



MEGAWORLD CORPORATION

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November 6, 2012

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Head

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Head, Disclosure Department

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Attention: Mr. Cesar B. Crisol
President and Chief Operating Officer

Ma. Concepcion M. Magdaraog
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Gentlemen:

We refer to the news article entitled "Firm questions authenticity of land titles of two Megaworld projects in Binondo" published in the November 6, 2012 issue of the Business Mirror, which reported that:

A REAL-ESTATE developer has asked the Housing and Land Use Regulatory Board (HLURB) to stop the two projects of Megaworld Corp. in Binondo, Manila, allegedly after the Andrew Tan-led firm used manufactured land titles.

Nesco International Development Corp., in its complaint, said HLURB should revoke the certificate of registration, license to sell and development permit of Megaworld Corp. for its City Place Condominium and Lucky Plaza Mall projects in Binondo.

Nesco International Development Corp. claims to be a secondary injured party in the case. It is one of the investing firms in the D'University Land Development Holdings Inc. that has projects in the Philippines and China.

In a statement, Nesco said it asked HLURB "to cause, among others, the recall of all condominium certificates of title and their derivatives issued [to Megaworld] on the ground that the city of Manila and Megaworld submitted land titles that appear to be highly questionable, infirm and dubious."

....

"The personalities involved in the transaction allegedly used fake and manufactured transfer certificates of title [TCTs] and original certificate of title [OCT] in executing a memorandum of agreement for the full commercial development of Cuartel Meisic by Megaworld via joint venture with the city of Manila." Nesco said.

By way of reply to the foregoing, we enclose the Company's official statement on the matter.

Very truly yours,



FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer

Megaworld asks HLURB to dismiss Binondo case outright

Megaworld Corp. submitted on October 29 to the Housing and Land Use Regulatory Board (HLURB) its petition to dismiss outright the complaint filed by Nesco International Development Corp. to revoke the certificate of registration, license to sell and development permit for The City Place project in Binondo, Manila.

According to Megaworld, Nesco's pleas to HLURB are all absurd and baseless. Nesco is a developer that illegally occupied a two-storey commercial building on a government property in Numancia, Binondo. The City Government demolished the said property to prepare the site for its redevelopment.

Nesco has absolutely no ownership rights over the said property, noted Megaworld. The listed firm also has no business relationship whatsoever with the former.

Megaworld contends that the Memorandum of Agreement it signed in April 2006 with the City Government of Manila, after a successful public bidding process, is a *build-and-transfer* arrangement for the construction of public school buildings with residential quarters for the faculty, among others.

While the pertinent legal issues that Nesco raised are fully rebutted in its answer filed with the HLURB, the company maintains that Nesco has no legal basis to ask for a revocation of the permits for The City Place since it is not a buyer of any unit within the aforementioned property.

In conclusion, with the successful transfer of the Rajah Soliman High School and Jose Abad Santos High School to their new site, plus the development of The City Place in the heart of Binondo, Megaworld believes that it has fully abided by the National Government's and the City Government of Manila's directives to spur the redevelopment of and economic growth in Binondo.