

July 30, 2021

PHILIPPINE DEALING & EXCHANGE CORP.

29/F, BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head - Issuer Compliance and Disclosure Department (ICDD)

Re: Clarification of News Article

Dear Atty. Magallen-Lirio

We reply to your request for clarification of the news article entitled “*Filinvest REIT firm acquiring PBCom and 2 other buildings*” posted in manilastandard.net on July 25, 2021. The article reported in part that:

“Filinvest REIT Corp., the real estate investment trust company of Filinvest Land Inc., plans to acquire three office buildings from parent FLI to boost its office leasing portfolio.

Filinvest REIT president Maricel Lirio said in an interview over the weekend the three office buildings have a gross leasable area of 103,000 square meters which it plans to buy over the next 12 to 18 months.

The three office buildings are the PBCom Tower in Makati, Axis tower 2 in North Gate Cyberzone in Alabang and Cebu tower 2 in Cebu IT Park.

Lirio said the office buildings form part of the 315,000 sq m worth of office leasing assets of FLI which are being targeted for infusion into Filinvest REIT.

“These office assets will be infused in the company once these meet the investment criteria under the REIT law,” Lirio said. Filinvest REIT portfolio currently consists of 17 Grade A office buildings with a total gross leasable area (GLA) of more than 300,000 sq m.

Filinvest REIT, which is preparing for a maiden share offering, will be the third REIT company to set to conduct an initial public offering. Two other REIT firms are also planing to conduct share sale this year.

Lirio said the company is confident about its IPO because of a superior product offering. The company’s 17 office buildings enjoy DocuSign Envelope ID: 7331B289-7D43-4648-BABB-DD3554855268 higher BPO occupancy rate, with tenants comprising mostly of multinational companies.

Meanwhile, Filinvest REIT chief finance officer Ana Venus Mejia said the company had received right of first refusal by FLI on all of its commercial properties.

“This is a strong showing of commitment on the part of FLI to grow Filinvest REIT,” Mejia said.

The company remains positive about the office leasing business amid the pandemic.

From a current occupancy rate of 90 percent, Lirio said the company is expecting occupancy rate to reach 100 percent over the near term period. The company is in negotiations with potential tenants of the remaining vacant office space.

The company expects office take up in Metro Manila to improve this year and the next year.

Filinvest REIT plans to raise P12.6 billion from the sale of 1.634 billion shares at a price of P7.00 apiece. The projected dividend yield is 6.3 percent for 2021 and 6.6 percent for 2022 based on the current price.”

We wish to clarify that a right of first refusal (ROFR) was granted by the Sponsor, Filinvest Land, Inc., over significant commercial properties owned by it and its wholly owned subsidiaries. We would also like to reiterate that the projected dividend yield of 6.3 percent for 2021 and 6.6 percent for 2022 are based on the offer price of P7.00 apiece.

Thank you.

Very truly yours,



SHARON P. PAGALING-REFUERZO

*Corporate Secretary and
Corporate Information Officer*