



Markets and Securities Regulation Department

July 27, 2021

BPI CAPITAL CORPORATION

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FILINVEST REIT CORP.

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Attention : MR. LESTER ONG
Director, BPI Capital

MR. JEROME MATTHEW Y. GATMAITAN
Director, BPI Capital

ATTY EVERLENE O. LEE
Partner, ACCRALAW

MS. MARICEL BRION-LIRIO
President and Chief Executive Officer, Filinvest REIT Corp.

**Re : Price Stabilization Activities – Initial Public Offering of
Filinvest REIT Corp.**

Gentlemen:

This refers to your letter-request dated 12 April 2021 regarding the planned price stabilization activities in connection with Filinvest REIT Corp. (“Filinvest REIT” or the “Issuer”) initial public offering of up to 1,634,187,850 common shares (the “Firm Shares”) with an overallotment option of up to 163,418,785 common shares (the “Option Shares” and together with the Firm Shares, the “Offer Shares”) to be offered at a price of ₱7.00 per common share (the “Offer Price”).

Based on the information provided in your letter, the following representations are made:

Filinvest Land, Inc. (the "Selling Shareholder") intends to grant BPI Capital Corporation ("BPI Capital", or the "Stabilizing Agent") an option exercisable, in whole or in part, from and including the date of listing and when trading of the Offer Shares commences on the Philippine Stock Exchange, Inc. ("PSE") ("Listing Date") and ending on the date thirty (30) calendar days from and including the Listing Date, unless sooner terminated by the Stabilizing Agent, to purchase up to an additional 163,418,785 of the Option Shares of the Issuer owned by the Selling Shareholder at the Offer Price, and on the same terms and conditions as the Offer solely to cover overallotments, if any (the "Overallotment Option").

In line with Commission en banc Resolution No. 581, series of 2005, the price stabilization activity to be conducted by the Stabilizing Agent in relation to the initial public offer of shares of Filinvest REIT should strictly comply with the following conditions:

1. Purchases or offers to purchase shares by BPI Capital as the Stabilizing Agent shall be for the sole purpose of preventing/minimizing reduction in market price of the shares;
2. The stabilization period shall be for 30 calendar days from and including the day on which the trading of the shares on the PSE commences;
3. The over-allotment shall not exceed fifteen per cent (15%) of the base number of shares to be sold by Filinvest REIT;
4. Initial stabilizing action **shall be below the initial offer price**;
5. The price of subsequent stabilizing activities shall be as follows:
 - a. After the initial stabilizing action and if there has not been an independent trade in the market at a higher price than the initial stabilization trade, the **subsequent trade shall be below the initial stabilizing price**; and,
 - b. After the initial stabilizing action and if there has been an independent trade in the market at a higher price than the initial stabilization trade, the subsequent trade shall be **at the lower of the stabilizing action price/independent trade price**;
6. The over-allotment and the over-allotment option shall be fully described in the Prospectus and other public announcements as required;
7. Records of all stabilizing period shall be maintained, including details of all stabilizing transaction;
8. There shall be a public announcement a day after the exercise of the over-allotment option including the total number of shares and average price of any

stabilizing trades, or a day after the close of the 30-day over-allotment period if there was no stabilization activity undertaken;

9. There shall be a weekly disclosure to the Commission of any price stabilization activity conducted during the 30-day calendar day stabilization period from the date of actual listing of Filinvest REIT shares with the PSE or commencement of trading in those shares; and,
10. Within the 30-day calendar day stabilization period, there shall only be buying of shares from the market by the Stabilizing Agent when the share price has fallen below the offer price in order to prevent undue price volatility and to allow the share price to trade down in orderly fashion to a market acceptable level. *(Emphasis supplied.)*

In addition to the following conditions, please note that:

1. The pertinent rules on the price stabilization in other jurisdictions cannot be applied or invoked in this particular case;
2. The company shall disclose the Closing Date at least one (1) day in advance to the PSE and the Commission (through the Markets and Securities Regulation Department; and
3. The Price Stabilization Guidelines, as approved by the Commission, shall be disclosed to the PSE before the start of the thirty (30) day stabilizing period.

It shall also be understood that it is the responsibility of the Filinvest REIT, BPI Capital, and other persons participating in the Offer to ensure that the said Offer and other related activities comply with the foregoing guidelines and with the pertinent provisions of the SRC, its implementing rules and regulations, the Investment Houses Law, other relevant laws, rules and regulations, as well as the rules of the PSE.

In connection thereto, you are hereby **DIRECTED to submit** a report, no later than fifteen (15) days from closing date of the Stabilization Period of the Stabilization Shares covering the following information: (1) number of shares and (2) to whom distributed.

This reply is without prejudice to the prerogative of the Commission to impose the necessary penalty and initiate the appropriate proceedings upon a proper finding of a violation of the relevant provisions of the SRC, the Investment Houses Law, the Corporation Code, the Foreign Investments Act, the respective rules and regulations, and other pertinent laws, rules and regulations, as may be necessary and applicable under the circumstances.

The foregoing reply is based on the representations made by the concerned parties in connection with the request for the use of price stabilization activities particular to the contemplated securities offering and shall not be used in the nature of a standing rule binding upon the Commission whether of similar or dissimilar circumstances or situation.

For your strict compliance.

Very truly yours,

signed
VICENTE GRACIANO P. FELIZMENIO, JR.
Director

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