

THIRD DIVISION

[G.R. No. 139791, December 12, 2003]

**MANILA BANKERS LIFE INSURANCE CORPORATION,
PETITIONER, VS. EDDY NG KOK WEI, RESPONDENT.**

DECISION

SANDOVAL-GUTIERREZ, J.:

Before us is a petition for review on certiorari assailing the Decision^[1] dated March 26, 1999 and Resolution^[2] dated August 5, 1999 of the Court of Appeals in CA-G.R. CV No. 40504, entitled "Eddy Ng Kok Wei vs. Manila Bankers Life Insurance Corporation".

The factual antecedents as borne by the records are:

Eddy Ng Kok Wei, respondent, is a Singaporean businessman who ventured into investing in the Philippines. On November 29, 1988, respondent, in a Letter of Intent addressed to Manila Bankers Life Insurance Corporation, petitioner, expressed his intention to purchase a condominium unit at Valle Verde Terraces.

Subsequently or on December 5, 1988, respondent paid petitioner a reservation fee of P50,000.00 for the purchase of a 46-square meter condominium unit (Unit 703) valued at P860,922.00. On January 16, 1989, respondent paid 90% of the purchase price in the sum of P729,830.00.

Consequently, petitioner, through its President, Mr. Antonio G. Puyat, executed a Contract to Sell in favor of the respondent. The contract expressly states that the subject condominium unit "shall substantially be completed and delivered" to the respondent "within fifteen (15) months" from February 8, 1989 or on **May 8, 1990**, and that "(S)hould there be no substantial completion and fail(ure) to deliver the unit on the date specified, a penalty of 1% of the total amount paid (by respondent) shall be charged against (petitioner)".

Considering that the stipulated 15-month period was at hand, respondent returned to the Philippines sometime in April, 1990.

In a letter dated April 5, 1990, petitioner, through its Senior Assistant Vice-President, Mr. Mario G. Zavalla, informed respondent of the substantial completion of his condominium unit, however, due to various uncontrollable forces (such as *coup d`etat* attempts, typhoon and steel and cement shortage), the final turnover is reset to May 31, 1990.

Meanwhile, on July 5, 1990, upon receipt of petitioner's notice of delivery dated May 31, 1990, respondent again flew back to Manila. He found the unit still uninhabitable for lack of water and electric facilities.

Once more, petitioner issued another notice to move-in addressed to its building administrator advising the latter that respondent is scheduled to move in on August 22, 1990.

On October 5, 1990, respondent returned to the Philippines only to find that his condominium unit was still unlivable. Exasperated, he was constrained to send petitioner a letter dated November 21, 1990 demanding payment for the damages he sustained. But petitioner ignored such demand, prompting respondent to file with the Regional Trial Court, Branch 150, Makati City, a complaint against the former for specific performance and damages, docketed as Civil Case No. 90-3440.

Meanwhile, during the pendency of the case, respondent finally accepted the condominium unit and on **April 12, 1991**, occupied the same. Thus, respondent's cause of action has been limited to his claim for damages.

On December 18, 1992, the trial court rendered a Decision^[3] finding the petitioner liable for payment of damages due to the delay in the performance of its obligation to the respondent. The dispositive portion reads:

"WHEREFORE, judgment is hereby rendered in favor of plaintiff and against defendant, ordering Manila Bankers Life Insurance Corporation to pay plaintiff Eddy Ng Kok Wei the following:

1. One percent (1%) of the total amount plaintiff paid defendant;
2. P100,000.00 as moral damages;
3. P50,000.00 as exemplary damages;
4. P25,000.00 by way of attorney's fees; and
5. Cost of suit.

"SO ORDERED."

On appeal, the Court of Appeals, in a Decision dated March 26, 1999, affirmed *in toto* the trial court's award of damages in favor of the respondent.

Unsatisfied, petitioner filed a motion for reconsideration but was denied by the Appellate Court in a Resolution dated August 5, 1999.

Hence, this petition for review on *certiorari*. Petitioner contends that the trial court has no jurisdiction over the instant case; and that the Court of Appeals erred in affirming the trial court's finding that petitioner incurred unreasonable delay in the delivery of the condominium unit to respondent.

On petitioner's contention that the trial court has no jurisdiction over the instant case, Section 1 (c) of Presidential Decree No. 1344, as amended, provides:

"SECTION 1. – In the exercise of its functions to regulate the real estate trade and business and in addition to its powers provided for in Presidential Decree No. 957, the National Housing Authority [now