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A BROWN COMPANY, INC.

(a company incorporated under the laws of the Republic of the Philippines)

OFFER SUPPLEMENT

**Offer of 10,000,000 Preferred Shares
with an Oversubscription Option of up to 5,000,000 Preferred Shares
under its 50,000,000 Preferred Shares Shelf Registration**

Series A Preferred Shares with a dividend rate of: [●]% p.a.

at an Offer Price of ₱100.00 per Preferred Share

**To be listed and traded on the
Main Board of The Philippine Stock Exchange, Inc.**

Sole Issue Manager, Lead Underwriter, and Sole Bookrunner



Selling Agents

The Trading Participants of The Philippine Stock Exchange, Inc.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

This Prospectus is dated July 16, 2021

A BROWN COMPANY, INC.
Xavier Estates Uptown, Airport Road,
Balulang, Cagayan de Oro City, 9000
Telephone number (02) 8631 8890
<https://www.abrown.ph>

This Offer Supplement (the “**Offer Supplement**”) relates to the offer and sale in the Philippines (the “**Offer**”) by A Brown Company, Inc. (“**ABC**”, the “**Company**” or the “**Issuer**”) of up to [15,000,000] cumulative, non-voting, non-participating, non-convertible, redeemable, peso-denominated perpetual preferred shares, with a par value of ₱1.00 per share (the “**Initial Offer Shares**”) at an initial offer price of ₱[100.00] (the “**Offer Price**”). The offer and sale of the Initial Offer Shares shall be by way of an offer of 10,000,000 Preferred Shares (the “**Base Offer**” and the shares under the Base Offer, the “**Base Offer Shares**”) and an oversubscription option of up to 5,000,000 Preferred Shares (the “**Oversubscription Option**” and the shares under the Oversubscription Option, the “**Oversubscription Shares**”). The Initial Offer Shares shall be issued in one series: Series A Preferred Shares.

In case the Oversubscription Option is partly exercised or not exercised at all by the end of the Offer Period for the Initial Offer Shares, the Preferred Shares under shelf registration will automatically be increased by such principal amount of Oversubscription Option shares that will not be taken up or exercised.

The Initial Offer Shares shall be issued under the 50,000,000 Preferred Shares Shelf Registration of the Company (the “**Shelf Registration**”), at an offer price of ₱100.00 per share. The Shelf Registration was rendered effective by the Securities and Exchange Commission (the “**SEC**”) on [●]. The Preferred Shares may be sold and issued in tranches within a period of three (3) years from the effective date of the registration statement under which such Offer Shares are being offered and sold.

An application to list the Initial Offer Shares has been filed with The Philippine Stock Exchange, Inc. (“**PSE**”) and has been approved by the Board of Directors of the PSE on [●]. The PSE assumes no responsibility for the correctness of any statements made or opinions expressed in this Offer Supplement. The PSE makes no representation as to its completeness and expressly disclaims any liability whatsoever for any loss arising from reliance on the entire or any part of the Offer Supplement. Such approval for listing is permissive only and does not constitute a recommendation or endorsement of the Initial Offer Shares by the PSE.

The Initial Offer Shares are being offered for subscription solely in the Philippines through PNB Capital and Investment Corporation as Sole Issue Manager, Lead Underwriter, and Sole Bookrunner; and the selling agents named herein.

The Initial Offer Shares will be listed and traded on the Main Board of the PSE. The Initial Offer Shares will be issued and listed on [●] (the “**Issue Date**”) under the trading symbol.

This Offer Supplement contains the final terms of the Initial Offer Shares and must be read in conjunction with the Prospectus dated [●] (the “**Prospectus**”). Unless defined in this Offer Supplement, terms used herein shall be deemed to be defined as set forth in the Prospectus. Full information on the Issuer and the Offer is only available on the basis of the combination of the Offer Supplement and the Prospectus. All information contained in the Prospectus are deemed incorporated by reference in this Offer Supplement.

On April 12, 2021 the Board of Directors of the Company (the “**Board of Directors**”) approved the amendment of the Articles of Incorporation of the Company to reclassify and divide the authorized capital stock into: (i) 3,250,000,000 common shares with a par value of ₱1.00 per share; and (ii) 50,000,000 preferred shares with a par value of ₱1.00 per share (the “**Preferred Shares Amendment**”). On June 24, 2021, the stockholders of Company approved the Preferred Shares Amendment during the Annual Stockholders’ Meeting. On July 12, 2021, the Company submitted the Preferred Shares Amendment with the SEC. The Preferred Shares Amendment shall be effective after SEC approval.

On May 25, 2021, the Board of Directors authorized the sale and offer of up to [15,000,000] Preferred Shares, at an offer price of up to ₱[100] per share under a shelf registration, to be issued during the

Shelf Period, under such terms and conditions as the management of the Company may deem advantageous to it (the “**Enabling Resolutions**”). The approval by the Board of Directors of the Enabling Resolutions to issue Preferred Shares is subject to the SEC approval of the Preferred Shares Amendment.

The holders of Preferred Shares do not have identical rights and privileges with holders of the existing common shares of the Company. Any and all preferred shares of the Company shall have preference over common shares in dividend distribution and in case of liquidation or dissolution. For further discussion on the rights and privileges of the Preferred Shares, please refer to the section on “*Description of the Offer Shares*” of the Prospectus.

Dividends may be declared at the discretion of the Board of Directors and will depend upon the future results of operations and general financial condition and capital requirements of ABCI; its ability to receive dividends and other distributions and payments from its subsidiaries; foreign exchange rates, legal, regulatory and contractual restrictions, loan obligations (both at the parent and subsidiary levels), and other factors the Board of Directors may deem relevant.

Dividends are declared by the Company on its shares of stocks at the discretion of the Board of Directors. The declaration and payment of dividends in the future will depend upon the earnings, cash flow and financial condition of the Company and other factors affecting the availability of unrestricted retained earnings. Dividend declaration must also take into account the Company’s capital expenditure and project requirements and settlement of its credit.

The date of declaration of cash dividends on the Offer Shares will be subject to the discretion of the Board of Directors, to the extent permitted by law. The declaration and payment of dividends (except stock dividends) do not require any further approval from the shareholders of the Company.

As and if cash dividends are declared by the Board on the Preferred Shares, cash dividends shall be as follows:

Series A Preferred Shares shall be at the fixed rate of **[6.50%] to [7.00%]** % per annum

calculated for each share by reference to the Offer Price thereof in respect of each Dividend Period (each, the “**Initial Dividend Rate**” for the relevant series). The dividends on the Initial Offer Shares will be calculated on a 30/360-day basis.

Subject to the limitations described in the Prospectus, cash dividends on the Series A Preferred Shares will be payable quarterly in arrears on [●], [●], [●], and [●] of each year (each a “**Dividend Payment Date**”) being the last day of each 3-month period (a “**Dividend Period**”) following the relevant Listing Date. If the Dividend Payment Date is not a Banking Day, dividends will be paid on the next succeeding Banking Day, without adjustment on the amount of dividends to be paid.

Dividend Rate means (a) from the Issue Date up to the Step-Up Date, the Initial Dividend Rate; and (b) from the Step-Up Date, until the date the Series A Preferred Shares are redeemed, the higher of the Initial Dividend Rate and the Step-Up Rate. Please see below relevant definitions.

Unless the Series A Preferred Shares are redeemed by the Issuer the fifth (5th) anniversary of the Listing Date (the “**First Optional Redemption Date**”) or in either case, on the next Banking Day in case the redemption date falls on a non-Banking Day, the dividends on each series will be adjusted to the higher of the (a) the simple average of the closing per annum rate of the 10-year BVAL (or if the 10-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP), as shown on the relevant page (or such successor page) of the PDS Group (or its successor) for three (3) consecutive Banking Days preceding and inclusive of the fifth (5th) anniversary from the Listing Date, plus [5.00%] or (b) the floor rate of [9.75%] (the “**Step-Up Rate**”).

Cash dividends on the Initial Offer Shares will be cumulative. If for any reason the Board of Directors does not declare a cash dividend on the Initial Offer Shares for a Dividend Period, the Company will not pay a cash dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which cash dividends are declared, holders of the Initial Offer Shares will

receive the accrued and unpaid cash dividends due them on such Dividend Payment Date as well as all Arrears of Dividends to the holders of the Initial Offer Shares prior to such Dividend Payment Date.

If the profits available for distribution as cash dividends are, in the opinion of the Board of Directors, not sufficient to enable the Issuer to pay in full cash dividends on the Preferred Shares and cash dividends that are scheduled to be paid on or before the same date on shares that have an equal right to dividends as the Preferred Shares (“**Comparable Shares**”), the Issuer is required to pay cash dividends on the Preferred Shares and any Comparable Shares pro rata to the amount of the cash dividends scheduled to be paid to the Preferred Shares and the Comparable Shares, respectively. For purposes of this paragraph, the amount scheduled to be paid shall include all dividends due on such Dividend Payment Date as well as all accumulated dividends due and payable or dividends in arrears in respect of prior Dividend Periods (“**Dividends in Arrears**”).

As and if declared by the Board of Directors of the Issuer and subject to the requirements of applicable laws and regulations, the Issuer may, at its sole option, redeem in whole (but not part), on the First Optional Redemption Date or on any Dividend Payment Date occurring thereafter (each of the First Optional Redemption Date and the Dividend Payment Dates thereafter, a “**Optional Redemption Date**”) at a redemption price equal to the Offer Price of the Preferred Shares plus all dividends due on such Optional Redemption Date as well as all Dividends in Arrears (“**Redemption Price**”).

The Issuer shall give not less than thirty (30) nor more than sixty (60) days prior written notice of its intention to redeem the Preferred Shares, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Preferred Shares at the Optional Redemption Date stated in such notice.

The Issuer may also redeem the Preferred Shares, in whole but not in part, at any time if an Accounting Event or a Tax Event has occurred and is continuing, having given not less than thirty (30) nor more than sixty (60) days’ written notice prior to the intended date of redemption, which notice shall be irrevocable and binding upon the Issuer to effect such redemption of the Preferred Shares at the redemption date stated in such notice. The redemption due to an Accounting Event or a Tax Event shall be made by the Issuer at the Redemption Price, which shall be paid within five Banking Days of the exercise of the right to redeem the Preferred Shares on the date of redemption set out in the notice.

A tax event (“**Tax Event**”) shall occur if dividend payments become subject to additional withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to Company.

An accounting event (“**Accounting Event**”) shall occur if in the opinion of the Issuer, with due consultation with its external auditor authorized to perform auditing services in the Republic of the Philippines, there is more than an insubstantial risk that the Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Issuer prepared in accordance with PFRS, or such other accounting standards which succeed PFRS as adopted by the Issuer for the preparation of its audited consolidated financial statements for the relevant financial year, and such event cannot be avoided by use of reasonable measures available to the Issuer.

Upon listing on the PSE, the Issuer may purchase the Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE. The Preferred Shares so purchased may either be redeemed (pursuant to their terms and conditions as set out in the Prospectus) and cancelled, or kept as treasury shares, as applicable.

All payments in respect of the Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any future taxes or duties imposed by or on behalf of Republic of the Philippines, including but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that holders of the Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable. provided, however, that the Issuer shall not be liable for, and the foregoing payment undertaking of the Issuer shall not apply to:

- a. any withholding tax applicable on dividends earned by or on any amounts payable to the holders of the Preferred Shares, including any additional tax on such dividends imposed by changes in law, rule, or regulation;
- b. any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption of the Preferred Shares or on the liquidating distributions as may be received by a holder of Preferred Shares;
- c. any expanded value added tax which may be payable by any holder of the Preferred Shares on any amount to be received from the Issuer under the terms and conditions of the Preferred Shares;
- d. any withholding tax, including any additional tax imposed by changes in law, rule, or regulation, on any dividends payable to any holder of Preferred Shares or any entity which is a non-resident foreign corporation; and
- e. any applicable taxes on any subsequent sale or transfer of the Preferred Shares by any holder of the Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

All sums payable by the Issuer to tax-exempt entries shall be paid in full without deductions for taxes, duties, assessments or governmental charges provided said entities present sufficient proof of such tax-exempt status from the tax authorities.

Documentary stamp tax and all other costs and expenses for the issuance of the Preferred Shares and the documentation, if any, shall be for the account of the Issuer.

The Company is at liberty from time to time without the consent of the holders of the Preferred Shares to create and issue additional preferred shares or securities either: (a) ranking at least *pari passu* in all respects with the Preferred Shares, or (b) upon such terms as to ranking, distributions, conversion, redemption and otherwise as the Company may determine at the time of the issue.

The Initial Offer Shares will be issued in scripless form through the electronic book-entry system of Professional Stock Transfer, Inc. as Registrar, and lodged with the Philippine Depository & Trust Corp. (“**PDTC**”) as depository agent on the Listing Date through PSE Trading Participants nominated by the applicants. Settlement of the Initial Offer Shares in respect of any transfer or change of title, including the settlement of documentary stamp taxes, if any, arising from subsequent transfers, shall be similar to the transfer of title and settlement procedures for listed securities on the PSE. If the Initial Offer Shares are subsequently uplifted and issued in certificated form, title to the shares shall pass by endorsement and delivery to the transferee and registration in the registry of shareholders to be maintained by the Registrar and Stock Transfer Agent. See “*Summary of the Offering*” in this Offer Supplement.

The gross proceeds from the Base Offer shall be ₱1,000,000,000.00. Should the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, in consultation with the Issuer, exercise in full the Oversubscription Option, the gross proceeds from the Offer shall be ₱1,500,000,000.00. The net proceeds from the Base Offer, after deducting from the gross proceeds the total issue management, underwriting and selling fees, listing fees, taxes and other related fees and out-of-pocket expenses, is estimated to be [₱972,306,809.21]. The net proceeds assuming the Oversubscription Option should the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, in consultation with the Issuer, exercise in full the Oversubscription Option, after deducting gross proceeds, underwriting and selling fees, listing fees, and taxes is estimated to be [₱1,466,433,651.32]. The Company will use the net proceeds for the development of pipeline real estate projects, landbanking, finance future funding requirements of Irradiation Solutions Inc. and for other general corporate purposes. See “*Use of Proceeds*” in this Offer Supplement.

The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner, shall receive an estimated fee of up to [●]% of the gross proceeds of the Offer, inclusive of amounts to be paid to the Selling Agents.

The Company reserves the right to withdraw any offer and sale of the Initial Offer Shares at any time, and the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner reserve the right to reject any application to purchase the Initial Offer Shares whether in whole or in part, and to allot to any prospective purchaser less than the full amount of the Initial Offer Shares sought by such purchaser. If an offer of the Initial Offer Shares is withdrawn or discontinued, the Company shall subsequently notify the SEC and the PSE thereof. The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner, any participating underwriter, co-manager and selling agent for any particular offer of the Initial Offer Shares may acquire for their own account a portion of the Initial Offer Shares.

The Initial Offer Shares are being offered for subscription solely in the Philippines. The distribution of this Offer Supplement and the offer and sale of the Initial Offer Shares may, in certain jurisdictions, be restricted by law. The Company and the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner require persons into whose possession this Offer Supplement comes, to 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. This Offer Supplement does not constitute an offer of any securities, or any offer to sell, or a solicitation of any offer to buy any securities of the Company in any jurisdiction, to or from any person for whom it is unlawful to make such offer in such jurisdiction.

The price of securities, such as the Preferred Shares, can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. An investment in the Preferred Shares described in this Prospectus involves a certain degree of risk. A prospective purchaser of the Preferred Shares should carefully consider several risk factors relating to the Company's business and operations, risks relating to the Philippines and risks relating to the Offer Shares, as set out in "*Risk Factors*" found on page 26 of this Prospectus, in addition to the other information contained in this Prospectus, in deciding whether to invest in the Offer Shares. The risk disclosure discussion does not purport to disclose all the risks and other significant aspects of investing in the Offer Shares. A person contemplating an investment in the Offer Shares should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities. Investing in the Offer Shares involves a higher degree of risk compared to debt instruments.

This Offer Supplement is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by either the Issuer, the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or their respective affiliates or legal advisers that any recipient of this Offer Supplement should purchase the Initial Offer Shares. Each person contemplating an investment in the Initial Offer Shares should make his own investigation and analysis of the creditworthiness of ABCI and his own determination of the suitability of any such investment.

Unless otherwise stated, the information contained in this Offer Supplement has been supplied by the Company. The Company (which has taken all reasonable care to ensure that such is the case) confirms that the information contained in this Offer Supplement is correct, and that there is no material misstatement or omission of fact which would make any statement in this Offer Supplement misleading in any material respect. The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner assumes no liability for any information supplied by the Company in relation to this Offer Supplement.

No dealer, salesman or any other person has been authorized to give any information or to make any representation not contained in this Offer Supplement. If given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner.

Unless otherwise indicated, all information in the Offer Supplement is as of the date hereof. Neither the delivery of this Offer Supplement nor any sale made pursuant to this Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company and its

subsidiaries since such date. Market data and certain industry forecasts used throughout this Offer Supplement were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified. Neither the Company nor the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner makes any representation, undertaking or other assurance as to the accuracy or completeness of such information or that any projections will be achieved, or in relation to any other matter, information, opinion or statements in relation to the Offer. Any reliance placed on any projections or forecasts is a matter of commercial judgment. Certain agreements are referred to in this Offer Supplement in summary form. Any such summary does not purport to be a complete or accurate description of the agreement and prospective investors are expected to independently review such agreements in full.

THE INITIAL OFFER SHARES ARE BEING OFFERED ON THE BASIS OF THE PROSPECTUS AND THIS OFFER SUPPLEMENT ONLY. ANY DECISION TO PURCHASE THE INITIAL OFFER SHARES MUST BE BASED ONLY ON THE INFORMATION CONTAINED IN THE PROSPECTUS AND THIS OFFER SUPPLEMENT.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE ISSUE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PRELIMINARY PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

A BROWN COMPANY, INC.

By:


ROBERTINO E. PIZARRO
President and Chief Executive Officer 

REPUBLIC OF THE PHILIPPINES)
CAGAYAN DE ORO CITY) SS.

SUBSCRIBED AND SWORN to before me this JUL 07 2021 in CAGAYAN DE ORO CITY affiant exhibiting to me his _____ expiring on _____ as competent evidence of identity.

Doc No.: 110 ;
Page No.: 84 ;
Book No.: 21 ;
Series of 2021.


ALMIRA G. VALDEZ
NOTARY PUBLIC
UNTIL DECEMBER 31, 2021
PTR NO. 4868012/12-19-2020
IBP LIFETIME NO. C18145/MIS. OR. CHAPTER
TIN: 950-147-267/ROLL NO. 54967
MCLE COMPLIANCE NO. VI-0000932/04-14-2020

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DEFINITION OF TERMS

In this Offer Supplement, unless the context otherwise requires, the following terms shall have the meanings set forth below.

Applicable Law	:	Any statute, law, regulation, ordinance, rule, judgment, order, decree, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority
Applicant	:	An Eligible Investor who submits a duly accomplished Application to Purchase, together with all requirements set forth therein.
Application to Purchase	:	The application form accomplished and submitted by an Applicant for the purchase of a specified amount of Offer Shares, together with all the other requirements set forth in such application form.
Banking Day	:	A day other than a public non-working holiday, Saturday or Sunday on which the facilities of the Philippine banking system are open and available for clearing, and banks are open for business in Metro Manila
BAP	:	Bankers Association of the Philippines
BIR	:	Bureau of Internal Revenue of the Philippines
Board of Directors or Board	:	Board of Directors of ABCI
BSP	:	Bangko Sentral ng Pilipinas
Dividend Payment Date	:	On [●], [●], [●] and [●] of each year
Dividend Period	:	The period commencing on the relevant Issue Date, as defined in the section on "Terms of the Offer", and having a duration of three (3) months, and thereafter, each of the successive periods of three (3) months commencing on the last day of the immediately preceding Dividend Period up to, but excluding the first day of, the immediately succeeding Dividend Period
Dividend Rate	:	Series A Preferred Shares shall be at the fixed rate of [6.50%] to [7.00%] % per annum
Eligible Investor	:	Any person, corporation, association or partnership, regardless of nationality, but subject to limits under Philippine law and the restrictions set out in the Prospectus and the Offer Supplement, and without prejudice to the right of the Issuer and the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner to reject an application, including the right to reject if the same will cause the Issuer to be in breach of the Philippine ownership requirements under relevant Philippine laws.
EDGE	:	PSE Electronic Disclosure Generation Technology

Government	:	The Government of the Republic of the Philippines
Offer	:	The offer and sale to the public of up to 15,000,000 cumulative, non-voting, non-participating, non-convertible, redeemable, peso-denominated perpetual preferred shares, with a par value of ₱1.00 per share
Offer Price	:	The subscription price of ₱100.00 per share at which the Initial Offer Shares will be sold
Offer Supplement	:	The document which sets out the terms and conditions for each tranche of the Offer Shares.
Permit to Sell	:	The permit to sell securities issued by the SEC in connection with the Offer.
Peso or ₱ or PHP	:	Philippine Peso, the lawful currency of the Republic of the Philippines
PFRS	:	Philippine Financial Reporting Standards
Philippines	:	Republic of the Philippines
Prospectus	:	The prospectus dated [•]2021 and any amendments, supplements and addenda thereto for the offer and sale to the public of the Preferred Shares within the Shelf Period. As the context may require, the term includes the Offer Supplement.
PSE	:	The Philippine Stock Exchange, Inc.
Registrar, Paying Agent or Stock Transfer Agent	:	Professional Stock Transfer, Inc
RTGS	:	Real Time Gross Settlement
SEC	:	Philippine Securities and Exchange Commission
Shelf Period	:	A period of three (3) years from the date of effectivity of the Registration Statement for the Preferred Shares, during which the Offer Shares may be offered and sold to the public
Sole Issue Manager, Lead Underwriter, and Sole Bookrunner	:	PNB Capital and Investment Corporation
SRC	:	Securities Regulation Code of the Philippines
TP or Trading Participants	:	PSE Trading Participants
Tranche	:	A tranche of the Offer Shares offered and sold under the shelf registration.
Underwriting Agreement	:	The Issue Management and Underwriting Agreement that the Company will enter into with the Sole Issue Manager, Lead

Underwriter, and Bookrunner for the initial tranche of the Offer, and its annexes and attachments, as may be modified, supplemented or amended from time to time.

TERMS OF THE OFFER

The following do not purport to be a complete listing of all the rights, obligations, and privileges of the Initial Offer Shares. Some rights, obligations or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective shareholders are enjoined to perform their own independent investigation and analysis of the Issuer and the Initial Offer Shares. Each prospective shareholder must rely on its own appraisal of the Issuer and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to invest in the Initial Offer Shares and must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective shareholder's independent evaluation and analysis.

The following terms of the offer should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Offer Supplement and in the Prospectus. These terms of the offer may not contain all of the information that prospective investors should consider before deciding to invest in the Initial Offer Shares. Accordingly, any decision by a prospective investor to invest in the Initial Offer Shares should be based on a consideration of the Prospectus and this Offer Supplement as a whole. Should there be any inconsistency between the summary below and the final documentation, the final documentation shall prevail.

Issuer	: A Brown Company, Inc. (“ ABCI ” or the “ Company ”)
The Offer	: The offer and sale by the Company of up to 15,000,000 cumulative, non-voting, non-participating, non-convertible, redeemable, Peso-denominated perpetual preferred shares, at an offer price of ₱100.00 per share.
Instrument	: Cumulative, non-voting, non-participating, non-convertible peso-denominated perpetual preferred shares (“ Preferred Shares ”)
Par Value	: The Preferred Shares have a par value of ₱1.00 per share.
Base Offer	: Up to Pesos: [One Billion (₱1,000,000,000.00)] consisting of [10,000,000] preferred shares (the “ Base Offer ”)
Oversubscription Option	: In the event of oversubscription, the Sole Issue Manager, in consultation with the Issuer, reserves the right, without any obligation, to increase the Offer Size by up to Pesos: [Five Hundred Million (₱500,000,000.00)] consisting of [5,000,000] preferred shares, subject to the registration requirements of the SEC. In the event the Oversubscription Option is partly exercised or not exercised at all during the Offer Period for the Offer Shares, the Preferred Shares under the Offer registration will automatically be increased by such principal amount of Oversubscription Option shares that will not be taken up or exercised.
Offer Price	: The Offer Shares shall be offered at a price of ₱[100.00] per share.
Registration and Listing	: The Initial Offer Shares are registered with the SEC under a shelf registration pursuant to SEC-MSRD Order No. [●]. The Initial Offer Shares will be listed on PSE subject to compliance with PSE listing rules.

The Series A Preferred Shares will be traded under the stock symbol [●].

Offer Period : The Offer Period shall commence at 9:00 a.m. on [October 11, 2021] and end at 12:00 noon on [October 19, 2021]. The Issuer, the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner reserve the right to extend or terminate the Offer Period with the approval of the SEC and the PSE, as applicable.

Issue Date and Listing Date : [October 28, 2021] or such other date when the Series A Preferred Shares are listed on the PSE.

Use of Proceeds : The gross proceeds of the Base Offer shall be ₱1,000,000,000.00. Should the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner, in consultation with the Issuer, exercise in full the Oversubscription Option, the gross proceeds of the Offer shall be ₱1,500,000,000.00.

The net proceeds from the Base Offer, after deducting from the gross proceeds the total issue management, underwriting and selling fees, listing fees, taxes and other related fees and out-of-pocket expenses, is estimated to be [₱972,306,809.21].

The net proceeds from the Oversubscription Option should the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner, in consultation with the Issuer, exercise in full the Oversubscription Option, after deducting gross proceeds, underwriting and selling fees, listing fees, and taxes is estimated to be [₱1,466,433,651.32].

The Company will use the net proceeds for the development of pipeline real estate projects, landbanking, finance future funding requirements of Irradiation Solutions Inc. and for other general corporate purposes. See “Use of Proceeds” in this Offer Supplement.

Dividend Rate : The initial dividend rate shall be at the fixed rate of [6.50%] to [7.00%] per annum (the “**Initial Dividend Rate**”).

Dividend Payment Dates : Cash dividends will be payable on [●], [●], [●], and [●] of each year (each a “Dividend Payment Date”), being the last day of each 3-month period (a “**Dividend Period**”), as and if declared by the Board of Directors in accordance with the terms and conditions of the Preferred Shares.

The first Dividend Payment Date will be on the 1st quarter after the Listing Date and the succeeding dates will be the following 3-month periods after it.

If the Dividend Payment Date is not a Banking Day, dividends will be paid on the next succeeding Banking Day, without adjustment as to the amount of dividends to be paid.

A “Banking Day” means a day, except Saturday or Sunday or legal holidays, in which facilities of the Philippine banking system are open and available for clearing and the bank are open for business in Metro Manila, Philippines.

Dividend Rate Step-Up : If the Preferred Shares shall not have been redeemed by the Issuer on the First Optional Redemption Date, the Initial Dividend Rate shall be adjusted to the higher of (a) the simple average of the closing per annum rate of 10-year BVAL or if the 10-year BVAL rate is not available or cannot be determined, any successor rate as determined by the Bankers Association of the Philippines (“**BAP**”) or the Bangko Sentral ng Pilipinas (“**BSP**”), as shown on the PDEX page (or such successor page of Bloomberg (or such electronic service provided) for the three (3) consecutive Business Days preceding and inclusive of the rate setting date, plus [5.00%]; or (b) the floor rate of [9.75%].

The date of listing of the Preferred Shares is referred to as the “Listing Date”. The 5th anniversary from the Listing Date referred to as the “Step Up Date”. The adjusted rate referred to as a “Step Up Rate”.

Conditions on Declaration and Payment of Cash Dividends : The declaration and payment of cash dividends on each Dividend Payment Date will be subject to the discretion of the Board of Directors, the covenants (financial or otherwise) in the loans and credit agreements to which the Issuer is a party and the requirements under applicable laws and regulations.

If the profits available for distribution as cash dividends are, in the opinion of the Board of Directors, not sufficient to enable the Issuer to pay in full cash dividends on the Preferred Shares and cash dividends that are scheduled to be paid on or before the same date on shares that have an equal right to dividends as the Preferred Shares (“**Comparable Shares**”), the Issuer is required to pay cash dividends on the Preferred Shares and any Comparable Shares pro rata to the amount of the cash dividends scheduled to be paid to the Preferred Shares and the Comparable Shares, respectively. For purposes of this paragraph, the amount scheduled to be paid shall include all dividends due on such Dividend Payment Date as well as all accumulated dividends due and payable or dividends in arrears in respect of prior Dividend Periods (“**Dividends in Arrears**”).

The profits available for distribution are, in general and with some adjustments pursuant to applicable laws and regulations, equal to the accumulated, realized profits of the Issuer less accumulated, realized loss.

Holders of the Offer Shares shall not be entitled to participate in any other or further dividends, cash, property or stock beyond the dividends specifically payable on the Offer Shares.

ABCI will covenant that, in the event:

- any cash dividends due with respect to any Preferred Shares then outstanding for any period are not declared and paid in full when due;
- where there remains outstanding Arrears of Dividends; or
- any other amounts payable under the terms and conditions of the Offer Shares described in the Prospectus are not paid in full when due for any reason,

then it will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking *pari passu* with, or junior to, the Offer Shares (or contribute any moneys to a sinking fund for the redemption of any securities ranking *pari passu* with, or junior to, the Offer Shares) until any and all Arrears of Dividends and accrued but unpaid cash dividends have been paid to the holders of the Offer Shares.

Optional Redemption and Purchase : As and if declared by the Board of Directors of the Issuer and subject to the requirements of applicable laws and regulations, the Issuer may, at its sole option, redeem in whole (but not part), the Preferred Shares 5th Anniversary from the Listing Date (the “**First Optional Redemption Date**”) or on any Dividend Payment Date occurring thereafter (each of the First Optional Redemption Date and the Dividend Payment Dates thereafter, a “**Optional Redemption Date**”) at a redemption price equal to the Offer Price of the Preferred Shares plus all dividends due on such Optional Redemption Date as well as all Dividends in Arrears (“**Redemption Price**”).

The Issuer shall give not less than thirty (30) nor more than sixty (60) days prior written notice of its intention to redeem the Preferred Shares, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Preferred Shares at the Optional Redemption Date stated in such notice.

The Issuer may also redeem the Preferred Shares, in whole but not in part, at any time if an Accounting Event or a Tax Event has occurred and is continuing, having given not less than thirty (30) nor more than sixty (60) days' written notice prior to the intended date of redemption, which notice shall be irrevocable and binding upon the Issuer to effect such redemption of the Preferred Shares at the redemption date stated in such notice. The redemption due to an Accounting Event or a Tax Event shall be made by the Issuer at the Redemption Price, which shall be paid within five Banking Days of the exercise of the right to redeem the Preferred Shares on the date of redemption set out in the notice.

No Sinking Fund : The Issuer has not established, and currently has no plans to establish, a sinking fund for the redemption of the Offer Shares.

Redemption by reason of an Accounting Event : If in the opinion of the Issuer, with due consultation with its external auditor authorized to perform auditing services in the Republic of the Philippines, there is more than an insubstantial risk that the Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Issuer prepared in accordance with PFRS, or such other accounting standards which succeed PFRS as adopted by the Issuer for the preparation of its audited consolidated financial statements for the relevant financial year, and such event cannot be avoided by use of reasonable measures available to the Issuer, the Issuer having given not more than 60 nor less than 30 days' notice, may redeem the Preferred Shares in whole, but not in part at the Redemption Price.

Redemption by reason of a Tax Event : In the event payments in respect of the Preferred Shares become subject to additional withholding or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot

be avoided by use of reasonable measures available to the Issuer, the Issuer having given not more than 60 nor less than 30 days' notice, may redeem the Preferred Shares at any time in whole but not in part, at the Redemption Price.

Purchase of the Offer Shares : Upon listing on the PSE, the Issuer may purchase the Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE. The Preferred Shares so purchased may either be redeemed (pursuant to their terms and conditions as set out in the Prospectus) and cancelled, or kept as treasury shares, as applicable.

Taxation : All payments in respect of the Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any future taxes or duties imposed by or on behalf of Republic of the Philippines, including but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that holders of the Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable. Provided, however, that the Issuer shall not be liable for, and the foregoing payment undertaking of the Issuer shall not apply to:

- a. any withholding tax applicable on dividends earned or on any amounts payable to the holders of the Preferred Shares, including any additional tax on such dividends imposed by changes in law, rule, or regulation;
- b. any income tax, including capital gains tax, (whether or not subject to withholding); percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the redemption price) of the Preferred Shares or on the liquidating distributions as may be received by a holder of the Preferred Shares;
- c. any expanded value added tax which may be payable by any holder of the Preferred Shares on any amount to be received from the Issuer under the terms and conditions of the Preferred Shares;
- d. any withholding tax, including any additional tax imposed by changes in law, rule, or regulation, on any dividends payable to any holder of Preferred Shares or any entity which is a non-resident foreign corporation; and
- e. any applicable taxes on any subsequent sale or transfer or redemption of the Preferred Shares by any holder of the Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

All sums payable by the Issuer to tax-exempt entries shall be paid in full without deductions for taxes, duties, assessments or governmental charges provided said entities present sufficient proof of such tax-exempt status from the tax authorities.

Documentary stamp tax and all other costs and expenses for the issuance of the Preferred Shares and the documentation, if any, shall be for the account of the Issuer.

The applicable taxes to any subsequent sale of the Offer Shares by any holder of the Offer Shares shall be for the account of the said holder.

Form, Title and Registration of Preferred Shares	and the	:	The Preferred Shares will be issued in scripless form through the electronic book-entry system of [Professional Stock Transfer, Inc.] as Registrar for the Offer (" Registrar "), and lodged with Philippine Depository & Trust Corp. (" PDTC ") as Depository Agent on Listing Date through PSE Trading Participants respectively nominated by the applicants. For this purpose, applicants shall indicate in the proper space provided for in the Application Form the name of a PSE Trading Participant under whose name their shares will be registered.
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After Listing Date, holders of the Preferred Shares (the "**Shareholders**") may request the Registrar, through their respective nominated PSE Trading Participants, to (a) open a scripless registry account and have their holdings of the Preferred Shares registered under their name, or (b) issue stock certificates evidencing their investment in the Preferred Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder.

Legal title to the Preferred Shares will be shown in an electronic register of shareholders ("**Registry of Shareholders**") which shall be maintained by the Registrar. The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Preferred Shares that is effected in the Registry of Shareholders (at the cost of the requesting shareholder). The Registrar shall send (at the cost of the Issuer) at least once every quarter a statement of account to all shareholders named in the Registry of Shareholders, except certificated shareholders and depository participants, confirming the number of shares held by each shareholder on record in the Registry of Shareholders. Such statement of account shall serve as evidence of ownership of the relevant shareholder as of the given date thereof. Any request by shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Shareholder.

For scripless shares, the maintenance and custody fee payable to the PDTC shall be for the account of the shareholder.

Selling and Restrictions	and Transfer	:	Initial placement and subsequent transfers of interests in the Preferred Shares shall be subject to normal selling restrictions for listed securities as may prevail in the Philippines from time to time.
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Governing Law	:	The Preferred Shares will be issued pursuant to the laws of the Philippines.
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Features of the Preferred Shares

Status	:	The Preferred Shares will constitute the direct and unsecured subordinated obligations of the Company ranking at least <i>pari</i>
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passu in all respects and ratably without preference or priority among themselves.

In the event of the winding-up of the Company, the Preferred Shares rank junior in right of payment to all indebtedness of the Company and junior in right of payment to securities of, or claims against, the Company which rank or are expressed to rank senior to the Preferred Shares. The Preferred Shares, however, rank in *pari passu* with the other Preferred Shares. There is a substantial risk that an investor in the Preferred Shares will not receive any return of the principal amount or any unpaid amounts due under the terms of the Offer unless ABCI can satisfy in full all of its other obligations ranking senior to the Preferred Shares.

The Company is at liberty from time to time without the consent of the holders of the Preferred Shares to create and issue additional preferred shares or securities either (a) ranking at least *pari passu* in all respects with the Preferred Shares, or (b) upon such terms as to ranking, distributions, conversion, redemption and otherwise as the Company may determine at the time of the issue.

Dividend Cumulative	: Dividends on the Preferred Shares will be cumulative. If for any reason the Board of Directors of the Company does not declare a dividend on the Preferred Shares for a Dividend Period, the Company will not pay a dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Preferred Shares must receive the dividends due them on such Dividend Payment Date as well as any dividends in which the declaration and/or payment have been deferred, in respect of prior Dividend Periods (the “ Arrears of Dividends ”).
No Voting Rights	: Holders of the Preferred Shares shall not be entitled to vote at the Company’s stockholders’ meetings, except as otherwise provided by law.
Non-Participating	: Holders of the Preferred Shares shall not be entitled to participate in any other or future dividends beyond the dividends specifically payable on the Preferred Shares.
Non-Convertible	: Holders of the Preferred Shares shall have no right to convert the Preferred Shares to any other preferred shares or common shares of the Company.
No Pre-emptive Rights	: Holders of the Preferred Shares shall have no pre-emptive rights to subscribe to any shares (including, without limitation, treasury shares) that will be issued or sold by the Company.
Liquidation Rights	: In the event of a return of capital in respect of the liquidation, dissolution or winding up of the affairs of ABCI but not on a redemption or purchase by ABCI of any of its share capital, the holders of the Preferred Shares at the time outstanding will be entitled to receive, in Pesos, out of the assets of ABCI available for distribution to shareholders, together with the holders of any other of the shares of ABCI ranking, as regards repayment of capital, <i>pari passu</i> with the Offer Shares and before any distribution of assets is made to holders of any class of the shares of ABCI ranking junior to the Preferred Shares as regards repayment of capital, liquidating distributions in an amount equal

to the Redemption Price as of (and including) the date of commencement of the winding up of ABCI or the date of any such other return of capital, as the case may be. If, upon any return of capital in the winding up of ABCI, the amount payable with respect to the Preferred Shares and any other shares of ABCI ranking as to any such distribution *pari passu* with the Preferred Shares are not paid in full, the holders of the Preferred Shares and of such other shares will share proportionately in any such distribution of the assets of ABCI in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Preferred Shares will have no right or claim to any of the remaining assets of ABCI and will not be entitled to any further participation or return of capital in a winding up.

Other Terms of the Offer

Minimum Subscription to the Preferred Shares : Each Application shall be for a minimum of [●] Initial Offer Shares, and thereafter, in multiples of [●] Initial Offer Shares. No Application for multiples of any other number of Initial Offer Shares will be considered.

Eligible Investors : The Initial Offer Shares may be owned or subscribed to by any person, partnership, association or corporation regardless of nationality, subject to limits under Philippine law. However, under certain circumstances, the Company may reject an Application or reduce the number of the Initial Offer Shares applied for subscription.

Subscription to the Initial Offer Shares may be restricted in certain jurisdictions. Foreign investors interested in subscribing or purchasing the Initial 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 Initial Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Initial Offer Shares.

Procedure for Application : [Applications to Purchase the Initial Offer Shares may be obtained from the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or the Selling Agents. All Applications shall be evidenced by the Application to Purchase, duly executed in each case by an authorized signatory of the applicant and accompanied by two (2) completed signature cards, the corresponding proof of full payment for the Initial Offer Shares covered by the Application and all other required documents including documents required for registry with the registrar and depository agent. The duly executed Application to Purchase and required documents should be submitted to the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or Selling Agents by the end of the Offer Period. If the applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following documents:

a certified true copy of the applicant's latest articles of incorporation and by-laws or other constitutive documents, each as amended to date, duly certified by the corporate secretary;

applicant's SEC certificate of registration, duly certified by the corporate secretary; and

a duly notarized corporate secretary's certificate setting forth the resolution of the applicant's board of directors or equivalent body authorizing (i) the purchase of the Initial Offer Shares indicated in the application and (ii) the designated signatories for the purpose, including their respective specimen signatures.

Individual applicants must also submit a photocopy of any one (1) of the following identification cards ("ID"): passport/driver's license, company ID, Social Security System/Government Service and Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank.

An applicant who is exempt from or is not subject to withholding tax or who claims reduced tax treaty rates must indicate such exemption or entitlement in the Application to Purchase and also submit additional documents as may be required by the Issuer, including but not limited to, the documents described on page 22 of this Offer Supplement.]

Payment for the Preferred Shares : [The proof of full payment for the Initial Offer Shares covered by the Application must be submitted together with the Application to Purchase and all other required documents.

Payment shall be in the form of either:

For the Trading Participants, (i) a personal or corporate check drawn against an account with a BSP authorized bank having a clearing period of no more than one (1) Banking Day; (ii) a manager's or cashier's check issued by a BSP authorized bank having a clearing period of no more than one (1) Banking Day; or (iii) a direct deposit to the designated bank account to be indicated in the Implementing Guidelines for the Reservation and Allocation of ABCI's Series A Preferred Shares through the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner ("**TP Guidelines**") to be included in the sales kit for Trading Participants. Proof of full payment must be submitted to the Receiving Agent, together with the Application to Purchase and required attachments.

All checks should be made payable to "[ABCI Preferred Shares Offer]", crossed "Payee's Account Only".

Payment may also be done through RTGS or fund/on-line/ATM/wire transfer to the designated bank account (at the Trading Participant's expense for additional charges, if any) with details indicated in the TP Guidelines.

For applicants submitting their Application to Purchase to the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner, in accordance with the instructions to be provided.]

Acceptance/Rejection of Applications : The actual number of the Initial Offer Shares that an applicant will be allowed to subscribe to is subject to the confirmation of the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner. The Company reserves the right to accept or reject, in whole or in

part, or to reduce any application due to any grounds specified in the relevant underwriting agreement to be entered into by the Company with the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner. Applications which were unpaid or where payments were insufficient and those that do not comply with the terms of the Offer shall be rejected. Moreover, any payment received pursuant to the Application does not constitute as approval or acceptance by the Company of the Application.

An Application, when accepted, shall constitute an agreement between the applicant and the Company for the subscription to the Initial Offer Shares at the time, in the manner and subject to terms and conditions set forth in the Application to Purchase and those described in the Prospectus for the Offer and this Offer Supplement. Notwithstanding the acceptance of any Application by the Company, the actual subscription by the applicant for the Initial Offer Shares will become effective only on the relevant Issue Date.

Refunds for Rejected Applications : In the event that the number of the Initial Offer Shares to be allotted to an applicant, as confirmed by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or Selling Agent, is less than the number covered by its Application, or if an Application is wholly or partially rejected by the Company, then the Company shall refund, without interest, starting on the fifth (5th) Banking Day following the end of the Offer Period, all, or a portion of the payment corresponding to the number of the Initial Offer Shares wholly or partially rejected, as applicable. All refunds shall be made through the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or Selling Agent with whom the applicant has filed the Application at the risk of the applicant.

Local Small Investors : The Company will not allocate any Initial Offer Shares for the Local Small Investors Program of the PSE.

Timetable : The timetable of the Offer is expected to be as follows:

SEC en Banc approval and issuance of Pre-effective letter	[September 28], 2021
PSE Board Approval	[October 4], 2021
Dividend Rate Setting	[October 5], 2021
Issuance of Permit to Sell and Order of Registration	[October 8], 2021
Offer Period	[October 11 to 19, 2021]
Deadline for PSE Trading Participants' Submission of Firm Undertaking	[October 13], 2021
Release of Allocation Notices to PSE Trading Participants	[October 14], 2021
Listing Date and commencement of trading on the PSE	[October 28, 2021]

Any change in the dates included above may be subject to approval of the SEC and PSE, as applicable, and other conditions.

Sole Issue Manager, Lead Underwriter, and Sole Bookrunner : PNB Capital and Investment Corporation

Depository Agent : Philippine Depository & Trust Corp.

Registrar and Stock Transfer Agent : Professional Stock Transfer, Inc.

Receiving Agent : Professional Stock Transfer, Inc.

Selling Agents : PSE Trading Participants

Counsel to the Issuer : Picazo Buyco Tan Fider & Santos

Counsel to the Underwriters : Romulo Mabanta Buenaventura Sayoc & de los Angeles

USE OF PROCEEDS

The Company estimates that the net proceeds from the Offer shall amount to approximately ₱[972,306,809.21] after fees, commissions and expenses. Assuming the oversubscription option is fully exercised, the net proceeds of the Offer shall amount to approximately ₱[1,466,433,651.32] after fees, commissions, and expenses.

EXPENSES

Net proceeds, after deducting estimated fees, commissions and expenses relating to the Offer are as follows:

Gross Proceeds from the Base Offer	₱1,000,000,000.00
Less:	
Underwriting fees for the Series [A] Preferred Shares being sold by the Company	₱9,276,315.79
Selling fees ceded to Trading Participants	₱1,250,000.00
Taxes to be paid by the Company	₱100,000.00
Philippine SEC filing and legal research fee	₱946,875.00
PSE filing fee (inclusive of VAT)	₱1,120,000.00
Estimated legal and other professional fees	₱7,500,000.00
Estimated other expenses	₱7,500,000.00
Total Expenses	₱27,693,190.79
ESTIMATED NET PROCEEDS FROM THE BASE OFFER	₱972,306,809.21

Assuming the oversubscription option is fully exercised:

Gross Proceeds from the Oversubscription Option	₱500,000,000.00
Less:	
Underwriting fees for the Series [●] Preferred Shares being sold by the Company	₱4,638,157.89
Selling fees ceded to Trading Participants	₱625,000.00
Taxes to be paid by the Company	₱50,000.00
PSE filing fee (inclusive of VAT)	₱560,000.00
Total Expenses	₱5,873,157.89
ESTIMATED NET PROCEEDS FROM THE BASE OFFER AND THE OVERSUBSCRIPTION OPTION	₱1,466,433,651.32

USE OF PROCEEDS

The use of proceeds for this Offer will be for the development of pipeline real estate projects and land banking of the Company, and for other general corporate purposes.

Development of Pipeline Real Estate Projects

The Company intends to use up to ₱[600] Million of the proceeds from the Offer to support the development of the Company's several real estate projects across the Philippines, particularly:

1. **Tanay, Rizal Project** – A 300-hectare master planned community for a mixed-use development. This master planned community will contain an upscale residential estate, themed restaurants, bike trails, villas, and economic and socialized housing.
2. **Mountain Pines Golf and Retirement Estates**– A 280-hectare agro-tourism and retirement estates situated in Manolo Fortich, Bukidnon features an 18-hole golf course, commercial and

farm lots envisioned as agricultural, leisure, retirement, and health & wellness haven. Development includes an ecotourism park, bike trails, high value crop farm and edible garden, full clinic, spa and yoga sanctuary, hotel and helipad.

3. **Barangay Bancasi, Butuan City Project** – A 10-hectare master planned community featuring mid-cost residential housing.
4. **West Highlands, Barangay. Bonbon, Butuan City** – New phase project, Phase 2-B for 33,000 sqm, offering a combination of 50% house and lot packages and 50% lots only.
5. **Coral Resort Estates, Initao, Misamis Oriental** - Mid-rise 3 to 4-storey walk-up condominium and cluster of townhouses in to be located in an approximately 5 hectare property with sea frontage.
6. **Mid-rise condominium in Teakwood Hills, Barangay Agusan, Cagayan de Oro** is a 12-storey triangular building with one side facing the city, another facing the mountain and the other facing the bay to be located in the uppermost part of the development for approximately 30,000 sqm.
7. **Dalirig, Bukidnon Project** is a 200-hectare Palm oil property that will be converted into farm residential estates offering lots only with resort type amenities.
8. **Uptown Metropolis in Uptown Metropolis Xavier Estates in Upper Balulang, Cagayan de Oro** is a master-planned development located at the premium view of the Xavier Estates. This shall be converted into a two-area district. One area shall house the central business district with Information Technology Block for offices, shopping center or mall, commercial spaces, the Ignatius Enclave 2 subdivision, and institutional facilities such as a hospital and a school. Complementing this development on the opposite side shall be the Shoppe Houses, townhouses and the twin-tower condominium at its highest point. The Shoppe Houses is the first commercial-home development in the region offering a 3-storey commercial and home in one building.
9. **Memorial Park and Columbarium Project in Barangay Mambuaya, Cagayan de Oro** features garden and gazebo lots for the memorial park and at least 2500 columbarium niches.

The Board of Directors of the Company authorized its management to make additional investments in any of the aforementioned subsidiaries, at such time and in such amount as Management may deem appropriate taking into consideration the capital requirements of the relevant subsidiary, including funding requirements of its projects, opportunities and developments in the relevant industries of the businesses, and requirements of relevant regulatory agencies, among others. Management expects to make the investments within one year from the Issue Date.

The Company shall file the appropriate SEC Form 17-C with the SEC and the PSE upon making any disbursement of the proceeds of the Offer, for the purpose of investing in the above-mentioned subsidiaries.

Land banking

The Company intends to use up to ₱ [400] Million of the proceeds from the Offer to support land banking initiatives in the areas of Tanay, Rizal, Cagayan de Oro City, Butuan City, and Bukidnon. Final terms of the acquisitions are dependent on the negotiations with the sellers. The Company intends to use internally generated funds and available credit lines from local banks in the event that the actual acquisitions would need additional capital.

Location	Intended Use	Estimated Area (in ha.)	Allocation (in ₱)	Estimated Timing of Disbursement
Tanay, Rizal	Mixed-Use	40.0	₱200,000,000.00	2021-2022

Cagayan de Oro City	Mixed-Use	5.0	₱75,000,000.00	2021-2022
Butuan City	Residential	5.0	₱50,000,000.00	2021-2022
Bukidnon	Mixed-Use	25.0	₱75,000,000.00	2021-2022
TOTAL			₱400,000,000.00	

Land banking is focused on areas where the Company has local presence and a competitive advantage. Properties adjacent completed and ongoing projects will support expansion phases. The Company is also looking into new areas where it can consolidate sizable portions to be able to come up with integrated mixed-use developments.

Funding Requirements of Irradiation Solutions Inc. (“ISI”)

The Company intends to use up to ₱[350] Million of the proceeds from the Offer for funding requirements of subsidiary ISI.

ISI was incorporated on January 4, 2021 to develop a network of irradiation facilities in the Philippines. ISI is developing the Tanay Multipurpose Irradiation Facility Project. The project is envisioned to be the first Commercial E-Beam Irradiation Facility to be built in the Philippines.

The facility will provide commercial irradiation services to improve the quality of agricultural and fishery products. This will enable local products, fruits, and seafood to be of export quality and gain wider access to international markets. With the current COVID-19 pandemic, the facility is seen to address the need for sterilization of medical devices. The technology is a common sterilization alternative for many medical-related products including PPE’s sutures, gloves, gown, face masks, dressings, syringes and surgical staplers. The E-Beam technology is used in more than 60 countries and is considered the most economical alternative among available commercial sterilization methods.

A 1.17 hectare property along Tanay-Sampaloc Road in Tanay, Rizal has been identified as the project site. The land is owned by ABCI, ISI’s parent company and will be either be infused as equity or leased out to ISI during the duration of the operations. The site is accessible for 40-footer trailers by either Marcos Highway Marilaque or Manila East Road. The building and support facilities will be newly constructed. Permitting and detailed engineering design for the Tanay facility is ongoing and is expected to be completed by the 3rd quarter of 2021. Construction is targeted to commence in 2021 and commercial operations to start by the 2nd half of 2023.

The project will initially be funded by equity infusions from its parent company ABCI. ABCI expects returns from its equity investment in ISI in the form of dividends once ISI starts commercial operations. ISI is expected to collect irradiation service revenues and cold storage lease revenues from its customers.

In the event that the Oversubscription Portion is partly exercised or not exercised at all, the Company will explore alternative options of providing capital to ISI such as project financing, using internally generated funds, or drawing on available credit lines from local banks.

Other General Corporate Purposes

The Company may likewise use a portion of the proceeds of the Offer to provide additional funds for the expenses of the Company related to its operations and activities, such as overhead expenses and taxes. Subject to determination by Management of the appropriate amounts to be used as investments in subsidiaries, taking into consideration the abovementioned factors, a portion of the proceeds may be allocated for general corporate purposes. Management expects to use such portion of the proceeds, if any, within 18 months from the Issue Date.

In summary, the net proceeds of the Offer shall be used as follows:

Purpose	₱[1] Billion Net proceeds of the Offer	₱[1.5] Billion Net proceeds of the Offer (Assuming Full Exercise of Oversubscription Option)	Estimated Timing of Disbursement
Development of Real Estate Projects	₱[500] Million	₱[600] Million	[2021 to 2022]
Landbanking	₱[300] Million	₱[400] Million	[2021 to 2022]
Finance Future Funding Requirements of ISI	₱[200] Million	₱[350] Million	[2021 to 2022]
General Corporate Purposes	-	₱[150] Million	[2021 to 2022]

Any shortfall from the net proceeds of the Offer allotted to any of the foregoing will be financed from the Company's internally generated funds.

UNDERTAKING ON THE USE OF PROCEEDS

Pending the above use of proceeds, the Company intends to invest the net proceeds from the Offer in short-term liquid investments including, but not limited to, short-term government securities, bank deposits and money market placements which are expected to earn prevailing market rates. In the event such investments should incur losses, any shortfall will be financed from the Company's internally generated funds.

No amount of the proceeds is to be used to reimburse any officer, director, employee, or shareholder, for services rendered, assets previously transferred, money loaned or advanced, or otherwise.

The Company undertakes that it will not use the net proceeds from the Offer for any purpose, other than as discussed above. The Company's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company's management may find it necessary or advisable to alter its plans. In the event of any substantial deviation, adjustment or reallocation in the planned use of proceeds, the Company shall inform the SEC, PSE and the holders of the Preferred Shares in writing at least 30 days before such deviation, adjustment or reallocation is implemented. Any material or substantial adjustments to the use of proceeds, as indicated above, should be approved by the Board or the Executive Committee, and disclosed to the PSE. In addition, the Company shall submit via the PSE's online disclosure system, the Electronic Disclosure Generation Technology ("EDGE"), the following disclosures to ensure transparency in the use of proceeds:

- i. any disbursements made in connection with the planned use of proceeds from the Offer;
- ii. quarterly progress report on the application of the proceeds from the Offer on or before the first 15 days of the following quarter;
- iii. annual summary of the application of the proceeds on or before January 31 of the following year; and
- iv. approval by the Board or the Executive Committee of any reallocation on the planned use of proceeds. The actual disbursement or implementation of such reallocation must be disclosed by the Company at least 30 days prior to the said actual disbursement or implementation.

The Company shall submit a certification by the Company's Treasurer and external auditor on the accuracy of the information reported by the Company to the PSE, as well as a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in the Prospectus, if any, in the Company's quarterly and annual reports as required in items (ii) and (iii) above. Such detailed explanation will state the approval of the Board as required in item (iv) above.

PLAN OF DISTRIBUTION

ABCI plans to issue the Offer Shares to institutional and retail investors in the Philippines through a public offering to be conducted through the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner. The Offer does not include an international offering.

Sole Issue Manager, Lead Underwriter, and Sole Bookrunner

The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner has agreed to distribute and sell the Initial Offer Shares at the Offer Price, pursuant to an Underwriting Agreement to be entered into with the Company (the “**Underwriting Agreement**”). Subject to the fulfillment of the conditions provided in the Underwriting Agreement, the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner have committed to underwrite the following amount on a firm basis:

Lead Underwriter	No. of Shares	Underwriting Commitment
PNB Capital and Investment Corporation	10,000,000	1,000,000,000.00
TOTAL	10,000,000	₱1,000,000,000.00

The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to the Company of the net proceeds of the Initial Offer Shares.

The underwriting and selling fees to be paid by the Company in relation to the Offer shall be up to [1.00%] of the gross proceeds of the Offer. This shall be inclusive of fees to be paid to Sole Issue Manager, Lead Underwriter, and Sole Bookrunner, and commissions to be paid to the Trading Participants of the PSE (“**Trading Participant**”), which shall be equivalent to 0.125% of the total proceeds of the sale of the Initial Offer Shares by such Trading Participant.

The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner is duly licensed by the SEC to engage in underwriting or distribution of the Initial Offer Shares. The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner may, from time to time, engage in transactions with and perform services in the ordinary course of its business for the Company or any of its subsidiaries.

The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner have no direct relations with the Company in terms of ownership by either of their respective major stockholder/s, and have no right to designate or nominate any member of the Board of Directors of the Company.

The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner have no contract or other arrangement with the Company by which it may return any unsold Base Offer Shares subject of the firm underwriting commitment.

PNB Capital and Investment Corporation

PNB Capital is a wholly owned subsidiary of the Philippine National Bank, offers a spectrum of investment banking services including loan syndications and project finance, bond offerings, private placements, public offering of shares, securitization, financial advisory and mergers & acquisitions. PNB Capital obtained its license from the SEC to operate as an investment house in 1997 and is licensed to engage in underwriting and distribution of securities to the public.

Sale and Distribution

The distribution and sale of the Initial Offer Shares shall be undertaken by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner who shall sell and distribute the Initial Offer Shares to third-party buyers/investors. The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner is authorized to organize a syndicate of underwriters, soliciting dealers and/or Selling Agents for the purpose of the Offer. In connection with the foregoing, the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner may enter into agreements, participation agreements, or like agreements with other co-

lead managers and managers (who may be named or have been named in the Offer Supplement) and/or Selling Agents, as necessary. There is nothing in such agreements that allow the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner to return to ABCI any unsold Offer Shares.

The Company will not allocate any Offer Shares for the Local Small Investors Program of the PSE.

Prior to close of the Offer Period, any Initial Offer Shares not taken up by the trading participants shall be distributed by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner directly to its clients and general public. All Base Offer Shares and, if the Oversubscription Option is exercised, the Oversubscription Shares not taken up by the trading participants, general public, and the clients of the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner shall be purchased by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner pursuant to the terms and conditions of the relevant Underwriting Agreement.

Local Small Investors

The Company will not allocate any Offer Shares for the Local Small Investors Program of the PSE.

Trading Participant Allocation Process

Mechanics of Distribution

1. Upon preparation of the report on the Initial Offer Shares to be taken up by Trading Participants ("**Firm Undertaking**") the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner shall, with guidance from the PSE Listings Department, input the number of Initial Offer Shares requested by each Trading Participant in a spreadsheet designed for the reservation and allocation of the Initial Offer Shares.
2. The spreadsheet shall distribute the total number of Initial Offer Shares to be allocated to each Trading Participant in accordance with the following process:
 - a) If the total number of Initial Offer Shares requested by a Trading Participant, based on its Firm Undertaking, does not exceed the Allocation per TP, the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner shall fully satisfy the request of such Trading Participant. Each Trading Participant is assured of not less than the Allocation per TP. The balance, if any, shall be re-distributed among those who have signified a commitment to purchase more than the Allocation per TP in their Firm Undertaking until all the Initial Offer Shares allotted for distribution are fully allocated subject to approval of the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner.
 - b) If the total number of Initial Offer Shares requested by a Trading Participant exceeds the Allocation per TP, additional shares may be sourced from the Initial Offer Shares not taken up by the other Trading Participants. The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner under the guidance of a representative of the PSE Listings Department, shall allocate the Initial Offer Shares to Trading Participants by:
 - (i) fully satisfying the orders of those Trading Participants who have firm orders that are less than or equal to the Allocation per TP; and then (ii) distributing equitably the remaining Allocation per TP to other Trading Participants with orders for additional shares, but only up to their respective firm orders.
 - c) The allocation will be done based on the total number of shares.
 - d) In no case shall any Trading Participant be awarded more than the shares indicated in its Firm Undertaking.
 - e) If the aggregate number of Initial Offer Shares requested by all Trading Participants is less than the total Initial Offer Shares available to the Trading Participants, the

balance shall be returned to the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner.

- f) If the total number of Initial Offer Shares requested by a TP is more than the Allocation per TP, the excess firm order may be awarded to such TP out of the shares not taken up by the other TPs. Should all shares be taken up by all the TPs, the TP with the excess firm order will only be awarded the Allocation per TP.
3. All deadlines indicated in the guidelines for Trading Participants submitted to the PSE shall be strictly followed.

Term of Appointment

The engagement of the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner shall subsist so long as the SEC Permit to Sell remains valid, unless otherwise terminated pursuant to the Underwriting Agreement.

Manner of Distribution

The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner shall, at its discretion, determine the manner by which proposals for subscriptions to, and issuances of, the Initial Offer Shares shall be solicited, with the sale of the Initial Offer Shares to be effected only through the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner. The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner may appoint other entities, including trading participants, to sell on their behalf.

Offer Period

The Offer Period shall commence at 9:00 a.m. on [October 11, 2021] and end at 12:00 noon on [October 19, 2021]. The Issuer, the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner reserve the right to extend or terminate the Offer Period with the approval of the SEC and the PSE, as applicable.

Application to Purchase

[Applications to Purchase the Initial Offer Shares may be obtained from the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or the Selling Agents. All Applications shall be evidenced by the Application to Purchase, duly executed in each case by an authorized signatory of the applicant and accompanied by two (2) completed signature cards, the corresponding proof of full payment for the Initial Offer Shares covered by the Application and all other required documents including documents required for registry with the registrar and depository agent. The duly executed Application to Purchase and required documents should be submitted to the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or Selling Agents by the end of the Offer Period. If the applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following documents:

- (a) a certified true copy of the applicant's latest articles of incorporation and by-laws or other constitutive documents, each as amended to date, duly certified by the corporate secretary;
- (b) applicant's SEC certificate of registration, duly certified by the corporate secretary; and
- (c) a duly notarized corporate secretary's certificate setting forth the resolution of the applicant's board of directors or equivalent body authorizing (i) the purchase of the Initial Offer Shares indicated in the application and (ii) the designated signatories for the purpose, including their respective specimen signatures.

Individual applicants must also submit a photocopy of any one (1) of the following identification cards ("ID"): passport/driver's license, company ID, Social Security System/Government Service and Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank.

An applicant who is exempt from or is not subject to withholding tax or who claims reduced tax treaty rates or reduced rate under the tax sparing rule, shall, in addition, must submit the following requirements to the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner together with their applications who shall then forward the same to the Registrar and Paying Agent, subject to acceptance by the Company as being sufficient in form and substance:

- (a) a current and valid BIR-certified true copy of the original tax exemption certificate, ruling or opinion issued by the BIR and addressed to the applicant, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto,
- (b) with respect to tax treaty relief, a duly accomplished BIR Form No. 0901 or Application Form for Treaty Purposes, Tax Residency Certificate, Notarized Special Power of Attorney assigning an authorized representative to sign the Application Form and file (in case of a non-resident). In addition, specific documentary requirements mentioned in Revenue Memorandum Order No. 14-2021 applicable to the tax treaty relief applied for shall accompany the above documents (See "Taxation" on page 169 of the Prospectus);
- (c) with respect to the tax-sparing rule, a Certified/Authenticated copy of the foreign law of the country of the stockholder allowing it a deemed paid tax credit in an amount equivalent to the 10.0% waived by the Philippines or exempts from tax the dividends received.
- (d) an original of the duly notarized undertaking, in the prescribed form, declaring and warranting its tax exempt status, undertaking to immediately notify the Company and the Registrar and Paying Agent of any suspension or revocation of its tax exempt status and agreeing to indemnify and hold the Company, the Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or reduced withholding of the required tax, and
- (e) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities.

After the submission of the Application to Purchase, the Issuer may require Holders to submit updated versions of the documents when required under the rules and regulations.

The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner shall be responsible for accepting or rejecting any application or scaling down the amount of Initial Offer Shares applied for. The Application, once accepted, shall constitute the duly executed purchase agreement covering the amount of Initial Offer Shares so accepted and shall be valid and binding on the Company and the applicant. The Receiving Agent shall advise the Selling Agents of any Applications that were rejected and/or scaled down, with copy to the Company.]

Minimum Purchase

Each Application shall be for a minimum of [●] Initial Offer Shares, and thereafter, in multiples of [●] Initial Offer Shares. No Application for multiples of any other number of Initial Offer Shares will be considered.

Payment of the Offer Shares

[The proof of full payment for the Initial Offer Shares covered by the Application must be submitted together with the Application to Purchase and all other required documents.

Payment shall be in the form of either:

For the Trading Participants, (i) a personal or corporate check drawn against an account with a BSP authorized bank having a clearing period of no more than one (1) Banking Day; (ii) a manager's or cashier's check issued by a BSP authorized bank having a clearing period of no more than one (1) Banking Day; or (iii) a direct deposit to the designated bank account to be indicated in the Implementing

Guidelines for the Reservation and Allocation of ABCI's Series A Preferred Shares through the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner ("**TP Guidelines**") to be included in the sales kit for Trading Participants. Proof of full payment must be submitted to the Receiving Agent, together with the Application to Purchase and required attachments.

All checks should be made payable to "[ABCI Preferred Shares Offer]", crossed "Payee's Account Only".

Payment may also be done through RTGS or fund/on-line/ATM/wire transfer to the designated bank account (at the Trading Participant's expense for additional charges, if any) with details indicated in the TP Guidelines.

For applicants submitting their Application to Purchase to the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner, in accordance with the instructions to be provided.]

Refunds

In the event that the number of the Initial Offer Shares to be allotted to an applicant, as confirmed by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or Selling Agent, is less than the number covered by its Application, or if an Application is wholly or partially rejected by the Company, then the Company shall refund, without interest, starting on the fifth (5th) Banking Day following the end of the Offer Period, all, or a portion of the payment corresponding to the number of the Initial Offer Shares wholly or partially rejected, as applicable. All refunds shall be made through the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or Selling Agent with whom the applicant has filed the Application at the risk of the applicant.

Secondary Market

ABCI may purchase the Offer Shares, then tradeable at that time, at any time without any obligation to make pro rata purchases of Offer Shares from all Shareholders.

Registry of Shareholders

The Initial Offer Shares will be issued in scripless form through the electronic book-entry system of Professional Stock Transfer, Inc. as Registrar for the Offer, and lodged with The Philippine Depository & Trust Corp. ("**PDTC**") as Depository Agent on Listing Date through PSE trading participants nominated by the applicants. Applicants shall indicate in the proper space provided for in the Application Form the name of the PSE trading participant under whose name their Offer Shares will be registered.

Legal title to the Initial Offer Shares will be shown in an electronic register of shareholders (the "**Registry of Shareholders**") which shall be maintained by the Registrar. The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Offer Shares that is effected in the Registry of Shareholders (at the cost of the requesting shareholder). The Registrar shall send (at the cost of the Company) at least once every quarter a statement of account to all shareholders named in the Registry of Shareholders, except certificated shareholders and depository participants, confirming the number of Offer Shares held by each shareholder on record in the Registry of Shareholders. Such statement of account shall serve as evidence of ownership of the relevant shareholder as of a given date thereof. Any request by the shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting shareholder.

Expenses

All out-of-pocket expenses, including but not limited to, registration with the SEC, printing, publication, communication and signing expenses incurred by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or Selling Agent in the negotiation and execution of the transaction will be for the account of ABCI, irrespective of whether the transaction contemplated herein is completed. Such expenses are to be reimbursed upon presentation of a composite statement of account. See "Use of Proceeds" on the relevant Offer Supplement for details of expenses.

CAPITALIZATION

The following table sets forth the consolidated capitalization and indebtedness of the Company as of March 31, 2021 and as adjusted to give effect to the issue of the Initial Offer Shares. This table should be read in conjunction with the Company' unaudited interim condensed consolidated financial statements and the notes thereto, included in the Prospectus:

	As of March 31, 2021	
	Actual	As Adjusted
	(Unaudited) (in millions)	
	(in ₱)	(in ₱)
Debt	₱ 634	₱ 634
Short-term debt and current portion of long-term debt		
Long-term debt—net of current portion	490	490
Securities to be issued		
Total debt (a) ⁽¹⁾	1,124	1,124
Cash and cash equivalents	122	122
Short-term investments	-	-
Net debt ⁽²⁾	1,002	1,002
Equity	2,478	3,945
Capital stock—net of subscription receivable		
Additional paid-in capital	638	638
Senior perpetual securities	-	-
Other reserve	(239)	(239)
Cumulative translation adjustments of foreign subsidiaries and interests in joint ventures and associates	6	6
Remeasurement loss on net defined benefit plan—net of tax	(26)	(26)
Comprehensive loss on derivative liability	-	-
Excess of cost over the carrying value of non-controlling interests acquired	-	-
Retained earnings	-	-
Appropriated for future expansion		
Unappropriated	1,609	1,609
Less cost of common stock held in treasury	(42)	(42)
Non-controlling interests	3	3
Total equity (b)	4,427	5,894
Total capitalisation (a+b)	5,551	7,018

(1) Total debt includes short-term debt and current portion of long-term debt and long-term debt—net of current portion.

(2) Net debt is total debt less cash and cash equivalents and short-term investments.

(3) Does not consider debt issue costs that should be offset against the liability.

PARTIES TO THE OFFER

THE ISSUER

A BROWN COMPANY, INC.

Xavier Estates Uptown, Airport Road,
Balulang, Cagayan de Oro City, 9000
Telephone number (02) 8631 8890
<https://www.abrown.ph>

SOLE ISSUE MANAGER, LEAD UNDERWRITER, AND SOLE BOOKRUNNER

PNB Capital and Investment Corporation

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Pasay City, 1300 Metro Manila

LEGAL ADVISORS

To the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner

Romulo Mabanta Buenaventura

Sayoc & de los Angeles

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Makati, Metro Manila

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Philippines

INDEPENDENT AUDITORS OF THE ISSUER

SyCip Gorres Velayo & Co

6760 Ayala Avenue
Makati City, 1226
Metro Manila, Philippines

DEPOSITORY AGENT

Philippine Depository & Trust Corp.

29/F BDO Equitable Tower
8751 Paseo de Roxas
Makati City, 1226

RECEIVING AGENT, REGISTRAR, AND STOCK TRANSFER AGENT

Professional Stock Transfer, Inc.

10th Fl., Telecom Plaza 1200,
316 Sen. Gil J. Puyat Ave,
Makati City, Metro Manila