



17 April 2023

**SECURITIES AND EXCHANGE COMMISSION**

Secretariat Building,  
PICC Complex  
Roxas Boulevard, Manila

*Thru:* Corporate Finance Department

*Re:* **Shang Properties, Inc. (SPI)**

Gentlemen:

We are submitting herewith SPI's SEC Form 17-A, which we have submitted to the Philippine Stock Exchange, Inc.

Thank you.

Very truly yours,  
**SHANG PROPERTIES, INC.**

By:

**FEDERICO G. NOEL, JR.**

Corporate Secretary

**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 2022**
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>4,764,056,287</b> common shares

(\* 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 2023**:  
**₱3,648,759,207.50.**

Assumptions:

- |  |   |                                |
|--|---|--------------------------------|
| (a) Total no. of shares held by non-affiliates<br>as of 31 March 2023        | : | <b><u>1,326,821,530</u></b>    |
| (b) Closing price of the Issuer's shares<br>on the Exchange on 31 March 2023 | : | <b><u>₱2.73</u></b>            |
| (c) Aggregate market price of (a) as of 31 March 2023                        | : | <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.

The Issuer on

(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 June 13, 1991. 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 condominium projects known as the Aurelia, located in Bonifacio Global City, Taguig City and Haraya located at Bridgetowne, Pasig City.

SPI Property Holdings, Inc. was incorporated on 09 December 2019 as a holding company and a realty development company. It is currently developing a residential condominium project known as Laya, on its newly acquired property located along Canley Road, Pasig City.

SPI Property Developers, Inc. was incorporated on 09 December 2019 as a realty development company. It is currently developing a proposed office and service apartment project known as Shang One Horizon, located at Shaw Boulevard, Mandaluyong City

SPI Land Development Inc. was incorporated on 09 December 2019 as a realty development company. It intends to undertake the construction of a residential condominium development project located along Sgt. Esquerro Avenue corners Scout Bayoran Street and Scout Borromeo Street, within Barangay South Triangle, Diliman, Quezon City.

- (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. Shang Robinsons Properties Inc. projects Aurelia Residences at the City of Taguig and Haraya at Pasig City had been selling condominium units since 2019 and 2022, respectively, and sales of which have also been subject of the 40% foreign ownership limitation.
- (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 **368 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 - 71
  - b. Supervisory - 68
  - c. Managerial - 50
  - d. Executive – 2
  - e. Project based
    - Rank and File – 21



- Supervisory – 53
- Managerial – 13
- f. Consultancy based
  - Supervisory – 74
  - Managerial – 15
  - Executive - 1

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 **75 employees**. The breakdown as to type is as follows:

- a. Rank and File - 21
- b. Supervisory - 37
- c. Managerial - 15
- d. Executive – 1
- e. Consultancy based
  - Manager - 1

The **Shang Properties Realty Corporation** (formerly, The Shang Grand Tower Corporation) has **35 employees**. The breakdown as to type is as follows:

- a. Rank and File - 16
- b. Supervisory - 12
- c. Managerial – 6
- d. Executive - 1

The **Shang Property Management Services Inc.** has **43 employees**. The breakdown as to type is as follows:

- a. Rank and File - 5
- b. Supervisory - 5
- c. Managerial - 24
- d. Project based
  - Rank and File – 7
  - 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 **65 employees**. The breakdown as to type is as follows:

- a. Rank and File – 16
- b. Supervisory - 7
- c. Managerial - 3
- d. Project based
  - Rank and File – 5
  - Managerial – 2
- e. Consultancy based
  - Supervisory – 26
  - Managerial – 6

**Shang Wack Wack Properties, Inc.** has **65 employees**. The breakdown as to type is as follows:

- a. Rank and File - 1
- b. Project based
  - Rank and File – 5
  - Supervisory – 19
  - Managerial – 5
- c. Consultancy based
  - Supervisory – 31
  - Managerial – 4

**SPI Property Holdings, Inc.** has **35 employees**. The breakdown as to type is as follows:

- a. Project based
  - Rank and File - 2
  - Supervisory – 8
  - Managerial – 3
- b. Consultancy based
  - Supervisory – 17
  - Manager - 4
  - Executive - 1

**SPI Land Development, Inc.** has **7 employees**. The breakdown as to type is as follows:

- a. Project based
  - Supervisory – 4
  - Managerial – 3

**SPI Property Developers, Inc.** has **22 employees**. The breakdown as to type is as follows:

- a. Project based
  - Rank and File – 2
  - Supervisory – 20

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"), Shang Wack Wack Properties, Inc. ("SWWPI") and Shang Robinsons Properties, Inc. ("SRPI"), 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.

- (k) Properties owned by SPI Property Holdings, Inc.

Three (3) parcels of land situated along Canley Road, Pasig City, owned by ALC Industrial & Commercial Development Corp., and covered by Transfer Certificate of Title (TCT) No. (481071) 4492, TCT No. (402089) 4493, and TCT No. (485304) 4494 of the Registry of Deeds of Pasig City. Total land area of the three (3) parcels of land is three thousand three hundred ninety square meters (3,390 sq.m.), more or less.

SPI Property Holdings, Inc., is also the developer of a residential condominium project situated at the former Dahlia, Pasig City.

- (l) Properties owned by SPI Property Developers, Inc.

None.

- (m) Properties owned by SPI Land Development, Inc.

Three (3) parcels of land situated along Sgt. Esguerra Avenue corners Scout Bayoran Street and Scout Borromeo Street, within Barangay South Triangle, Diliman, Quezon City, covered by Transfer Certificate of Title (TCT) No. N-136790, TCT No. N-243022, and TCT No. N-243023 of the Registry of Deeds of Quezon City with an aggregate area of six thousand twenty-four (6,024) square meters, 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. On 26 July 2021, BF Corporation and SPI filed a Joint Manifestation and Motion informing the Supreme Court about the amicable settlement of the case and jointly moved for its dismissal. In the Resolution received on 06 December 2021, the Supreme Court granted the Joint Manifestation and Motion and deemed the case closed and terminated.

- (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 **22 June 2022**, the stockholders approved and ratified the following:

1. Minutes of the Annual Stockholders Meeting held on **07 September 2021**;
2. Annual Report of the Company as of **31 December 2021**, 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 **07 September 2021** Annual Stockholders Meeting to the date of the Annual Stockholders Meeting on **22 June 2022**;
4. Election of the following members of the Board of Directors for the period **2022 - 2023**:
  - 1) **Edward Kuok Khoon Loong**
  - 2) **Alfredo C. Ramos**
  - 3) **Cynthia R. Del Castillo**
  - 4) **Antonio O. Cojuangco**
  - 5) **Maximo G. Licauco 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 2022 - 2023**.

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.

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#### 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:

<b>Year</b>	<b>High</b>	<b>Low</b>
<b>2022</b>		
First Quarter	<b>2.62</b>	<b>2.50</b>
Second Quarter	<b>2.61</b>	<b>2.45</b>
Third Quarter	<b>2.62</b>	<b>2.45</b>
Fourth Quarter	<b>2.60</b>	<b>2.41</b>
<b>2021</b>		
First Quarter	<b>₱2.87</b>	<b>₱2.50</b>
Second Quarter	<b>₱2.78</b>	<b>₱2.53</b>
Third Quarter	<b>₱2.71</b>	<b>₱2.55</b>
Fourth Quarter	<b>₱2.71</b>	<b>₱2.54</b>

The high and low of Issuer's shares for the period **01 January 2023 to 31 March 2023** are as follows:

**High: ₱ 2.75**

**Low: ₱ 2.50**

**The closing price for the Issuer's shares on 31 March 2022 is ₱ 2.73.**

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 2023**, the Issuer has **5,141** stockholders. Common shares outstanding as of said date is **4,764,056,287**.

**The Top 20 stockholders of the Issuer as of 31 March 2023 are:**

<b>Name of Stockholders</b>	<b>Number of Shares Held</b>	<b>Percent to Total Outstanding</b>
1. Travel Aim Investment B.V.	1,648,869,372	34.61%
2. Ideal Sites and Properties, Inc.	1,465,144,627	30.75%
3. PCD Nominee Corporation - Fil	1,006,915,628	21.14%
4. SM Development Corporation	189,550,548	3.98%
5. PCD Nominee Corporation – Non-Fil	64,780,096	1.36%
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 Foundation Overseas Limited	37,023,839	0.78%
10. Kuok Brothers SDN. BHD.	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. Emerick Jefferson Sy Go / Girlie Ng GO	1,779,062	0.03%
	<b>4,710,663,597</b>	<b>98.93%</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**

**2023**

- During the regular meeting of the Issuer's Board held on 22 March 2023, the Board approved the declaration of ₱0.15500 per share cash dividend to all shareholders of record as of 11 April 2023, to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 31 December 2022, to be paid on or before 21 April 2023.

**2022**

- During the regular meeting of the Issuer's Board held on 24 March 2022, the Board approved the declaration of ₱0.07000 per share cash dividend to all shareholders of record as of 08 April 2022, to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 31 December 2021, to be paid on or before 20 April 2022.
- During the regular meeting of the Issuer's Board held on 31 August 2022, the Board approved declaration of ₱0.095000 per share cash dividend to all shareholders of record as of 15 September 2022, to be taken from the unrestricted retained earnings as reflected in the audited financial statements of the Issuer as of 30 June 2022, to be paid on or before 27 September 2022

**2021**

- During the regular meeting of the Issuer's Board held on 25 March 2021, the Board approved the declaration of ₱0.08 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.
- During the regular meeting of the Issuer's Board held on 10 September 2021, the Board approved the declaration of ₱0.04400 per share cash dividend to all shareholders of record as of 24 September 2021, to be taken from the unrestricted retained earnings as reflected in the unaudited financial statements of the Issuer as of 30 June 2021, to be paid on or before 30 September 2021.



- (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		% Change
		2022	2021	
Turnover	(Php M)	7,861	4,574	71.86%
Profit Attributable to shareholders	(Php M)	3,635	2,124	71.11%
Earnings per share	(Php Ctv)	0.763	0.446	71.11%
Net Asset Value per share	(Php)	8.434	7.834	7.65%
Price Earnings Ratio	(Times)	3.328	5.851	-43.13%

- Turnover consists of revenue from condominium sales, rental and cinema, and hotel operations. Shang Properties' gross revenue increased by ₱3.287B to ₱7.861B in 2022 from ₱4.574B in 2021. Sales of residential condominium units of ₱2.851B accounted for 36% of the Group's turnover in 2022. Revenue from rental and cinema operations amounted to ₱2.16B or 28% of turnover in 2022, higher by ₱345M from last year's ₱1.82B. Hotel operations of Shangri-La at the Fort contributed revenue amounting to ₱2.84B or 36% of turnover in 2022, higher by ₱2.04B from last year's ₱802M.
- Profit attributable to shareholders pertains to net income from operations of the Group, net of minority shareholders' share. It increased by ₱1.51B or 71.11% compared with last year.
- Earnings per share of ₱0.763 were higher by 71.11% from last year's ₱0.446.
- Net Asset value per share is calculated by dividing the total net asset of the company (Total asset – Total liabilities) by the number of shares outstanding.

- Net asset value per share increased by 7.65% mainly due to increase in Investment in Associates for because of the SPI's share in net income of the associate company and additional Investment Properties due to land acquisition and ongoing development.
- 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 lower by 43.13% at 3.328 times this year from 5.851 times last year. The Group' year-end share price in 2022 is ₱ 2.54 from ₱ 2.61 in 2021.

## **Results of Operations**

### ***Calendar Year 2022 Compared to Calendar Year 2021***

Shang Properties' consolidated net income attributable to shareholders for the year ended December 31, 2022 amounted to ₱3.63, ₱1.51B higher than the ₱2.12B posted in the same period last year.

Increase in Turnover by ₱3.287B or 71.86% to ₱7.861B in 2022 from ₱4.574B in 2021, mainly due to higher revenue from condominium sales, rental and cinema and hotel operations of Shangri-La at the Fort.

1. Increase in condominium sales by ₱1.059B is mainly due to decrease in the number of units sold across all projects of the Group as well as slowdown in construction which lead to low percentage of completion used to recognize revenue for the year, mainly due to the COVID 19 pandemic.
2. Decrease in revenue from rental and cinema by ₱309M mainly due to lower occupancy rate of both office leasing at The Enterprise Center and mall operations of Shangri-La Plaza. The government-imposed lockdowns in 2021 restricted operations of certain tenants which eventually lead to business closures and lease cancellations.
3. Decrease in revenue from hotel operations by ₱279M 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. Hotel bookings in 2021 were mainly quarantine-related stays which yielded lower average daily rates.

Cost of sales and services of the Group amounted to ₱2.565B, lower by ₱1.072B compared with last year's ₱3.637B due to the following:

1. Decrease in cost of condominium sales by ₱727M mainly due to lower sales across all projects.
2. Decrease in cost of rental and cinema by ₱19M 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 ₱326M due to lower occupancy compared to same period last year.

Operating expenses of the Group amounted to ₱1.351B lower by ₱148M or 9.87% from last year's ₱1.499 mainly due to the net effect of the following:

1. Higher staff cost by ₱51M due to annual salary adjustments and additional manpower hired during the year.
2. Decrease in taxes and licenses by ₱179K mainly due to lower annual business permits paid by the Group because of lower revenue.
3. Increase in depreciation and amortization by ₱697K due to additional office improvements made and other equipment purchased by the Group in 2021 and started depreciating within the year.
4. Increase in insurance expense by ₱1.3M mainly due to Terrorism and Sabotage insurance acquired by TRDCI for Assembly Ground.

5. Decrease in other general and administrative expenses by ₱149M is mainly due to the provision recognized in 2020 for restructuring and contingencies of Shangri-La at the Fort. The same expense was not incurred in 2021.

Other income decreased by ₱314M mainly due to lower interest income on discounting of installment contracts receivable as well as lower miscellaneous income.

Decrease in interest expense and bank charges by ₱20M mainly due to lower interest rate on bank loans of Shang Properties Inc.

Provision for income tax is lower by ₱1.272B mainly due to reduction of income tax rate upon the effectivity of CREATE Law.

### ***Calendar Year 2021 Compared to Calendar Year 2020***

Shang Properties' consolidated net income attributable to shareholders for the year ended December 31, 2021 amounted to ₱2.124B, ₱654M higher than the ₱1.470B posted in the same period last year.

Decrease in Turnover by ₱1.646B or 26.47% to ₱4.574B in 2021 from ₱6.220B in 2020, mainly due to lower revenue from condominium sales, rental and cinema and hotel operations of Shangri-La at the Fort.

4. Decrease in condominium sales by ₱1.059B is mainly due to decrease in the number of units sold across all projects of the Group as well as slowdown in construction which lead to low percentage of completion used to recognize revenue for the year, mainly due to the COVID 19 pandemic.
5. Decrease in revenue from rental and cinema by ₱309M mainly due to lower occupancy rate of both office leasing at The Enterprise Center and mall operations of Shangri-La Plaza. The government-imposed lockdowns in 2021 restricted operations of certain tenants which eventually lead to business closures and lease cancellations.
6. Decrease in revenue from hotel operations by ₱279M 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. Hotel bookings in 2021 were mainly quarantine-related stays which yielded lower average daily rates.

Cost of sales and services of the Group amounted to ₱2.565B, lower by ₱1.072B compared with last year's ₱3.637B due to the following:

4. Decrease in cost of condominium sales by ₱727M mainly due to lower sales across all projects.
5. Decrease in cost of rental and cinema by ₱19M 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.
6. Decrease in cost of hotel services by ₱326M due to lower occupancy compared to same period last year.

Operating expenses of the Group amounted to ₱1.351B lower by ₱148M or 9.87% from last year's ₱1.499 mainly due to the net effect of the following:

1. Higher staff cost by ₱51M due to annual salary adjustments and additional manpower hired during the year.
2. Decrease in taxes and licenses by ₱179K mainly due to lower annual business permits paid by the Group because of lower revenue.
3. Increase in depreciation and amortization by ₱697K due to additional office improvements made and other equipment purchased by the Group in 2021 and started depreciating within the year.
4. Increase in insurance expense by ₱1.3M mainly due to Terrorism and Sabotage insurance acquired by TRDCI for Assembly Ground.

5. Decrease in other general and administrative expenses by ₱149M is mainly due to the provision recognized in 2020 for restructuring and contingencies of Shangri-La at the Fort. The same expense was not incurred in 2021.

Other income decreased by ₱314M mainly due to lower interest income on discounting of installment contracts receivable as well as lower miscellaneous income.

Decrease in interest expense and bank charges by ₱20M mainly due to lower interest rate on bank loans of Shang Properties Inc.

Provision for income tax is lower by ₱1.272B mainly due to reduction of income tax rate upon the effectivity of CREATE Law.

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

Shang Properties' consolidated net income attributable to shareholders for the year ended December 31, 2020 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 ₱1.252B 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 ₱27M 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 ₱5M due to additional office improvements made and other equipment for the year.
4. Decrease in insurance expense by ₱11M is mainly due to lower property insurance as a result of the Group's bidding and negotiation process.

5. Increase in other general and administrative expenses by ₱226M 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 ₱133M 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 ₱651M mainly due to lower taxable income generated during the year.

### **Financial Condition**

#### ***Calendar Year 2022 Compared to Calendar Year 2021***

Total assets of the Group amounted to ₱63.776B, increased by ₱606M from the total assets of ₱63.170B on December 31, 2020. The following are the significant movements in the assets:

- Decrease in cash and cash equivalents by ₱173M mainly due to usage in operations and additions to investment properties and capital expenditures.
- Decrease in financial assets at fair value through profit or loss by ₱3M due to loss on fair value adjustment recognized during the year.
- Decrease in trade and other receivables by ₱616M mainly due to lower Installment Contracts Receivable from Condominium sales because of collection of outstanding balances of units that were turned over during the year.
- Increase in properties held for sale by ₱252M 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 ₱471M is mainly due to the development cost of a commercial project.
- The decrease in the Financial Assets at Fair Value through other comprehensive income by ₱600K 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 ₱871M is mainly due to periodic depreciation.
- Increase in deferred income tax assets by ₱151M is mainly due to income recognition of SGCP's NOLCO for the period.
- Decrease in other noncurrent assets by ₱888M is mainly due to reclassification of previously recorded deposits made by SPI for future project developments to investment in and advances to an associate and a joint venture.

The net decrease in total liabilities by ₱ 658M from ₱21.496B in 2020 to ₱20.838B in 2021 mainly due to the following:

- The Net Decrease in Accounts Payable by ₱910M is mainly due to lower trade and retention payables, accrued expenses and advances from condominium unit buyers.

- Net decrease in installment payable by ₱95M is mainly due to quarterly payments during the year.
- Increase in bank loans mainly due to new availments of short-term loans during the year amounting to ₱1.826B.
- Decrease in deferred lease income by ₱41M and Deposit from Tenants by ₱116M is mainly due to lower deposits from The Enterprise Center (TEC) and Shangri-La Plaza.
- Decrease in income tax payable by ₱70M mainly due to decrease in taxable income for the year and lower tax rate.
- Decrease in dividends payable by ₱12M due lower unclaimed dividend checks paid to shareholders during the year.
- Decrease in deferred income tax liabilities by ₱1.139B is mainly due to adjustments to lower tax rate due to CREATE Law.

#### ***Calendar Year 2021 Compared to Calendar Year 2020***

Total assets of the Group amounted to ₱63.776B, increased by ₱606M from the total assets of ₱63.170B on December 31, 2020. The following are the significant movements in the assets:

- Decrease in cash and cash equivalents by ₱173M mainly due to usage in operations and additions to investment properties and capital expenditures.
- Decrease in financial assets at fair value through profit or loss by ₱3M due to loss on fair value adjustment recognized during the year.
- Decrease in trade and other receivables by ₱616M mainly due to lower Installment Contracts Receivable from Condominium sales because of collection of outstanding balances of units that were turned over during the year.
- Increase in properties held for sale by ₱252M 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 ₱471M is mainly due to the development cost of a commercial project.
- The decrease in the Financial Assets at Fair Value through other comprehensive income by ₱600K 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 ₱871M is mainly due to periodic depreciation.
- Increase in deferred income tax assets by ₱151M is mainly due to income recognition of SGCP's NOLCO for the period.
- Decrease in other noncurrent assets by ₱888M is mainly due to reclassification of previously recorded deposits made by SPI for future project developments to investment in and advances to an associate and a joint venture.

The net decrease in total liabilities by ₱ 658M from ₱21.496B in 2020 to ₱20.838B in 2021 mainly due to the following:

- The Net Decrease in Accounts Payable by ₱910M is mainly due to lower trade and retention payables, accrued expenses and advances from condominium unit buyers.

- Net decrease in installment payable by ₱95M is mainly due to quarterly payments during the year.
- Increase in bank loans mainly due to new availments of short-term loans during the year amounting to ₱1.826B.
- Decrease in deferred lease income by ₱41M and Deposit from Tenants by ₱116M is mainly due to lower deposits from The Enterprise Center (TEC) and Shangri-La Plaza.
- Decrease in income tax payable by ₱70M mainly due to decrease in taxable income for the year and lower tax rate.
- Decrease in dividends payable by ₱12M due lower unclaimed dividend checks paid to shareholders during the year.
- Decrease in deferred income tax liabilities by ₱1.139B is mainly due to adjustments to lower tax rate due to CREATE Law.

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

Total assets of the Group amounted to ₱63.170B, decreased by ₱184M 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 ₱3M 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 ₱537M 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 to the 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 ₱6M 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 ₱422M is mainly due to deposits made by SPI for future project developments.

The net decrease in total liabilities by ₱588M 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 ₱301M is mainly due to quarterly payments during the year.
- Decrease in bank loans mainly due to net repayments amounting to ₱49M.
- Increase in deferred lease income by ₱3M is mainly due to higher deposits from The Enterprise Center (TEC) and Shangri-La Plaza.
- Decrease in income tax payable by ₱126M mainly due to decrease in taxable income for the year.
- Increase in dividends payable by ₱27M due to unclaimed dividend checks paid to shareholders during the year.
- Increase in deferred income tax liabilities by ₱153M is mainly due to the recognition of higher percentage of completion of The Rise condominium project.

### **Statement of Cash Flows**

Net cash provided by operating activities in 2021 amounted to ₱354M. The cash inflows in 2021, 2020 and 2019 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 and 2019 amounted to ₱1.028B and ₱4.118B, respectively.

Net cash used in investing activities in 2021 amounted to ₱568.4M mainly used in advances to the joint venture with Robinsons Land Corp, acquisition of investment properties and property, plant and equipment amounting to ₱5.4M, ₱457.7M and ₱126.7M respectively. Net cash used in investing activities in 2020 amounted to ₱1.398B 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.

Net cash inflow in financing activities in 2021 amounted to ₱742.2M mainly from new short-term loan proceeds for the year. In 2020 and 2019, net cash used in financing activities amounted to ₱1.133B and ₱1.539B respectively, mainly used in payments of bank loans, 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.

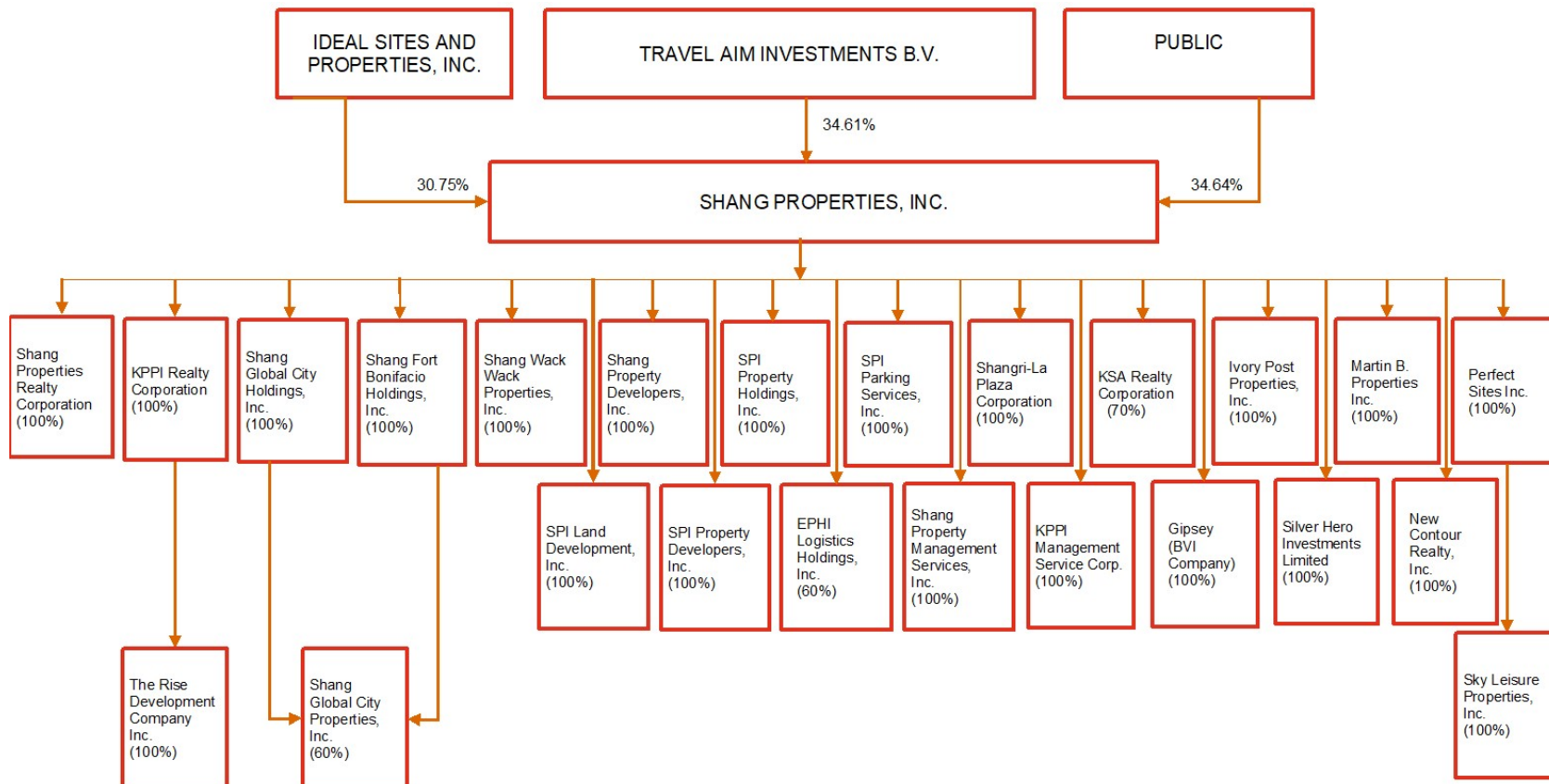
**Item 7. Consolidated Audited Financial Statements**

The Consolidated Audited Financial Statements of the Group for 2022 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 of December 31, 2022



**Shang Properties, Inc. and Subsidiaries**

Financial Soundness Indicators  
As at December 31, 2021, 2020 and 2019

Ratio	Formula		2021	2020	2019
A. Current and Liquidity Ratios					
1. Current ratio	Total current assets Divided by: Total current liabilities Current ratio	11,400,455,364 12,412,905,457 0.92	0.92	1.06	1.11
2. Acid test ratio	Total current assets Less: Prepaid taxes and other current assets Quick assets Divided by: Total current liabilities Acid test ratio	11,400,455,364 1,947,431,627 9,453,023,737 12,412,905,457 0.76	0.76	0.91	0.99
B. Solvency ratio	Net income Add: Depreciation* Net income before depreciation Divided by: Total liabilities Solvency ratio	2,190,276,144 995,276,557 3,185,552,701 20,837,748,694 0.15	0.15	0.12	0.21
C. Debt to equity ratio	Total liabilities Divided by: Total equity Debt to equity ratio	20,837,748,694 42,939,023,294 0.49	0.49	0.52	0.54
D. Asset to equity ratio	Total assets Divided by: Total equity Asset to equity ratio	63,776,771,988 42,939,023,294 1.49	1.49	1.52	1.54
E. Debt ratio	Total liabilities Divided by: Total assets Debt ratio	20,837,748,694 63,776,771,988 0.33	0.33	0.34	0.35

Ratio	Formula		2021	2020	2019
F. Profitability ratios					
1. Return on assets (%)	Net income Divided by: Total assets Return on assets (%)	2,190,276,144 63,776,771,988 3.43%	3.43%	2.25	5.40
2. Return on equity (%)	Net income Divided by: Total equity Return on equity (%)	2,190,276,144 42,939,023,294 5.10%	5.10	3.41	8.29
3. Net profit margin	Net income Divided by: Total revenues Net profit margin (%)	2,190,276,144 4,573,925,274 47.89%	47.89	22.85	30.12
G. Earnings per share (EPS) attributable to equity holders of Parent					
	Net income after minority interest Divided by: Total shares outstanding EPS attributable to equity holders of Parent	2,124,062,600 4,761,918,337 0.45	0.45	0.31	0.64
H. Book value per share (BPS) attributable to equity holders of Parent					
	Total equity after minority interest Divided by: Total shares outstanding BPS attributable to equity holders of Parent	37,306,866,381 4,761,918,337 7.83	7.83	7.50	7.35

# Shang Properties, Inc. and Subsidiaries

Schedule A - Financial Assets  
As at December 31, 2021  
(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*		1,376,480,154	1,376,480,154	2,986,117
Trade and other receivables**		4,380,741,449	4,380,741,449	111,642,591
Financial assets at fair value through profit or loss***		30,815,974	30,815,974	(2,810,236)
Refundable deposits****		160,652,296	160,652,296	-
Financial assets at fair value through other comprehensive income*****				
Quoted shares	8	27,350,015	27,350,015	-
Unquoted shares	298,516	769,618,480	769,618,480	(600,000)
		796,968,495	796,968,495	(600,000)
		6,745,658,368	6,745,658,368	111,218,472

\* 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, 2021  
(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.	54,347,150	13,327,689	(14,229,330)	-	8,545,237	44,900,272	53,445,509
Shang Salcedo Place Condominium Corp.	57,050,054	10,843,077	(1,235,069)	-	50,374,939	16,283,123	66,658,062
EDSA Shangri-la Hotel & Resorts, Inc.	8,992,491	16,461,917	(7,003,949)	-	5,873,602	12,576,778	18,450,380
Makati Shangri-la Hotel	8,605,055	10,465,607	(6,776,611)	-	4,066,471	8,227,580	12,294,051
The St. Francis Shangri-la Place Condominium Corp.	33,007,237	15,646,411	(9,966,193)	-	11,370,887	27,316,568	38,687,455
The Shang Grand Tower Condominium Corp.	22,922,530	7,999,761	(9,594,139)	-	3,986,347	17,341,805	21,328,152
Ideal Sites Property, Inc.	5,706,273	1,307,075	-	-	1,307,075	5,706,273	7,013,348
Mactan Shangri-la Hotel	377,138	27,328,350	(41,447)	-	27,286,902	377,139	27,664,041
The Enterprise Centre Condominium Corp.	9,069,086	34,603,591	(28,109,892)	-	11,765,717	797,068	15,562,785
Shang Robinsons Properties, Inc.	187,016,372	108,584,047	(97,583,140)	-	110,518,056	87,499,224	198,017,280
Others	72,958,112	122,589,975	(48,695,523)	-	88,964,996	57,887,168	146,852,164
	1,604,238,974	369,157,100	(223,235,293)	-	327,060,229	1,423,100,552	1,750,160,781

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, 2021  
(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.	28,404,087	15,399,150	(3,463,012)	-	1,593,332	38,746,893	40,340,225
Shang Property Management Services, Inc.	26,382,122	44,102,208	(27,597,125)	-	32,749,969	10,137,236	42,887,205
Shang Properties Realty Corporation	215,505,872	128,081,752	(164,414,658)	-	102,194,991	76,977,975	179,172,966
SPI Parking Services, Inc.	75,543	(4,400)	-	-	-	71,143	71,143
KPPI Management Services Corporation	-	-	-	-	-	-	-
Shang Global City Holdings, Inc.	-	-	-	-	-	-	-
Shang Fort Bonifacio Holdings, Inc.	-	-	-	-	-	-	-
KSA Realty Corporation	2,244,532	16,952,352	(18,170,186)	-	917,198	109,500	1,026,698
Shang Property Developers, Inc.	2,395,439,727	1,519,193	(28,926,016)	-	2,368,032,904	-	2,368,032,904
Silver Hero from SPDI	2,317,500,000	-	-	-	-	2,317,500,000	2,317,500,000
The Rise Development Company, Inc.	76,872,250	181,428,211	(34,048,510)	226,740	181,127,027	43,351,664	224,478,691
New Contour Realty Inc.	4,020,759	2,603	-	-	2,604	4,020,758	4,023,362
Shang Global City Properties, Inc.	783,230	1,652,534	(1,506,161)	-	929,603	-	929,603
Shang Wack Wack Properties, Inc.	2,992,050	51,704,387	-	-	51,704,450	2,991,987	54,696,437
Perfect Sites Inc.	105,008,696	11,100,000	-	-	11,100,000	105,008,696	116,108,696
KPPI Realty Corporation	50,003,612	-	(50,000,000)	-	-	3,612	3,612
Others	7,996,200,987	2,211,324,689	(333,925,909)	-	1,977,030,612	7,896,569,154	9,873,599,767
<b>Total</b>	<b>13,221,433,467</b>	<b>2,663,262,679</b>	<b>(662,051,577)</b>	<b>226,740</b>	<b>4,727,382,690</b>	<b>10,495,488,619</b>	<b>15,222,871,309</b>

See Note 27 to the Consolidated Financial Statements.

# Shang Properties, Inc. and Subsidiaries

Schedule D - Long-Term Debt  
As at December 31, 2021  
(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	400,000,000	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	1,190,897,677	95,111,377	1,095,786,300
12-month loan with fixed interest rate of 3.00% per annum	1,100,000,000	1,100,000,000	-
9-month loan with fixed interest rate of 4.25% per annum	480,000,000	480,000,000	-
6-month loan with fixed interest rate of 6.00% per annum	1,100,000,000	1,100,000,000	-
6-month loan with fixed interest rate of 4.25% per annum	645,000,000	645,000,000	-
6-month loan with fixed interest rate of 3.00% per annum	580,000,000	580,000,000	-
6-month loan with fixed interest rate of 2.50% per annum	210,000,000	210,000,000	-
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 4.15% per annum	500,000,000	500,000,000	-
3-month loan with fixed interest rate of 3.75% per annum	200,000,000	200,000,000	-
3-month loan with fixed interest rate of 3.70% per annum	400,000,000	400,000,000	-
3-month loan with fixed interest rate of 2.50% per annum	700,000,000	700,000,000	-
	7,705,897,677	6,610,111,377	1,095,786,300



**Shang Properties, Inc. and Subsidiaries**

Schedule E - Indebtedness to Related Parties  
As at December 31, 2021  
(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	80,774,467	34,820,808
St. Francis Shangri-La Place Condominium Corporation	316,967	316,967
The Enterprise Center Condominium Corporation	8,659,116	12,807,215
Others	82,806,117	77,693,756
	172,556,667	125,638,746

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, 2021  
(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, 2021 (All amounts in Philippine Peso)

Title of issue	Number of shares authorized	Number of Shares issued and outstanding as shown under related Statement of Financial Position	Number of shares reserved for options, warrants, conversions, and other rights	Number of shares held by related parties	Number of shares held by 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, 2021  
(All amounts in Philippine Peso)

<b>Unappropriated Retained Earnings beginning</b>		18,048,427,320
Fair value adjustment of investment properties in prior years, net of tax		(8,855,929,698)
<b>Unappropriated Retained Earnings, as adjusted, beginning</b>		9,192,497,622
<b>Net income based on the face of audited financial statements</b>	2,401,230,635	
Less: Non-actual/unrealized income net of tax	-	
Equity in net income of associate/joint venture	-	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	-	
Unrealized actuarial gain	-	
Fair value adjustment	(512,453)	
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	-	
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>	2,400,718,182	2,400,718,182
Add (Less):		
Realized remeasurement loss during the year		-
Dividends declarations during the year		(590,477,874)
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>		10,995,897,946

## 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.:

	2021	2022
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 2021 and 2022.

## 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 auditor for the last 2 years is 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 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

## 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 2023**):

Name	Citizenship	Director/ No. of Years	Age	Office Held	Directorship in other reporting (Listed) Companies
Edward <u>Kuok</u> Khoon Loong	Malaysian	Yes /31 yrs.	70	Chairman	None
Alfredo C. Ramos**	Filipino	Yes /33 yrs. & 7 mos.	78	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 /21 yrs. & 9 mos.	70		Sanitary Wares & Mfg. Corp.

Benjamin I. Ramos	Filipino	Yes /12 yrs. & 7 mos.	53		None
Wilfred Shan Chen Woo	Canadian	Yes/11 yrs. & 7 mos.	65		None
Antonio O. Cojuangco***	Filipino	Yes /12 yrs. & 7 mos.	71		None
Jose Juan Z. Jugo	Filipino	Yes/2 yrs. & 3 mos.	51	Executive Vice President	None
Karlo Marco P. Estavillo	Filipino	Yes/6 yrs. & 6 mos.	51	COO	None
Wolfgang Krueger	Deutsch	Yes/2 yrs. & 3 mos.	57	Executive Vice President	None
Maximo G. Licaucó III	Filipino	Yes/9 yrs & 4 mos.	72		None
Rajeev Garg	Indian	(No)	48	VP-Finance	None
Federico G. Noel, Jr.	Filipino	(No)	61	Corporate Secretary	None
Mabel P. Tacorda	Filipino	(No)	50	Chief Financial Officer	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.

**Alexandra Ramos-Padilla** was a former member of the Board of the Issuer from 2006 to 2013. She also sits in the Board of Directors of Philodrill Corporation, Anglo Philippines Holdings Corporation and United Paragon Corporation. She is currently Managing Director of National Bookstore, Inc. and President of Anvil Publishing. She graduated from Ateneo de Manila University major in Management Engineering and obtained her Master's in Business Administration from Northwestern University, Illinois, USA. *(He was elected as member of the Board to replace Mr. Alfredo Ramos who ceased to hold his office/ position by reason of his passing last 26 November 2022.)*

**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.

**Au Hing Lun, Dennis** aged 63 has been the Deputy Chief Executive Officer and an Executive Director of Kerry Properties Limited ("KPL") since May 2022. He is also a member of the KPL's Executive Committee and Finance Committee. He has over 35 years of experience in accounting, finance, consultancy, business development and general management spanning across manufacturing, technology and real estate industries. Mr Au worked for the tax division of Arthur Andersen & Co. and later on Andersen Consulting (now known as Accenture plc), providing advisory on tax, IT system design and integration projects for governments and multinational companies. Mr. Au is a fellow member of the Association of Chartered Certified Accountants. He holds a Master of Business Administration degree from the University of Hong Kong and a Bachelor of Science degree from Dalhousie University in Canada. *(He replaced Wilfred Shan Chen Woo who resigned as a member of the Board as of 22 March 2023 and serve as such for the remainder of Mr. Woo's term until his successor is duly elected and qualified)*

**\*\*\*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** He 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. *(He was elected as Vice Chairman of the Issuer in replacement of Mr. Alfredo Ramos.)*

**Rajeev Garg** is the Vice President - Comptrollership 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 - Comptrollership 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.

**Mabel P. Tacorda** is the Chief Financial Officer of the Issuer effective 01 January 2023. Ms. Tacorda has been with the Issuer for almost 14 years prior to being promoted as CFO. She started with the Issuer as an Accounting Manager, then became Senior Accounting Manager, Group Accounting Manager, Assistant Financial Controller, Group Financial Controller and recently appointed as the Chief Financial Officer. Her career started in Audit with SGV & CO. in 1994 and left the firm as an Associate Director in 2004. She also worked as an Audit Analyst – Business Risk from 2006 to 2009. She graduated Bachelor of Science in Accountancy from the University of St. La Salle, *cum laude*, accredited Financial Analyst by the American Academy of Financial Management, passed the Certifying Examination of the Institute of Internal Auditors as a Certified Internal Auditor and a Certified Public Accountant.

**\*\*\* 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. Licaucó 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. **2021 and 2022** and to be paid in the ensuing fiscal year **2023** 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>2023</b>		<b>89,164,054.20</b>	<b>14,647,893.79</b>	<b>103,811,947.99</b>
Wolfgang Krueger				
Jose Juan Z. Jugo				
Rajeev Garg				
Federico G. Noel, Jr.				
Karlo Marco P. Estavillo				
Mabel P. Tacorda				
<b>2022</b>		<b>65,400,783.50</b>	<b>11,336,978.13</b>	<b>76,737,761.63</b>
Wolfgang Krueger				
Jose Juan Z. Jugo				
Rajeev Garg				
Federico G. Noel Jr.				
Karlo Marco P. Estavillo				
<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				



### **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 2023**.

<b>Title of Class</b>	<b>Name, address of record owner and relationship with issuer</b>	<b>Name of Beneficial Owner and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares Held</b>	<b>Percentage</b>
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	1,465,144,626	30.75%
Common	PCD Nominee Corporation (Filipino) G/F, MSE Building 6767 Ayala Avenue Makati City	R	Filipino	1,009,541,771	21.19%

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 2023)

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	**Maureen Alexandra R. Padilla	1(D)	Filipino	0.000%
Common	Wolfgang Krueger	1,440,000(D)	Deutsch	0.030%
Common	Cynthia R. Del Castillo	1(D)	Filipino	0.000%
Common	Benjamin Ivan S. 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	**Dennis Au Hing Lun	1(D)	Malaysian	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.*

*\*\* Ms. Maureen Alexander R. Padilla replaced Mr. Alfredo Ramos who ceased to hold his office/ position by reason of his passing last 26 November 2022. She will serve as such for the remainder of Mr. Alfredo Ramos' term and until her successor is duly elected and qualified.*

*\*\* Mr. Au Hing Lun, Dennis replaced Mr. Wilfred Shan Chen Woo who resigned as a member of the Board as of 22 March 2023 and will serve as such for the remainder of Mr. Woo's term until his successor is duly elected and qualified)*

As of the reporting of SEC Form 17-A for 2022, the aggregate ownership of all directors and officers as a group unnamed is **5,280,976** 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".

- 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.
- Item 2 of Part IV, Paragraph (D) is not relevant to the Issuer.
- 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 2023** is **34.52%** 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 2022:**

1. **24 March 2022** – Reports that during the regular meeting of the Issuer's Board of Directors on 24 March 2022, the Board passed resolutions and approved the following:
  - i) Passed resolution to approve the audited financial statements of the Issuer for the year ended 31 December 2021.
  - ii) Report that during the regular meeting of the Board of Directors held on 24 March 2022 the Issuer declares P0.07000 per share cash dividend to all shareholders of record as of 08 April 2022, to be taken from the unrestricted retained earnings as reflected in the unaudited financial statements of the Issuer as of 31 December 2021 to be paid on or before 20 April 2022.
2. **01 April 2022** – Report that pursuant to the authority passed by the Board of Directors of the Issuer during its Board meeting held on 24 March 2022, the office of the Corporate Secretary confirmed the schedule of Issuer's Annual Stockholders' Meeting after pre-clearing requirements and process with the Securities and Exchange Commission.
3. **22 June 2022** – Reports that during the Issuer's Annual Stockholders' Meeting held on **22 June 2022**, via video conferencing, 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 2021-2022, 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) Wolfgang Krueger
- 7) Jose Juan Z. Jugo
- 8) Maximo G. Licaucó 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 **2022-2023**.

- 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) Benjamin I. Ramos       | - | Chairman |
| 2) Maximo G. Licaucó III   | - | Member   |
| 3) Cynthia R. Del Castillo | - | Member   |

- |                   |   |           |
|-------------------|---|-----------|
| 4) Michelle Ching | - | Secretary |
|-------------------|---|-----------|

**Corporate Governance Committee:**

- |                                  |   |           |
|----------------------------------|---|-----------|
| 1) Edward <u>Kuok</u> Khoo Loong | - | Chairman  |
| 2) Antonio O. Cujangco           | - | Member    |
| 3) Cynthia R. Del Castillo       | - | Member    |
| 4) Federico G. Noel, Jr.         | - | Secretary |

4. **28 November 2022** - Report that during the regular meeting of the Board of Directors held on 28 November 2022, the Issuer's Vice Chairman/ Director, Mr. Alfredo C. Ramos, ceased to hold his office/ position by reason of his passing last Saturday, 26 November 2022.

7. **04 January 2023** – Report that during the regular meeting of the Issuer's Board of Directors held on 04 January 2023, the Board approved the following:

- Appointment of Officer/s – Mr. Mabel P. Tacorda was appointed as Chief Financial Officer (CFO) of the Issuer effective 01 January 2023.

**Following are the reports, in SEC Form 17-C, which were filed as of 31 March 2023:**

1. **22 March 2023** – Reports that during the regular meeting of the Issuer's Board of Directors held on 22 March 2023, the Board approved the following:

- i) Declaration of Cash Dividends to be taken from the unrestricted retained earnings as reflected the financial statements of the Issuer as of 31 December 2022.
- ii) Retirement of Wilfred Shan Chen Woo as Director of Issuer effective 22 March 2023;
- iii) Appointment of the following Directors:
  - a) Mr. Maximo G. Licaucio III elected as Vice Chairman
  - b) Mr. Au Hing Lun, Dennis elected as member of the Board to replace Mr. Wilfred Shan Chen Woo
  - c) Ms. Alexandra Ramos-Padilla elected as member of the Board to replace Alfredo Ramos.
- iv) Passed resolutions to approve the audited financial statements of the Issuer for the year ended 31 December 2022.
- v) Promotion of Ms. Mabel Tacorda as Chief Financial Officer

## 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 \_\_\_\_\_ day of \_\_\_\_\_.

By:

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

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

  
**MABEL P. TACORDA**  
Chief Financial Officer /  
Financial Controller

**SUBSCRIBED AND SWORN** to before me this APR 17 2023 day of \_\_\_\_\_, affiant(s) exhibiting to me their Passports, as follows:

NAMES	GOV'T ISSUED ID	DATE OF ISSUE	PLACE OF ISSUE
MABEL P. TACORDA	P1371742C	19 AUG 2022	DFA MANILA
KARLO MARCO P. ESTAVILLO	P3455986B	07 OCT. 2019	DFA NCR CENTRAL
FEDERICO G. NOEL, JR.	P6098076A	20 FEB. 2018	DFA MANILA

Doc No. 493  
Page No. 400  
Book No. 6  
Series of 2023.

## NOTARY PUBLIC

**JOVEN C. SEVILLANO**  
NOTARY PUBLIC FOR CITY OF MANDALUYONG  
COMMISSION NO. 0285-23 UNTIL DECEMBER 31, 2024  
IBP LIFETIME NO. 011302; 12-28-12; RIZAL  
ROLL NO. 53970  
PTR NO. 5110440; 1-3-23; MANDALUYONG  
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025  
UG03 CITYLAND SHAW TOWER,  
SHAW BLVD. MANDALUYONG CITY

SECURITIES AND EXCHANGE COMMISSION  
SEC Building, EDSA Greenhills  
Mandaluyong City

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**


The management of **SHANG PROPERTIES INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022 and 2021 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

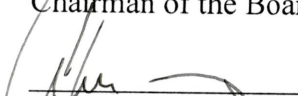
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

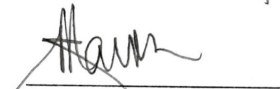
Isla Lipana and Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.



**Edward Kuok Khoon Long**  
Chairman of the Board



**Wolfgang Krueger**  
Executive Director



**Mabel P. Tacorda**  
Chief Financial Officer

Signed this 22<sup>nd</sup> day of March 2023





## ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES ) S.S.

CITY OF QUEZON CITY)

BEFORE ME, a Notary Public for and in the City of QUEZON CITY, this \_\_\_\_ day of 22 MAR 2023, personally appeared the following:

Name	Government Issued ID	Date Issued/Place/Expiration
Edward Kuok Khoon Loong	Passport No. A54177655	05.20.2021/Hong Kong/11.20.2026
Wolfgang Krueger	Passport No. C4KR6GLPV	01.14.2019/General Konsulat Hong Kong/01.13.2029
Mabel P. Tacorda	Passport No. P1371742C	08.19.2022/DFA Manila/08.18.2032

who have satisfactorily proven to me their identity through government issued IDs and known to me to be the same person who executed the foregoing **STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS** and acknowledged that they executed the same freely and voluntarily and that they are acting as the authorized representatives of **SHANG PROPERTIES, INC.**, and that they have the authority to sign in such capacity as evidenced by the authorization presented to me.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of my office on the date and in the place above written.

Doc. No. 7;  
Page No. 3;  
Book No. 38;  
Series of 2023.

*C. Villarena*  
ATTY. CONCEPCION P. VILLARENA  
Notary Public for Quezon City  
Until December 31, 2023  
PTR No. 3716371 / January 3, 2023 Q.C  
IBP No. 167803 / November 25, 2021 Q.C  
Roll No. 30457 / 05-09-1980  
MCLE VII-0006994 / 09-21-2021  
ADM. MATTER No. NP-005 (2022-2023)  
TIN NO. 131-942-754