

26 January 2022.

**Philippine Stock Exchange, Inc.**

6th Floor, PSE Tower, 28<sup>th</sup> Street corner 5<sup>th</sup> Avenue,  
Bonifacio Global City, Taguig City

To **Marigel M. Baniqued-Garcia**  
Head, Issuer Regulation Division

Re **Violations of the Disclosure Rules**

Dear Madam,

This is in reference to our letters dated 12 and 18 January 2022, seeking the PSE Issuer Regulation Division's reconsideration of its decision in its letter dated 11 January 2022 imposing a fine on AREIT, Inc. ("AREIT" or the "Company") equivalent to One Million One Hundred Eighty-Five Thousand Pesos (Php 1,185,000.00) for the alleged violation of (1) Article VII, Sections 13.1(c) of the Consolidated Listing and Disclosure Rules ("Disclosure Rules") and (2) the Amended Minimum Public Ownership Rule, in relation to Section 1 of the Disclosure Rules.

We note that the Exchange ruled that the alleged violations resulted from the delayed disclosure of the change in Mr. Omar T. Cruz's (Independent Director) shareholdings and the inaccurate reporting of his shareholdings in AREIT's Public Ownership Report ("POR") from March 2021 to June 2021.

We respectfully reiterate that:

(1) the delay in the reporting of Mr. Cruz's 15 January 2021 transaction was due to a **technological force majeure** which was beyond the control of both Mr. Cruz and the Company; and

(2) the corresponding preparation of the Public Ownership Report for periods ending on 31 March and 30 June 2021 was made by the Company in **good faith** based on the facts available at that time in **full compliance** with the rules of the Exchange.

Notwithstanding the letters for reconsideration, following the directive of the Exchange to pay the fines within five (5) trading days from receipt of its 11 January 2022 letter, the Company paid the amount of Php185,000.00 via the PSE cashier, covering the fines for the delayed disclosure of Mr. Cruz's shareholdings on 14 January 2022. The Company deferred payment of Php1,000,000.00 covering the alleged violation for submitting an inaccurate POR until the resolution of the reconsideration submitted last 12 and 18 January 2022.

We continue to appeal for a reasonable and equitable application of the rules requires that the Company not be penalized for a technological force majeure which is clearly beyond the control of the Company and was not with any willful disregard of the rules of the Exchange nor negligence, but instead with diligence and good faith.

However, in due deference to the Exchange's directives but without prejudice to the resolution of its letters for reconsideration, the Company respectfully informs the Exchange that it will pay the fine of One Million Pesos (Php1,000,000.00) through the PSE Cashier today, 27 January 2022. This payment is being made without prejudice to the Company's letters of reconsideration. We shall furnish the Exchange a copy of the Official Receipt once payment is completed.

We hope for a speedy and favorable resolution of this matter.

Thank you,

A handwritten signature in black ink, appearing to read 'mfamy', is positioned above the printed name.

**MA. TERESA R. FAMY**

Chief Finance Officer, Treasurer, and Chief Compliance Officer  
AREIT, Inc.