

Application to Subscribe/Purchase  
 Primary Offer of 679,172,800 Common Shares with an Over-allotment Option of up to 101,876,000 Common Shares with Par Value of ₱1.00 per Common Share at the Offer Price of ₱12.00 per Common Share

This Application to Subscribe / Purchase Form (the "Application"), to be completed in four (4) copies, together with two (2) duly executed signature cards, the appropriate check payment, and all required attachments must be received by the Receiving Agent or the Domestic Lead Managers and Underwriters not later than 12:00 noon on 22 June 2018, unless otherwise extended or earlier terminated, with the approval of The Philippine Stock Exchange, Inc. ("PSE").

Applications received thereafter or without the attachments or requirements specified below will be rejected. This Application is irrevocable and once received, may not be withdrawn by the Applicant. D.M. Wenceslao & Associates, Incorporated (the "Company" or "DMW"), by itself or through RCBC Trust and Investment Group – Stock Transfer Processing Section, (the "Stock Transfer Agent"), in conformity with BPI Capital Corporation and Maybank ATR Kim Eng Capital Partners, Inc. (the "DLMUs") reserves the right to accept or reject, in whole or in part, this Application. Applications improperly or incompletely accomplished may be rejected. In case of over-subscription, the Company, by itself or through the Stock Transfer Agent in conformity with the DLMUs, reserves the right to allocate the Offer Shares available to Applicants in the manner they deem appropriate.

An Application, once accepted and approved by the Company through the Stock Transfer Agent in conformity with the DLMUs, shall constitute a purchase agreement between the Company and the Applicant for the purchase of the Offer Shares in the number approved by the Company at the time, in the manner, and subject to (a) the conditions set forth herein; (b) receipt by the Company of the appropriate payment from the Applicant; (c) the successful listing of the Offer Shares on the PSE; and (d) upon the underwriting and purchase obligations of the DLMUs becoming unconditional and not being suspended, terminated or cancelled, on or before such listing.

Capitalized terms used herein shall have the meaning ascribed to them in the final Prospectus dated 8 June 2018 (the "Prospectus") filed by the Company with the PSE and uploaded on the Company's website, <http://dmwai.com/investor%20relations/reload.html>, and on [www.edge.pse.com](http://www.edge.pse.com), as may be amended or supplemented. Applicants are advised to read the Prospectus before subscribing to the Offer Shares. Copies of the Prospectus are available through the DLMUs throughout the Offer Period during business hours.

**APPLICATION**

I/We apply to subscribe/purchase D.M. WENCESLAO & ASSOCIATES, INCORPORATED. Offer Shares under the terms and conditions stated herein and in the Prospectus for the Offer, as follows:

NUMBER OF OFFER SHARES	OFFER PRICE PER OFFER SHARE (IN PESOS)	TOTAL OFFER PRICE (IN PESOS)
	<b>₱12.00</b>	<b>₱</b>

Applications must be for a minimum of 100 Offer Shares, and thereafter, in multiples of 100 Offer Shares.

**PDTC LODGEMENT**

All Offer Shares are required to be lodged with the Philippine Depository and Trust Corp. ("PDTC") as Depository Agent on Listing Date through PSE Trading Participants nominated by the accepted Applicants. No physical certificates will be issued after lodgment on or before Listing Date. Subsequently, upliftment by the shareholder which may be arranged after Listing Date. Any upliftment fee shall be for the sole account of the shareholder. The Applicant must provide the information required for PDTC-lodged shares.

THE APPLICANT IS REQUIRED TO FILL OUT THE INFORMATION BELOW. THE APPLICANT'S FAILURE TO DO SO OR THE PROVISION OF INCOMPLETE OR FALSE INFORMATION AS REQUIRED HEREIN, MAY LEAD TO THE REJECTION OF THIS APPLICATION. THE COMPANY RESERVES THE RIGHT TO REJECT OR SCALE-DOWN SUCH APPLICATION.

Information required for PDTC-lodged Offer Shares (to be completed with the assistance of the PDTC Participant appointed by the Applicant)

We confirm that we are a PDTC Participant and that the Applicant named in this Application is our *bona fide* client and we have done the necessary know-your-customer procedures to verify the identity of our client.

_____	_____	_____	_____
PDTC Participant Firm	PDTC Participant Code	PDTC Sub-Account Code	Authorized Signature(s) and Stamp of PDTC Participant

**PAYMENT**

The Offer Shares must be paid for through a Metro Manila clearing Cashier's/Manager's, personal or corporate check drawn against a bank account with a Bangko Sentral ng Pilipinas – authorized agent bank located in Metro Manila and dated as of the date of the submission of this Application, or through a debit-credit instruction via Real Time Gross Settlement or direct bank fund transfer in favor of the relevant DLMU accepting the Application. Checks should be made payable to "DMW IPO", and crossed "Payee's Account Only". Checks subject to clearing periods of over three (3) Banking Days will not be accepted. Cash payments will not be accepted.

Mode of Payment	DRAWEE BANK/BRANCH	ACCOUNT NO/CHECK NO.	AMOUNT
Personal check			
Corporate check			
Manager's/Cashier's			

**REPRESENTATIONS, WARRANTIES AND AUTHORIZATION**

I/We represent and warrant that all information contained herein and the attached documents are true and correct, and understand that the Company and the DLMUs may rely upon the representation and warranties I/we have made in this Application. For Corporate Applicants: We warrant that we are a corporation duly organized and existing under and by virtue of the laws of the Philippines, and it has all the requisite power and authority to carry on its business; we have obtained all corporate approvals required for the purchase of the Offer Shares; and we have no existing contracts or other agreements that would conflict with the purchase of the Offer Shares, the purchase of the Offer Shares, and the performance of all the relevant obligations and undertakings pursuant thereto will not violate any provision or result in the breach of any applicable law, rule or regulation or any agreement or instrument to which we are a party or by which our assets or properties may be bound. I/We further acknowledge, represent and warrant that I/we have read and understood the discussion of the Risk Factor relating to the Company's land bank which is stipulated as an integral part of the Terms and Conditions attached to this Application. I/We warrant having read and understood and relied solely upon the Prospectus in deciding to submit this Application and in acquiring and investing in the Offer Shares applied for. I/We warrant that I/we have read and understood, and unconditionally accept, the terms and conditions set forth in this Application. I/We understand that no person has been authorized to give information or to make any representation with respect to the Offer Shares other than those specified in the Prospectus. I/We hereby instruct and authorize the Company and/or the DLMUs to execute any application form or other documents and generally to do all such other things as the Company or the DLMUs may consider necessary or desirable to effect the registration in my/our name of the Offer Shares applied for, or any lesser number in respect of which an Application may be accepted, in the Stock and Transfer Book of the Company. I/We undertake to sign all documents and to do all other acts necessary to enable me/us to be registered as the owner of the Offer Shares applied for or any lesser number in respect of which the Application may be accepted, subject to the Articles of Incorporation (as amended) and By-laws (as amended) of the Company, and the laws of the Republic of the Philippines. I/We agree that all information and documents supplied by me/us, or by any of my/our authorized representatives, as well as any personal or sensitive personal information that I/we provide the Company and the DLMUs or which may have been obtained by such parties in the course of the verifications permitted here, may be used by them for any lawful purpose at its discretion, including but not limited to providing it to the consultants or agents it may retain to assist it in completing the verifications it may conduct pursuant to my/our application to subscribe/purchase, whether the application is granted or not.

In compliance with the Data Privacy Act, I/We hereby authorize the Transfer Agent and all other parties to the Offer, including the Company, DLMUs, and PTDC, among others to access, process, provide and share any information, including my/our personal information and/or sensitive personal information, to the Company and transaction parties that have been engaged by the Company in relation to the Offer, as may be necessary to complete this Application and to effect the issuance of the Offer Shares covered by this Application (or any lesser number in respect of which my/our Application may be accepted) and (as relevant) the recording of the same in my/our name pursuant to the terms of the Offer. I/We hereby give consent on the general and legitimate use and sharing of my/our personal information and/or sensitive personal information obtained from this application. My/our personal information and/or sensitive personal information shall be collected, processed, stored, updated or shared only for lawful purposes, to put into effect the purpose of this application/transaction and to offer similar investment opportunities and updates. My/our personal information and/or sensitive personal information may continue to be collected, processed, updated and shared during the term of this transaction and seven (7) years from the conclusion of this transaction. I/We reserve the right correct and amend such information.

NAME OF APPLICANT (IN PRINT)	SIGNATURE OF APPLICANT		DATE
ADDRESS	NATIONALITY	TELEPHONE NUMBER/S	TAX IDENTIFICATION NUMBER
NATURE OF WORK/OCCUPATION	SOURCE/S OF FUNDS	DATE AND PLACE OF BIRTH	NAME OF EMPLOYER/BUSINESS

**ACKNOWLEDGMENT**

(Applicants should not fill in this section)

To be completed by the Trading Participant/ DLMUs	To be completed by the Stock Transfer Agent for and on behalf of the Company
Application received:	Application accepted and approved by:
By: _____	Total Number of Offer Shares Accepted: _____
Date/Time: _____	By: _____ Date: _____
Name of Trading Participant/DLMUs and Authorized Signatory	

**REQUIRED ATTACHMENTS TO THIS APPLICATION**

- For Individual Applicants:**
- Two (2) duly executed signature cards in the form attached to this Application, duly authenticated by the applicant's nominated PDTC Participant (as defined below) or any of the Domestic Lead Managers and Underwriters (if the applicant is a client of the relevant Domestic Lead Manager and Underwriter);
  - Photocopy of two (2) valid and current government-issued IDs (e.g., SSS, GSIS, Driver's License, Passport or PRC)(Note: For joint applications (i.e. multiple subscribers/investors in one Application), two (2) valid and current government-issued IDs of each applicant/investor will be required.);
  - Such other documents as may be reasonably required by the Underwriters in implementation of its internal policies regarding "knowing your customer" and anti-money laundering.

- For Corporate Applicants**
- Two (2) duly executed signature cards of the authorized signatories in the form attached to this Application;
  - A certified true copy of the latest Articles of Incorporation and By-laws of the Applicant (or articles of partnership in the case of a partnership) and other constitutive documents (each as amended to date), duly certified by its Corporate Secretary (or managing partner in the case of a partnership);
  - A certified true copy of the SEC Certificate of Registration of the Applicant, duly certified by its Corporate Secretary (or managing partner in the case of a partnership);
  - A duly notarized certificate of the Applicant's Corporate Secretary (or managing partner in the case of a partnership) that sets out (a) the resolutions of the Applicant's Board of Directors or equivalent body authorizing the purchase of the Offer Shares subject of the Application and designating signatories for the purpose; (b) two (2) duly executed the specimen signature cards of such designated signatories; and (c) percentage shareholdings by Philippine nationals in the Applicant.
  - Photocopy of two (2) valid and current government-issued IDs (e.g. SSS, GSIS, Driver's License, Passport or PRC ID) of (a) the authorized signatory/ies, duly certified as a true copy by the Corporate Secretary and (b) the Corporate Secretary, duly certified as true copy by an authorized officer of the corporation;

**For foreign corporate and institutional Applicants, in addition to the foregoing documents, a certification, in quadruplicate, representing and warranting that their investing in the Offer Shares subject of the Application will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Offer Shares.**

**Applicants claiming exemption or preferential rate from any applicable tax shall also be required to submit the following documentary proof of its tax-exempt or preferential status together with this Application to Purchase:**

- (a) A certified true copy of the original tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption or preferential rate (certified as being a true copy of the original on file with the Applicant);
- (b) A duly notarized Affidavit with Undertaking or Indemnity and Undertaking (in the prescribed form by DMW) declaring and warranting its tax-exempt status or preferential rate entitlement, and undertaking to immediately notify DMW and the Stock Transfer Agent of any suspension or revocation of its tax exemption certificates or preferential privilege and agreeing to indemnify and hold DMW and the Stock Transfer Agent free and harmless against any claims, actions, suits and liabilities resulting from the non-withholding of the required tax; and
- (c) Such other documentary requirements as may be reasonably required by DMW or the Stock Transfer Agent under the applicable regulations of the relevant taxing or other authorities, which for purposes of claiming tax treaty withholding rate benefits shall include evidence of the applicability of a tax treaty and consularized proof of the Applicant's legal domicile in the relevant treaty state, and confirmation from the SEC that the entity is not doing business in the Philippines.

Unless properly provided with satisfactory proof of the tax-exempt status of a shareholder, the Stock Transfer Agent may assume that said shareholder is taxable and proceed to apply the tax due on the Shares. Notwithstanding the submission by the shareholder, or the receipt by DMW or any of its agents, of documentary proof of the tax-exempt status of a shareholder, DMW may, in its sole and reasonable discretion, determine that such Shareholder is taxable and require the Stock Transfer Agent to proceed to apply the tax due on the Shares. Any question on such determination shall be referred to DMW.

# TERMS AND CONDITIONS OF THE SALE / PURCHASE OF COMMON SHARES IN D.M. WENCESLAO & ASSOCIATES, INCORPORATED

The information supplied in the succeeding pages are merely excerpts taken from the final Prospectus filed by the Company with the PSE on June 11, 2018 and uploaded on the Company's website, <http://dmwai.com/investor%20relations/reload.html>, as amended or supplemented. For a complete description of the Terms of the Offer, the Applicant is advised to refer to the section entitled "Summary of the Offer" in the Prospectus.

<b>Issuer</b>	D.M. Wenceslao & Associates, Incorporated, a corporation organized and under Philippine law. The trading symbol shall be "DMW".						
<b>The Offer</b>	Offer of 679,172,800 Firm Shares to be issued and offered by the Company, and up to 101,876,000 Optional Shares pursuant to the Over-allotment Option (as described below).						
<b>Trading Participants and Retail Offer</b>	203,900,000 Firm Shares are being offered in the Trading Participants and Retail Offer in the Philippines at the Offer Price. Out of the Trading Participants and Retail Offer, 135,900,000 Firm Shares (or 20% of the Firm Shares) are being allocated to all of the PSE Trading Participants and 68,000,000 Firm Shares (or 10% of the Firm Shares) are being allocated to LSIs. Each PSE Trading Participant shall initially be allocated 1,029,500 Firm Shares, subject to reallocation as may be determined by the Domestic Lead Managers and Underwriters. Based on the initial allocation for each trading participant, there will be a total of 6,000 residual Firm Shares to be allocated as may be determined by the Domestic Lead Managers and Underwriters. Each LSI applicant may subscribe up to a maximum of 8,300 Firm Shares at the Offer Price. Subject to any reallocation to the Institutional Offer, the Domestic Lead Managers and Underwriters shall purchase the Trading Participants and Retail Offer Shares not taken up by the PSE Trading Participants or clients of the Domestic Lead Managers and Underwriters or the general public in the Philippines pursuant to the terms and conditions of the Domestic Underwriting Agreement.						
<b>Eligible Investors</b>	<p>The Trading Participants and Retail Offer Shares may be purchased by any natural person of legal age residing in the Philippines regardless of nationality, or any corporation, association, partnership, trust account, fund or entity residing in and organized under the laws of the Philippines, regardless of nationality, subject to the Restrictions on Ownership, as described below, and our right to reject an Application or reduce the number of our Firm Shares applied for subscription.</p> <p>The Institutional Offer Shares are initially being offered and sold to persons (i) outside the Philippines and the United States in offshore transactions in reliance on Regulation S and (ii) to Domestic QIBs in the Philippines. Subscription to, and purchase of, the Institutional Offer Shares in certain jurisdictions may be restricted by law. Foreign investors interested in subscribing or purchasing the Institutional Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Institutional Offer Shares will not violate the laws of their respective jurisdictions and that they are allowed to acquire, purchase and hold the Institutional Offer Shares.</p>						
<b>Offer Price</b>	₱12.00 per Offer Share						
<b>Minimum Subscription</b>	Each application must be for a minimum of 100 Firm Shares, and thereafter, in multiples of 100 Firm Shares. Applications for multiples of any other number of Shares may be rejected or adjusted to conform to the required multiple, at our Company's discretion.						
<b>Domestic Underwriters</b>	BPI Capital Corporation and Maybank ATR Kim Eng Capital Partners, Inc.						
<b>Receiving Agent</b>	Rizal Commercial Banking Corporation – through its Trust and Investments Group.						
<b>Stock Transfer Agent</b>	RCBC Trust and Investment Group – Stock Transfer Processing Section						
<b>Procedure for Application for the Trading Participants and Retail Offer</b>	<p>Application forms and signature cards may be obtained from the Domestic Lead Managers and Underwriters or from any participating PSE Trading Participant. Applicants shall complete the application form, indicating all pertinent information such as the applicant's name, address, taxpayer's identification number, citizenship and all other information as may be required in the application form. Applicants shall undertake to sign all documents and to do all necessary acts to enable them to be registered as holders of Offer Shares. Failure to complete the application form may result in the rejection of the application. If the applicant is a corporation, partnership or trust account, the Application must be accompanied by the documents enumerated in the final Prospectus.</p> <p>Foreign corporate and institutional applicants, who qualify as Eligible Investors, in addition to the documents listed above, are required to submit in quadruplicate, a representation and warranty stating that their Application will not violate the laws of their jurisdictions of incorporation or organization, and that they are allowed, under such laws, to acquire, purchase and hold the Firm Shares.</p>						
<b>Payment Terms for the Trading Participants and Retail Offer</b>	<p>The purchase price must be paid in full in Pesos upon the submission of the duly completed and signed application form and signature card together with requisite attachments.</p> <p>Payment for the Offer Shares shall be made either by: (i) a personal or corporate check drawn against an account with a BSP authorized bank at any of its branches located in Metro Manila; or (ii) a manager's or cashier's check issued by an authorized bank or direct bank fund transfer in favor of the relevant underwriter accepting the Application. For Trading Participants and LSI Applicants, only Cashier's/Manager's, personal or corporate checks will be acceptable as valid mode of payment. Checks subject to regional clearing shall not be accepted.</p> <p>All checks should be made payable to "DMW IPO" crossed "Payee's Account Only" and dated the same date as the application.</p> <p>The applications and the related payments will be received at any of the offices of the Domestic Lead Managers and Underwriters or the selling agents.</p>						
<b>Refunds for the Trading Participants and Retail Offer</b>	In the event that the number of Offer Shares to be received by an Applicant, as confirmed by the Domestic Lead Managers and Underwriters, is less than the number covered by its Application, or if an Application is rejected by our Company, then the Domestic Lead Managers and Underwriters shall refund, without interest, within five banking days from the end of the Offer Period or on 29 June 2018, all or a portion of the payment corresponding to the number of Offer Shares wholly or partially rejected. All refunds shall be made through the Domestic Lead Managers and Underwriters or selling agent with whom the Applicant has filed the Application, at the Applicant's risk.						
<b>PDTC Lodgement</b>	The Offer Shares are required to be lodged with the PDTC. The Applicant may request to receive stock certificates evidencing such Applicant's investment in the Offer Shares through his/her broker after the Listing Date. Any expense for issuance of certificates shall be for the Applicant's account.						
<b>Registration of Foreign Investments</b>	The BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the Philippine banking system. The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor. See "Philippine Foreign Exchange Controls" in the Prospectus.						
<b>Timetable</b>	<p>The timetable of the Offer is expected to be as follows:</p> <p>Submission of Firm Order and Commitments by PSE Trading Participants..... 20 June 2018</p> <p>Trading Participants and Retail Offer Settlement Date..... 22 June 2018</p> <p>Listing Date and commencement of trading on the PSE..... 29 June 2018</p>						
<b>Risk Factor (relating to land bank)</b>	<p><b><u>THE APPLICANT ACKNOWLEDGES, REPRESENTS AND WARRANTS TO HAVE READ AND UNDERSTOOD THE FOLLOWING DISCUSSION ON THE RISK FACTOR RELATING TO THE COMPANY'S LAND BANK AS THE SAME APPEARS IN THE PROSPECTUS IN ADDITION TO THE TERMS AND CONDITIONS OF THE OFFER AND ALL OTHER INFORMATION IN THE PROSPECTUS:</u></b></p> <p><b><i>Our title to our land holdings may be subject to various lawsuits, challenges and claims.</i></b></p> <p>Our existing land holdings in Aseana City, which were obtained pursuant to the agreements described below, are entirely located on reclaimed foreshore land, otherwise known as the CBP-BC development. The total book value of such land holdings, including the buildings and improvements constructed on such land, amounted to ₱18,000.0 million as of December 31, 2017, and comprised approximately 62% of our total consolidated assets as of the same date.</p> <p>On September 1, 1989, R-1 Consortium, our joint venture with TOA Corporation, Inc., Royal Asia Development Co., Inc. and Jan de Nul N.V., entered into a Memorandum of Agreement with PEA (currently known as PRA) to finance, upgrade and complete the construction of the R-1 Expressway into a toll-grade facility. Pursuant to such Memorandum of Agreement and its various implementing agreements, R-1 Consortium had the option to be paid by PEA in cash, interest-bearing bonds or in the form of reclaimed land, as consideration for land reclamation and construction services rendered. The Memorandum of Agreement was approved by the Office of the President (President Corazon Aquino) through a letter signed by then Executive Secretary Catalino Macaraig, Jr. dated December 29, 1989. On April 5, 1991, R-1 Consortium and PEA executed the Reclamation Agreement. On April 29, 1992, the Department of Environment and Natural Resources issued in favor of PEA Special Patent No. 3557 over the reclaimed lands. Thereafter, the Land Registration Commission issued the Original Title (OCT No. 289) over such land to PEA.</p> <p>Pursuant to the aforementioned option, R-1 Consortium formally informed PEA on June 19, 1990 that it opted to be paid in the form of reclaimed land. As a nominee of R-1 Consortium, our Company directly received from PEA portions of the reclaimed CBP-BC development, and titles were issued and registered in our Company's name on May 10, 1995, September 29, 1995, January 11, 1996, February 12, 1998, August 17, 1995, December 5, 2000, December 7, 2000, March 27, 2003, June 23, 2003, December 12, 2003, November 8, 2005, March 6, 2009, June 25, 2009 and October 22, 2014, respectively. During the period from 1995 to 1998, certain other entities (i.e., WHI, Bay Resources and Development Corporation, Manila Bay Park Developers, Inc., among other entities) also directly acquired titles from PEA with respect to the other portions of the reclaimed CBP-BC development, and these entities subsequently, during the period from 2000 to 2015, conveyed these titles in favor of our Company. As a consequence of these transfers of title from PEA, OCT No. 289 was cancelled in 1995 and replaced by the aforementioned titles issued and registered in the name of such transferees, including our Company.</p> <p>Although we hold registered titles to our land holdings, Philippine law provides that issuance of titles does not create or vest title, but only constitutes evidence of ownership over such properties. Thus, our ownership, registration, and possession of titles and actual possession of our land holdings do not foreclose the possibility that the Government or third parties may at any time, file lawsuits to challenge our rights to our land holdings. Notwithstanding the foregoing, we are not aware of the validity of our titles being questioned, impugned, challenged or invalidated by the Government or any other third party since the time we acquired ownership over our land holdings in Aseana City and up to the date of this Prospectus. We are not aware of any proceedings, contentions, claims or disputes questioning our titles which had arisen in over 20 years since such titles were registered in our name. Nevertheless, there may still be a possibility that the Government would file a lawsuit to question our titles and right to our land holdings in the future, because as a general rule, the right of the Government to seek the reversion of a property to the State is imprescriptible. For a more detailed discussion on the applicable laws and procedures on land reclamation, see "Regulatory and Environmental Matters" in the Prospectus.</p> <p>Despite our registered titles to our land holdings, it remains possible that a party with no direct interest in the land may elect to challenge our titles, as was permitted in the case <i>Chavez v. Public Estates Authority</i> ("PEA") and <i>Amari Coastal Bay Development Corporation</i> ("Amari") (G.R. No. 133250, July 9, 2002, reconsideration denied on May 6, 2003 and November 11, 2003), or the PEA Amari Decision. In the PEA Amari Decision, PEA entered into a joint venture agreement with Amari to develop three reclaimed islands known as the "Freedom Islands". The petitioner in that case filed a petition before the Supreme Court to question the sale of portions of the Freedom Islands to Amari alleging that such sale violated Section 3, Article XII of the Constitution, which prohibits the Government from alienating lands of public domain to private corporations. The Supreme Court ruled in that case that ownership over reclaimed foreshore lands under an amended joint venture agreement between PEA and Amari could not be transferred from PEA to Amari because: (1) reclaimed lands, being lands of the public domain, cannot be disposed of by the State to any private person until such reclaimed lands are (a) reclassified as disposable or alienable, and (b) declared to be no longer needed for public purpose, by law or presidential proclamation; (2) alienable public lands cannot be disposed of by the State to private persons by sale or lease without public bidding; and (3) alienable lands of the public domain cannot be disposed of to private corporations, except by lease, in accordance with the constitutional ban on private corporations acquiring lands of the public domain. The Supreme Court further ruled that the amended joint venture agreement between PEA and Amari violated Section 3, Article XII of the Constitution, declared the same as null and void <i>ab initio</i> and enjoined PEA and Amari from implementing the said agreement.</p> <p>However, in the case of <i>Chavez v. National Housing Authority</i> ("NHA") and <i>R-II Builders, Inc.</i> (the "NHA Decision") (G.R. No. 164527, August 15, 2007), the Supreme Court clarified that in certain cases, the transfer of land, although illegal or unconstitutional, will not be invalidated on considerations of equity and social justice. In the NHA Decision, NHA and R-II Builders Inc. entered into a joint venture agreement for the development of the Smokey Mountain dumpsite and the reclamation of the 40 hectares of the Manila Bay Area situated across Radial Road 10. Similar to the Amari case, the amended joint venture agreement between NHA and R-II Builders, Inc. was questioned based on Section 3, Article XII of the Constitution, among other grounds. However, unlike in the Amari case where the Supreme Court held that the subject reclaimed lands remained to be lands of the public domain which cannot be held by private corporations except by lease, the Supreme Court held in the NHA Decision that, by virtue of the transfer of the subject reclaimed lands to NHA, said lands were automatically classified as lands of the private domain or patrimonial properties of the State which can be sold or transferred to qualified private corporations (i.e., private corporations which are at least 60% owned by Filipinos). In the NHA Decision, the Supreme Court also upheld the validity of the joint venture agreement and emphasized that the concurrent acts of the executive department, including the issuance of several presidential proclamations and special patents thereto (which acts were found to be legal, valid and binding by the court), had vested rights in favor of slum dwellers, the buyers of reclaimed land who were issued titles over said land, and the agencies and investors who made investments in the project. The Supreme Court also held that the ruling in the Amari case cannot be retroactively applied since it may prejudice vested rights.</p> <p>The Office of the Government Corporate Counsel ("OGCC"), through Opinion No. 244, Series of 2007 dated November 13, 2007, confirmed the position of PRA that the jurisprudence found in the NHA Decision is applicable to our titles to our land holdings in Aseana City, insofar as the titles have already been registered in the name of purchasers in good faith and for value, and such registration were completed prior to the PEA Amari Decision. This OGCC Opinion, however, is on the premise that the private parties to whom the land were ultimately conveyed are qualified to own the same under the Constitution and existing laws and jurisprudence.</p> <p>While the PRA and OGCC are of the opinion that our titles can no longer be invalidated, there is no assurance that the Government or third parties will not challenge our rights to such reclaimed lands. Although PEA, as stated in the PEA Board Resolution No. 3448 Series of 2004 and its letter dated July 15, 2004 to us, has committed to use its best efforts to defend our titles in Aseana City, or to assist us in our defense thereof, should any claim or lawsuit to question our titles be filed against us in the future, there can be no assurance that such defense will be successful. If any such lawsuit against us is successful and our titles are invalidated by the Philippine courts, we may be subject to reversion proceedings and ordered to transfer our titles to our land holdings in Aseana City to the Government.</p> <p>It is also stated in the said PEA Board Resolution and letter that, "if in any case and at any instance in the future, the Supreme Court of the Philippines shall declare that the said conveyance is unconstitutional or illegal, PEA hereby commits to reimburse your company and/or assignees the fair market value of your reclaimed land and investments including the improvements that may have been made thereon." There is a possibility that we may be entitled to compensation on a <i>quantum meruit</i> basis only, if the ruling by the Supreme Court in the PEA Amari Decision (in particular, the May 6, 2003 decision denying the Motion for Reconsideration) is determined by the court to be applicable to our instance. In the PEA Amari Decision, the Supreme Court stated that despite the nullity of the amended joint venture agreement between PEA and Amari, Amari was not precluded from recovering from PEA in the proper proceedings, on a <i>quantum meruit</i> basis, whatever Amari might have incurred in implementing the said joint venture agreement prior to its declaration of nullity.</p> <p>Any loss of our existing land holdings in Aseana City, or any delay in our recovery of adequate compensation from PEA will have a material adverse effect on our business and prospects, particularly the revenues of our land and real estate businesses, our ability to implement our pipeline property projects and our growth strategies as planned. For the year ended December 31, 2016, our total revenue from rentals of land and buildings in Aseana City was ₱1,326.6 million and our revenue from land sales in Aseana City was ₱600.7 million, in aggregate representing 88% of our total consolidated revenue for 2016. For the year ended December 31, 2017, our total revenue from rentals of land and buildings in Aseana City was ₱1,507.0 million and our revenue from land sales in Aseana City was ₱1,088.3 million, in aggregate representing 86% of our total consolidated revenue for 2017.</p> <p>Although we have a sizeable and strategic land bank outside of Aseana City, amounting to 208,429.6 sq.m (please see "Business – Our Land Holdings" in the Prospectus for more details) and we may also pursue strategic and opportunistic acquisitions of land and other properties outside Aseana City, we may have to expend substantial time, funds and resources to negotiate alternative arrangements with the Government and our tenants with respect to our existing properties, acquire alternative land holdings for our continued business operations, or significantly alter our business plans and strategies. Further, there can be no assurance that we will be able to locate and successfully acquire suitable alternative land for our business at commercially acceptable prices or at all, or that our modified business plans and strategies will yield the same positive financial performance and results. In the event we are not able to successfully defend our titles to our land holdings but due compensation is paid to our Company, we may reinvest such funds in order to enhance shareholder value. Nonetheless, any occurrence of the foregoing will materially and adversely affect our business, profitability, financial condition and results of operations.</p> <p>In addition, lawsuits of such character, and any adverse decision thereon, may expose us to possible breaches of our agreements with counterparty-purchasers, especially with respect to our implied warranty under Articles 1547 and 1548 of the Philippine Civil Code.</p> <p>In the event that we become subject to such lawsuits, we may have to devote time and incur costs and expenses to defend our rights against such claims. In any event, while we believe that we possess valid title to our land holdings which is supported by the opinions of the PRA and the OGCC, any legal proceedings instituted against us may have a material and adverse effect on our reputation, business and growth plans.</p>						
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