

# COVER SHEET

JUL 15 2021

MARKET REGULATION DEPT.

DATE: \_\_\_\_\_ TIME: 11:46 AM

1	4	5	4	9	0				
---	---	---	---	---	---	--	--	--	--

SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

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

**ATTY. FEDERICO G. NOEL, JR.**

**(Contract Person)**

370-2700

(Company Telephone Number)

**1 2**  
Month  
(Fiscal Year)

**3 1**  
Day

2	0	-	1	S
---	---	---	---	---

(Form Type)

Month Day  
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Dept. Requiring this Doc.

Amended Articles Number/Section

Amended Articles Number/Section

Figure 1 is a line graph showing the percentage of the total sample for each age group across different years. The y-axis represents the percentage of the total sample, ranging from 0 to 100. The x-axis represents the years from 1970 to 2000. The graph shows a general trend of decreasing percentages for younger age groups and increasing percentages for older age groups over time.

Year	0-14	15-24	25-34	35-44	45-54	55-64	65-74	75+
1970	18	15	12	10	8	6	4	2
1980	15	12	10	8	6	4	3	2
1990	12	10	8	6	4	3	2	1
2000	10	8	6	4	3	2	1	1

Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign

**Total Amount of Borrowings**

Domestic

## Foreign

To be accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--	--

File Number

File Number

LCU

--	--	--	--	--	--	--	--	--	--

Document ID

Document ID

**Cashier**

STAMPS

Please use BLACK ink for scanning purposes.

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

**To be held on 19 August 2021 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 19 August 2021 at 10:00 A.M. *via* video conference.

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 18 November 2020
- 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 2021-2022
- 7) Amendment of By-Laws
- 8) Election of External Auditors
- 9) Other Matters
- 10) Adjournment

The Board of Directors has fixed the close of business hours on **19 July 2021** 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 2020 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, 24<sup>th</sup> day of June 2021.

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

  
**FEDERICO G. NOEL, JR.**  
Corporate Secretary

## AGENDA ITEMS

- 1) Call to Order

- 2) Certification of Notice and Quorum

The Chairman will call upon the Secretary to present proof that notice of the meeting was sent out to all concerned shareholders of record in accordance with the By-Laws of the Corporation and the relevant rules of the Securities and Exchange Commission ("SEC") and to report on the attendance of the meeting. If there are present in person or by proxy stockholders representing at least majority of the outstanding capital stock of the Corporation entitled to vote, the meeting shall proceed to take up the business at hand.

- 3) Approval of the Minutes of the Annual Meeting held on 18 November 2020

The Stockholders will be asked to approve the Minutes of the Annual Meeting of Stockholders held on 18 November 2020.

- 4) Report of Management

The Chairman will present the Report of Management to the stockholders.

- 5) Ratification of Acts of Management and the Board of Directors for the year 2021-2022

The Chairman will submit for the consideration and ratification of stockholders all acts and/or resolutions of the Board of Directors and Management of the Corporation for the last Annual Shareholders' meeting up to the present stockholders' meeting.

- 6) Election of the Board of Directors for the year 2021-2022

Pursuant to the Amended By-Laws of the Corporation, the stockholders present representing at least a majority of the outstanding capital stock of the Corporation entitled to vote, shall elect the Independent Directors and Regular Directors of the Corporation's Board of Directors to serve for the fiscal year 2021-2022 and until their successors are qualified and elected.

- 7) Amendment of By-Laws

The Stockholders will be asked to approve the amendment of the Corporation's By-Laws under Articles II and III.

- 8) Election of External Auditors

The Stockholders shall vote upon the appointment of the Company's External Auditors for the fiscal year 2021-2021.

- 9) Other Matters

The meeting will be opened to the discussion of other matters that may be brought up by the stockholders.

- 10) Adjournment

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, Administration Offices, Shangri-La Plaza Mall  
EDSA cor. Shaw Boulevard, Mandaluyong City 1550  
 Address of principal office Postal Code
7. Registrant's telephone number, including area code (632) 8370-2700
8. The annual meeting of Registrant's stockholders will be held on 19 AUGUST 2021 at 10:00 A.M. via video conference.  
 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:  
28 JULY 2021, which is fifteen (15) business days prior to the date of the Annual Stockholders' Meeting on 19 AUGUST 2021.
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 <sup>1</sup> 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.

<sup>1</sup> RCBC Board Lot Report as of 30 June 2021

<b>PART I.</b>
----------------

**INFORMATION REQUIRED IN INFORMATION STATEMENT**

**A. GENERAL INFORMATION**

**Item 1. Date, time and place of meeting of security holders.**

The annual meeting of Registrant's stockholders will be held on **19 AUGUST 2021 at 10:00 A.M.** via video conference.

The approximate date on which the Information Statement is first to be sent or given to security holders is on **28 JULY 2021**, which is fifteen (15) business days prior to the date of the Annual Stockholders' Meeting on **19 AUGUST 2021**.

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

**Item 2. Dissenters' 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.

**Item 3. 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.

**B. CONTROL AND COMPENSATION INFORMATION**

**Item 4. Voting Securities and Principal Holders Thereof**

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 **19 JULY 2021**.

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.

The Top 20 stockholders of the Issuer as of 30 JUNE 2021 <sup>2</sup>are:

Name of Stockholders	Number of Shares Held	Percent to Total Outstanding
1. Travel Aim Investment B.V	1,648,869,372	34.61%
2. Ideal Sites and Properties, Inc.	1,465,144,626	30.75%
3. PCD Nominee Corporation (PH)	1,012,913,413	21.26%
4. SM Development Corporation	189,550,548	4.00%
5. PCD Nominee Corporation (OA)	60,805,567	1.28%
6. KGMPP Holdings, Incorporated	52,925,445	1.11%
7. CCS Holdings, Incorporated	47,633,492	1.00%
8. Pecanola Company Limited	43,175,495	0.91%
9. Kuok Brothers SND. BHD.	37,023,839	0.78%
10. Kuok Foundation Overseas Limited	37,023,839	0.78%
11. GGC Holdings, Incorporated	26,224,322	0.55%
12. Kerry Holdings Limited	26,090,624	0.55%
13. Kuok (Singapore) Limited	24,848,214	0.52%
14. Kerry (1989) LTD.	12,424,107	0.26%
15. Kuok Traders (Hong Kong) LTD.	11,407,363	0.24%
16. Federal Homes, Inc.	4,808,478	0.10%
17. Luxhart Assets Limited	3,975,714	0.08%
18. Yan, Lucio W. Yan &/or Clara	3,142,857	0.07%
19. Antonio O. Cojuangco	3,026,964	0.06%
20. Exchange Equity Corporation	1,570,000	0.03%

As of 30 JUNE 2021, the total number of shareholders of Issuer's common shares is 5,177<sup>3</sup>.

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

Following are the stockholders who are known to the Issuer to be directly or indirectly the record and/or beneficial owner of more than 5% of any class of the Issuer's voting shares as of 30 JUNE 2021.

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	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 &	R	Filipino	1,465,144,626	30.75%

<sup>2</sup> RCBC Top 20 Report as of 30 June 2021

<sup>3</sup> RCBC Board Lot Report dated 04 July 2021

	Properties, Inc.				
Common	PCD Nominee Corporation	R	Filipino	1,012,913,413	21.26%

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 1,465,144,626 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 of the Issuer is usually chaired by Mr. Edward Kuok Khoon Loong, and in his absence, by Mr. Alfredo Ramos.

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

#### **Security Ownership of Management (as of 30 JUNE 2021)**

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	0.017%
Common	Alfredo C. Ramos	213,734(D)	Filipino	0.000%
Common	Antonio O. Cojuangco	3,026,964(D)	Filipino	0.000%
Common	Maximo G. Licauco III	1(D)	Filipino	0.000%
Common	Benjamin Ivan S. Ramos	2(D)	Filipino	0.000%
Common	Cynthia R. Del Castillo	1(D)	Filipino	0.000%
Common	Karlo Marco P. Estavillo	5000(D)	Filipino	0.000%
Common	Wilfred Shan Chen Woo	1,000(D)	Canadian	0.064%
Common	Wolfgang Krueger	10,000(D)	Deutsch	0.000%
Common	Jose Juan Z. Jugo	1,000(D)	Filipino	0.000%
Common	Federico G. Noel	1 (D)	Filipino	0.000%

As of the reporting of SEC Form 20-IS for 2021, the aggregate ownership of all directors and officers as a group unnamed is **4,065,711** shares or **0.007%** 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 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 Hervey Asia Corporation 50 million common shares and 270 million 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.

Portions of the Issuer's land where the Shangri-La Plaza Mall is located and the area known as the Internal Road are being leased to SLPC. The leases were renewed pursuant to agreements signed and executed between the parties dated 19 September 2017, which renewal shall expire on 06 January 2023. Rental income is calculated at 10% of SLPC's gross rental income net of prompt payment discount.

Issuer's subsidiary Shang Properties Realty Corporation 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. The lease has been renewed for another period which shall expire on 31 December 2022.

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. In an agreement dated 26 August 2007, the lease was renewed for another 25 years commencing on 28 August 2017 until 27 August 2042.

The Issuer, in an agreement dated 22 March 2018, entered into a Joint Venture Agreement with Robinsons Land Corporation (RLC) whereupon a new joint venture entity will be incorporated (JVC). Issuer and RLC shall own said JVC on a 50%-50% basis. The JVC shall build and develop a property situated at McKinley Parkway cor. 5<sup>th</sup> Avenue and 21<sup>st</sup> Drive at Bonifacio Global City, Taguig, Metro Manila. The proposed project is intended to be a mixed-use development to include residential condominium units and commercial retail outlets. The joint venture agreement between Issuer and RLC has been duly approved by the Philippine Competition Commission. The Parties project an investment of P10Billion for the project.



## **Business of Issuer**

### **(A) Description of Issuer**

(i) The Issuer is a property development, real estate management and investment holding company. It is publicly subscribed and was listed in the Philippine Stock Exchange in June 13, 1991. Its significant and active subsidiaries are as follows:

- Shangri-La Plaza Corporation (100% owned by Issuer);
- SPI Parking Services, Inc. (formerly EDSA Parking Services, Inc.) (100 % owned by Issuer); and
- Shang Properties Realty Corporation (formerly, The Shang Grand Tower Corporation (100 % owned by Issuer)
- EPHI Logistics Holdings, Inc. (60% owned by Issuer)
- Shang Global City Holdings, Inc. (100% owned by Issuer)
- Shang Fort Bonifacio Holdings, Inc. (100% owned by Issuer)
- Shang Property Management Services Corporation (formerly EPHI Project Management Services Corporation) (100% owned by Issuer)
- KSA Realty Corporation (70.04% owned by Issuer)
- Shang Property Developers, Inc. ( 100% owned by Issuer)
- Shang Global City Properties, Inc. (60% owned through the Issuer's wholly owned subsidiaries Shang Global City Holdings, Inc., and Shang Fort Bonifacio Holdings, Inc.)
- The Rise Development Company, Inc. (100% owned through Issuer's wholly owned subsidiary KPPI Realty Corporation)
- Shang Wack Wack Properties, Inc. (100% owned by Issuer)
- Classic Elite Holdings, Ltd. (100% owned by Issuer)
- SPI Property Holdings, Inc. (100% owned by the Issuer)
- SPI Property Developers, Inc. (100% owned by the Issuer)
- SPI Land Development Inc. (100% owned by the Issuer)
- Shang Robinsons Properties Inc. (50% owned by the Issuer)

Shangri-La Plaza Corporation was incorporated on 06 January 1993 to invest in, purchase, own, hold, lease and operate the Shangri-La Plaza Shopping Complex located at Mandaluyong City, Philippines. Its primary business is leasing. The Shangri-La Plaza Shopping Complex houses Rustan's department store, theater, cinema, restaurants, fast-food outlets, boutiques and specialty stores. Its tenants are leading international and local retailers such as Marks & Spencer, Escada, Hugo Boss, Rustan's, Zara, Debenham's, Armani, etc., which caters to the upscale market.

SPI Parking Services, Inc. ("SPSI") was incorporated on 14 November 2001 to own and/or manage and operate carpark facilities including those surrounding the Shangri-La Plaza Shopping Complex, and to render such other services as may be related or incidental to the management and operation of said carpark facilities.

The Shang Properties Realty Corporation (formerly, The Shang Grand Tower Corporation) was incorporated on 20 August 2003 as a realty development company. It constructed The Shang Grand Tower, a high rise luxury condominium at the heart of the Makati Commercial Business District. It is also the owner and developer of The St. Francis - Shangri-La Place, a two-tower high rise residential condominium located in Ortigas, Mandaluyong City. It is also the owner and developer of One Shangri-La Place, a mixed use high rise development located at Edsa cor. Shaw Blvd., Mandaluyong City.

EPHI Logistics Holdings, Inc., was incorporated on 20 August 2002 as a holding company.

Shang Global City Holdings, Inc., was incorporated on 11 December 2007 as a holding company.

Shang Fort Bonifacio Holdings, Inc., was incorporated on 11 December 2007 as a holding company.

Shang Property Management Services Corporation was incorporated on 10 October 2006 for the purpose, among others, of acting as managing agents or administrators of Philippine corporations with respect to their business or properties.

KSA Realty Corporation was incorporated on 03 August 1990 as a realty development company. It owns The Enterprise Center, one of the most modern and luxurious office buildings in the country which is located at the heart of the Makati Central Business District. On 15 June 2016, the Issuer purchased from Ocmador Philippines, B.V., the latter's 241,580 common shares of stock of KSA Realty Corporation, bringing Issuer's stock ownership to 70.04%.

Shang Property Developers, Inc. which was incorporated on 17 December 2010 as a realty development company. It is the owner and developer of the Shang Salcedo Place, a residential condominium located in Sen. Gil Puyat Ave. cor. Tordesillas St., H.V. de la Costa St., Salcedo Village, Makati City. It is slated for completion in 2015.

Shang Global City Properties, Inc., was incorporated on 13 December 2007. By virtue of the SEC approved merger between Shang Global City Properties, Inc. and Fort Bonifacio Shangri-La Hotel, Inc., Shang Global City Properties, Inc., is now the owner and developer of the hotel and residential development known as Shangri-La at the Fort. The residential component of the development has commenced pre-selling.

The Rise Development Company, Inc., is in a joint venture with Vivelya Development Company, Inc., for the development of a mixed use development to be known as The Rise, located in Malugay St., San Antonio Village, Makati.

Shang Wack Wack Properties, Inc., was incorporated on 13 January 2016 as a realty development company.

Classic Elite Holdings, Ltd., a British Virgin Islands Company, and recently incorporated, is a holding company. It is a wholly owned non-resident foreign corporation through which Issuer may explore possible off-shore investment opportunities aligned with Issuer's business objectives/purposes.

SPI Property Holdings Inc. was incorporated on 09 December 2019 and currently preparing to develop a residential condominium project to be located in Pasig City.

SPI Property Developers Inc. and SPI Land Development Inc. were all incorporated on 09 December 2019 as a holding company.

Shang Robinsons Properties, Inc. is a joint venture with Robinsons Land Corporation for the development of a condominium projects known as the Aurelia, located in Bonifacio Global City, Tagug City.

- (ii) Issuer's subsidiary, Shang Properties Realty Corporation (formerly, The Shang Grand Tower Corporation) and Shang Property Developers, Inc. sold units of the condominium development The St. Francis Shangri-La Place to non-resident Filipinos and foreigners, but not exceeding 40% of the total no. of units. It has been selling units of the One Shangri-La Place, its latest condominium development, but subject to the limitation that not more

than 40% of the total number of units shall be sold to foreigners. Issuer's subsidiary Shang Property Developers Inc. has also started selling units to its residential condominium development, Shang Salcedo Place, sales for which are also subject to the 40% alien ownership limitation.

- (iii) This is not applicable to the Issuer. It is primarily a holding company and therefore has no direct distribution methods of products and services.
- (iv) Neither the Issuer nor its subsidiaries have new products or services which may be described as requested in this particular section.
- (v) Insofar as the Issuer's competitors are concerned, the Issuer's competitors are upper middle to high end real estate companies who are involved in property development such as Ayala Land and Megaworld. Issuer can and will be able to compete in the property development industry because of its strong financial position, international expertise and strong brand position. For the Shangri-La Plaza Corporation, its competitors are entities operating similar upscale malls such as Rockwell, Podium, and Greenbelt 3. The Shangri-La Plaza Corporation is not threatened by competition where it is the only truly upscale commercial complex in its geographic location, and where it is continuously upgrading its facilities in order to cater to its upscale market. SPSI's competitors are those entities who are into carpark management and operation. SPSI is in a healthy financial position and has the expertise to efficiently and viably operate its carpark facilities.
- (vi) This section on raw materials and suppliers is not applicable to the Issuer nor to its subsidiaries by reason of the nature of their businesses as herein described.
- (vii) Neither the Issuer nor its subsidiaries operations and businesses are dependent on a single customer, the loss of which would have a material adverse effect on the Issuer and its subsidiaries taken as a whole, by reason of the nature of their businesses as described herein.
- (viii) On transactions with and/or dependence on related parties:

**With Issuer's subsidiaries:**

**a. With Shangri-La Plaza Corporation (SLPC)**

i) Portions of the Issuer's land where the Shangri-La Plaza Mall is located and the area known as the Internal Road are being leased to SLPC. The leases were renewed pursuant to agreements signed and executed between the parties dated 19 September 2017, which renewal shall expire on 06 January 2023. Rental income is calculated at 10% of SLPC's gross rental income net of prompt payment discount.

ii) Issuer's subsidiary Shang Properties Realty Corporation 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. The lease has been renewed for another period which shall expire on 31 December 2022.

**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 has been renewed annually and subsists to date.

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. In an agreement dated 26 August 2007, the lease was renewed for another 25 years commencing on 28 August 2017 until 27 August 2042.

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.
- d. SPI Parking Services, Inc. entered into a Memorandum of Agreement with KSA Realty Corporation, with conformity of The Enterprise Center Condominium Corporation, to administer, manage and operate the TEC Parking Slots as a pay parking facility under a mutually agreeable remuneration scheme.

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.

**FOREIGN OWNERSHIP LEVEL AS OF 30 JUNE 2021<sup>4</sup>:**

<u>Security</u>	<u>Total Outstanding Shares</u>	<u>Shares Owned By Foreigners</u>	<u>Percent of Ownership</u>
<u>Common Shares</u>	<u>4,764,056,287</u>	<u>1,870,086,146</u>	<u>39.25%</u>

**Item 5. Directors and Executive Officers**

**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 from this disclosure are as follows:

<sup>4</sup> RCBC's Report on Foreign Ownership as of 30 June 2021

Name	Citizenship	Director/ No. of Years	Age	Office Held	Directorship in other reporting (Listed) Companies
Edward <u>Kuok</u> Khoon Loong	Malaysian	Yes /29 yrs. & 3 mos.	68	Chairman	None
Alfredo C. Ramos	Filipino	Yes /32 yrs. & 10 mos.	77	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 /20yrs.	68		Sanitary Wares & Mfg. Corp.
Benjamin I. Ramos	Filipino	Yes /11 yrs.	51		None
Wilfred Shan Chen Woo	Canadian	Yes/ 10 yrs.	63		None
Antonio O. Cojuangco***	Filipino	Yes /14 yrs.	69		None
Jose Juan Z. Jugo	Filipino	Yes/6 mos.	49	Executive Vice President	None
Karlo Marco P. Estavillo	Filipino	Yes/4 yrs.	49	Treasurer/ CFO/COO	None
Wolfgang Krueger	Deutsch	Yes/6 mos.	56	Executive Vice President	None
Maximo G. Licaucó III	Filipino	Yes/7 yrs & 7 mos.	70		None
Rajeev Garg	Indian	(No)	47	VP/Group Financial Controller	None
Federico G. Noel, Jr.	Filipino	(No)	59	Corporate Secretary	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 Atlas Consolidated Mining & Development Corporation and Aquatlas, Inc. He is the Chairman and President of Alakor Corporation, National Book Store, Inc., The Philodrill Corporation, Vulcan Industrial & Mining Corporation, United Paragon Mining Corporation and NBS Subic, Inc. He is also the President of Abacus Book & Card Corporation, MRT Holdings Corporation, Power Books, Inc., TMM Management, Inc. and Zenith Holdings Corporation. He is Vice Chairman of MRT Development Corporation and Shangri-La Plaza Corporation. He is also the Governor of National Book Development Board.

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

**Cynthia Roxas Del Castillo** is a Senior Partner and a member of the Executive Board at Romulo, Mabanta, Buenaventura, Sayoc & de los Angeles and has been with the firm for over 30 years. She holds an LL.B from Ateneo, graduated Valedictorian in 1976 and placed 11<sup>th</sup> in the 1976 Bar Examinations. She was a former Dean of the Ateneo de Manila University's Law School and the first woman to hold the said position. She currently serves as Corporate Secretary and Director of other various Philippine corporations.

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

**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.

**Maximo G. Licauco III** is the President of Filstar Distributors Corporation (Licensee of Hallmark Cards and exclusive distributor of BIC Products). He was previously an Area Vice President of National Book Store, Inc. where he spent 34 years in the retail business. He graduated at the Ateneo De Manila University with Bachelor of Arts Degree major in Economics.

**Karlo Marco P. Estavillo** served as General Manager of San Miguel Properties, Inc., and a member of the Board of Directors of United Coconut Planters Bank, Cocolife, and UCPB General Insurance, Inc. He received a Bachelor of Laws Degree from the University of the Philippines College of Law and Bachelor of Science in Business Management from the Ateneo de Manila University.

**\*Jose Juan Z. Jugo** joined the Issuer last June 2019 as Executive Vice President. From 2017 to 2019, he was the President and CEO of MCT Bhd, a publicly listed full line property developer based in Selangor, Malaysia and owned 67% by Ayala Land, Inc. From 2000 to 2017, he was in the management team of Ayala Land, Inc. (ALI) where from 2013 to 2017, he was a Vice President of the company. From 2011 to 2017, he served as the Managing Director of Ayala Land Premier, the luxury arm of the company. He graduated from De La Salle University, Manila in 1994. Right after earning his undergraduate degree, he pursued and finished his post graduate studies in Marketing and Commercial Management under scholarship in ESEM, in Madrid, Spain. *(He replaced Mr. Koay Kean Choon who resigned as a member of the Board as of 03 December 2020. Mr. Jugo will serve as member of the board for the remainder of Mr. Koay's term and until his successor is duly elected and qualified)*

**\*Wolfgang Krueger** was the Regional Executive Vice President for Shangri-La International Hotels Limited and looked after all the Shangri-La Hotels in the Philippines. He joined Shangri-La Group in 2003 and has been with the group for over 18 years. *(He replaced Mr. Louie Chi Kong Wong who resigned as a member of the Board as of 03 December 2020. Mr. Krueger will serve as member of the board for the remainder of Mr. Wong's term and until his successor is duly elected and qualified)*

**Rajeev Garg** is the Vice President and Group Financial Controller of the Issuer. He has been with the Kuok Group for a total of 14 years covering various functions including Finance in Shangri-La Dubai, Aberdeen Marina Club, Hong Kong, two (2) Shangri-La Development Projects in Sri Lanka and another development project in Colombo before moving to Issuer.

He holds a Bachelor's Degree in Accounting and Accounting Certificate from the Institute of Chartered Accountants of India and PG Diploma in Management.

**Federico G. Noel, Jr.** is the General Counsel and the Corporate Secretary of the Company. He is also the Corporate Secretary, General Counsel and a member of the Board of Directors of 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.

*\*\*\* Messrs. Maximo G. Licauco, Antonio O. Cojuangco, and Benjamin I. Ramos were elected independent directors. All of the foregoing independent directors have no relationship with Ideal Sites and Properties, Inc., either as directors or officers.*

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

(2) Significant Employees

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

(3) Family Relationships

Mr. Benjamin Ramos is the nephew of Mr. Alfredo Ramos. Mr. Maximo G. Licauco III is the brother-in-law of Mr. Alfredo Ramos.

(4) Involvement in Certain Legal Proceedings

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

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

(C) None of the directors or executive officers of the Issuer has been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities;

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

**Nomination of Regular (Non-independent) and Independent Directors**

Pursuant to the SEC approved Amended by-Laws of the Registrant wherein new provisions on the nomination and election of the regular and independent members of the Board of Directors were added in compliance with the SRC and SEC Rules and Regulations, the Registrant duly published 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 19 August 2021 (published on 16 June 2021 in The Manila Times). Pursuant to the nominations received by the Corporate Secretary of Registrant the following names have been forwarded to the Corporate Governance Committee / Nomination Committee for nomination to the Board of Directors during the Annual Stockholders Meeting:

Edward Kuok Khoon Loong  
Alfredo C. Ramos  
Cynthia R. Del Castillo  
Karlo Marco P. Estavillo  
Antonio O. Cojuangco



Maximo G. Licauco III  
Wilfred Shan Chen Woo  
Wolfgang Krueger  
Benjamin C. Ramos  
Jose Juan Z. Jugo

Messrs. Maximo G. Licauco III, Benjamin C. Ramos, and Antonio O. Cojuangco nominated themselves to be voted upon as independent members of the Board during the Annual Stockholders' Meeting on 19 August 2021.

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

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

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

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

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

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

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

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

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

(i) The nomination of regular and independent directors shall be conducted by the Nomination Committee prior to a stockholders' meeting. All nominations shall be signed by the

nominating stockholders together with the acceptance and conformity by the would-be nominee.

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

(iii) After the nomination, the Nomination Committee shall prepare a Final List of Candidates 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 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 Corporate Governance Committee / Nomination Committee is chaired by Mr. Edward Kuok Khoo Loong, while the Committee Members are Ms. Cynthia N. Del Castillo and Antonio O. Cojuangco.

#### **Involvement in Certain Legal Proceedings**

The Issuer is not involved in any litigation for this reporting period where the cases it has been reporting in the past years have been resolved by the Supreme Court with finality in Issuer's favor.

#### **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**

Mr. Koay Kean Choon resigned as a member of the Board as of 03 December 2020 and was replaced by Mr. Jose Juan Z. Jugo who serves as member of the Board for the remainder of Mr. Koay's term and until his successor is duly elected and qualified.

Mr. Louie Chi Kong Wong who resigned as a member of the Board as of 03 December 2020 and was replaced by Mr. Wolfgang Krueger who serves as member of the Board for the remainder of Mr. Wong's term and until his successor is duly elected and qualified.

#### **Proxy Solicitations**

No proxy solicitations will be made by the Registrant.

#### **Item 6. 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. 2018 and 2019 and to be paid in the ensuing fiscal year 2020 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/DIRECTOR	FISCAL YEAR	AGGREGATE COMPENSATION (in ₱)		
		Basic	Bonus	Total
	<b>2021</b>	<b>62,928,573.50</b>	<b>9,584,814.18</b>	<b>72,513,387.68</b>
Wolfgang Krueger				
Jose Juan Z. Jugo				
Rajeev Garg				
Federico G. Noel Jr.				
Karlo Marco P. Estavillo				
	<b>2020</b>	<b>78,026,520.00</b>	<b>21,844,891.95</b>	<b>99,871,411.95</b>
Wolfgang Krueger				
Karlo Marco P. Estavillo				
Rajeev Garg				
Federico G. Noel, Jr.				
Koay Kean Choon				
Jose Juan Z. Jugo				
	<b>2019</b>	<b>58,540,326.00</b>	<b>24,097,463.32</b>	<b>82,637,789.32</b>
Gregory Allan Dogan				
Karlo Marco P. Estavillo				
Rajeev Garg				
Federico G. Noel Jr.				
Koay Kean Choon				
Danila Regina I. Fojas				

The figures reported in Item 6 (Compensation of Directors and Executive Officers) comprise the aggregate compensation of **all the officers of SPI**. SPI has a lean organization and has no other officers except as indicated in the table in Item 6. With respect to SPI's Directors, as SPI has consistently disclosed these part years, the members of the Board of SPI do not receive any form of compensation, whether in the form per diem, options, etc.

#### **Item 7. Independent Public Accountants**

The Registrant has had no disagreements with its Accountants Isla Lipana & Co. (Price WaterHouse Coopers Philippines). 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 Registrant 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, Isla Lipana & Co. (Price WaterHouse Coopers Philippines). With respect to Isla Lipana & Co, the signing partner starting FY 2018 is Imelda Ronnie de Guzman - Castro. Isla Lipana & Co is a SEC-accredited external auditing firm, effective until 20 June 2021 and **will be recommended for re-appointment as External Auditor for the year 2021-2022 during the Annual Stockholders' Meeting on 19 AUGUST 2021.**

#### **AUDIT COMMITTEE**

Pursuant to the provisions of Registrant's Manual of Corporate Governance, the Registrant has an Audit Committee which is chaired by **Maximo G. Licauco III who is an independent director. The members of the Committee are Benjamin I. Ramos and Cynthia del Castillo.**

**(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 Isla Lipana & Co.:

	2020	2018
Audit Fees	4,458,250	4,393,050
Tax Consultancy Fees	-	-
	<b>4,458,250</b>	<b>4,393,050</b>

No other service was provided by external auditors to the Company for the fiscal years 2020 and 2019.

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

*Furnish the information required by Part III, Paragraph (B) of "Annex C, as amended"*

- (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.

**The Group's external auditor for the last 2 years is Isla Lipana & Co. There were no disagreements with Isla Lipana & Co. on any accounting and financial disclosure matters.**

- (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**

**Item 8. Compensation Plans**

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.

**C. ISSUANCE AND EXCHANGE OF SECURITIES**

**Item 9. Authorization or Issuance of Securities Other than for Exchange**

The merger of Registrant and Kuok Philippine Properties, Inc. ("KPPI"), with the Registrant as the surviving entity, and KPPI as the absorbed entity, was duly approved by the SEC on 25 July 2007. Pursuant to the Plan of Merger of Registrant and KPPI, as approved by the Board of Directors of Registrant, all KPPI shareholders as of the date of approval by the Securities and Exchange Commission of the Merger ("Record Date"), were entitled to exchange every seven (7) of their KPPI shares with one (1) share of the Registrant. Fractional

shares (shares less than 7) held by the qualified KPPI shareholders were paid by the Registrant in cash. The shares of the Registrant which was issued to the KPPI shareholders was taken from out of an increase in the Authorized Capital Stock of the Registrant from ₱6,000,000,000.00 (representing 6,000,000,000 common shares at ₱1.00 par value per share) to ₱8,000,000,000.00 (representing 8,000,000,000 common shares at ₱1.00 par value per share), which increase in the Authorized Capital Stock has been duly approved by the SEC. All shares issued to KPPI shareholders have been duly listed with the Philippine Stock Exchange.

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

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

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

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

#### **No dividends in arrears or defaults in principal interest**

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

#### **Cash Dividends Declared By The Issuer During The Two Most Recent Years**

##### **Cash Dividends**

##### **2021**

- During the regular meeting of the Issuer's Board held on 25 March 2021, the Board approved the declaration of P0.08 per share cash dividend to all shareholders of record as of 09 April 2021 to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 31 December 2020 to be paid on or before 16 April 2021.

##### **2020**

- During the regular meeting of the Issuer's Board held on 01 April 2020, the Board approved the declaration of P0.11250 per share cash dividend to all shareholders of record as of 17 April 2020 to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 31 December 2019 to be paid on or before 24 April 2020.
- During the regular meeting of the Issuer's Board held on 20 August 2020, the Board approved the declaration of P0.04400 per share cash dividend to all shareholders of record as of 08 September 2020 to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 30 June 2020 to be paid on or before 18 September 2020.

## 2019

- During the regular meeting of the Issuer's Board held on 06 March 2019, the Board approved the declaration of P0.10550 per share cash dividend to all shareholders of record as of 21 March 2019 to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 31 December 2018 to be paid on or before 29 March 2019.

### **Item 15. Action with respect to Reports**

**As of the submission of this PRELIMINARY Information Statement, for the agenda during the annual stockholders' meeting, the shareholders shall be requested to:**

- (i) approve the minutes of the Annual Stockholders' Meeting held on 18 NOVEMBER 2020 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 2020, ratification of the acts of the Board of Directors, election of directors, appointment of the firm of Isla Lipana & Co. (Price WaterHouse Coopers Philippines) 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 18 NOVEMBER 2020 up to the date of this year's Annual Stockholders' Meeting. The items covered with respect to this general ratification are the acts of Board of Directors in the ordinary course of business, with those acts of significance having been subject of prior disclosures to the SEC.
- (iii) approve and ratify amendment of the Registrant's Articles II and III of its Amended By-Laws.
- (iv) approve and ratify the Registrant's Audited Financial Statements as of 31 December 2020, elect the Board of Directors for the year 2021-2022, elect the Registrant's external auditors.
- (v) approve the appointment of the Issuer's External Auditors Isla Lipana & Co. (Price WaterHouse Coopers Philippines) for the fiscal year 2021-2022.

As of this **PRELIMINARY** Information Statement, other than the above, no other action shall be taken during the annual stockholders' meeting.

### **Item 16. Matters Not Required to be Submitted**

All matters or actions to be taken up in the meeting will require the vote of the stockholders as of the record date.

### **Item 17. Amendment of Charter, Bylaws or Other Documents**

To prevent contamination and spread of the COVID 19 virus and to ensure that the health and safety of the shareholders, directors, and other persons, the Registrant has set its guidelines and internal procedure which will allow them to participate and vote in absentia through remote modes of communication pursuant to the SRC Revised Rule and Revised Corporation Code.

To allow the Corporation greater flexibility in holding corporate meetings, both by the Board of Directors and Stockholders, the Registrant amended Articles II and III of its By-Laws. The amendments pertain to service of Notice of Meetings, Manner of Voting and Conduct of Meetings

*A stockholder may propose the holding of a special meeting and items to be included in the agenda*

## Item 18. Other Proposed Action

None

## Item 19. Voting Procedures

The vote of at least a majority of the stockholders who participates through remote communication 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 through video conference.

### **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.

During its meeting held on 15 March 2017, the Board approved the Issuer's 2017 Manual of Corporate Governance pursuant to Sec Memo Circular No. 19, Series of 2016.

### **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 Maximo G. Licaucó III. Its members are Benjamin I. Ramos, Cynthia R. del Castillo.

### **Corporate Governance Committee (Subsumed the functions of the Nomination Committee)**

Pursuant to its Corporate Governance Manual, the Board created a Corporate Governance Committee which absorbed all the functions of the Nomination Committee. The Corporate Governance Committee / Nomination Committee is chaired by Mr. Edward Kuok Khoo Loong, while the Committee Members are Ms. Cynthia N. Del Castillo and Antonio O. Cojuangco. 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 screening of nominations for independent directors shall be conducted by the Corporate Governance 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 Corporate Governance 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 JUNE 2021, is 34.55% 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
2021		
First Quarter	2.87	2.50
Second Quarter	2.78	2.53
2020		
First Quarter	3.31	2.45
Second Quarter	2.99	2.55
Third Quarter	2.74	2.65

Fourth Quarter	2.69	2.65
<b>2019</b>		
First Quarter	P3.20	P3.00
Second Quarter	P3.09	P2.95
Third Quarter	P3.47	P2.95
Fourth Quarter	P3.33	P3.03
<b>2018</b>		
First Quarter	P3.59	P3.01
Second Quarter	P3.52	P3.13
Third Quarter	P3.30	P3.15
Fourth Quarter	P3.20	P3.04

The high and low of Issuer's shares for the period 01 January 2021 to 31 March 2021 are as follows:

High: ₱2.87  
Low: ₱2.50

The high and low of Issuer's shares for the period 01 April 2021 to 30 June 2021 are as follows:

High: ₱2.78  
Low: ₱2.53

The closing price for the Issuer's shares on 30 June 2021 is ₱2.69

The high and low of Issuer's shares for 30 June 2021 are as follows:

High: ₱2.78  
Low: ₱2.53

- (b) Describe any restriction that limits the ability to pay dividends on common equity or that are likely to do so in the future.

#### Stock Dividends

No stock dividends were declared by the Issuer during the last 2 fiscal years.

Apart from the restrictions imposed by statutes and regulations, there are none internal to the Issuer which hamper or may hamper any declaration of dividends by the Issuer, and for as long as said declarations can be supported by the Issuer's financial position.

## **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 **9<sup>th</sup> day of JULY 2021**.

By:

**SHANG PROPERTIES, INC.**

  
**FEDERICO G. NOEL, JR.**  
Corporate Secretary

## **ADDENDUM TO THE ANNUAL REPORT**

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

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

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

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

(2) Management's Discussion and Analysis

(a) Full Fiscal Years

#### **Key Performance Indicators**

		<b>31-Dec</b>		<b>%</b>
		<b>2020</b>	<b>2019</b>	<b>Change</b>
Turnover	(Php M)	6,220	11,362	-45.26%
Profit Attributable to shareholders	(Php M)	1,470	3,056	-51.90%
Earnings per share	(Php Ctv)	0.309	0.642	-51.90%
Net Asset Value per share	(Php)	7.502	7.353	2.02%
Price Earnings Ratio	(Times)	8.779	4.984	76.14%

- Turnover consists of revenue from condominium sales, rental and cinema, and hotel operations. Shang Properties' gross revenue decreased by ₱5.141B to ₱6.220B in 2020 from ₱11.362B in 2019. Sales of residential condominium units of ₱3.010B accounted for 48% of the Group's turnover in 2020. Revenue from rental and cinema operations amounted to ₱2.129B or 34% of turnover in 2020 is lower by ₱1.224B from last year's ₱3.353B. Hotel operations of Shangri-La at the Fort contributed revenue amounting to ₱1.082B or 18% of turnover in 2020 is lower by ₱2.498B from last year's ₱3.580B.
- Profit attributable to shareholders pertains to net income from operations of the Group, net of minority shareholders' share. It went down by ₱1.586B or 51.90% compared with last year.
- Earnings per share of ₱0.309 were lower by 51.90% from last year's ₱0.642.
- 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 2.02% mainly due to increase of ₱777M in reclassification to Advances from Related Party from additional Investment in and Advances to a Joint Venture of ₱1.121B last year and increase of ₱537M of properties held for sale due to ongoing construction of the Group's different projects.
- Price Earnings ratio is a valuation of the company's current share price compared to earnings per share and calculated by dividing the market value per share by the earnings per share. Price earnings ratio is higher by 76.14% at 8.779 times this year from 4.984 times last year. The Group' year-end share price in 2020 is ₱2.71 from ₱3.20 in 2019.

## **Results of Operations**

### ***Calendar Year 2020 Compared to Calendar Year 2019***

Shang Properties' consolidated net income attributable to shareholders for the year ended December 31, 2019 amounted to ₱1.470B, ₱1.586B lower than the ₱3.056B posted in the same period last year.

Decrease in Turnover by ₱5.141B or 45.26% to ₱6.221B in 2020 from ₱11.362B in 2019, mainly due to lower revenue from condominium sales, rental and cinema and hotel operations of Shangri-La at the Fort.

1. Decrease in condominium sales by ₱1.418B is mainly due to decrease in the number of units sold across all projects of the Group mainly due to the COVID 19 pandemic.
2. Decrease in revenue from rental and cinema by ₱1.224B mainly due to lower occupancy rate of both office leasing at The Enterprise Center and mall operations of Shangri-La Plaza.
3. Decrease in revenue from hotel operations by ₱2.498B is mainly due to lower occupancy of the Shangri-La at the Fort Hotel caused by the ongoing travel bans and government-imposed community quarantines.

Cost of sales and services of the Group amounted to ₱3.637B, lower by ₱2.442B compared with last year's ₱6.079B due to the following:

1. Decrease in cost of condominium sales by ₱1.012B mainly due to lower sales across all projects.
2. Decrease in cost of rental and cinema by ₱69M mainly due to lower common area expenses brought about by reduced operations of the Mall as a result of government-imposed restrictions in the operations of certain commercial establishments.
3. Decrease in cost of hotel services by ₱1.361B due to lower occupancy compared to same period last year.

Operating expenses of the Group amounted to ₱1.499B higher by ₱247M or 19.72% from last year's ₱1,252BM mainly due to the net effect of the following:

1. Higher staff cost by ₱54M due to annual salary adjustments and increase in number of employees of the Group.
2. Decrease in taxes and licenses by ₱26.5M mainly due to lower real property tax paid by the Group, brought about by the ongoing turnover of units at The Rise project.
3. Increase in depreciation and amortization by ₱4.79M due to additional office improvements made and other equipment for the year.
4. Decrease in insurance expense by ₱10.6M is mainly due to lower premiums on property insurance as a result of the Group's bidding and negotiation process.
5. Increase in other general and administrative expenses by ₱225.5M mainly due to donations made by the Group to various COVID 19 and typhoon relief operations and provision for restructuring and contingencies of Shangri-La at the Fort.

Other income increased by ₱78M mainly due to higher interest income on discounting of installment contracts receivable as well as income on interest-bearing advances to a joint venture.

Decrease in interest expense and bank charges by ₱132.7M mainly due to lower interest rate on bank loans of Shangri-La at the Fort and Shang Properties Inc. and also lower loan balance due to principal payments during the year.

Provision for income tax is lower by ₱650.6M mainly due to lower taxable income generated during the year.

#### ***Calendar Year 2019 Compared to Calendar Year 2018***

Shang Properties' consolidated net income attributable to shareholders for the year ended December 31, 2019 amounted to ₱3.056B, ₱44M higher than the ₱3.012B posted in the same period last year.

Increase in Turnover by ₱182M or 1.62% to ₱11.362B in 2019 from ₱11.180B in 2018, mainly due to higher revenue from rental and cinema and hotel operations of Shangri-La at the Fort, partially offset by the decrease in revenue from condominium sales.

1. Increase in revenue from rental and cinema by ₱336M mainly due to higher occupancy rate of both office leasing at The Enterprise Center and mall operations of Shangri-La Plaza. Rental yield of office leases also increase during the year, due to rental escalations of new and renewed leases.
2. Increase in revenue from hotel operations by ₱409M is mainly due to higher occupancy of the Shangri-La at the Fort Hotel and also higher average daily rate this year compared to last year.
3. Decrease in condominium sales by ₱563M is mainly due to fewer available units for sale as the Group's Shang Salcedo Place project became fully sold out during the year and The Rise Makati project already at handover stage.

Cost of sales and services of the Group amounted to ₱6.079B, lower by ₱192M compared with last year's ₱6.271B due to the following:

1. Decrease in cost of rental and cinema by ₱77M mainly due to higher recovery of common area expenses of Group's Mall operations. Reimbursements from tenants increased during the year due to increase in CUSA rates charged by the Mall and also due to lower electricity rates.
2. Increase in cost of hotel services by ₱189M due to higher occupancy compared to same period last year.
3. Decrease in cost of condominium sales by ₱304M mainly due to lower sales across all projects.

Operating expenses of the Group amounted to ₱1.252B higher by ₱64M or 5.4% from last year's ₱1,188M mainly due to the net effect of the following:

6. Higher staff cost by ₱38M due to annual salary adjustments and increase in number of employees of the Group.
7. Increase in taxes and licenses by ₱6M mainly due to documentary stamp tax paid during the year on the transfer of real estate property purchased by the Group.
8. Increase in depreciation and amortization by ₱11M due to additional office improvements made and purchase of vehicles and other equipment for the year.
9. Increase in insurance expense by ₱14M is mainly due to additional property insurance coverage obtained by Shangri-La at the Fort during the year.
10. Decrease in other general and administrative expenses by ₱5M mainly due to decrease in Advertising and Promotions of Shangri-La at the Fort and The Rise Makati project as it nears completion stage.

Other income decreased by P853M mainly due to lower gain on fair value adjustment of investment properties as a significant adjustment was made in the previous year, as appraised by an independent appraiser.

Decrease in interest expense and bank charges by P86M mainly due to payment of lower interest rate on bank loans of Shangri-La at the Fort and Shang Properties Inc. and also lower loan balance due to principal payments during the year.

Provision for income tax is lower by P217M mainly due to lower taxable income generated during the year.

#### ***Calendar Year 2018 Compared to Calendar Year 2017***

Shang Properties' consolidated net income attributable to shareholders for the year ended December 31, 2018 amounted to P3.012B, P334M lower than the P3.346B posted in the same period last year.

Decrease in Turnover by P2.590B or 18.81% to P11.180B in 2018 from P13.770B in 2017, mainly due to net effect of decrease in revenue from condominium sales and increase in revenue from rental and cinema and hotel operations of Shangri-La at the Fort.

1. Decrease in condominium sales by P3.201B is mainly due to fewer available units for sale due to completed projects.
2. Increase in rental and cinema revenue by P36M mainly due to higher rental yield of The Enterprise Center.
3. Increase in revenue from hotel operations by P575M is mainly due to higher occupancy this year compared to last year.

Cost of sales and services of the Group amounted to P6.270B, lower by P1.338B compared with last year's P7.608B due to the following:

1. Decrease in cost of condominium sales by P1.726B mainly due to lower sales across all projects, particularly Horizon Homes and Shang Salcedo Place as only few units were left for sale this year.
2. Increase in cost of rental and cinema by P24M mainly due to higher utility costs, advertising and promotion, janitorial, security and other services and insurance of Shangri-La Mall this year compared to same period last year.
3. Increase in cost of hotel services by P365M due to higher occupancy compared to same period last year.

Operating expenses of the Group amounted to P1.188B lower by P35M or -2.83% from last year's P1,222.8M mainly due to the net effect of the following:

1. Decrease in general and administrative expenses mainly due to lower commission expenses paid by Shangri-La at the Fort this year and lower condominium dues paid to One Shangri-La Place Condominium Corporation as units have been turned over to unit owners.
2. Increase in taxes and licenses by P15M mainly due to higher real property taxes and documentary stamp tax paid during the year.
3. Increase in depreciation by P3M mainly due to additional office improvements made and purchase of other equipment for the year.

4. Decrease in insurance expense by ₱2M mainly due to additional insurance coverage obtained during the year.

Other income increased by ₱390M mainly due to higher gain on fair value adjustment of investment properties and gain on fully depreciated assets.

Increase in interest and bank charges by ₱27M mainly due to payment of interest on bank loans of Shangri-La at the Fort and Shang Properties Inc.

Provision for income tax is lower by ₱193M mainly due to lower taxable income generated during the year.

### **Financial Condition**

#### ***Calendar Year 2020 Compared to Calendar Year 2019***

Total assets of the Group amounted to ₱63.170B, decreased by ₱183.6M from the total assets of ₱63.354B in December 31, 2019. The following are the significant movements in the assets:

- Decrease in cash and cash equivalents by ₱1.090B mainly due to payment of bank loans and cash dividends.
- Decrease in financial assets at fair value through profit or loss by ₱2.7M due to loss on fair value adjustment recognized during the year.
- Increase in trade and other receivables by ₱777M mainly due to reclassification of receivables from related parties from Advances to a Joint Venture.
- Increase in properties held for sale by ₱536.8M mainly due to acquisition cost of land which will be used for project development.
- Net increase in investment in and advances to an associate and a joint venture is mainly due to additional advances during the year and the Group's 50% share in net income of Shang Robinsons Properties, Inc. which is a joint venture with Robinson's Land Corporation (RLC).
- Increase in investment properties by ₱2.010B is mainly due reclassification to investment property of cost of completed retail portion of The Rise and development cost of a commercial project previously part of Real Estate Development Projects. Increase is also due to cost of Aurelia units purchased by the Group and additional improvements of SLPC Building.
- The decrease in the Financial Assets at Fair Value through other comprehensive income by ₱6.1M is mainly due to the fair valuation of unlisted shares of stock being held by the Group as investment.
- Decrease in property, plant and equipment by ₱1.127B is mainly due to periodic depreciation.
- Increase in deferred income tax assets by ₱238M is mainly due to income recognition of SGCP's NOLCO for the period.
- Increase in other noncurrent assets by ₱421.7M is mainly due to deposits made by SPI for future project developments.

The net decrease in total liabilities by ₱587.8M from ₱22.083B in 2019 to ₱21.496B in 2020 mainly due to the following:



- The Net Decrease in Accounts Payable by ₱485M is mainly due to lower reservation and retention payables.
- Net decrease in installment payable by ₱301.2M is mainly due to quarterly payments during the year.
- Decrease in bank loans mainly due to net repayments amounting to ₱48.5M.
- Increase in deferred lease income by ₱2.7M is mainly due to higher deposits from The Enterprise Center and (TEC) and Shangri-La Plaza.
- Decrease in income tax payable by ₱126.4M mainly due to decrease in taxable income for the year.
- Increase in dividends payable by ₱26.5M due unclaimed dividend checks paid to shareholders during the year.
- Increase in deferred income tax liabilities by ₱152.8M is mainly due to the recognition of higher percentage of completion of The Rise condominium project.

#### ***Calendar Year 2019 Compared to Calendar Year 2018***

Total assets of the Group amounted to ₱63.354B, increased by ₱3.098B from the total assets of ₱60.256B in December 31, 2018. The following are the significant movements in the assets:

- Increase in cash and cash equivalents by ₱208M mainly due to collection from sales of condominium projects (The Rise).
- Decrease in financial assets at fair value through profit or loss by ₱5M due to loss on fair value adjustment recognized during the year.
- Increase in trade and other receivables by ₱1.935B mainly due to additional receivables arising from sales of condominium units from The Rise and Shang Residences at Wack Wack projects.
- Decrease in properties held for sale by ₱801M mainly due to portion recognized as cost of sales of The Rise and Shang Residences at Wack Wack projects.
- Increase in investment in and advances to an associate and a joint venture by ₱1.121B due to advances to the joint venture with Robinson's Land Corporation (RLC) and the ₱101M share in Net Income of said joint venture taken up during the year. Both RLC and SPI own 50% of the outstanding shares in the joint venture under the name of Shang Robinsons Properties Inc.
- Increase in investment properties by ₱392M is mainly due to the fair value adjustment taken up during the year.
- Increase in real estate development projects by ₱992M due to development cost of the retail portion of The Rise Makati project.
- Increase in the Financial Assets at Fair Value through other comprehensive income by ₱21M mainly due to the fair valuation of unlisted shares of stock being held by the Group as investment.
- Decrease in property, plant and equipment by ₱943M mainly due to periodic depreciation.
- Increase in deferred income tax assets by ₱105M mainly due to the recognition of higher installment sales of Shang Residences at Wack Wack project.

- Increase in other noncurrent assets by ₱275M mainly due to deposits made by SPI for future project developments.

The net increase in total liabilities by ₱893M from ₱21.190B in 2018 to ₱22.083B in 2019 is mainly due to the following:

- Net Increase in Accounts Payable by ₱778M mainly due to higher accrual of expenses and advance rental collected from tenants of The Enterprise Center (TEC).
- Net decrease in installment payable by ₱97M mainly due to quarterly payments during the year.
- Decrease in bank loans mainly due to net repayments amounting to ₱55M.
- Increase in deferred lease income by ₱18M mainly due to higher deposits from The Enterprise Center and (TEC) and Shangri-La Plaza.
- Increase in income tax payable by ₱89M mainly due to increase in TRDCI's taxable income for the year.
- Increase in dividends payable by ₱5M due to unclaimed dividend checks paid to shareholders during the year.
- Increase in deferred income tax liabilities by ₱209M mainly due to the recognition of higher percentage of completion of The Rise condominium project.

#### **Statement of Cash Flows**

The cash inflows in 2020, 2019 and 2018 includes collection of revenue from various condominium projects, rental revenue from mall operation of the Shangri-La Plaza and leasing operations of TEC, and hotel operations of Shangri-La at the Fort. Net cash provided by operating activities in 2020, 2019 and 2018 amounted to ₱1.028B, ₱4.118B and ₱2.836B, respectively.

Net cash used in investing activities in 2020 amounted to (₱0.983B) was mainly used in deposit for future project amounting to ₱465.9M. Net cash used in investing activities in 2019 amounted to ₱2.366B mainly used in the joint venture with Robinsons Land Corp., acquisition of investment properties and deposit for future project amounting to ₱1.020B, ₱1.109B and ₱172M respectively. In 2018, net cash used in investing activities amounted to ₱1.497M mainly used in the joint venture with Robinsons Land Corp, acquisition of investment properties and deposit for future project amounting to ₱1.109B, ₱490M and ₱250M, respectively.

Net cash used in financing activities in 2020, 2019 and 2018 amounted to ₱1.132B, ₱1.539B and ₱3.953B, respectively, mainly used in payments of loan principal, interest and cash dividends.

(b) Interim Periods

#### **Information required by Part III, 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 to 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.

*Furnish the information required by Part III, Paragraph (B) of "Annex C, as amended"*

- (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.

The Group's external auditor for the last 2 years is Isla Lipana & Co. There was no disagreement/s with Isla Lipana & Co. on any accounting and financial disclosure matters.

- (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

#### **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 Isla Lipana & Co.:

	2020	2019
Audit Fees	4,458,250	4,393,050
Tax Consultancy Fees	-	-
	<b>4,458,250</b>	<b>4,393,050</b>

No other service was provided by external auditors to the Company for the fiscal years 2020 and 2019.

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

None



**Shang Properties, Inc. and Subsidiaries**

**Financial Soundness Indicators**

As at December 31, 2020 and 2019

(With comparative figures as at December 31, 2018)

Ratio	Formula	2020	2019	2018
<b>A. Current and Liquidity Ratios</b>				
1. Current ratio				
Total current assets		11,656,214,876		
Divided by: Total current liabilities		10,964,472,104		
Current ratio		1.06	1.11	1.31
2. Acid test ratio				
Total current assets		11,656,214,876	0.91	1.13
Less: Prepaid taxes and other current assets		1,663,214,222		
Quick assets		9,993,000,654		
Divided by: Total current liabilities		10,964,472,104		
Acid test ratio		0.91		
<b>B. Solvency ratio</b>				
Net income		1,421,579,782	0.12	0.22
Add: Depreciation*		1,112,455,276		
Net income before depreciation		2,534,035,058		
Divided by: Total liabilities		21,495,590,534		
Solvency ratio		0.12		
<b>C. Debt to equity ratio</b>				
Total liabilities		21,495,590,534	0.52	0.54
Divided by: Total equity		41,674,367,167		
Debt to equity ratio		0.52		
<b>D. Asset to equity ratio</b>				
Total assets		63,169,957,701	1.52	1.54
Divided by: Total equity		41,674,367,167		
Asset to equity ratio		1.52		
<b>E. Debt ratio</b>				
Total liabilities		21,495,590,534	0.34	0.35
Divided by: Total assets		63,169,957,701		
Debt ratio		0.34		

Ratio		Formula		2020	2019	2018
F. Profitability ratios						
1. Return on assets (%)	Net income		1,421,579,782	2.25	5.40	5.91
	Divided by: Total assets		63,169,957,701			
	Return on assets (%)		2.25%			
2. Return on equity (%)	Net income		1,421,579,782	3.41	8.29	9.11
	Divided by: Total equity		41,674,367,167			
	Return on equity (%)		3.41%			
3. Net profit margin	Net income		1,421,579,782	22.85	30.12	31.85
	Divided by: Total revenues		6,220,488,711			
	Net profit margin (%)		22.85%			
G. Earnings per share (EPS) attributable to equity holders of Parent	Net income after minority interest		1,469,965,012	0.31	0.64	0.63
	Divided by: Total shares outstanding		4,761,918,337			
	EPS attributable to equity holders of Parent		0.31			
H. Book value per share (BPS) attributable to equity holders of Parent	Total equity after minority interest		35,724,025,721	7.50	7.35	6.88
	Divided by: Total shares outstanding		4,761,918,337			
	BPS attributable to equity holders of Parent		7.50			

**Shang Properties, Inc. and Subsidiaries**

Schedule A - Financial Assets  
As at December 31, 2020  
(All amounts in Philippine Peso)

Description of each issue	Number of shares	Amount shown in the Consolidated Statement of Financial Position	Value based on market quotations at statement date	Income (loss) received and accrued
Cash and cash equivalents*		1,549,970,914	1,549,970,914	12,956,641
Trade and other receivables**		4,996,338,314	4,996,338,314	299,782,769
Financial assets at fair value through profit or loss***		33,626,210	33,626,210	(2,652,634)
Refundable deposits****		139,864,908	139,864,908	-
Financial assets at fair value through other comprehensive income*****				
Quoted shares	8	27,950,000	27,950,000	-
Unquoted shares	298,516	769,618,496	769,618,496	(6,100,000)
		797,568,496	797,568,496	(6,100,000)
		7,517,368,842	7,517,368,842	303,986,776

\* See Note 3 to the Consolidated Financial Statements.

\*\* See Note 5 to the Consolidated Financial Statements.

\*\*\* See Note 4 to the Consolidated Financial Statements.

\*\*\*\* See Notes 7 and 14 to the Consolidated Financial Statements.

\*\*\*\*\* See Note 11 to the Consolidated Financial Statements.

**Shang Properties, Inc. and Subsidiaries**

Schedule B - Amounts Receivable from Directors, Officers,  
Employees, Related Parties and Principal Stockholders  
(Other than Related Parties)  
As at December 31, 2020  
(All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of period	Deduction			Current	Non-current	Balance at end of period
		Additions	Amount collected	Amount written-off			
Classic Elite Holdings Inc.	1,144,187,554	-	-	-	-	1,144,187,554	1,144,187,554
One Shangri-la Place Condominium Corp.	42,863,156	14,252,220	(2,768,226)	-	13,720,342	40,626,808	54,347,150
Shang Salcedo Place Condominium Corp.	33,853,953	23,789,805	(593,704)	-	48,836,093	8,213,961	57,050,054
EDSA Shangri-la Hotel & Resorts, Inc.	31,988,514	35,247,771	(58,243,794)	-	8,006,161	986,330	8,992,491
Makati Shangri-la Hotel	8,874,010	1,510,969	(1,779,924)	-	377,475	8,227,580	8,605,055
The St. Francis Shangri-la Place Condominium Corp.	24,384,819	16,259,343	(7,636,925)	-	15,790,442	17,216,795	33,007,237
The Shang Grand Tower Condominium Corp.	22,540,234	6,888,199	(6,505,903)	-	6,844,672	16,077,858	22,922,530
Ideal Sites Property, Inc.	5,704,580	1,693	-	-	1,693	5,704,580	5,706,273
Mactan Shangri-la Hotel	225,560	325,470	(173,892)	-	248,715	128,423	377,138
The Enterprise Centre Condominium Corp.	8,201,355	36,222,023	(35,354,292)	-	9,001,450	67,636	9,069,086
Shang Robinsons Properties, Inc.	28,036,088	29,665,649	(7,693,554)	-	35,534,789	14,473,394	50,008,183
Others	113,366,302	193,674,240	(97,074,319)	-	151,280,396	58,685,827	209,966,223
	1,464,226,125	357,837,382	(217,824,533)	-	289,642,228	1,314,596,746	1,604,238,974

See Notes 5 and 27 to the Consolidated Financial Statements.



**Shang Properties, Inc. and Subsidiaries**

Schedule C - Amounts Receivable from Related Parties  
which are eliminated during the Consolidation of Financial Statements  
As at December 31, 2020  
(All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
Shangri-la Plaza Corp.	20,208,709	21,985,675	(13,790,297)	-	2,315,208	26,088,879	28,404,087
Shang Property Management Services, Inc.	12,582,910	40,704,508	(26,905,296)	-	25,913,446	468,676	26,382,122
Shang Properties Realty Corporation	189,087,188	177,360,159	(150,941,475)	-	215,123,211	382,661	215,505,872
SPJ Parking Services, Inc.	183,494	13,750	(121,701)	-	-	75,543	75,543
KPPI Management Services Corporation	-	-	-	-	-	-	-
Shang Global City Holdings, Inc.	-	-	-	-	-	-	-
Shang Fort Bonifacio Holdings, Inc.	-	-	-	-	-	-	-
KSA Realty Corporation	(1,540,540)	20,690,618	(16,905,546)	-	2,135,032	109,500	2,244,532
Shang Property Developers, Inc.	2,515,189,137	225,948,927	(345,698,337)	-	2,395,435,909	3,818	2,395,439,727
Silver Hero from SPDI	2,317,500,000	-	-	-	-	-	2,317,500,000
The Rise Development Company, Inc.	11,970,175	71,458,575	(6,556,500)	-	64,687,062	12,185,188	76,872,250
New Contour Realty Inc.	4,007,033	13,726	-	-	13,726	4,007,033	4,020,759
Shang Global City Properties, Inc.	5,844,362	9,576,646	(14,637,778)	-	783,230	-	783,230
Shang Wack Wack Properties, Inc.	221,199,045	1,936,632	(220,143,627)	-	2,921,965	70,085	2,992,050
Perfect Sites Inc.	84,908,696	20,100,000	-	-	20,100,000	84,908,696	105,008,696
KPPI Realty Corporation	500,003,612	400,000,000	(850,000,000)	-	50,000,000	3,612	50,003,612
Others	6,889,726,153	2,366,057,718	(1,259,582,884)	-	1,140,239,672	6,852,961,315	7,996,200,987
Total	12,770,869,974	3,355,846,934	(2,905,283,441)	-	3,919,668,461	6,981,265,006	13,221,433,467

See Note 27 to the Consolidated Financial Statements.

**Shang Properties, Inc. and Subsidiaries**

Schedule D - Long-Term Debt  
As at December 31, 2020  
(All amounts in Philippine Peso)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related Statement of Financial Position	Amount shown under caption "Long-term debt" in related Statement of Financial Position
10-year loan with fixed interest rate of 4.00% per annum	933,333,333	533,333,333	400,000,000
10-year loan with interest based on the higher between the PHP BVAL rate plus spread of 0.75% per annum and the Bangko Sentral ng Pilipinas (BSP) overnight borrowing rate minus spread of 0.95% per annum	1,196,172,130	-	1,196,172,130
9-month loan with fixed interest rate of 4.08% per annum	50,000,000	50,000,000	-
9-month loan with fixed interest rate of 5.08% per annum	50,000,000	50,000,000	-
6-month loan with fixed interest rate of 5.15% per annum	50,000,000	50,000,000	-
6-month loan with fixed interest rate of 5.75% per annum	500,000,000	500,000,000	-
6-month loan with fixed interest rate of 4.75% per annum	1,100,000,000	1,100,000,000	-
6-month loan with fixed interest rate of 6.00% per annum	190,000,000	190,000,000	-
6-month loan with fixed interest rate of 4.75% per annum	110,000,000	110,000,000	-
3-month loan with fixed interest rate of 4.75% per annum	200,000,000	200,000,000	-
3-month loan with fixed interest rate of 4.50% per annum	200,000,000	200,000,000	-
3-month loan with fixed interest rate of 3.75% per annum	400,000,000	400,000,000	-
3-month loan with fixed interest rate of 3.70% per annum	900,000,000	900,000,000	-
	5,879,505,463	4,283,333,333	1,596,172,130

See Note 16 to the Consolidated Financial Statements.

**Shang Properties, Inc. and Subsidiaries**

**Schedule E - Indebtedness to Related Parties**

**As at December 31, 2020**

**(All amounts in Philippine Peso)**

<b>Name of related party</b>	<b>Balance at beginning of period</b>	<b>Balance at end of period</b>
Shangri-La International Hotel Management Limited	57,131,230	80,774,467
St. Francis Shangri-La Place Condominium Corporation	316,967	316,967
The Enterprise Center Condominium Corporation	1,630,977	8,659,116
Others	41,410,080	82,806,117
	<b>100,489,254</b>	<b>172,556,667</b>

See Notes 15 and 27 to the Consolidated Financial Statements.

**Shang Properties, Inc. and Subsidiaries**

**Schedule F - Guarantees of Securities of Other Issuers**

**As at December 31, 2020**

**(All amounts in Philippine Peso)**

Name of issuing entity of securities guaranteed by the company for which statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by the company for which statement is filed	Nature of guarantee
Not applicable				

**Shang Properties, Inc. and Subsidiaries**

Schedule G - Share Capital  
As at December 31, 2020  
(All amounts in Philippine Peso)

Title of issue	Number of shares authorized	Number of Shares issued and outstanding	Number of shares reserved for options, warrants, conversions, and other rights	Number of shares held by		
				Affiliates	Directors, officers, and employees	Others
Issued shares:						
Common shares	8,000,000,000	4,764,058,982	-	-	-	-
Outstanding shares:						
Common shares	-	4,764,058,982	-	3,114,016,694	4,053,136	1,645,989,152
Total	-	4,764,058,982	-	3,114,016,694	4,053,136	1,645,989,152

See Note 18 to the Consolidated Financial Statements.

**Shang Properties, Inc.**

Reconciliation of Retained Earnings Available for Dividend Declaration

As at December 31, 2020

(All amounts in Philippine Peso)

<b>Unappropriated Retained Earnings beginning</b>		29,329,234,160
Fair value adjustment of investment properties in prior years, net of tax		(13,029,932,719)
<b>Unappropriated Retained Earnings, as adjusted, beginning</b>		
<b>Net income based on the face of audited financial statements</b>	1,421,579,782	16,299,301,441
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	(129,873,486)	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)		
Unrealized actuarial gain	-	
Fair value adjustment	-	
Fair value adjustment of investment property resulting to gain	-	
Adjustment due to deviation from PFRS/GAAP – gain		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted under the PFRS		
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	-	
Fair value adjustment	1,856,844	
Adjustment due to deviation from PFRS/GAAP – loss	-	
Loss on fair value adjustment of investment property (after tax)	-	
<b>Net income actually earned during the period</b>	1,293,563,140	1,293,563,140
Add (Less):		
Realized remeasurement loss during the year		
Dividends declarations during the year		(999,900,118)
Appropriations of retained earnings		
Reversal of appropriateness		
Other reserves from restatement due to PAS19 Revised		
Treasury shares		(6,850,064)
<b>TOTAL RETAINED EARNINGS ATTRIBUTABLE TO SHAREHOLDERS OF PARENT COMPANY, END</b>		
<b>AVAILABLE FOR DIVIDEND</b>		16,586,114,399

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-A, AS AMENDED**

**ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended: 31 December 2020
2. SEC Identification Number: 145490
3. BIR Tax Identification No. 000-144-386
4. Exact name of Issuer as specified in its charter: SHANG PROPERTIES, INC.
5. Philippines  
Province, Country or other jurisdiction of  
incorporation or organization
6. (SEC Use Only)  
Industry Classification Code:
7. Level 5, Administration Offices, Shangri-La Plaza Mall  
EDSA corner Shaw Boulevard, Mandaluyong City 1550  
Address of principal office Postal Code
8. (632) 8370-2700  
Issuer's telephone number, including area code
9. N / A  
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<b>Common Stock</b>	<b>4,764,058,982 common shares</b>

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

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

Yes ☒ No ☐

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

Philippine Stock Exchange Common Shares

12. Check whether the Issuer:

- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the Issuer was required to file such reports);

Yes ☒ No ☐

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

Yes ☒ No ☐

13. State the aggregate market value of the voting stock held by non-affiliates of the Issuer. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

The aggregate market value of the voting stock held by non-affiliates of the Issuer as of 31 March 2021:  
**P3,648,759,207.50.**

Assumptions:

(a) Total no. of shares held by non-affiliates as of 31 March 2021	:	<b><u>1,326,821,530</u></b>
(b) Closing price of the Issuer's shares on the Exchange on 31 March 2021	:	<b><u>P2.72</u></b>
(c) Aggregate market price of (a) as of 31 March 2021	:	<b><u>3,648,759,207.50</u></b>

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

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

Yes ☐ No ☐

**DOCUMENTS INCORPORATED BY REFERENCE**

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

- (a) Any annual report to security holders;
- (b) Any information statement filed pursuant to SRC Rule 20;
- (c) Any prospectus filed pursuant to SRC Rule 8.1.

**None of the above documents are incorporated herein by reference.**

**PART I - BUSINESS AND GENERAL INFORMATION**

**Item 1. Business**

Furnish the information required by Part I, Paragraph (A) of "Annex C, as amended".

**(A) Description of Business**

**(1) Business Development**

The Issuer was first incorporated on 21 October 1987. It was initially named Shangri-La Properties, Inc., then MUI Resources Philippines, Inc., then Edsa Properties Holdings Inc. [EPHI], before its present name Shang Properties, Inc. Since its incorporation, it has not been the subject of any bankruptcy, receivership or similar proceedings. For the last three years prior to the submission of this 2020 Annual Report and to date, Issuer has not also undergone any material reclassification, or purchase or sale of a significant amount of assets not classified as ordinary.

In the years prior to this Annual Report, the significant developments in the Issuer's business are as follows:



On 31 March 2011, the 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). 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, the Issuer purchased L'Hirondelle Holdings, Inc.'s 50 million common shares and 270 million preferred shares in Shangri-La Plaza Corporation ("SLPC") (representing 21.28% equity in SLPC), for a total consideration of PHP450,000,000. Said sale increased Issuer's equity in SLPC from 78.72% previously to 100%, making SLPC a wholly-owned subsidiary of the Issuer. SLPC owns and operates the mall establishment known as the Shangri-La Plaza which is located in Mandaluyong City.

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.

The Issuer, in an agreement dated 22 March 2018, entered into a Joint Venture Agreement with Robinsons Land Corporation (RLC) whereupon a new joint venture entity will be incorporated (JVC). The Issuer and RLC shall own said JVC on a 50%-50% basis. The JVC shall build and develop a property situated at McKinley Parkway cor. 5<sup>th</sup> Avenue and 21<sup>st</sup> Drive at Bonifacio Global City, Taguig, Metro Manila. The proposed project is intended to be a mixed-use development to include residential condominium units and commercial retail outlets. The joint venture agreement between Issuer and RLC has been duly approved by the Philippine Competition Commission. The Parties project an investment of PHP10 billion for the project.

## (2) Business of Issuer

### (a) Description of Issuer

- (i) The Issuer is a property development, real estate management and investment holding company. It is publicly subscribed and was listed in the Philippine Stock Exchange in April 1999. Its significant and active subsidiaries are as follows:

- Shangri-La Plaza Corporation (100% owned by the Issuer);
- SPI Parking Services, Inc. (formerly EDSA Parking Services, Inc.) (100 % owned by Issuer);
- Shang Properties Realty Corporation (formerly, The Shang Grand Tower Corporation (100% owned by the Issuer)
- EPHI Logistics Holdings, Inc. (60% owned by the Issuer)
- Shang Global City Holdings, Inc. (100% owned by the Issuer)
- Shang Fort Bonifacio Holdings, Inc. (100% owned by the Issuer)
- Shang Property Management Services Inc. (formerly EPHI Project Management Services Corporation) (100% owned by the Issuer)
- KSA Realty Corporation (70.04% owned by the Issuer)
- Shang Property Developers, Inc. ( 100% owned by the Issuer)
- Shang Global City Properties, Inc. (60% owned through the Issuer's wholly owned subsidiaries Shang Global City Holdings, Inc. and Shang Fort Bonifacio Holdings, Inc.)
- The Rise Development Company, Inc. (100% owned through the Issuer's wholly owned subsidiary KPPI Realty Corporation)
- Shang Wack Wack Properties, Inc. (100% owned by the Issuer)
- Classic Elite Holdings, Ltd. (100% owned by the Issuer)
- Shang Robinsons Properties, Inc. (50% owned by the Issuer)
- SPI Property Holdings, Inc. (100% owned by the Issuer)
- SPI Property Developers, Inc. (100% owned by the Issuer)
- SPI Land Development Inc. (100% owned by the Issuer)

Shangri-La Plaza Corporation was incorporated on 06 January 1993 to invest in, purchase, own, hold, lease and operate the Shangri-La Plaza Shopping Complex located at

Mandaluyong City, Philippines. Its primary business is leasing. The Shangri-La Plaza Shopping Complex houses Rustan's department store, theater, cinema, restaurants, fast-food outlets, boutiques and specialty stores. Its tenants are leading international and local retailers such as Marks & Spencer, Escada, Hugo Boss, Gucci, Zara, Debenhams, Armani, etc., which cater to the upscale market.

SPI Parking Services, Inc. ("SPSI") was incorporated on 14 November 2001 to own and/or manage and operate carpark facilities including those surrounding the Shangri-La Plaza Shopping Complex and to render such other services as may be related or incidental to the management and operation of said carpark facilities.

The Shang Properties Realty Corporation (formerly, The Shang Grand Tower Corporation) was incorporated on 20 August 2003 as a realty development company. It developed The Shang Grand Tower, a high rise luxury condominium at the heart of the Makati Commercial Business District. It is also the owner and developer of The St. Francis Shangri-La Place, a two-tower high rise residential condominium located in Ortigas, Mandaluyong City. It is also the owner and developer of One Shangri-La Place, a mixed-use high rise development located at EDSA cor. Shaw Blvd., Mandaluyong City.

EPHI Logistics Holdings, Inc. was incorporated on 20 August 2002 as a holding company.

Shang Global City Holdings, Inc. was incorporated on 11 December 2007 as a holding company.

Shang Fort Bonifacio Holdings, Inc. was incorporated on 11 December 2007 as a holding company.

Shang Property Management Services Corporation was incorporated on 10 October 2006 for the purpose, among others, of acting as managing agents or administrators of Philippine corporations with respect to their business or properties.

KSA Realty Corporation was incorporated on 03 August 1990 as a realty development company. It owns The Enterprise Center, one of the most modern and luxurious office buildings in the country which is located at the heart of the Makati Central Business District. On 15 June 2016, the Issuer purchased from Ocmador Philippines, B.V., the latter's 241,580 common shares of stock of KSA Realty Corporation, bringing Issuer's stock ownership to 70.04%.

Shang Property Developers, Inc. was incorporated on 17 December 2010 as a realty development company. It is the owner and developer of Shang Salcedo Place, a residential condominium located in Sen. Gil Puyat Ave. cor. Tordesillas St., H.V. de la Costa St., Salcedo Village, Makati City. It was completed in 2018.

Shang Global City Properties, Inc. was incorporated on 13 December 2007. By virtue of the SEC approved merger between Shang Global City Properties, Inc. and Fort Bonifacio Shangri-La Hotel, Inc., Shang Global City Properties, Inc., is now the owner and developer of the hotel and residential development known as Shangri-La at the Fort. The residential component of the development was sold out in 2018.

The Rise Development Company, Inc. is a joint venture with Vivelya Development Company, Inc., for the development of a mixed-use development known as The Rise, located in Malugay St., San Antonio Village, Makati.

Shang Wack Wack Properties, Inc. was incorporated on 13 January 2016 as a realty development company. It is currently developing the Shang Residences at Wack Wack project located at Wack Wack Road, Mandaluyong City.

Classic Elite Holdings, Ltd., a British Virgin Islands Company, and recently incorporated, is a holding company. It is a wholly owned non-resident foreign corporation through which the Issuer may explore possible off-shore investment opportunities aligned with Issuer's business objectives/purposes.

Shang Robinsons Properties, Inc. is a joint venture with Robinsons Land Corporation for the development of a condominium projects known as the Aurelia, located in Bonifacio Global City, Taguig City.

SPI Property Holdings, Inc. was incorporated on 09 December 2019 as a holding company and a realty development company. It is currently preparing to develop a residential condominium project to be located in Pasig City.

SPI Property Developers, Inc. was incorporated on 09 December 2019 as a realty development company.

SPI Land Development Inc. was incorporated on 09 December 2019 as a realty development company.

- (ii) The Issuer's subsidiary, Shang Properties Realty Corporation (formerly, The Shang Grand Tower Corporation) sold units of the condominium developments The St. Francis Shangri-La Place and One Shangri-La Place to non-resident Filipinos and foreigners, but not exceeding 40% of the total no. of units were sold to foreigners. Issuer's subsidiary Shang Property Developers Inc. has also sold units to its residential condominium development, Shang Salcedo Place, sales of which are also subject to the 40% alien ownership limitation. The Rise Development Company, Inc. had been selling condominium units of The Rise Makati since 2014 and sales of which have also been subject to the 40% foreign ownership limitation. Shang Wack Wack Properties, Inc. started selling units of Shang Residences at Wack Wack in the third quarter of 2018, subject also to the 40% foreign cap.
- (iii) The Issuer is primarily a holding company and therefore has no direct distribution methods of products and services.
- (iv) Neither the Issuer nor its subsidiaries have new products or services which may be described as requested in this particular section.
- (v) Insofar as the Issuer's competitors are concerned, the Issuer's competitors are upper middle to high end real estate companies who are involved in property development such as Ayala Land and Megaworld. The Issuer can and will be able to compete in the property development industry because of its strong financial position, international expertise and strong brand position. For the Shangri-La Plaza Corporation, its competitors are entities operating similar upscale malls such as Rockwell, Podium, and Greenbelt 3. The Shangri-La Plaza Corporation is not threatened by competition where it is the only truly upscale commercial complex in its geographic location, and where it is continuously upgrading its facilities in order to cater to its upscale market. SPSI's competitors are those entities who are into carpark management and operation. SPSI is in a healthy financial position and has the expertise to efficiently and viably operate its carpark facilities.
- (vi) This section on raw materials and suppliers is not applicable to the Issuer nor to its subsidiaries by reason of the nature of their businesses as herein described.
- (vii) Neither the Issuer nor its subsidiaries operations and businesses are dependent on a single customer, the loss of which would have a material adverse effect on the Issuer and its subsidiaries taken as a whole, by reason of the nature of their businesses as described herein.
- (viii) On transactions with and/or dependence on related parties:

**With Issuer's subsidiaries:**

**a. With Shangri-La Plaza Corporation (SLPC)**

- (i) Portions of the Issuer's land where the Shangri-La Plaza Mall is located and the area known as the Internal Road are being leased to SLPC. The leases were renewed pursuant to agreements signed and executed between the parties dated 19 September 2017, which renewal shall expire on 06 January 2023. Rental income is calculated at 10% of SLPC's gross rental income net of prompt payment discount.
- (ii) Issuer's subsidiary Shang Properties Realty Corporation and SLPC have in turn entered into an agreement whereby SLPC leased East Wing Mall from said subsidiary for 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. The lease has been renewed for another period which shall expire on 31 December 2022.

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 has been renewed annually and subsists to date.

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 now known as The St. Francis Shangri-La Place ("Project"). SPRC provided 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 to 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 now 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. In an agreement dated 26 August 2007, the lease was renewed for another 25 years commencing on 28 August 2017 until 27 August 2042.

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 Inc. 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 Inc. 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 Inc. 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. It also has similar agreements with One Shangri-La Place Condominium Corporation, The Shang Grand Tower Condominium Corporation, Shang Salcedo Place Condominium Corporation, and The Rise Condominium Corporation.
  - d. SPI Parking Services, Inc. entered into a Memorandum of Agreement with KSA Realty Corporation, with conformity of The Enterprise Center Condominium Corporation, to administer, manage and operate the TEC Parking Slots as a pay parking facility under a mutually agreeable remuneration scheme. It also has similar agreements with SPRC, SLPC, TRDCI and SPI.
- (ix) Neither the Issuer's or any of its subsidiaries' businesses are dependent upon or expected to depend upon any patent, trademark, copyright, license, franchise, concession, or royalty agreement.
- (x) Neither the Issuer or any of its subsidiaries have products or services requiring governmental approval.
- (xi) There are no existing governmental regulations which affect or may affect significantly or adversely the Issuer's or any of its subsidiaries' businesses or operations.
- (xii) Neither the Issuer or any of its subsidiaries have allotted any significant amount or portion of their revenues for research and development activities where the same are not highly necessary given the nature of their businesses.
- (xiii) The Issuer, as with the SPI Parking Services, Inc., by the nature of their businesses have no direct obligation to comply with environmental laws. As for the Shangri-La Plaza Corporation, Shang Properties Realty Corporation, Shang Property Developers, Inc., Shang Wack Wack Properties, Inc. (for its developments, The Shang Grand Tower, The St. Francis-Shangri-La Place, One Shangri-La Place, and Shang Salcedo Place, Residences at Shang Wack Wack) the costs of its compliance with environmental laws is not significant given the overall operational costs.
- (xiv) The Issuer has **337 employees** to date and does not anticipate adding to said number significantly in the next 12 months. The breakdown as to type is as follows:
- a. Rank and File - 74
  - b. Supervisory - 68
  - c. Managerial - 60
  - d. Project based
    - Rank and File – 31
    - Supervisory – 40
    - Managerial – 10
  - e. Consultancy based
    - Supervisory – 48
    - Managerial – 6

The **SPI Parking Services, Inc.** (formerly Edsa Parking Services, Inc.) has **17 employees**. The breakdown as to type is as follows:

- a. Rank and File - 10
- b. Supervisory - 6
- c. Managerial - 1

The **Shangri-La Plaza Corporation** has 82 employees. The breakdown as to type is as follows:

- a. Rank and File - 24
- b. Supervisory - 41
- c. Managerial - 17

The **Shang Properties Realty Corporation** (formerly, The Shang Grand Tower Corporation) has 50 employees. The breakdown as to type is as follows:

- a. Rank and File - 21
- b. Supervisory - 9
- c. Managerial - 7
- d. Project based
  - Rank and File - 3
  - Managerial - 3
- e. Consultancy based
  - Supervisory - 6
  - Managerial - 1

The **Shang Property Management Services Inc.** has 56 employees. The breakdown as to type is as follows:

- a. Rank and File - 4
- b. Supervisory - 6
- c. Managerial - 29
- d. Project based
  - Rank and File - 14
  - Supervisory - 3

The **Shang Property Developers, Inc.** has 3 employees. The breakdown as to type is as follows:

- a. Managerial - 1
- b. Consultancy based
  - Supervisory - 2

The **KSA Realty Corporation** has 4 employees. The breakdown as to type is as follows:

- a. Rank and File - 2
- b. Supervisory - 1
- c. Managerial - 1

The **Rise Development Company, Inc.** has 87 employees. The breakdown as to type is as follows:

- a. Rank and File - 13
- b. Supervisory - 5
- c. Managerial - 3
- d. Project based
  - Rank and File - 10
  - Supervisory - 23
  - Managerial - 5
- e. Consultancy based
  - Supervisory - 23
  - Managerial - 5

The **Shang Wack Wack Properties, Inc.** has 38 employees. The breakdown as to type is as follows:

- a. Managerial – 1
- b. Project based
  - Rank and File – 4
  - Supervisory – 14
  - Managerial – 2
- c. Consultancy based
  - Supervisory – 17

None of the Issuer's nor its subsidiaries' employees are covered by Collective Bargaining Agreements.

- (xv) The major risks faced by Issuer and its subsidiaries in its different lines of businesses are as follows:

a. Mall operations (of SLPC)

The Shangri-La Plaza Mall faces competition from adjoining malls in the Ortigas area, as well as other high-end malls in Makati. The Mall staff keeps a close eye on the developments and marketing programs of the other malls to ensure that they can respond quickly. A lot of emphasis is placed on maintaining the facilities of the Mall and improving these to ensure that patrons have an enjoyable stay at the Mall. In addition, the Mall's tenant mix is constantly being reviewed to ensure that customers have a wide variety of choices.

b. Office leasing operations (of KSA Realty Corporation, 52.90% owned by Issuer)

KSA Realty Corporation owns and operates The Enterprise Center (TEC). TEC faces competition in the office leasing market from adjoining buildings in Makati. However, because of its superior facilities, TEC has been able to maintain its premium image in the market. TEC occupancy level remains high despite stiff competition.

c. Leasing to Edsa Shangri-La Hotel (by the Issuer)

The Issuer receives regular rental income based on sales from Edsa Shangri-La Hotel. At times, this income is affected when the Hotel's occupancy goes down due to events affecting worldwide travel and tourism. The Hotel has shown resiliency, however, and has been able to bounce back quickly from these situations. The recent renovation of the Hotel's rooms and restaurants should further improve the Issuer's income.

d. Parking Operations (by SPI Parking Services Inc.)

The major risk to the parking operations is the proposal, which is being pushed off and on in the Philippine Congress, to prevent commercial establishments from charging parking fees. This will result in chaos and confusion in the parking operations since nothing will prevent car owners in adjoining buildings from using the carpark facilities in the complex to the detriment of legitimate mall and hotel patrons. The Company is making representations against this measure in coordination with other mall operators.

e. Residential Condominium Sales

The residential condominium projects of the Issuer's subsidiary, Shang Properties Realty Corporation ("SPRC"), Shang Property Developers, Inc. ("SPDI"), Shang Global City Properties, Inc. ("SGCPI"), The Rise Development Company, Inc. ("TRDCI"), and Shang Wack Wack Properties, Inc. ("SWWPI") face competition from other major developers such as Ayala Land and Megaworld. The Issuer is able to compete effectively by offering condominium units that are superior to the other projects in terms of their amenities, design and layout, finishes and professional building management.

## Item 2. Properties

Furnish the information required by Part I, Paragraph (B) of "Annex C, as amended".

(B) Description of Properties

*On properties owned by Issuer:*

- (a) A 71,101 sqm property at the heart of Ortigas Center, portions of which are being leased out to Edsa Shangri-La Hotel and the Shangri-La Plaza Corporation for the operation of the Shangri-La Plaza Mall, while some portions are being utilized as carpark areas.
- (i) Shangri-La Plaza Corporation's lease of the land on which the Shangri-La Plaza Mall stands is for a period of 25 years. Rental therefore is an amount equivalent to 10% of Shangri-La Plaza Corporation's gross rental income. Shangri-La Plaza Corporation has no option to renew the lease.
- (ii) Edsa Shangri-La Hotel's lease of the land on which it stands is for a period of 25 years. Rental arrangement is as follows:
- from hotel operations: 3% of room sales revenue
  - from retail/restaurant and other hotel operations: 5% of sales revenue from food and beverage; 3% of sales revenue from dry goods/ services
  - from subleasing operations: 5% of sales revenue from food and beverage; 3% of sales revenue from dry goods/services
- The hotel has an option to renew the lease for another 25 years.
- (b) A carpark building also within the 71,101 sqm area, abutting the Shangri-La Plaza Complex, with a gross floor area of 23,625.72 sqm. and 681 slots.
- (c) The Issuer entered into a Memorandum of Agreement with Bank of the Philippine Islands for the purchase of a parcel of land located in Barangay Wack Wack, Mandaluyong City, with an area of 2,275 sqm.

*On Properties owned by Issuer's subsidiaries:*

- (a) Properties owned by the Shangri-La Plaza Corporation:
- Shangri-La Plaza Mall, an upscale shopping center at EDSA cor. Shaw Blvd., Mandaluyong City, with a gross floor area of approximately 136,552 sqm.
- (b) Properties owned by the SPI Parking Services, Inc.
- None. It only manages and operates the carpark facilities described above to be owned by the Issuer.
- (c) Properties owned by Shang Properties Realty Corporation (formerly, The Shang Grand Tower Corporation)
- (i) The St. Francis Shangri-La Place, a two-tower high rise residential condominium located along St. Francis Road cor. Internal Road, Shangri-La Complex, Mandaluyong City which was completed in late 2009. The development has been fully sold to date.
- (ii) Land with an area of 9,852 sqm. located at Edsa cor. Shaw Blvd., Mandaluyong City, on which the One Shangri-La Place Project has been constructed. The Project was completed in 2016 and fully sold out in 2018.
- (d) Properties owned by EPHI Logistics Holdings, Inc.
- None
- (e) Properties owned by Shang Global City Holdings, Inc.
- Shang Global City Holdings, Inc., does not directly own any property. However, Shang Global City Properties, Inc., which is 100% owned by Shang Global City Holdings, Inc., has purchased from Fort Bonifacio Development Corporation ("FBDC"), a 15,120 sqm. parcel of land within the development in Taguig City, Philippines, known as the Bonifacio Global City. Shang Global City Properties, Inc., is also the owner and developer of the Shangri-La at the Fort and Horizon Homes located at Crescent Park West District, Fort Bonifacio, Taguig City.
- (f) Properties owned by Shang Fort Bonifacio Holdings, Inc.
- None



- (g) Properties owned by KSA Realty Corporation

The Enterprise Center, an office condominium along Ayala Avenue, Makati City.

- (h) Properties owned by Shang Property Developers, Inc.

The residential condominium project known as Shang Salcedo Place and the parcel of land on which it stands located at the corner of Gil Puyat Ave., Tordesillas St. and H. V. de la Costa St., Salcedo Village, Makati City. The project was completed in 2018 and fully sold out in 2019.

- (i) Properties owned by Shang Wack Wack Properties, Inc.

Four (4) contiguous parcels of land at Wack-Wack Road, Brgy. Wack Wack, Greenhills, Mandaluyong City

- (i) Properties owned by Classic Elite Holdings, Ltd.

None

- (j) Properties owned by Issuer's Joint Venture Agreement with Robinson's Land Corporation:

Two (2) adjoining parcels of land located at McKinley Parkway corner Fifth Ave. and 21st Drive, Bonifacio Global City, Taguig, Metro Manila, owned by the Robinsons Land Corporation and covered by Transfer Certificate of Title (TCT) No. 1784-P and TCT No. 1785-P of the Registry of Deeds for Taguig City. Total land area of the two (2) parcels of land is nine thousand one hundred eighteen square meters (9,118 sq.m.), more or less.

Except as disclosed above, the Issuer and its subsidiaries are not currently leasing any real property. As at the time of the filing of this report, neither the Issuer nor its subsidiaries intend to acquire any property in the next twelve (12) months.

### Item 3. Legal Proceedings

- (C) Legal Proceedings

- (a) Furnish the information required by Part I, Paragraph (C) of "Annex C, as amended".

In Shangri-La Properties, Inc. (now Shang Properties, Inc.) v. BF Corporation and BF Corporation v. Shangri-La Properties, Inc., a Notice of Judgement was issued by the Supreme Court on 15 October 2019 (a copy of the Decision was received by Issuer's External Counsel for said case only on 10 January 2020), whereby the Supreme Court ordered Issuer to "pay to BF Corporation the net amount of P52,635,679.70, plus legal interest of 6% per annum reckoned from July 31, 2007, the date of the Arbitral Tribunal's Decision, until this decision becomes final and executory, and thereafter, the principal amount due, plus the interest of 6% per annum, shall likewise earn interest of 6% per annum until full satisfaction." This SC Case stems from an Arbitration Case between the parties before the CIAC in connection with the construction in the late 1990's of the carpark structure of what was then known as the Edsa Plaza project. Shang Properties, Inc. already filed a Motion for Reconsideration of the Supreme Court's ruling on 10 January 2020.

- (b) As to any proceeding that was terminated during the fourth quarter of the fiscal year covered by this report, furnish information similar to that required by Part I, Paragraph (C) of "Annex C, as amended", including the date of termination and a description of the disposition thereof with respect to the Issuer and its subsidiaries.

There are none.

### Item 4. Submission of Matters to a Vote of Security Holders

If any matter was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.
- (b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting. Note whether such director was elected as an "independent director" under Section 38 of the Code and SRC Rule 38 thereunder.

- (c) A brief description of each matter voted upon at the meeting and state the number of votes cast for, against or withheld, as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

During the Annual Meeting of the Stockholders of the Issuer held on **18 November 2020**, the stockholders approved and ratified the following:

1. Minutes of the Annual Stockholders Meeting held on **19 June 2019**;
2. Annual Report of the Company as of **31 December 2019**, together with its audited financial statements and accompanying explanatory notes;
3. The acts of the Board of Directors and the Management disclosed in the corporate records since the date of the Annual Stockholders Meeting on **18 November 2020**;
4. Election of the following members of the Board of Directors for the period **2020 - 2021**:
  - 1) **Edward Kuok Khoon Loong**
  - 2) **Alfredo C. Ramos**
  - 3) **Cynthia R. Del Castillo**
  - 4) **Antonio O. Cojuangco**
  - 5) **Maximo G. Licaucó III**
  - 6) **Wolfgang Krueger**
  - 7) **Benjamin I. Ramos**
  - 8) **Wilfred Shan Chen Woo**
  - 9) **Karlo Marco P. Estavillo**
  - 10) **Jose Juan Z. Jugo**
5. Appointment of **PriceWaterhouseCooper (Isla Lipana & Co.)** as the Issuer's external auditors for FY **2020 - 2021**.

All of the above matters were voted upon and carried by the stockholders of the Issuer by a *unanimous vote*.

- (d) If any matter has been submitted to a vote of security holders otherwise than at a meeting of such security holders, corresponding information with respect to such submission shall be furnished. The solicitation of any authorization or consent (other than a proxy to vote at a stockholders' meeting) with respect to any matter shall be deemed a submission of such matter to a vote of security holders within the meaning of this item.

No matter has been submitted by the Issuer to a vote of its security holders.

- (e) If the issuer has published a report containing all of the information called for by this item, the item may be answered by a reference to the information contained in such report.
- (f) The Issuer has not published any such report.

\*\*\*\*\*

#### Instructions to Item 4

1. Paragraph (a) need be answered only if paragraph (b) or (c) is required to be answered.
2. Paragraph (b) need not be answered if proxies for the meeting were solicited pursuant to SRC Rule 20, there was no solicitation in opposition to management's nominees as listed in the proxy statement and all of such nominees were elected. If the issuer did not solicit proxies and the board of directors as previously reported to the Commission was reelected in its entirety, a statement to that effect in answer to paragraph (b) will suffice.
3. Paragraph (c) must be answered for all matters voted upon at the meeting, including both contested and uncontested elections.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Furnish the information required by Part II, Paragraph (A)(1) through (4) of "Annex C, as amended".

#### (A) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

##### (1) 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
<b>2020</b>		
First Quarter	P3.31	P2.45
Second Quarter	P2.99	P2.55
Third Quarter	P2.74	P2.50
Fourth Quarter	P2.75	P2.65
<b>2019</b>		
First Quarter	P3.20	P3.00
Second Quarter	P3.09	P2.95
Third Quarter	P3.47	P2.95
Fourth Quarter	P3.33	P3.03

The high and low of Issuer's shares for the period 01 January 2021 to 31 March 2021 are as follows:

High: ₱ 2.87  
Low: ₱ 2.50

The closing price for the Issuer's shares on 31 March 2021 is ₱2.72.

Part II, paragraph (A) (1) (b) and (A) (1) (c) are not applicable to the Issuer this report not being presented in a registration statement or an information statement.

##### (2) Holders

- (a) Issuer has common shares only. As of 31 March 2021, the Issuer has 5,185 stockholders. Common shares outstanding as of said date is 4,764,056,287.

#### The Top 20 stockholders of the Issuer as of 31 March 2021 are:

Name of Stockholders	Number of Shares Held	Percent to Total Outstanding
1. Travel Aim Investment B.V.	1,648,869,372	34.61%
2. Ideal Sites and Properties, Inc.	1,465,144,626	30.75%
3. PCD Nominee Corporation - Fil	1,013,683,267	21.28%
4. SM Development Corporation	189,550,548	3.98%
5. PCD Nominee Corporation – Non-Fil	59,766,567	1.25%
6. KGMP Holdings, Incorporated	52,925,445	1.11%
7. CCS Holdings, Incorporated	47,633,492	1.00%
8. Pecanola Company Limited	43,175,495	0.91%
9. Kuok Brothers SDN. BHD.	37,023,839	0.78%
10. Kuok Foundation Overseas Limited	37,023,839	0.78%
11. GGC Holdings, Incorporated	26,224,322	0.55%
12. Kerry Holdings Limited	26,090,624	0.55%
13. Kuok (Singapore) Limited	24,848,214	0.52%
14. Kerry (1989) LTD.	12,424,107	0.26%
15. Kuok Traders (Hong Kong) LTD.	11,407,363	0.24%
16. Federal Homes, Inc.	4,808,478	0.10%
17. Luxhart Assets Limited	3,975,714	0.08%

18. Yan, Lucio W. Yan &/or Clara	3,142,857	0.07%
19. Antonio O. Cojuangco	3,026,964	0.06%
20. Exchange Equity Corporation	1,570,000	0.03%
	<b>4,712,315,133</b>	<b>98.91%</b>

Ideal Sites and Properties, Inc. (Ideal) is the owner of record of 1,465,144,626 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.

We are not aware as to the identity of the owners/holders of the other shares.

Travel Aim Investment B.V. (Travel Aim) is the owner of record of 27,150,327 shares held thru a broker, Deutsche Regis Partners, Inc. Travel Aim which also directly owns 1,621,719,045 shares is a subsidiary of Kerry Properties Limited which is a member of the Kuok Group of Companies. We are not aware as to the identity of the owners/holders of the other shares.

Part II, paragraphs (A) (2) (b), (A) (2) (c), and (A) (2) (d) are not applicable to the Issuer, this report not being presented in a registration statement or an information statement.

(3) Dividends

- (a) Issuer only has common shares on which were declared the following dividends in the two (2) most recent fiscal years:

**Cash Dividends**

**2021**

- During the regular meeting of the Issuer's Board held on 25 March 2021, the Board approved the declaration of P0.08 per share cash dividend to all shareholders of record as of 09 April 2021, to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 31 December 2020, to be paid on or before 16 April 2021.

**2020**

- During the regular meeting of the Issuer's Board held on 01 April 2020, the Board approved the declaration of P0.11250 per share cash dividend to all shareholders of record as of 17 April 2020 to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 31 December 2019 to be paid on or before 24 March 2020.
- During the regular meeting of the Issuer's Board held on 20 August 2020, the Board approved the declaration of P0.04400 per share cash dividend to all shareholders of record as of 08 September 2020 to be taken from the unrestricted retained earnings as reflected in the unaudited financial statements of the Issuer as of 30 June 2020 to be paid on or before 18 September 2020.

**2019**

- During the regular meeting of the Issuer's Board held on 06 March 2019, the Board approved the declaration of P0.10550 per share cash dividend to all shareholders of record as of 21 March 2019 to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 31 December 2018 to be paid on or before 29 March 2019.
- During the regular meeting of the Issuer's Board held on 16 September 2019, the Board approved the declaration of P0.07000 per share cash dividend to all shareholders of record as of 30 September 2019 to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 30 June 2019 to be paid on or before 10 October 2019.

- (b) Describe any restriction that limits the ability to pay dividends on common equity or that are likely to do so in the future.

### Stock Dividends

No stock dividends were declared by the Issuer during the last 2 fiscal years.

Apart from the restrictions imposed by statutes and regulations, there are none internal to the Issuer which hamper or may hamper any declaration of dividends by the Issuer, and for as long as said declarations can be supported by the Issuer's financial position.

(4) **Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction**

No sales of unregistered securities were undertaken by the Issuer during the last three (3) years. Neither have there been sales of reacquired securities as well as new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities. Thus, the succeeding requested disclosures under this specific item are not applicable to the Issuer.

### **Item 6. 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		%
		2020	2019	Change
Turnover	(Php M)	6,220	11,362	-45.26%
Profit Attributable to shareholders	(Php M)	1,470	3,056	-51.90%
Earnings per share	(Php Ctv)	0.309	0.642	-51.90%
Net Asset Value per share	(Php)	7.502	7.353	2.02%
Price Earnings Ratio	(Times)	8.779	4.984	76.14%

- Turnover consists of revenue from condominium sales, rental and cinema, and hotel operations. Shang Properties' gross revenue decreased by P5.141B to P6.220B in 2020 from P11.362B in 2019. Sales of residential condominium units of P3.010B accounted for 48% of the Group's turnover in 2020. Revenue from rental and cinema operations amounted to P2.129B or 34% of turnover in 2020 is lower by P1.224B from last year's P3.353B. Hotel operations of Shangri-La at the Fort contributed revenue amounting to P1.082B or 18% of turnover in 2020 is lower by P2.498B from last year's P3.580B.
- Profit attributable to shareholders pertains to net income from operations of the Group, net of minority shareholders' share. It went down by P1.586B or 51.90% compared with last year.
- Earnings per share of P0.309 were lower by 51.90% from last year's P0.642.
- 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 2.02% mainly due to increase of P777M in reclassification to Advances from Related Party from additional Investment in and Advances to a Joint Venture of P1.121B last year and increase of P537M of properties held for sale due to ongoing construction of the Group's different projects.

- Price Earnings ratio is a valuation of the company's current share price compared to earnings per share and calculated by dividing the market value per share by the earnings per share. Price earnings ratio is higher by 76.14% at 8.779 times this year from 4.984 times last year. The Group' year-end share price in 2020 is ₱2.71 from ₱3.20 in 2019.

## **Results of Operations**

### ***Calendar Year 2020 Compared to Calendar Year 2019***

Shang Properties' consolidated net income attributable to shareholders for the year ended December 31, 2019 amounted to ₱1.470B, ₱1.586B lower than the ₱3.056B posted in the same period last year.

Decrease in Turnover by ₱5.141B or 45.26% to ₱6.221B in 2020 from ₱11.362B in 2019, mainly due to lower revenue from condominium sales, rental and cinema and hotel operations of Shangri-La at the Fort.

1. Decrease in condominium sales by ₱1.418B is mainly due to decrease in the number of units sold across all projects of the Group mainly due to the COVID 19 pandemic.
2. Decrease in revenue from rental and cinema by ₱1.224B mainly due to lower occupancy rate of both office leasing at The Enterprise Center and mall operations of Shangri-La Plaza.
3. Decrease in revenue from hotel operations by ₱2.498B is mainly due to lower occupancy of the Shangri-La at the Fort Hotel caused by the ongoing travel bans and government-imposed community quarantines.

Cost of sales and services of the Group amounted to ₱3.637B, lower by ₱2.442B compared with last year's ₱6.079B due to the following:

1. Decrease in cost of condominium sales by ₱1.012B mainly due to lower sales across all projects.
2. Decrease in cost of rental and cinema by ₱69M mainly due to lower common area expenses brought about by reduced operations of the Mall as a result of government-imposed restrictions in the operations of certain commercial establishments.
3. Decrease in cost of hotel services by ₱1.361B due to lower occupancy compared to same period last year.

Operating expenses of the Group amounted to ₱1.499B higher by ₱247M or 19.72% from last year's ₱1,252BM mainly due to the net effect of the following:

1. Higher staff cost by ₱54M due to annual salary adjustments and increase in number of employees of the Group.
2. Decrease in taxes and licenses by ₱26.5M mainly due to lower real property tax paid by the Group, brought about by the ongoing turnover of units at The Rise project.
3. Increase in depreciation and amortization by ₱4.79M due to additional office improvements made and other equipment for the year.
4. Decrease in insurance expense by ₱10.6M is mainly due to lower premiums on property insurance as a result of the Group's bidding and negotiation process.
5. Increase in other general and administrative expenses by ₱225.5M mainly due to donations made by the Group to various COVID 19 and typhoon relief operations and provision for restructuring and contingencies of Shangri-La at the Fort.

Other income increased by ₱78M mainly due to higher interest income on discounting of installment contracts receivable as well as income on interest-bearing advances to a joint venture.

Decrease in interest expense and bank charges by ₱132.7M mainly due to lower interest rate on bank loans of Shangri-La at the Fort and Shang Properties Inc. and also lower loan balance due to principal payments during the year.

Provision for income tax is lower by ₱650.6M mainly due to lower taxable income generated during the year.

#### ***Calendar Year 2019 Compared to Calendar Year 2018***

Shang Properties' consolidated net income attributable to shareholders for the year ended December 31, 2019 amounted to ₱3.056B, ₱44M higher than the ₱3.012B posted in the same period last year.

Increase in Turnover by ₱182M or 1.62% to ₱11.362B in 2019 from ₱11.180B in 2018, mainly due to higher revenue from rental and cinema and hotel operations of Shangri-La at the Fort, partially offset by the decrease in revenue from condominium sales.

1. Increase in revenue from rental and cinema by ₱336M mainly due to higher occupancy rate of both office leasing at The Enterprise Center and mall operations of Shangri-La Plaza. Rental yield of office leases also increase during the year, due to rental escalations of new and renewed leases.
2. Increase in revenue from hotel operations by ₱409M is mainly due to higher occupancy of the Shangri-La at the Fort Hotel and also higher average daily rate this year compared to last year.
3. Decrease in condominium sales by ₱563M is mainly due to fewer available units for sale as the Group's Shang Salcedo Place project became fully sold out during the year and The Rise Makati project already at handover stage.

Cost of sales and services of the Group amounted to ₱6.079B, lower by ₱192M compared with last year's ₱6.271B due to the following:

1. Decrease in cost of rental and cinema by ₱77M mainly due to higher recovery of common area expenses of Group's Mall operations. Reimbursements from tenants increased during the year due to increase in CUSA rates charged by the Mall and also due to lower electricity rates.
2. Increase in cost of hotel services by ₱189M due to higher occupancy compared to same period last year.
3. Decrease in cost of condominium sales by ₱304M mainly due to lower sales across all projects.

Operating expenses of the Group amounted to ₱1.252B higher by ₱64M or 5.4% from last year's ₱1,188M mainly due to the net effect of the following:

6. Higher staff cost by ₱38M due to annual salary adjustments and increase in number of employees of the Group.
7. Increase in taxes and licenses by ₱6M mainly due to documentary stamp tax paid during the year on the transfer of real estate property purchased by the Group.
8. Increase in depreciation and amortization by ₱11M due to additional office improvements made and purchase of vehicles and other equipment for the year.
9. Increase in insurance expense by ₱14M is mainly due to additional property insurance coverage obtained by Shangri-La at the Fort during the year.
10. Decrease in other general and administrative expenses by ₱5M mainly due to decrease in Advertising and Promotions of Shangri-La at the Fort and The Rise Makati project as it nears completion stage.

Other income decreased by ₱853M mainly due to lower gain on fair value adjustment of investment properties as a significant adjustment was made in the previous year, as appraised by an independent appraiser.

Decrease in interest expense and bank charges by ₱86M mainly due to payment of lower interest rate on bank loans of Shangri-La at the Fort and Shang Properties Inc. and also lower loan balance due to principal payments during the year.

Provision for income tax is lower by ₱217M mainly due to lower taxable income generated during the year.

### ***Calendar Year 2018 Compared to Calendar Year 2017***

Shang Properties' consolidated net income attributable to shareholders for the year ended December 31, 2018 amounted to ₱3.012B, ₱334M lower than the ₱3.346B posted in the same period last year.

Decrease in Turnover by ₱2.590B or 18.81% to ₱11.180B in 2018 from ₱13.770B in 2017, mainly due to net effect of decrease in revenue from condominium sales and increase in revenue from rental and cinema and hotel operations of Shangri-La at the Fort.

1. Decrease in condominium sales by ₱3.201B is mainly due to fewer available units for sale due to completed projects.
2. Increase in rental and cinema revenue by ₱36M mainly due to higher rental yield of The Enterprise Center.
3. Increase in revenue from hotel operations by ₱575M is mainly due to higher occupancy this year compared to last year.

Cost of sales and services of the Group amounted to ₱6.270B, lower by ₱1.338B compared with last year's ₱7.608B due to the following:

1. Decrease in cost of condominium sales by ₱1.726B mainly due to lower sales across all projects, particularly Horizon Homes and Shang Salcedo Place as only few units were left for sale this year.
2. Increase in cost of rental and cinema by ₱24M mainly due to higher utility costs, advertising and promotion, janitorial, security and other services and insurance of Shangri-La Mall this year compared to same period last year.
3. Increase in cost of hotel services by ₱365M due to higher occupancy compared to same period last year.

Operating expenses of the Group amounted to ₱1.188B lower by ₱35M or -2.83% from last year's ₱1,222.8M mainly due to the net effect of the following:

1. Decrease in general and administrative expenses mainly due to lower commission expenses paid by Shangri-La at the Fort this year and lower condominium dues paid to One Shangri-La Place Condominium Corporation as units have been turned over to unit owners.
2. Increase in taxes and licenses by ₱15M mainly due to higher real property taxes and documentary stamp tax paid during the year.
3. Increase in depreciation by ₱3M mainly due to additional office improvements made and purchase of other equipment for the year.
4. Decrease in insurance expense by ₱2M mainly due to additional insurance coverage obtained during the year.

Other income increased by ₱390M mainly due to higher gain on fair value adjustment of investment properties and gain on fully depreciated assets.

Increase in interest and bank charges by ₱27M mainly due to payment of interest on bank loans of Shangri-La at the Fort and Shang Properties Inc.

Provision for income tax is lower by ₱193M mainly due to lower taxable income generated during the year.

### **Financial Condition**

#### ***Calendar Year 2020 Compared to Calendar Year 2019***

Total assets of the Group amounted to ₱63.170B, decreased by ₱183.6M from the total assets of ₱63.354B in December 31, 2019. The following are the significant movements in the assets:

- Decrease in cash and cash equivalents by ₱1.090B mainly due to payment of bank loans and cash dividends.



- Decrease in financial assets at fair value through profit or loss by ₱2.7M due to loss on fair value adjustment recognized during the year.
- Increase in trade and other receivables by ₱777M mainly due to reclassification of receivables from related parties from Advances to a Joint Venture.
- Increase in properties held for sale by ₱536.8M mainly due to acquisition cost of land which will be used for project development.
- Net increase in investment in and advances to an associate and a joint venture is mainly due to additional advances during the year and the Group's 50% share in net income of Shang Robinsons Properties, Inc. which is a joint venture with Robinson's Land Corporation (RLC).
- Increase in investment properties by ₱2.010B is mainly due reclassification to investment property of cost of completed retail portion of The Rise and development cost of a commercial project previously part of Real Estate Development Projects. Increase is also due to cost of Aurelia units purchased by the Group and additional improvements of SLPC Building.
- The decrease in the Financial Assets at Fair Value through other comprehensive income by ₱6.1M is mainly due to the fair valuation of unlisted shares of stock being held by the Group as investment.
- Decrease in property, plant and equipment by ₱1.127B is mainly due to periodic depreciation.
- Increase in deferred income tax assets by ₱238M is mainly due to income recognition of SGCP's NOLCO for the period.
- Increase in other noncurrent assets by ₱421.7M is mainly due to deposits made by SPI for future project developments.

The net decrease in total liabilities by ₱587.8M from ₱22.083B in 2019 to ₱21.496B in 2020 mainly due to the following:

- The Net Decrease in Accounts Payable by ₱485M is mainly due to lower reservation and retention payables.
- Net decrease in installment payable by ₱301.2M is mainly due to quarterly payments during the year.
- Decrease in bank loans mainly due to net repayments amounting to ₱48.5M.
- Increase in deferred lease income by ₱2.7M is mainly due to higher deposits from The Enterprise Center and (TEC) and Shangri-La Plaza.
- Decrease in income tax payable by ₱126.4M mainly due to decrease in taxable income for the year.
- Increase in dividends payable by ₱26.5M due unclaimed dividend checks paid to shareholders during the year.
- Increase in deferred income tax liabilities by ₱152.8M is mainly due to the recognition of higher percentage of completion of The Rise condominium project.

#### ***Calendar Year 2019 Compared to Calendar Year 2018***

Total assets of the Group amounted to ₱63.354B, increased by ₱3.098B from the total assets of ₱60.256B in December 31, 2018. The following are the significant movements in the assets:

- Increase in cash and cash equivalents by ₱208M mainly due to collection from sales of condominium projects (The Rise).
- Decrease in financial assets at fair value through profit or loss by ₱5M due to loss on fair value adjustment recognized during the year.
- Increase in trade and other receivables by ₱1.935B mainly due to additional receivables arising from sales of condominium units from The Rise and Shang Residences at Wack Wack projects.
- Decrease in properties held for sale by ₱801M mainly due to portion recognized as cost of sales of The Rise and Shang Residences at Wack Wack projects.

- Increase in investment in and advances to an associate and a joint venture by ₱1.121B due to advances to the joint venture with Robinson's Land Corporation (RLC) and the ₱101M share in Net Income of said joint venture taken up during the year. Both RLC and SPI own 50% of the outstanding shares in the joint venture under the name of Shang Robinsons Properties Inc.
- Increase in investment properties by ₱392M is mainly due to the fair value adjustment taken up during the year.
- Increase in real estate development projects by ₱992M due to development cost of the retail portion of The Rise Makati project.
- Increase in the Financial Assets at Fair Value through other comprehensive income by ₱21M mainly due to the fair valuation of unlisted shares of stock being held by the Group as investment.
- Decrease in property, plant and equipment by ₱943M mainly due to periodic depreciation.
- Increase in deferred income tax assets by ₱105M mainly due to the recognition of higher installment sales of Shang Residences at Wack Wack project.
- Increase in other noncurrent assets by ₱275M mainly due to deposits made by SPI for future project developments.

The net increase in total liabilities by ₱893M from ₱21.190B in 2018 to ₱22.083B in 2019 is mainly due to the following:

- Net Increase in Accounts Payable by ₱778M mainly due to higher accrual of expenses and advance rental collected from tenants of The Enterprise Center (TEC).
- Net decrease in installment payable by ₱97M mainly due to quarterly payments during the year.
- Decrease in bank loans mainly due to net repayments amounting to ₱55M.
- Increase in deferred lease income by ₱18M mainly due to higher deposits from The Enterprise Center and (TEC) and Shangri-La Plaza.
- Increase in income tax payable by ₱89M mainly due to increase in TRDCI's taxable income for the year.
- Increase in dividends payable by ₱5M due to unclaimed dividend checks paid to shareholders during the year.
- Increase in deferred income tax liabilities by ₱209M mainly due to the recognition of higher percentage of completion of The Rise condominium project.

### **Statement of Cash Flows**

The cash inflows in 2020, 2019 and 2018 includes collection of revenue from various condominium projects, rental revenue from mall operation of the Shangri-La Plaza and leasing operations of TEC, and hotel operations of Shangri-La at the Fort. Net cash provided by operating activities in 2020, 2019 and 2018 amounted to ₱1.028B, ₱4.118B and ₱2.836B, respectively.

Net cash used in investing activities in 2020 amounted to (₱0.983B) was mainly used in deposit for future project amounting to ₱465.9M. Net cash used in investing activities in 2019 amounted to ₱2.366B mainly used in the joint venture with Robinsons Land Corp., acquisition of investment properties and deposit for future project amounting to ₱1.020B, ₱1.109B and ₱172M respectively. In 2018, net cash used in investing activities amounted to ₱1.497M mainly used in the joint venture with Robinsons Land Corp, acquisition of investment properties and deposit for future project amounting to ₱1.109B, ₱490M and ₱250M, respectively.

Net cash used in financing activities in 2020, 2019 and 2018 amounted to ₱1.132B, ₱1.539B and ₱3.953B, respectively, mainly used in payments of loan principal, interest and cash dividends.

(b) Interim Periods

Information required by Part III, 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 to 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.

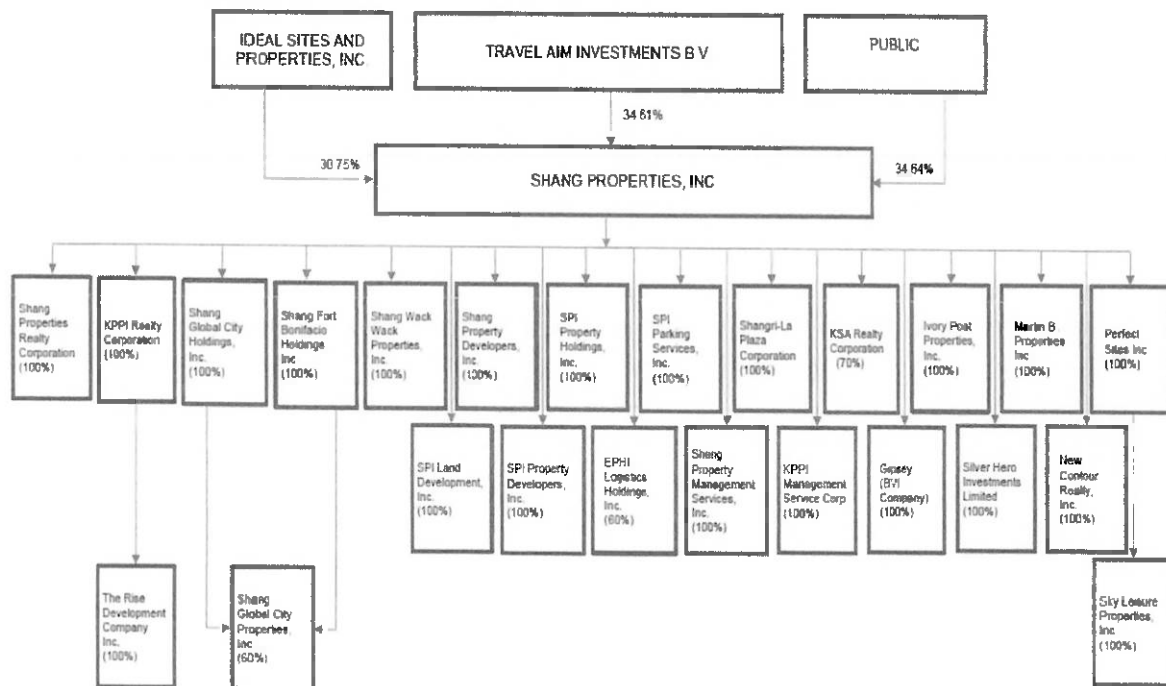
**Item 7. Consolidated Audited Financial Statements**

The Consolidated Audited Financial Statements of the Group for 2020 are incorporated in the accompanying Exhibits and Schedules.

**Statements Required by Rule 68 Securities Regulation Code (SRC)**

**Shang Properties, Inc. and Subsidiaries**

Map of the Group of Companies within which the Reporting Entity Belongs  
As at December 31, 2020



## Shang Properties, Inc. and Subsidiaries

### Financial Soundness Indicators

As at December 31, 2020 and 2019

(With comparative figures as at December 31, 2018)

Ratio	Formula	2020	2019	2018
<b>A. Current and Liquidity Ratios</b>				
1. Current ratio	Total current assets Divided by: Total current liabilities	11,656,214,876 10,964,472,104	1.06	1.31
	Current ratio	1.06		
2. Acid test ratio	Total current assets Less: Prepaid taxes and other current assets	11,656,214,876 1,663,214,222	0.91	1.13
	Quick assets Divided by: Total current liabilities	9,993,000,654 10,964,472,104	0.99	
	Acid test ratio	0.91		
<b>B. Solvency ratio</b>				
	Net income Add: Depreciation*	1,421,579,782 1,112,455,276	0.12	0.22
	Net income before depreciation Divided by: Total liabilities	2,534,035,058 21,495,590,534	0.21	
	Solvency ratio	0.12		
<b>C. Debt to equity ratio</b>				
	Total liabilities Divided by: Total equity	21,495,590,534 41,674,367,167	0.52	0.54
	Debt to equity ratio	0.52		
<b>D. Asset to equity ratio</b>				
	Total assets Divided by: Total equity	63,169,957,701 41,674,367,167	1.52	1.54
	Asset to equity ratio	1.52		
<b>E. Debt ratio</b>				
	Total liabilities Divided by: Total assets	21,495,590,534 63,169,957,701	0.34	0.35
	Debt ratio	0.34		

	Ratio	Formula	2020	2019	2018
<b>F. Profitability ratios</b>					
<b>1. Return on assets (%)</b>					
	Net income		1,421,579,782		5.91
	Divided by: Total assets		63,169,957,701		
	Return on assets (%)		2.25%		
<b>2. Return on equity (%)</b>					
	Net income		1,421,579,782		9.11
	Divided by: Total equity		41,674,367,167		
	Return on equity (%)		3.41%		
<b>3. Net profit margin</b>					
	Net income		1,421,579,782		31.85
	Divided by: Total revenues		6,220,488,711		
	Net profit margin (%)		22.85%		
<b>G. Earnings per share (EPS) attributable to equity holders of Parent</b>					
	Net income after minority interest		1,469,965,012		0.63
	Divided by: Total shares outstanding		4,761,918,337		
	EPS attributable to equity holders of Parent		0.31		
<b>H. Book value per share (BPS) attributable to equity holders of Parent</b>					
	Total equity after minority interest		35,724,025,721		6.88
	Divided by: Total shares outstanding		4,761,918,337		
	BPS attributable to equity holders of Parent		7.50		

# Shang Properties, Inc. and Subsidiaries

## Schedule A - Financial Assets As at December 31, 2020 (All amounts in Philippine Peso)

Description of each issue	Number of shares	Amount shown in the Consolidated Statement of Financial Position	Value based on market quotations at statement date	Income (loss) received and accrued
Cash and cash equivalents*		1,549,970,914	1,549,970,914	12,956,641
Trade and other receivables**		4,996,338,314	4,996,338,314	299,782,769
Financial assets at fair value through profit or loss***		33,626,210	33,626,210	(2,652,634)
Refundable deposits****		139,864,908	139,864,908	-
Financial assets at fair value through other comprehensive income*****				
Quoted shares	8	27,950,000	27,950,000	-
Unquoted shares	298,516	769,618,496	769,618,496	(6,100,000)
		797,568,496	797,568,496	(6,100,000)
		7,517,368,842	7,517,368,842	303,986,776

\* See Note 3 to the Consolidated Financial Statements.

\*\* See Note 5 to the Consolidated Financial Statements.

\*\*\* See Note 4 to the Consolidated Financial Statements.

\*\*\*\* See Notes 7 and 14 to the Consolidated Financial Statements.

\*\*\*\*\* See Note 11 to the Consolidated Financial Statements.

## Shang Properties, Inc. and Subsidiaries

### Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties) As at December 31, 2020 (All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of period	Additions	Deduction		Current	Non-current	Balance at end of period
			Amount collected	Amount written-off			
Classic Elite Holdings Inc.	1,144,187,554	-	-	-	-	1,144,187,554	1,144,187,554
One Shangri-la Place Condominium Corp.	42,863,156	14,252,220	(2,768,226)	-	13,720,342	40,626,808	54,347,150
Shang Salcedo Place Condominium Corp.	33,853,953	23,789,805	(593,704)	-	48,836,093	8,213,961	57,050,054
EDSA Shangri-la Hotel & Resorts, Inc.	31,988,514	35,247,771	(58,243,794)	-	8,006,161	986,330	8,992,491
Makati Shangri-la Hotel	8,874,010	1,510,969	(1,779,924)	-	377,475	8,227,580	8,605,055
The St. Francis Shangri-la Place Condominium Corp.	24,384,819	16,259,343	(7,636,925)	-	15,790,442	17,216,795	33,007,237
The Shang Grand Tower Condominium Corp.	22,540,234	6,888,199	(6,505,903)	-	6,844,672	16,077,858	22,922,530
Ideal Sites Property, Inc.	5,704,580	1,693	-	-	1,693	5,704,580	5,706,273
Mactan Shangri-la Hotel	225,560	325,470	(173,892)	-	248,715	128,423	377,138
The Enterprise Centre Condominium Corp.	8,201,355	36,222,023	(35,354,292)	-	9,001,450	67,636	9,069,086
Shang Robinsons Properties, Inc.	28,036,088	29,665,649	(7,693,554)	-	35,534,789	14,473,394	50,008,183
Others	113,366,302	193,674,240	(97,074,319)	-	151,280,396	58,685,827	209,966,223
	1,464,226,125	357,837,382	(217,824,533)	-	289,642,228	1,314,596,746	1,604,238,974

See Notes 5 and 27 to the Consolidated Financial Statements.



## Shang Properties, Inc. and Subsidiaries

Schedule C - Amounts Receivable from Related Parties  
which are eliminated during the Consolidation of Financial Statements  
As at December 31, 2020  
(All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
Shangri-la Plaza Corp.	20,208,709	21,985,675	(13,790,297)	-	2,315,208	26,088,879	28,404,087
Shang Property Management Services, Inc.	12,582,910	40,704,508	(26,905,296)	-	25,913,446	468,676	26,382,122
Shang Properties Realty Corporation	189,087,188	177,360,159	(150,941,475)	-	215,123,211	382,661	215,505,872
SPI Parking Services, Inc.	183,494	13,750	(121,701)	-	-	75,543	75,543
KPPI Management Services Corporation	-	-	-	-	-	-	-
Shang Global City Holdings, Inc.	-	-	-	-	-	-	-
Shang Fort Bonifacio Holdings, Inc.	-	-	-	-	-	-	-
KSA Realty Corporation	(1,540,540)	20,690,618	(16,905,546)	-	2,135,032	109,500	2,244,532
Shang Property Developers, Inc.	2,515,189,137	225,948,927	(345,698,337)	-	2,395,435,909	3,818	2,395,439,727
Silver Hero from SPD	2,317,500,000	-	-	-	-	-	2,317,500,000
The Rise Development Company, Inc.	11,970,175	71,458,575	(6,556,500)	-	64,687,062	12,185,188	76,872,250
New Contour Realty Inc.	4,007,033	13,726	-	-	13,726	4,007,033	4,020,759
Shang Global City Properties, Inc.	5,844,362	9,576,646	(14,637,778)	-	783,230	-	783,230
Shang Wack Wack Properties, Inc.	221,199,045	1,936,632	(220,143,627)	-	2,921,965	70,085	2,992,050
Perfect Sites Inc.	84,908,696	20,100,000	-	-	20,100,000	84,908,696	105,008,696
KPPI Realty Corporation	500,003,612	400,000,000	(850,000,000)	-	50,000,000	3,612	50,003,612
Others	6,889,726,153	2,366,057,718	(1,259,582,884)	-	1,140,239,672	6,852,961,315	7,996,200,987
Total	12,770,869,974	3,355,846,934	(2,905,283,441)	-	3,919,668,461	6,981,265,006	13,221,433,467

See Note 27 to the Consolidated Financial Statements.

## Shang Properties, Inc. and Subsidiaries

### Schedule D - Long-Term Debt As at December 31, 2020 (All amounts in Philippine Peso)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related Statement of Financial Position	Amount shown under caption "Long-term debt" in related Statement of Financial Position
10-year loan with fixed interest rate of 4.00% per annum	933,333,333	533,333,333	400,000,000
10-year loan with interest based on the higher between the PHP BVAL rate plus spread of 0.75% per annum and the Bangko Sentral ng Pilipinas (BSP) overnight borrowing rate minus spread of 0.95% per annum	1,196,172,130	-	1,196,172,130
9-month loan with fixed interest rate of 4.08% per annum	50,000,000	50,000,000	-
9-month loan with fixed interest rate of 5.08% per annum	50,000,000	50,000,000	-
6-month loan with fixed interest rate of 5.15% per annum	50,000,000	50,000,000	-
6-month loan with fixed interest rate of 5.75% per annum	500,000,000	500,000,000	-
6-month loan with fixed interest rate of 4.75% per annum	1,100,000,000	1,100,000,000	-
6-month loan with fixed interest rate of 6.00% per annum	190,000,000	190,000,000	-
6-month loan with fixed interest rate of 4.75% per annum	110,000,000	110,000,000	-
3-month loan with fixed interest rate of 4.75% per annum	200,000,000	200,000,000	-
3-month loan with fixed interest rate of 4.50% per annum	200,000,000	200,000,000	-
3-month loan with fixed interest rate of 3.75% per annum	400,000,000	400,000,000	-
3-month loan with fixed interest rate of 3.70% per annum	900,000,000	900,000,000	-
	5,879,505,463	4,283,333,333	1,596,172,130

See Note 16 to the Consolidated Financial Statements.

**Shang Properties, Inc. and Subsidiaries**

Schedule E - Indebtedness to Related Parties  
As at December 31, 2020  
(All amounts in Philippine Peso)

Name of related party	Balance at beginning of period	Balance at end of period
Shangri-La International Hotel Management Limited	57,131,230	80,774,467
St. Francis Shangri-La Place Condominium Corporation	316,967	316,967
The Enterprise Center Condominium Corporation	1,630,977	8,659,116
Others	41,410,080	82,806,117
	100,489,254	172,556,667

See Notes 15 and 27 to the Consolidated Financial Statements.

**Shang Properties, Inc. and Subsidiaries**

**Schedule F - Guarantees of Securities of Other Issuers**  
**As at December 31, 2020**  
**(All amounts in Philippine Peso)**

Name of issuing entity of securities guaranteed by the company for which statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by the company for which statement is filed	Nature of guarantee
<b>Not applicable</b>				

## Shang Properties, Inc. and Subsidiaries

### Schedule G - Share Capital As at December 31, 2020 (All amounts in Philippine Peso)

Title of issue	Number of shares authorized	Number of Shares issued and outstanding	Number of shares reserved for options, warrants, conversions, and other rights	Number of shares held by		
				Affiliates	Directors, officers, and employees	Others
Issued shares:						
Common shares	8,000,000,000	4,764,058,982	-	-	-	-
Outstanding shares:						
Common shares	-	4,764,058,982	-	3,114,016,694	4,053,136	1,645,989,152
Total	-	4,764,058,982	-	3,114,016,694	4,053,136	1,645,989,152

See Note 18 to the Consolidated Financial Statements.

**Shang Properties, Inc.**

Reconciliation of Retained Earnings Available for Dividend Declaration

As at December 31, 2020

(All amounts in Philippine Peso)

<b>Unappropriated Retained Earnings beginning</b>		29,329,234,160
Fair value adjustment of investment properties in prior years, net of tax		(13,029,932,719)
<b>Unappropriated Retained Earnings, as adjusted, beginning</b>		
<b>Net income based on the face of audited financial statements</b>	1,421,579,782	16,299,301,441
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	(129,873,486)	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)		
Unrealized actuarial gain	-	
Fair value adjustment	-	
Fair value adjustment of investment property resulting to gain	-	
Adjustment due to deviation from PFRS/GAAP – gain		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted under the PFRS		
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	-	
Fair value adjustment	1,856,844	
Adjustment due to deviation from PFRS/GAAP – loss	-	
Loss on fair value adjustment of investment property (after tax)	-	
<b>Net income actually earned during the period</b>	1,293,563,140	1,293,563,140
Add (Less):		
Realized remeasurement loss during the year		
Dividends declarations during the year		(999,900,118)
Appropriations of retained earnings		
Reversal of appropriateness		
Other reserves from restatement due to PAS19 Revised		
Treasury shares		(6,850,064)
<b>TOTAL RETAINED EARNINGS ATTRIBUTABLE TO SHAREHOLDERS OF PARENT COMPANY, END AVAILABLE FOR DIVIDEND</b>		16,586,114,399

## 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 Isla Lipana & Co.:

	2020	2019
Audit Fees	4,458,250	4,393,050
Tax Consultancy Fees	-	-
	<b>4,393,050</b>	<b>4,393,050</b>

No other service was provided by external auditors to the Company for the fiscal years 2019 and 2018.

## Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Furnish the information required by Part III, Paragraph (B) of "Annex C, as amended"

- (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.

The Group's external auditors for the last 2 years are Isla Lipana & Co.

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

The Group's external auditors for the last 2 years are Isla Lipana & Co. There were no disagreements with Isla Lipana & Co. on any accounting and financial disclosure matters.

- (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

## PART III - CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers of the Issuer

Furnish the information required by Part IV, Paragraph (A) of "Annex C, as amended".

Directors, Executive Officers, Promoters and Control Persons

- (1) Directors, including Independent Directors, and Executive Officers

The Directors, Independent Directors and Executive Officers of the Issuer are as follows (as of 31 March 2021):

Name	Citizenship	Director/ No. of Years	Age	Office Held	Directorship in other reporting (Listed) Companies
Edward Kuok Khoo Loong	Malaysian	Yes /29 yrs.	68	Chairman	None
Alfredo C. Ramos	Filipino	Yes /32 yrs. & 7 mos.	77	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 /19 yrs & 9 mos.	68		Sanitary Wares & Mfg. Corp.
Benjamin I. Ramos	Filipino	Yes /10 yrs. & 7 mos.	51		None
Wilfred Shan Chen Woo	Canadian	Yes/9 yrs. & 7 mos.	63		None

Name	Citizenship	Director/ No. of Years	Age	Office Held	Directorship in other reporting (Listed) Companies
Antonio O. Cojuangco***	Filipino	Yes /13 yrs. & 7 mos.	69		None
Jose Juan Z. Jugo	Filipino	Yes/3 mos.	49	Executive Vice President	None
Karlo Marco P. Estavillo	Filipino	Yes/4 yrs. & 6 mos.	49	Treasurer/ CFO/COO	None
Wolfgang Krueger	Deutsch	Yes/3 mos.	56	Executive Vice President	None
Maximo G. Licaucó III	Filipino	Yes/7 yrs & 4 mos.	70		None
*Rajeev Garg	Indian	(No)	45	VP/Group Financial Controller	None
Federico G. Noel, Jr.	Filipino	(No)	58	Corporate Secretary	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 Atlas Consolidated Mining & Development Corporation and Aquatlas, Inc. He is the Chairman and President of Alakor Corporation, National Book Store, Inc., The Philodrill Corporation, Vulcan Industrial & Mining Corporation, United Paragon Mining Corporation and NBS Subic, Inc. He is also the President of Abacus Book & Card Corporation, MRT Holdings Corporation, Power Books, Inc., TMM Management, Inc. and Zenith Holdings Corporation. He is Vice Chairman of MRT Development Corporation and Shangri-La Plaza Corporation. He is also the Governor of National Book Development Board.

**Cynthia Roxas Del Castillo** is a Senior Partner and a member of the Executive Board at Romulo, Mabanta, Buenaventura, Sayoc & de los Angeles and has been with the firm for over 30 years. She holds an LL.B from Ateneo, graduated Valedictorian in 1976 and placed 11<sup>th</sup> in the 1976 Bar Examinations. She was a former Dean of the Ateneo de Manila University's Law School and the first woman to hold the said position. She currently serves as Corporate Secretary and Director of other various Philippine corporations.

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

**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.

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

**\*Jose Juan Z. Jugo** joined the Issuer last June 2019 as Executive Vice President. From 2017 to 2019, he was the President and CEO of MCT Bhd, a publicly listed full line property developer based in Selangor, Malaysia and owned 67% by Ayala Land, Inc. From 2000 to 2017, he was in the management team of Ayala Land, Inc. (ALI) where from 2013 to 2017, he was a Vice President of the company. From 2011 to 2017, he served as the Managing Director of Ayala Land Premier, the luxury arm of the company. He graduated from De La Salle University, Manila in 1994. Right after earning his undergraduate degree, he pursued and finished his post graduate studies in Marketing and Commercial Management under scholarship in ESEM, in Madrid, Spain. (He replaced Mr. Koay Kean Choon who resigned as a member of the Board as of 03 December 2020. Mr. Jugo will serve as member of the board for the remainder of Mr. Koay's term and until his successor is duly elected and qualified)

**Karlo Marco P. Estavillo** served as General Manager of San Miguel Properties, Inc., and a member of the Board of Directors of United Coconut Planters Bank, Cocolife, and UCPB General Insurance, Inc. He received a



Bachelor of Laws Degree from the University of the Philippines College of Law and Bachelor of Science in Business Management from the Ateneo de Manila University.

**\*Wolfgang Krueger** was the Regional Executive Vice President for Shangri-La International Hotels Limited and looked after all the Shangri-La Hotels in the Philippines. He joined Shangri-La Group in 2003 and has been with the group for over 18 years. *(He replaced Mr. Louie Chi Kong Wong who resigned as a member of the Board as of 03 December 2020. Mr. Krueger will serve as member of the board for the remainder of Mr. Wong's term and until his successor is duly elected and qualified)*

**Maximo G. Licauco III** is the President of Filstar Distributors Corporation (Licensee of Hallmark Cards and exclusive distributor of BIC Products). He was previously an Area Vice President of National Book Store, Inc. where he spent 34 years in the retail business. He graduated at the Ateneo De Manila University with Bachelor of Arts Degree major in Economics.

**Rajeev Garg** is the new Vice President and Group Financial Controller of the Issuer. He has been with the Kuok Group for a total of 14 years covering various functions including Finance in Shangri-La Dubai, Aberdeen Marina Club, Hong Kong, two (2) Shangri-La Development Projects in Sri Lanka and another development project in Colombo before moving to Issuer.

He holds a Bachelor's Degree in Accounting and Accounting Certificate from the Institute of Chartered Accountants of India and PG Diploma in Management. *(Mr. Rajeev Garg was elected as Vice President and Group Financial Controller of the Issuer as of 06 March 2019.)*

**Federico G. Noel, Jr.** is the General Counsel and the Corporate Secretary of the Company. He is also the Corporate Secretary, General Counsel and a member of the Board of Directors of 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.

**\*\*\* Messrs. Maximo G. Licauco III, Antonio O. Cojuangco, and Benjamin I. Ramos were elected independent directors. All of the foregoing independent directors have no relationship with Ideal Sites and Properties, Inc., either as directors or officers.**

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

#### (2) Significant Employees

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

#### (3) Family Relationships

Mr. Benjamin Ramos is the nephew of Mr. Alfredo Ramos. Mr. Maximo G. Licauco III is the brother-in-law of Mr. 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 proceeding, 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/her 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.

**Item 10. Executive Compensation**

Furnish the information required by Part IV, Paragraph (B) of "Annex C, as amended".

The following is a summary of the aggregate compensation paid or accrued during the last two (2) fiscal years, i.e. 2019 and 2020 and to be paid in the ensuing fiscal year 2021 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 Php)		
		BASIC	BONUS	TOTAL
<b>2021</b>		<b>62,928,573.50</b>	<b>9,584,814.18</b>	<b>72,513,387.68</b>
Wolfgang Krueger				
Jose Juan Z. Jugo				
Rajeev Garg				
Federico G. Noel Jr.				
Karlo Marco P. Estavillo				
<b>2020</b>		<b>78,026,520.00</b>	<b>21,844,891.95</b>	<b>99,871,411.95</b>
Wolfgang Krueger				
Karlo Marco P. Estavillo				
Rajeev Garg				
Federico G. Noel Jr.				
Koay Kean Choon				
Jose Juan Z. Jugo				
<b>2019</b>		<b>58,540,326.00</b>	<b>24,097,463.32</b>	<b>82,637,789.32</b>
Gregory Allan Dogan				
Karlo Marco P. Estavillo				
Rajeev Garg				
Federico G. Noel Jr.				
Koay Kean Choon				
Danila Regina I. Fojas				

**Compensation of Directors**

The members of the Board are not compensated in any form or under any arrangement. There are no per diem payments being made to the members of the Board.

**Other arrangements with Directors**

Apart from what has been described above, there are no other arrangements or consulting contracts pursuant to which any director of the Issuer is or was or is to be compensated, directly or indirectly, during the Issuer's last completed fiscal year and the ensuing year for any service provided as a director, stating the amount paid and the name of the Director.

**Warrants and options**

There are, as of date, no outstanding warrants or options being held by any executive officer of the Issuer, and all officers and directors as a group.

**Item 11. Security Ownership of Certain Beneficial Owners and Management**

Furnish the information required by Part IV, Paragraph (C) of "Annex C, as amended".

**(1) Security Ownership of Certain Record and Beneficial Owners and Management**

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 31 March 2021.

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	Percentage
Common	Travel Aim Investment B. V. 25/F Kerry Centre 683 King's Road Quarry Bay, HK	R	Filipino	1,648,869,372	34.61%
Common	Ideal Sites & Properties, Inc.	R	Filipino	1,465,144,627	30.75%
Common	PCD Nominee Corporation (Filipino) G/F, MSE Building 6767 Ayala Avenue Makati City	R	Filipino	1,013,683,267	21.28%

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 1,465,144,626 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.

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.

**(2) Security Ownership of Management (as of 31 March 2021) --- FOR REVIEW OF MS. BELLE**

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	0.017%
Common	Alfredo C. Ramos	213,734(D)	Filipino	0.000%
Common	Wolfgang Krueger	10,000(D)	Deutsch	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	Antonio O. Cojuangco	3,026,964(D)	Filipino	0.064%
Common	Wilfred Shan Chen Woo	1,000(D)	Canadian	0.000%
Common	Karlo Marco P. Estavillo	5,000(D)	Filipino	0.000%
Common	Jose Juan Z. Jugo	1,000(D)	Filipino	0.000%

*\*Mr. Wolfgang Krueger and Mr. Jose Juan Jugo replaced Mr. Louie Chi Kong Wong and Mr. Koay Kean Choon, respectively, who both resigned as of 03 December 2020. They will serve as such for the remainder of Mr. Wong's and Koay's term and until their successors are duly elected and qualified.*

As of the reporting of SEC Form 17-A for 2020, the aggregate ownership of all directors and officers as a group unnamed is 4,065,710 shares or 0.000% of the outstanding shares of Issuer.

**(3) Voting trust holders of 5% or more**

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

(4) Changes in Control

There have not been any arrangements or transactions entered into nor will any be entered into such as to effect a change in the control of the Issuer.

**Item 12. Certain Relationships and Related Transactions**

Furnish the information required by Part IV, Paragraph (D) of "Annex C, as amended".

1. 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 Issuer has no transaction or proposed transactions to which Issuer 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 Issuer; (ii) any nominee for election as a director; (iii) any security holder named in response to Part IV, paragraph (C), or (iv) any member of the immediate family of the persons aforementioned.
2. Item 2 of Part IV, Paragraph (D) is not relevant to the Issuer.
3. 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 and is listed on the Philippine Stock Exchange. 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.

The interests of National Bookstore, Inc., are chaired by Mr. Alfredo Ramos.

4. Item 4 of Part IV, Paragraph (D) is not relevant to the Issuer.

**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 31 March 2021 is 34.55% of the Issuer's total issued and outstanding shares is publicly owned in accordance with the PSE's guidelines for the computation of public ownership.

**PART IV – CORPORATE GOVERNANCE**

**Item 13. Corporate Governance**

Furnish the information required by Part V of "Annex C, as amended"

- (a) The evaluation system established by the company to measure or determine the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance;

An internal self-rating system can measure the performance of the Board and Management in accordance with the criteria provided for in the Issuer's Revised Manual on Corporate Governance.

The creation and implementation of such self-rating system, including its salient features, may be disclosed in the corporation's annual report.

- (b) Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance;

The internal audit conducts periodic review, of the effectiveness of the Issuer's system and internal controls governing the good corporate governance practice, to assess with the board-approved manual on corporate

governance, periodically evaluate and monitor the implementation of policies and strategies, including the business plans, operating budgets and Management's overall performance.

- (c) Any deviation from the company's Manual of Corporate Governance. It shall include a disclosure of the name and position of the person/s involved, and the sanction/s imposed on said individual;

None

- (d) Any plan to improve corporate governance of the company.

The Issuer periodically reviews its Manual on Corporate Governance to ensure that it meets its objectives.

## PART V — EXHIBITS AND SCHEDULES

### Item 14. Exhibits and Reports on SEC Form 17-C

- (a) Exhibits

Furnish the exhibits required by Part VII of "Annex C, as amended". Where any financial statement or exhibit is incorporated by reference, the incorporation by reference shall be set forth in the list required by this item. Identify in the list each management contract or compensatory plan or arrangement required to be filed as an exhibit to this Form.

	Description	12-1	17-C	17-Q	17-A
1	Publication of Notice re: Filing	x			
2	Underwriting Agreement	x	x		
3	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	x	x	x	n/a
4	(A) Articles of Incorporation (B) By-laws	x	x		
5	Instruments Defining the Rights of Security Holders, Including Indentures	x	x	x	n/a
6	Opinion re: Legality	x			
7	Opinion re: Tax Matters	x			
8	Voting Trust Agreement	x	x		n/a
9	Material Contracts	x	x		
10	Annual Report to Security Holders, FORM 17-Q or Quarterly Report to Security Holders—n1	x			n/a
11	Material Foreign Patents	x			

	Description	12-1	17-C	17-Q	17-A
12	Letter re: Unaudited Interim Financial Information	x		x	
13	Letter re: Change in Certifying Accountant—n2	x	x		n/a
14	Letter re: Director Resignation		x		
15	Letter re: Change in Accounting Principles				n/a
16	Report Furnished to Security Holders			x	n/a
17	Other Documents or Statements to Security Holders			x	
18	Subsidiaries of the Issuer	x			x
19	Published Report Regarding Matters Submitted to Vote of Security Holders	x			n/a
20	Consents of Experts and Independent Counsel	x	x-n3	x-n3	x-n3
21	(a) Power of Attorney (b) Power of Attorney—Foreign Issuer	x	x	x	n/a
22	Statement of Eligibility of Trustee	x			

23	Exhibits To Be Filed With Commercial Papers/Bond Issues	x			
24	Exhibits To Be Filed With Stock Options Issues	x			
25	Exhibits To Be Filed By Investment Companies	x			
26	Notarized Curriculum Vitae and Photographs of Officers and Members of the Board of Directors	x			
27	Copy of the BOI Certificate for BOI Registered Companies	x			
28	Authorization re: Issuer's Bank Accounts.	x			
29	Additional Exhibits	x	x	x	n/a
30	Copy of Board Resolution approving the securities offering and authorizing the filing of the Registration Statement	x			
31	Duly verified resolution of the issuer's Board of Directors approving the disclosures contained in the registration statement and assuming liability for the information contained therein	x			
32	Secretary's Certificate as to adoption by the Board of certain corporate governance principles	x			
33	Exhibits to be filed for proprietary or non-proprietary shares issues	x			
34	Exhibits to be filed for Warrants Issues	x			

(b) Reports on SEC Form 17-C

State whether any reports on SEC Form 17-C, as amended were filed during the last six month period covered by this report, listing the items reported, any financial statements filed and the dates of such.

**Following are the reports, in SEC Form 17-C, which were filed during the fiscal year ended 31 December 2020:**

1. **15 January 2020** – Reports that during the regular meeting of the Issuer's Board of Directors on 15 January 2020, the Board clarified the News Report on the Online Edition of Business World.
2. **16 March 2020** – Reports that during the regular meeting of the Issuer's Board of Directors held on 16 March 2020, the Board approved the following:
  - The Issuer filed its Current Report under Section 17 of the Securities Regulation Code on the impact of COVID-19 Pandemic on its business operations, including measures to mitigate its risks.
3. **01 April 2020** – Reports that during the regular meeting of the Issuer's Board of Directors held on 01 April 2020, the Board approved the following:
  - i) The declaration of P0.11250 per share cash dividend to all shareholders of record as of 17 April 2020 to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 31 December 2019, to be paid on or before 24 April 2020.
  - ii) Passed resolution to approve the audited financial statements of the Issuer for the year ended 31 December 2019.
4. **20 April 2020** – Report that during the regular meeting of the Issuer's Board of Directors held on 17 April 2020, the Board taken up Cash Dividend Declaration as follows:
  - On 01 April 2020, the Issuer declared cash dividends to its stockholders on record as of 17 April 2020 payable on 24 April 2020. However, due to the government's declaration of enhanced community quarantine (ECQ) which requires strict home quarantine and suspension of work for private establishments, the check payments for the cash dividends may not be distributed to all stockholders of record on Payment Date. This distribution of check payments for the cash

dividends will resume within five (5) trading days from the lifting of the ECQ while cash dividends of shares lodged under PCD Nominee Corp. (PCD) will be credited on the payment date.

5. **05 June 2020** – Reports that during the regular meeting of the Issuer's Board of Directors held on 05 June 2020, the Board approved the following:

- Pursuant to the authority passed by the Board of Directors of Issuer during its Board Meeting held on 01 April 2020, the Office of the Corporate Secretary confirmed the postponement of Issuer's Annual Stockholders' Meeting which is supposed to be held on any day in June as per the By-Laws of the Issuer, to a later date, tentatively on the third week of August 2020.

6. **24 August 2020** – Reports that during the regular meeting of the Board of Directors of the Issuer's Board of Directors held on 20 August 2020, the Board approved:

- i) The declaration of P0.04400 per share cash dividend to all shareholders of record as of 08 September 2020 to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 30 June 2020, to be paid on or before 18 September 2020.

7. **19 November 2020** - Reports that during the Issuer's Annual Stockholders' Meeting held on 18 November 2020, the following matters were taken up:

i) Election of Directors

The following were elected to serve as members of the Board of Directors for the year 2020-2021, namely:

- 1) Edward Kuok Khoon Loong
- 2) Alfredo C. Ramos
- 3) Cynthia R. Del Castillo
- 4) Karlo Marco P. Estavillo
- 5) Wilfred Shan Chen Woo
- 6) Louis Wong Chi Kong
- 7) Kean Choon Koay
- 8) Maximo G. Licaucio III – Independent Director
- 9) Antonio O. Cojuangco – Independent Director
- 10) Benjamin I. Ramos – Independent Director

ii) Issuer's Certifying Accountant

**PriceWaterhouseCoopers Philippines** was appointed as external auditors for the year 2020-2021.

- iii) During the Issuer's Board of Directors Organizational Meeting held immediately after the Stockholders' Meeting, the following transpired:

Election of Officers:

- |                             |   |                          |
|-----------------------------|---|--------------------------|
| 1) Edward Kuok Khoon Loong  | - | Chairman                 |
| 2) Alfredo C. Ramos         | - | Vice Chairman            |
| 3) Karlo Marco P. Estavillo | - | Treasurer/CFO/COO        |
| 4) Jose Juan Z. Jugo        | - | Executive Vice President |
| 5) Wolfgang Krueger         | - | Executive Vice President |
| 6) Federico G. Noel, Jr.    | - | Corporate Secretary      |

Audit Committee:

- |                            |   |           |
|----------------------------|---|-----------|
| 1) Maximo G. Licaucio III  | - | Chairman  |
| 2) Benjamin I. Ramos       | - | Member    |
| 3) Cynthia R. Del Castillo | - | Member    |
| 4) Michelle Ching          | - | Secretary |

Corporate Governance Committee:

- |                            |   |          |
|----------------------------|---|----------|
| 1) Edward Kuok Khoon Loong | - | Chairman |
| 2) Antonio O. Cjuangco     | - | Member   |
| 3) Cynthia R. Del Castillo | - | Member   |

4) Federico G. Noel, Jr. - Secretary

8. **03 December 2020** – Reports that during the regular meeting of the Issuer's Board of Directors held on 03 December 2020, the Board approved the following:
- Resignation of Director – Mr. Kean Choon Koay and Mr. Louie Chi Kong Wong formally tendered their resignation as Director of the Issuer effective close of the business hours of 03 December 2020.
  - Election and Appointment of New Director - Mr. Wolfgang Krueger and Mr. Jose Juan Z. Jugo were elected as member of the Board to replace Mr. Louie Chi Kong Wong and Mr. Kean Choon Koay, respectively, and serve as such for the remainder of Mr. Wong's and Mr. Koay's term and until their successors are duly elected and qualified.

**Following are the reports, in SEC Form 17-C, which were filed as of 31 March 2021:**

1. **25 March 2021** – Reports that during the regular meeting of the Issuer's Board of Directors held on 25 March 2021, the Board approved the following:
- i) The declaration of P0.08 per share cash dividend to all shareholders of record as of 09 April 2021 to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 31 December 2020, to be paid on or before 16 April 2021.
  - ii) Passed resolution to approve the audited financial statements of the Issuer for the year ended 31 December 2019.
  - iii) The Board proposed the amendment of Article II and III of the Issuer's By-Laws.



# SIGNATURES

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

MAY 14 day of 2021

By:

  
**KARLO MARCO P. ESTAVILLO**  
Chief Operating Officer/  
Chief Financial Officer

  
**RAJEEV GARG**  
Group Financial Controller

  
**FEDERICO G. NOEL, JR.**  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 14 day of 2021 affiant(s) exhibiting to me their Passports, as follows

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
RAJEEV GARG	Z4911342	02 FEB 2018	COLOMBO
KARLO MARCO P. ESTAVILLO	P3455986B	07 OCT. 2019	DFA NCR CENTRAL
FEDERICO G. NOEL, JR.	P6098076A	20 FEB. 2018	DFA MANILA

Doc No. 126  
Page No. 27  
Book No. 15  
Series of 2021.

NOTARY PUBLIC

**JOVEN SEVILLANO**  
NOTARY PUBLIC FOR CITY OF MANDALUYONG  
COMMISSION NO. 0285-19 VALID UNTIL JUNE 30, 2021  
AS PER SC EN BANC RESOLUTION DATED DECEMBER 1, 2020  
ROLL NO. 53979  
IBP LIFETIME NO. 011302; 12-28-12; RIZAL  
PTR NO. 4581076; 1-4-21; MANDALUYONG  
MCLE COMPLIANCE NO. VI 0017960 14 APRIL 2022  
METRO MART COMPLEX, MANDALUYONG CITY

## SIGNATURES

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

MAY 14 2021

By:

  
**KARLO MARCO P. ESTAVILLO**  
Chief Operating Officer/  
Chief Financial Officer

  
**RAJEEV GARG**  
Group Financial Controller

  
**FEDERICO G. NOEL, JR.**  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this        day of MAY 14 2021 affiant(s) exhibiting to me their Passports, as follows:

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
RAJEEV GARG	Z4911342	02 FEB 2018	COLOMBO
KARLO MARCO P. ESTAVILLO	P3455986B	07 OCT. 2019	DFA NCR CENTRAL
FEDERICO G. NOEL, JR.	P6098076A	20 FEB. 2018	DFA MANILA

Doc No. 126  
Page No. 27  
Book No. 18  
Series of 2021.

NOTARY PUBLIC

**JOVEN G. SEVILLANO**  
NOTARY PUBLIC FOR CITY OF MANDALUYONG  
COMMISSION NO. 0285-19 VALID UNTIL JUNE 30, 2021  
AS PER SC EN BANC RESOLUTION DATED DECEMBER 1, 2020  
ROLL NO. 53070  
IBP LIFETIME NO. 011362; 12-28-12; RIZAL  
PTR NO. 4581076; 1-4-21; MANDALUYONG  
MCLE COMPLIANCE NO. VI 0017965 14 APRIL 2022  
METRO MART COMPLEX, MANDALUYONG CITY