancy rate of 86% in 2012 against 88% in 2011.
4. Other Income decrease by P305M or 26.2% from P1.2B 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 P1.7B to P3.0B 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 P66.6M 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 P1.3M or 8.7% due to capitalized office improvements and purchase of company vehicles.
4. Increase in taxes and licenses by P9.2M due to payment of documentary stamps on new bank loans.

Financial Condition

Calendar Year 2014 Compared to Calendar Year 2013

Shang Properties, Inc. acquired the additional 20% interest in Shang Global City Properties, Inc. (SGCPI) and Fort Bonifacio Shangri-la Hotel, Inc. (FBSHI). As a result of the acquisition, the Group obtained controlling interests in SGCPI and FBSHI owning 60% equity interest over each of the acquired entities.

Total assets of the Company amounted to P54.7B, a growth of P15.6B from total assets of P39B in December 31, 2013. The following are significant movements in the assets:

Increase in cash and cash equivalents by P1B mainly due to collection from sales of condominium projects and proceeds from bank loans.

Increase in financial assets at fair value through profit or loss by P2.7M to P33M due to the fair value adjustment on marketable securities recognized during the year.

Receivables increase by P628M mainly due to higher installment receivables from the sale of condominiums from various projects.

Properties held for sale increased by P3.3 billion mainly due to on-going construction of the condominium projects at Shangri-La at the Fort and The Rise in Makati.

Increase in prepayments and other current assets by P1.3B mainly due to higher prepaid VAT of Shang Global City Properties, Inc.

Decrease in investment in associates was mainly due to the acquisition of additional 20% equity interest in Shang Global City Properties (SGCPI) and Fort Bonifacio Shangri-La Hotel (FBSHL) wherein the group obtained control over the two companies. The amount of investment in associates reclassified to investment in subsidiary amounted to P2B.

Real estate development project amounting to P11.2B pertains to the construction cost of the hotel portion of the Shangri-La at the Fort project.

The group recognized Goodwill as a result of the business combination during the year. The excess of the acquisition cost over the fair value of the identifiable assets and liabilities assumed amounted to P269.9M.

Refundable deposits increased by P31M mainly due to deposits paid for utilities by One Shangri-La Place and deposit to contractors of Shangri-La at the Fort project.

Increase in accounts payable and other current liabilities by P2.2B due to higher payable to contractors for the construction of various projects.

Increase in bank loans was due to the consolidation of bank the loans of the Shangri-La at the Fort project and additional loan availment by the Parent company for property development.

Increase in dividends payable by P83.5M due to declaration of cash dividends amounting to P309.4M on August 14, 2014 and P333.5M on February 19, 2014.

Increase in income tax payable by P78.2M due to higher taxable income generated during the year.

Increase in accrued employee benefits by P28.2M was mainly due to the increased defined benefit obligation of the Group for employee retirement, leaves and other related benefits.

Deposit for future stock subscription refers to deposit to Shang Global City Properties, Inc. which will be converted into equity.

Increase in deferred liabilities by P1.1B was mainly due to the unrealized increase in fair value of Shangri-la at the Fort.

Calendar Year 2013 Compared to Calendar Year 2012

Total assets of the Company amounted to P39B, a growth of P3B from total assets of P36B in December 31, 2012. The following are significant movements in the assets:

Increase in cash and cash equivalents by P290.5M 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 P1.9M to P30.3M due to the decrease in fair value adjustment recognized on stock market investment.

Receivables increased by P2.2B due to higher installment receivables from the sale of condominium units from various projects.

Decrease in condominium units held for sale by P90.9M to P119.5M mainly due to the sale of residential condominium units at St. Francis Shangri-La Place.

Decrease in construction in progress by P815.5M was mainly due to the completion of East Wing Mall and reclassified under Investment Properties.

Decrease in prepayments and other current assets by P161.6M 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 P73.1M due to the sale shares in Exchange Properties Resources Corporation.

Increase in investment properties by P1.6B mainly due to reclassification of completed cost of East Wing Mall from Construction in progress.

Increase in real estate development project by P203.8M mainly due to the development cost of The Rise and reversal of accumulated impairment loss.

Decrease in property and equipment by P4.2M mainly due to depreciation.

Decrease in refundable deposits by P5.7M due to refund from suppliers.

Decrease in deferred income tax assets by P42.2M mainly due to the reversal of accumulated impairment loss on real estate development project.

Increase in accounts payable and other current liabilities by P898.7M 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 P201.8M mainly due to higher deposits from new tenants of the East Wing Mall of Shangri-La Plaza.

Increase in dividends payable by P2.9M due to declaration of cash dividends amounting to P238.2M on August 14, 2013.

Increase in income tax payable by P7.9M due to higher taxable income generated during the year.

Decrease in accrued employee benefits by P33.4M 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 P36.1M (to P73.7M from previously reported P37.2M).

Calendar Year 2012 Compared to Calendar Year 2011

Total assets of the Company amounted to P36B, a growth of P1.6B from total assets of P34.4B in 2011.

Cash and cash equivalents increased by P164.2M mainly due to collection from sales of One Shangri-La Place condominium units.

Financial assets at fair value through profit or loss increased by P4.9M to P32.3M due fair value adjustment recognize during the year on marketable securities.

Receivables decreased by P100.9M 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 P637.1M due to cost incurred for new and ongoing projects.

Prepayments and other current assets decreased by P42M. 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 P10.5M due to office building improvements and purchase of company vehicles.

Refundable deposits increased by P13.4M due to deposits paid to contractors.

Increase in deferred income tax assets by P65.9M due to the difference in profit recognized from installment method versus percentage of completion.

Decrease in accounts payable and other current liabilities by P368.5M due to payment to contractors and suppliers.

The increase in bank loans was due to availment of P1.0B.

Increase in deposit from tenants and deferred lease income by P169.7M was mainly due to the deposit from new tenants at the East Wing Mall of Shangri-La Plaza.

Dividends payable increased by P2.2M due to higher dividend per share declared in 2012 amounting to P390.5M from P350.1M in 2011.

Income tax payable increase by P2.0M due to higher income generated during the year.

Increase in accrued employee benefits by P5.0M was mainly due to accrual of retirement benefits.

Changes in Financial Condition

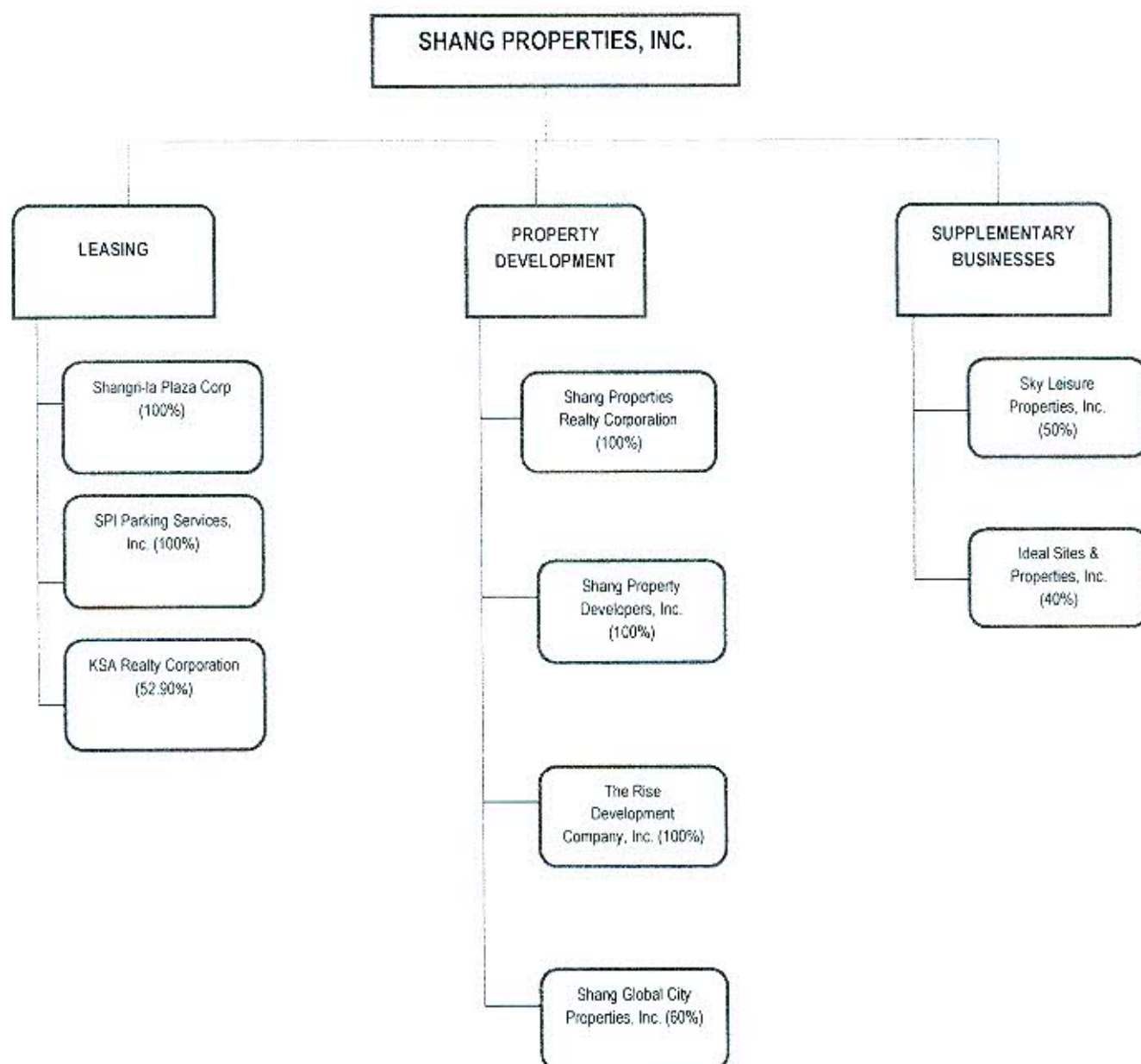
Net Cash provided by operating activities in 2014 amounted to P604.6M. The Cash inflows in 2014 includes collection of revenues from condominium projects and rental revenue from mall operation of the Shangri-La Plaza and office leasing of The Enterprise Center. Net Cash provided by operating activities in 2013 amounted to P2.1B. 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 2014 amounted to ₱1.6B used mainly for the acquisition of the Shangri-la at the Fort. Net cash used in investing activities in 2013 amounted to ₱1.5B used mainly for the completion of the East Wing Mall. In 2012, net cash used in investing activities amounted to ₱123.9M for the construction of various projects

Net cash provided by financing activities in 2014 amounted to ₱2B mainly from loan availment. 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 ₱319.1M in repayment of loan principal and interests and cash dividends to shareholders.

Item 3. The Parent Company's subsidiaries and associates follow:



SCHEDULE OF THE EFFECTIVE STANDARDS AND INTERPRETATIONS

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary		✓		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters	✓		
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters	✓		
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	✓		
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective as of December 31, 2014				
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	Not early Adopted		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	Not early Adopted		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments	Not early Adopted		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	Not early Adopted		
PFRS 10	Consolidated Financial Statements	✓		
PFRS 11	Joint Arrangements	✓		
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective as of December 31, 2014				
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Date	✓		
PAS 11	Construction Contracts	✓		
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
PAS 19 (Amended)	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective as of December 31, 2014				
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
PAS 28	Investments in Associates	✓		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	Not early Adopted		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective as of December 31, 2014				
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			
	Amendment to PAS 39: Eligible Hedged Items	✓		
PAS 40	Investment Property	✓		
PAS 41	Agriculture			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	<i>Determining Whether an Arrangement Contains a Lease</i>	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	<i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i>			✓
IFRIC 7	<i>Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies</i>			✓
IFRIC 8	<i>Scope of PFRS 2</i>			✓
IFRIC 9	Reassessment of Embedded Derivatives	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives	✓		
IFRIC 10	<i>Interim Financial Reporting and Impairment</i>	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective as of December 31, 2014				
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners	✓		
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	✓		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective as of December 31, 2014				
SIC-32	Intangible Assets - Web Site Costs			✓

Item 4. Reconciliation of retained earnings available for dividend declaration:

	December 31	
	2014	2013
Unappropriated Parent Company retained earnings, beginning	₱1,606,207,424	₱1,298,262,823
Add (deduct):		
Net income attributable to equity holders of the		
Parent Company closed to retained earnings	2,735,375,946	2,011,272,641
Share in net profits of:		
Subsidiaries	(1,813,078,446)	(1,754,529,791)
Associates	9,692,903	4,674,079
Dividends received by the Parent Company from its subsidiaries	1,234,919,334	791,671,796
Gain on fair value adjustment of investment properties	--	(27,440,564)
Gain on remeasurement of previously held interest	(577,101,799)	
Income from accretion of interest	(236,879,642)	(228,037,161)
Recognition of deferred income tax liabilities (assets)	(102,172,886)	31,293,108
Fair value adjustment of financial assets at FVPL	(2,663,820)	2,851,730
	1,248,091,590	831,755,838
Dividend declaration during the period	(642,859,246)	(523,811,237)
Total Parent Company retained earnings available for dividend declaration, end	₱2,211,439,768	₱1,606,207,424

Item 5. Financial soundness indicators in two comparative periods:

Financial Ratios

		Fiscal Year Ended	Fiscal Year Ended
		December 31, 2014	December 31, 2013
Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	2.37	2.09
Quick Ratio	(Current Assets - Inventory - Prepayments) / Current Liabilities	2.08	1.97
Solvency Ratio	Total Assets / Total Liabilities	2.03	2.74
Financial Leverage Ratios			
Debt Ratio	Total Debt/Total Assets	0.49	0.37
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	0.97	0.57
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	19.12	17.51
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.97	1.57
Profitability Ratios			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	0.62	0.53
Net Profit Margin	Net Profit / Sales	0.49	0.36

Return on Assets	Net Income / Total Assets	0.06	0.06
Return on Equity	Net Income / Total Stockholders' Equity	0.11	0.09
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	5.747	7.742

Item 6. Information required by Part 111, Paragraph (A) (2) (b) of "Annex C" of SRC Rule 2

- (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.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure (Required by Part III (B) of "Annex C")

- (1) If during the two most recent fiscal years or any subsequent interim period, the independent accountant has resigned, was dismissed or otherwise ceased performing services, state the name of the previous accountant and the date of resignation, dismissal or cessation of performing services.

Not Applicable

- (2) Describe if there were any disagreements with the former accountant on any matter of accounting and financial disclosure.

Not Applicable

- (3) File as an exhibit to the report the letter from the former accountant addressed to the Commission stating whether it agrees with the statements made by the company and, if not, stating the respects in which it does not agree.

Not Applicable

(B) Information of Independent Accountant and other related matters

a. External Audit Fees and Services

The table below sets forth the aggregate fees billed to the Company for each of the last two (2) years for professional services rendered by Sycip, Gorres Velayo & Co.:

	2014	2013
Audit Fees	3,531,921	2,694,303
Tax Consultancy Fees	456,065	0
	3,987,986	2,694,303

No other service was provided by external auditors to the Company for the fiscal years 2014 and 2013.

b. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

(C) Interim Periods

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

Key Performance Indicators

		March 31 2015	March 31 2014	Change
Turnover	(Php M)	2,264.1	1,577.0	43.6%
Profit attributable to shareholders	(Php M)	767.2	542.1	41.5%
Earnings per Share	(Php Ctv)	0.161	0.114	41.5%
Net Asset Value per share	(Php)	5.161	4.606	12.1%
Debt to Equity Ratio	(Ratio)	0.947:1	0.580:1	63.3%

- Turnover consists of Condominium Sales, Rental Revenue, Interest Income and Other Income. For the three (3) months ended March 31, 2015, the Group's consolidated revenues amounted to P2,264.1 million, higher by P687.1 million or 43.6% from P1,577 million of total revenues realized in the same period last year. The condominium sales showed significant increment of P670.2 million mainly due to higher sales of Condominium projects. Leasing operation posted a revenue growth of 4.3% or P27.8 million to P670.2 million in 2015 from P642.3 million in 2014. Interest and Other income decreased by P11 million.
- Profit attributable to equity holders of Parent Company amounted to P767.2 million, higher by P225.2 million or 41.5% compared with the same period last year.
- Earnings per share showed a positive variance of 41.5% to P0.161 from last year's P0.114.
- 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 12.1% 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 0.947:1 as of 31 March 2015 and 0.580:1 as of 31 March 2014.

Financial Condition

Total assets of the Company amounted to P55.8 billion, an increase of P1.1 billion from total assets of P54.7 billion in December 31, 2014. The following are significant movements in the assets:

- Increase in cash and cash equivalents by P324.3 million mainly due to the collection from sales of condominium projects and proceeds from bank loans.
- Financial assets at fair value through profit or loss increased by P2.6 million or 8% due to the fair market value adjustment of the investments recognized during the period.
- Prepayments and other current assets increased by P411.2 million mainly due to the sales proceeds of The Rise Project was deposited in an escrow account as required by the Housing and Land Use Regulatory Board (HLURB). The said deposit will be released upon the issuance of the License to Sell and Certificate of Registration for The Rise project.
- Increase in refundable deposits by P13.4 million or 19.6% mainly due to deposits paid by one of the property development project.

- Decrease in deferred income tax assets by P74 million mainly due to difference in accounting recognition of profit between installment method versus percentage of completion method for One Shangri-La Place project.
- Current ratio is 2.45:1 as of March 31, 2015 from 2.37:1 as of December 31, 2014.

Total liabilities increased by P244.1 million from P26.9 billion in 2014 to P27.1 billion in 2015 due to the following:

- Income tax payable increased by P161.3 million due to taxable income generated during the period.
- Decrease in accrued employee benefits by P13.1 million due to the payments made during the period.
- Decrease in deferred lease income by 10.4% or P2.1 million mainly due to amortization of deferred lease income using a straight-line basis over the lease term.

Results of Operation

Consolidated Net Income for the period ended March 31, 2015 amounted to P767.2 million higher by 41.5% from last year's P542.1 million due to the following:

A. Condominium Projects:

- Increase in sales by P670.2 million or 80.5% mainly due to the higher sales and completion level in various Projects.

B. Leasing Operations:

- Shangri-La Plaza's revenue decline by a slight P5.6 million or 1.5% mainly due to temporary close down of certain areas of the shopping under renovation.
- The Enterprise Center's rental revenue showed an improvements amounting to P32.2 or 15.5% million mainly due to rental escalation and higher rental yields.

C. Interest income and other income decrease by P11 million mainly due to the decrease in interest income on installment contract receivables.

Total Expenses of the Group amounted to P1,123.2 million, higher by P321.1 million compared with last year's P802.2 million. This was mainly due to the following:

- Increase in cost of sales by 48.6% due to higher sales of various development projects during the period.
- General and administrative expenses increase by P21.2 million or 21.2% primarily due to higher professional fees, utility cost and staff costs.
- Unrecovered reimbursable expenses from tenants increase by P3.5 million mainly due to the renovation of the main wing.
- Increase in depreciation by P1.1 million or 25.3% due to the depreciation of additional transportation equipment.
- Insurance expense increased by P494K or 12.5% mainly due to the additional insurance coverage of the shopping mall.
- Interest expense and bank charges increased by P20 million mainly due to interest on loans and bank charges paid during the year.

Share in net loss of associates decreased by P2.1 million mainly due to the consolidation of Shang Global City Properties to the group. The said company was previously reported as an associated company.

Increase in net income attributable to minority interest was mainly due to the higher level of income generated by KSA Realty Corporation and Shang Global City Properties during the period.

Provision for income tax is higher by P62.8 million mainly due to higher taxable income generated during the period against the same period last year.

Financial Soundness Indicators

	End of March 2015	End of December 2014
Current Ratio ¹	2.45:1	2.37:1
Debt-to-equity ratio ²	0.95:1	0.97:1
Asset-to-equity ratio ³	1.95:1	1.97:1
	1Q 2015 ⁷	1Q 2014
Interest rate coverage ratio ⁴	19.39:1	17.64:1
Return on assets ⁵	5.6%	1.8%
Return on equity ⁶	10.9%	2.9%

¹Current assets/current liabilities

²Total liabilities/stockholders' equity

³Total asset/stockholders' equity

⁴Income before interest and taxes/interest expense

⁵Net Income/average total assets

⁶Net Income/average stockholders' equity

⁷2Q1Net income after tax annualized/average of end March-2015 and end Dec-14 assets and equity

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

- 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.
- 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.
- There are no off material balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
- 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 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 registrant's continuing operations.
- There are no material changes in periodical reports.
- There are no seasonal aspects that had a material effect on the financial statements.

Item 3. Other Required Disclosures

- A.) The attached interim financial reports were prepared in accordance with Philippine Financial Reporting Standard. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2014.
- B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
- C.) There were no materials changes in estimates of amounts reported in prior period that have material effects in the current interim period.

- D.) Except as disclosed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there were no other issuances, repurchases and repayments of debt and equity securities.
- E.) There are no significant events happened subsequent to March 31, 2015 up to the date of this report that needs disclosure herein.
- F.) For the required disclosure as per SEC letter dated October 29, 2008 on the evaluation of the company's risk exposure and financial instruments profile please see Note 10 of the attached interim financial statement.

CERTIFICATION

In compliance with the requirement of the Markets and Securities Regulation Department of the Securities and Exchange Commission, this is to certify that none of the members of the Board of Directors of Shang Properties, Inc. for the year 2014-2015 are connected with or work for any government agency.



MARIA MYLA RAE S. ORDEN
Assistant Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
IN THE CITY OF MANDALUYONG) S.S.

SUBSCRIBED AND SWORN to before me this MAY 21 2015 day of _____ in the City of Mandaluyong by MARIA MYLA RAE S. ORDEN having successfully proven to me her identity through her Passport with No. EB0411348 issued at DFA Manila on 18 June 2010 until 17 June 2015, that she is the same person who signed before me the foregoing Certification and acknowledged that she executed the same.

Doc. No. 144;
Page No. 54;
Book No. 34;
Series of 2015.

NOTARY PUBLIC



JOVEN G. SEVILLANO
NOTARY PUBLIC
COMMISSION NO. 0285-15 UNTIL DECEMBER 31, 2016
ROLL NO. 53970
IBP LIFETIME NO. 811302 RIZAL
PTR NO. 2277131 ; 1-5-15; MANDALUYONG
MCLE COMPLIANCE NO. IV - 0014990 23 APRIL 2013
METRO MARY COMPLEX, MANDALUYONG CITY

The Manila Times

www.manilatimes.net

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA)S.S.

ERRATUM. All nominations should be submitted on or before May 25, 2015.

NOTICE TO SHAREHOLDERS OF SHANG PROPERTIES, INC.

Pursuant to the Amended By-Laws of Shang Properties, Inc. (the "Corporation"), all interested shareholders of the Corporation may now submit the names of their nominees for independent and regular members of the Corporation's Board of Directors who shall be elected during the Annual Shareholders' Meeting on June 18, 2015. All nominations should be submitted on or before **May 19, 2015** to the Corporate Secretary at the following address:

FEDERICO G. NOEL, JR.
Shang Properties, Inc.
Level 5, Shangri-La Plaza Mall
Edsa cor. Shaw Blvd., Mandaluyong City

All nominations should contain at least the following information:

- 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.
- Disclose if owning directly or indirectly as record and/or beneficial owner of any class of the company's voting securities;
- Disclosure if owning voting trust of more than 5% of the company's securities; and

All nominations shall be subject to pre-screening by the Corporation's Nomination Committee which shall prepare the final list of nominees.

By Order of the Nomination Committee.

(SGD.) FEDERICO G. NOEL, JR.
Corporate Secretary

MT - May 22, 2015

AFFIDAVIT OF PUBLICATION

lyn S. Arevalo, of legal age, married, and a resident of Sampaguita Compound 3 Bago Imus Cavite in the Philippines, after duly sworn according to law, do hereby state:

I am the Accounting Supervisor of **The Times**, a newspaper which is published in Edited and Printed in Metro Manila, and nationwide daily from Monday to Sunday at address at 2/F Sitio Grande, 409 A. venue, Intramuros, Manila

I attached **ERRATUM. ALL NOMINATIONS BE SUBMITTED ON OR BEFORE MAY 5 / NOTICE TO SHAREHOLDERS OF PROPERTIES, INC.**

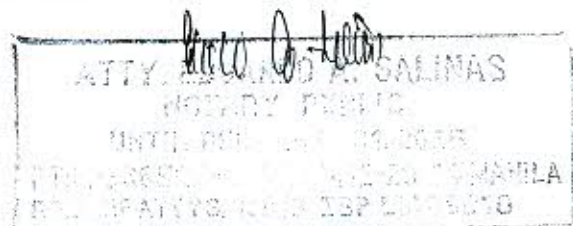
published in **The Manila Times** newspaper in of **MAY 22, 2015**

whereof, I signed this Affidavit in Manila, s, this _____ day of **MAY 22 2015**

Evelyn S. Arevalo
EVELYN S. AREVALO
Affiant

I do hereby declare and sworn to before me this **MAY 22 2015** day _____, 2015 in MANILA, Philippines, affiant to me her **Driver's License No. N03-00-** issued at Imus Cavite on November 16, 2012 ID No. 03-918-996-16

Doc. No. 117
Page No. 25
Book No. 11
Series of 2015



THE MANILA TIMES PUBLISHING CORPORATION
2/F Sitio Grande, 409 A. Soriano Ave., Intramuros Manila

The Manila Times

www.manilatimes.net

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA)S.S.

AFFIDAVIT OF PUBLICATION

NOTICE TO SHAREHOLDERS OF SHANG PROPERTIES, INC.

Pursuant to the Amended By-Laws of Shang Properties, Inc. (the "Corporation"), all interested shareholders of the Corporation may now submit the names of their nominees for independent and regular members of the Corporation's Board of Directors who shall be elected during the Annual Shareholders' Meeting to be scheduled in June of this year. All nominations should be submitted on or before **May 19, 2015** to the Corporate Secretary at the following address:

FEDERICO G. NOEL, JR.
Shang Properties, Inc.
Level 5, Shangri-La Plaza Mall
Edsa cor. Shaw Blvd., Mandaluyong City

All nominations should contain at least the following information:

- 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 if owning voting trust of more than 5% of the company's securities; and

All nominations shall be subject to pre-screening by the Corporation's Nomination Committee which shall prepare the final list of nominees.

By Order of the Nomination Committee

(SGD.) **FEDERICO G. NOEL, JR.**
Corporate Secretary

MT - May 19, 2015

n S. Arevalo, of legal age, married, a resident of Sampaguita Compound Bago Imus Cavite in the Philippines, after duly sworn according to law, do hereby state:

am the Accounting Supervisor of **The mes**, a newspaper which is published in dited and Printed in Metro Manila, and nationwide daily from Monday to Sunday address at 2/F Sitio Grande, 409 A. anue, Intramuros, Manila

attached **NOTICE TO SHAREHOLDERS 3 PROPERTIES, INC.**

shed in **The Manila Times** newspaper in of **MAY 19, 2015**

whereof, I signed this Affidavit in Manila, this _____ day of **MAY 19, 2015**

Evelyn S. Arevalo
EVELYN S. AREVALO
Affiant

be and sworn to before me this **MAY 19, 2015** day _____, 2015 in **MANILA, Philippines**, affiant to me her **Driver's License No. N03-00-** sued at Imus Cavite on November 16, 2012 **ID No. 03-918-996-16**

Doc. No. _____
Page No. _____
Book No. _____
Series of **2015**



THE MANILA TIMES PUBLISHING CORPORATION
2/F Sitio Grande, 409 A. Soriano Ave., Intramuros Manila

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR
CONSOLIDATED FINANCIAL STATEMENTS

March 27, 2015


To the Securities and Exchange Commission
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

The management of **Shang Properties, Inc.** is responsible for the preparation and fair presentation of the **consolidated** financial statements as of December 31, 2014 and 2013, including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the **consolidated** financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the **consolidated** financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders have examined the **consolidated** financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such examination.

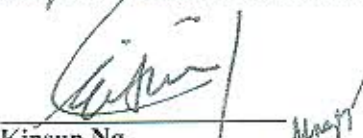
Signed under oath of by the following:



Edward Kuok
Chairman of the Board



Wilfred Woo
Executive Assistant to the Chairman



Kinsun Ng
Vice-President – Group Financial Controller/Acting Chief Finance Officer



Acknowledgement

REPUBLIC OF THE PHILIPPINES)
IN THE CITY OF **QUEZON CITY**, S.

QUEZON CITY

APR 10 2015

Before Me, a Notary Public for and in _____, this ____ day of _____ 2015, the following personally appeared:

Name	Passport No.	Date/Place of Issuance
Edward Kuok Khoon Loong	A10771987	August 23, 2006, Kuala Lumpur
Wilfred Woo	BA654012	January 10, 2010, Hongkong
Kinsun Ng	501133959	November 22, 2012, Hongkong

known to me and to me known to be the same persons who executed the foregoing and they acknowledged to me that the same are their true and voluntary act and deed.

The foregoing consists of two (2) pages, including this page wherein the acknowledgement is written and signed hereto and their instrumental witnesses on each and every page hereof.

WITNESS MY HAND AND SEAL on the date and place above-stated

Doc. No. 90;
Page No. 10;
Book No. 157
Series of 2015.

P. J. Alfonso
ATTY. BENJAMIN E. ALFONSO
NOTARY PUBLIC
UNTIL December 31, 2016
PTR NO. 0602987 - C - 1-20-15
IBP NO. 975680 - 12-11-2014
ROLL NO. 13296
ADM. MATTER NO. N.P.-144 (2015 - 2016)
TIN NO. 177967619
MCLE EXEMPTED

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Shang Properties, Inc.
Administration Office, Shangri-La Plaza Mall
EDSA corner Shaw Boulevard,
Mandaluyong City

We have audited the accompanying consolidated financial statements of Shang Properties, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

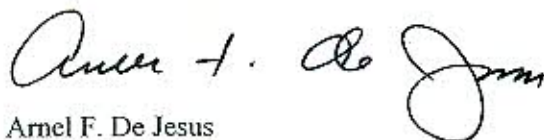
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Shang Properties, Inc. and Subsidiaries as at December 31, 2014 and 2013, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.



Arnel F. De Jesus

Partner

CPA Certificate No. 43285

SEC Accreditation No. 0075-AR-3 (Group A),

February 14, 2013, valid until February 13, 2016

Tax Identification No. 152-884-385

BIR Accreditation No. 08-001998-15-2012,

June 19, 2012, valid until June 18, 2015

PTR No. 4751272, January 5, 2015, Makati City

March 27, 2015

