

MREIT, INC.
Minutes of the Annual Meeting of the Stockholders
26 June 2024 / 2:00 pm
by livestream access via <https://mreit.com.ph/asm2024>

Stockholders Present:

Please see the attached Annex "A".

Directors Present:

Francisco C. Canuto	-	Director, Chairman of the Board and Chief Audit Executive
Kevin Andrew L. Tan	-	Director, President and Chief Executive Officer
Katherine L. Tan	-	Director
Lourdes T. Gutierrez-Alfonso	-	Director
Sergio R. Ortiz-Luis, Jr.	-	Lead Independent Director
Jesus B. Varela	-	Independent Director
Antonio E. Llantada, Jr.	-	Independent Director

Also Present:

Maria Carla T. Uykim	-	Corporate Secretary
Giovanni C. Ng	-	Treasurer
Jose Arnulfo C. Batac	-	Chief Operating Officer
Krizelle Marie F. Poblacion	-	Compliance Officer
Andy Willing Dela Cruz, Jr.	-	Investor Relations Officer
Romualdo Murcia	-	External Auditor
Olivier Aznar	-	External Auditor
Ramil Nanola	-	External Auditor
Endel Mata	-	External Auditor
Jhoana Bartolome	-	External Auditor
Jaybee Recile	-	External Auditor
Christine Marquez	-	External Auditor
Ghelyn Amora	-	Stock Transfer Agent

I. CALL TO ORDER

The Chairman of MREIT, Inc. (the "Corporation") and Presiding Officer of the Meeting, Mr. Francisco C. Canuto, welcomed the stockholders to the 2024 Annual Stockholders' Meeting (the "Meeting"). The Corporate Secretary, Atty. Maria Carla T. Uykim, recorded the proceedings thereof.

II. PROOF OF NOTICE AND DETERMINATION OF QUORUM

The Presiding Officer stated that the Corporation decided to hold the Meeting by remote communication pursuant to the Corporation's Amended By-Laws, the Revised Corporation Code, and relevant regulations of the Securities and Exchange Commission ("SEC"). This notwithstanding, Management has adopted measures to afford the stockholders the opportunity to participate in the Meeting as conveniently and effectively as a physical meeting.

The Corporate Secretary certified that all stockholders of record as of 29 May 2024 have been duly notified of the Meeting pursuant to the Corporation's By-Laws and applicable SEC Circulars, and that copies of the Notice of the Meeting, the Agenda, and the Definitive Information Statement were made available through: (1) the Corporation's website; and (2) the Philippine Stock Exchange ("PSE") Electronic Disclosure Generation Technology or PSE EDGE. The Notice of the Annual Meeting was also published in the business section of The Manila Times and The Daily Tribune on 20 and 21 May 2024, both in print and online format.

The Corporate Secretary also certified that there existed a quorum to transact the business in the agenda for the Meeting, there being present in person or represented by proxy, stockholders holding 54.57% of the entire subscribed and outstanding capital stock of the Corporation entitled to vote, or equivalent to 1,525,671,845 voting shares.

The Corporate Secretary certified that only stockholders who have successfully registered may participate in the Meeting. Moreover, the Corporate Secretary explained the Procedures for Registration, Voting and Participation in the Meeting contained in the Definitive Information Statement which were implemented as follows:

(i) Stockholders signifying their intention to participate by remote communication have registered by submitting the requirements by email to the Corporate Secretary at compliance@mreit.com.ph;

(ii) Stockholders who have registered sent their questions and/or comments prior to the meeting through email at compliance@mreit.com.ph until 5:00pm of 17 June 2024;

(iii) The resolutions proposed to be adopted at the Meeting will be shown on the screen;

(iv) Stockholders who have duly registered to participate by remote communication have casted their votes by proxy or in absentia by sending their accomplished ballots by email to the Corporate Secretary until 5:00pm of 17 June 2024; and,

(v) The Office of the Corporate Secretary has tabulated all valid and confirmed votes cast through electronic voting, together with the votes through proxies, with the voting results to be announced during the Meeting and reflected in the minutes of the Meeting.

III. APPROVAL OF MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING

The Presiding Officer then proceeded with the approval of the minutes of the Annual Stockholders' Meeting held on 02 June 2023, and informed the stockholders that copies of the minutes of the meetings have been made available through the Corporation's website.

The Corporate Secretary then announced that 100% of the voting shares represented in the Meeting have voted in favor of the approval of the minutes of the Annual Stockholders' Meeting held on 02 June 2023. Therefore, the Presiding Officer declared that the following resolution has been approved:

"RESOLVED, that the Corporation approves the Minutes of the Annual Stockholders' Meeting held on 02 June 2023."

The results based on the votes cast are as follows:

	For	Against	Abstain
Number of Shares Voted	1,525,671,045	-	800
% of Outstanding Shares Present	100%		0.00%

IV. REPORT OF MANAGEMENT FOR YEAR 2023 AND OPEN FORUM

The Corporation's President and Chief Executive Officer, Mr. Kevin Andrew L. Tan, delivered the President and CEO's Message and report on the Corporation's performance for the year 2023, as follows:

Dear Stakeholders,

Today, I am proud to share MREIT's remarkable performance in 2023. We achieved a strong 13% increase in distributable income to almost PHP 3 billion, and a 14% rise in revenues to more than PHP 4 billion. MREIT's growth was driven by the full-year contributions from the additional four Grade-A office buildings acquired in 2023 and the uninterrupted rental escalations on our existing tenants.

Despite challenging office market conditions, MREIT maintained a high occupancy rate of 96% through successful renewals, tenant acquisitions, and sustained asset quality. This is significantly above the industry average occupancy rate of around 80%, underscoring the quality of our assets and the strength of our tenant relationships.

Our success is also fueled by our seasoned team, the exceptional service of our property managers, our high-quality assets, and the invaluable leasing industry expertise of our sponsor, Megaworld. This partnership allows us to navigate the market effectively and seize opportunities. Our transparent relationship with Megaworld enhances our growth potential, giving MREIT access to nearly two million square meters of quality leasing space. With this, MREIT is uniquely positioned to expand and innovate within the industry.

Just recently, we announced the acquisition of six office properties valued at over PHP 13 billion. Pending SEC approval, this will expand MREIT's portfolio by around 157,000 sqm or by 48%. This positions us closer to our 2024 goal of reaching 500,000 sqm and we are actively pursuing further acquisitions to achieve this target by year-end. Since our IPO, MREIT's portfolio more than doubled in size to 482,000 sqm and by 52% in value to PHP 75 billion.

Our focus on strengthening tenant relationships through enhanced customer service and tailored leasing solutions keeps us agile and responsive to market changes. Our properties are strategically located in prime and geographically diverse Megaworld townships such as Eastwood City, McKinley Hill, McKinley West, Iloilo Business Park and soon, Davao Park District. This advantageous positioning, combined with our diversified tenant mix, has not only allowed us to withstand industry challenges but also to thrive and excel in the office sector.

As a proud subsidiary of Megaworld, MREIT is committed to aligning with and advancing the Group's sustainability initiatives. MREIT's crucial role in advancing the Group's environmental, social, and governance goals is a cornerstone of our operations. In 2023, MREIT successfully achieved a significant milestone by transitioning two of our office buildings to operate entirely on renewable energy, reflecting our commitment to sustainable development. Looking ahead, we have set an ambitious target: by 2027, we aim to power all MREIT properties exclusively with renewable energy.

Looking ahead, we remain dedicated to expanding our portfolio to one million square meters of GLA by 2030, continuously enhancing our assets, and deepening tenant relationships. Starting this 2024, we will begin to acquire retail assets from our sponsor, capitalizing on the strong rebound in tenant sales, rental rates, and occupancy rates at Megaworld Lifestyle Malls. By 2030, we plan to further diversify our portfolio by exploring new property types available through our sponsor, ensuring MREIT's sustained growth and cementing our position as one of the market leaders.

I extend my deepest gratitude to all our stakeholders for your continued trust and support. Your invaluable contributions have been instrumental in our achievements, and we look forward to progressing together.

Thank you.

After Mr. Tan's report, the Presiding Officer requested Mr. Dela Cruz to read the questions that were sent through compliance@mreit.com.ph. Below is a summary of the questions and the answers that were given:

Question : What drove MREIT's strong revenue growth in 2023??

Answer : MREIT's strong revenue growth in 2023 was driven by a combination of factors, including sustained rental escalations of 5 to 10%, and maintaining high occupancy rates at 96%.

Additionally, the acquisition of new assets last year worth over 5 billion pesos added approximately 45,000 square meters to MREIT's portfolio, increasing it by around 16% to 325,000 square meters.

Last year, we also continued to see sustained demand for high-quality office spaces in prime locations, which contributed to MREIT's sustained growth as we were able to secure new leases.

Question : How was MREIT able to maintain its 96% occupancy rate despite the challenges in the office industry?

Answer : Our ability to maintain our 96% occupancy rate is largely due to our successful positioning in prime township locations with excellent infrastructure and connectivity that are sought after by many office locators.

By fostering strong relationships with our tenants and offering tailored leasing solutions, MREIT has created an environment that meets the evolving needs of businesses.

Additionally, continuous enhancements and improvements to our buildings ensure they remain attractive and competitive in the market, helping to retain existing tenants and attract new ones.

This proactive approach has allowed MREIT to navigate the industry successfully and maintain high occupancy rates.

Question : Are you looking to acquire new properties this year?

Answer : We recently announced the acquisition of six office properties that will significantly expand MREIT's portfolio by approximately 157,000 square meters, increasing it by 48% to a total of 482,000 square meters.

These buildings are situated in prime Megaworld townships, such as McKinley West, Iloilo Business Park, and Davao Park District where average occupancy rates are also significantly above industry.

The acquisition is a strategic move to reach our target of 500,000 square meters of GLA by the end of 2024, and this brings us closer to our long-term goal of achieving 1 million square meters of gross leasable area by 2030.

This acquisition not only enhances our portfolio but also strengthens our position in the market, allowing us to provide even more high-quality spaces to our tenants and to sustain our revenue growth.

Question : Given MREIT's exposure to the office sector, is MREIT looking to diversify its assets into other property types?

Answer : Yes, we are now actively looking to diversify MREIT's assets beyond the office sector. Starting this year, MREIT plans to venture into retail assets.

This strategic move provides shareholders with exposure to the strong performance of the retail sector and enhancing the company's overall resilience and growth prospects.

In the long term, we are also studying other property types within the Megaworld portfolio that will bring value to MREIT.

By broadening our investment horizon into new asset types, this will ensure MREIT will have a balanced and diversified portfolio that can withstand various market dynamics.

Question : What steps is the company taking to enhance sustainability and reduce its carbon footprint?

Answer : MREIT is committed to sustainability and has made significant strides in reducing its carbon footprint.

In 2023, MREIT transitioned two of its office buildings to operate entirely on renewable energy. MREIT aims to power all its properties exclusively with renewable energy by 2027.

This commitment aligns with Megaworld Group's broader environmental, social, and governance goals, demonstrating

MREIT's dedication to sustainable development and environmental stewardship.

Furthermore, these initiatives not only contribute to a greener environment but also enhance the attractiveness of MREIT's properties to our stakeholders who are looking for sustainable spaces and investments.

V. ISSUANCE OF 926,162,000 COMMON SHARES IN EXCHANGE FOR SIX (6) GRADE A BUILDINGS

The Presiding Officer informed the stockholders that the next item on the agenda is the approval of the issuance of 926,162,000 primary common shares to Megaworld Corporation at an issue price of 14.20 pesos per share in exchange for six (6) Grade A buildings located in PEZA-registered zones, namely: 100% ownership of One Fintech Place and Two Fintech Place, which are located in Iloilo Business Park; 100% ownership of Davao Finance Center located in Davao Park District; and 80% pro indiviso ownership of Two West Campus, Ten West Campus, and One Le Grand, which are located in McKinley West, Fort Bonifacio, Taguig.

The Corporate Secretary certified that 100% of the voting shares represented in the Meeting have voted in favor of the agenda item. Therefore, the Presiding Officer declared that the following resolution has been approved:

“RESOLVED, that the Corporation approves and ratifies the issuance of 926,162,000 primary common shares to Megaworld Corporation in exchange for six (6) Grade A buildings located in PEZA-registered zones, namely: 100% ownership of One Fintech Place and Two Fintech Place, which are located in Iloilo Business Park, 100% ownership of Davao Finance Center located in Davao Park District, and 80% pro indiviso ownership of Two West Campus, Ten West Campus and One Le Grand, which are located in McKinley West, Fort Bonifacio, Taguig, at an issue price of ₱14.20 per share, set at a 10.1% premium over the thirty-day Volume-Weighted Average Price of Php12.90 per share over a period of thirty trading days prior to the Related Party Transaction Committee meeting on 07 May 2024 and the listing of the Shares with the Philippine Stock Exchange as approved by the Board of Directors in their meeting held 10 May 2024.”

The results based on the votes cast are as follows:

	For	Against	Abstain
Number of Shares Voted	1,525,661,045	10,000	800
% of Outstanding Shares Present	100%	0.00%	0.00%

VI. APPOINTMENT OF EXTERNAL AUDITORS

The Presiding Officer informed the stockholders that the Audit Committee of the Board of Directors has recommended to the Board the engagement of Punongbayan & Araullo as independent auditors of the Corporation for the audit of the Corporation's financial statements for the year ending 31 December 2024, and that the Board has approved such engagement.

The Corporate Secretary then announced that 100% of the voting shares represented in the Meeting have voted in favor of the engagement of Punongbayan & Araullo as independent auditors for the fiscal year ending December 31, 2024. Therefore, the Presiding Officer declared that the following resolution has been approved:

“RESOLVED, that the Corporation approves the engagement of Punongbayan & Araullo for the audit of the Corporation’s financial statements for the year ending December 31, 2024.”

The results based on the votes cast are as follows:

	For	Against	Abstain
Number of Shares Voted	1,525,636,391	34,654	800
% of Outstanding Shares Present	100%	0.00%	0.00%

VII. RATIFICATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND MANAGEMENT

The Presiding Officer informed the stockholders that the next item on the agenda is the ratification of all acts and resolutions of the Board of Directors, Board Committees and Officers of the Corporation since the date of last year’s annual stockholders’ meeting held on 02 June 2023 until 25 June 2024. He informed the stockholders that a list of such acts was provided in the Definitive Information Statement, which was made available through the Corporation’s website and PSE EDGE.

The Corporate Secretary certified that 100% of the voting shares represented in the Meeting have voted in favor of the ratification all acts and resolutions of the Board of Directors, Board Committees and Officers of the Corporation which were duly adopted in the ordinary course of business since the date of last year’s annual stockholders’ meeting held on 02 June 2023 until 25 June 2024. Therefore, the Presiding Officer declared that the following resolution has been approved:

“RESOLVED, that the stockholders of the Corporation ratify all acts and resolutions of the Board of Directors, Board Committees and Officers of the Corporation from the annual stockholders’ meeting on 02 June 2023 until 25 June 2024.”

The results based on the votes cast are as follows:

	For	Against	Abstain
Number of Shares Voted	1,525,661,045	10,000	800
% of Outstanding Shares Present	100%	0.00%	0.00%

VIII. ELECTION OF DIRECTORS

The Presiding Officer informed the stockholders that, for the current year 2023, the Corporation shall be electing seven (7) Directors, at least one-third (1/3) of whom shall be Independent Directors pursuant to the REIT Act, and the Corporation's Revised Manual of Corporate Governance. He requested Mr. Dela Cruz, on behalf of the Corporate Governance Committee, to present the Final List of Nominees for members of the Board of Directors.

Mr. Dela Cruz presented the final list of nominees to the Board of Directors, as follows: Mr. Francisco C. Canuto, Mr. Kevin Andrew L. Tan, Mrs. Katherine L. Tan, and Ms. Lourdes T. Gutierrez-Alfonso as Regular Directors; and Mr. Jesus B. Varela, Mr. Sergio R. Ortiz-Luis, Jr., and Mr. Antonio E. Llantada, Jr. as Independent Directors.

Mr. Dela Cruz likewise reported that the Final List of Nominees for election as directors of the Corporation possess all the qualifications and none of the disqualifications to hold office as directors of the Corporation.

The Corporate Secretary then informed the Presiding Officer that no further nominations shall be allowed pursuant to the Corporation's By-Laws, as amended.

The Corporate Secretary certified that each of the nominees have obtained the required number of votes to be elected as members of the Board. Therefore, the Presiding Officer declared that the following resolution electing the members of the Board has been approved:

"RESOLVED, that the Corporation elects the following as directors of the Corporation to serve as such beginning today until their successors are elected and qualified:

1. Mr. Francisco C. Canuto
2. Mr. Kevin Andrew L. Tan
3. Mrs. Katherine L. Tan
4. Ms. Lourdes T. Gutierrez-Alfonso
5. Mr. Jesus B. Varela
6. Mr. Sergio R. Ortiz-Luis, Jr. and
7. Mr. Antonio E. Llantada, Jr.

The results based on the votes cast are as follows:

Director	For	Against	Abstain
Francisco C. Canuto	1,525,661,045	10,000	800
Kevin Andrew L. Tan	1,525,199,045	472,000	800
Katherine L. Tan	1,525,661,045	10,000	800
Lourdes T. Gutierrez-Alfonso	1,525,661,045	10,000	800
Antonio E. Llantada, Jr.	1,525,671,045	-	800
Jesus B. Varela	1,525,671,845	-	800
Sergio R. Ortiz-Luis, Jr.	1,525,671,045	2,343,854	800

IX. ADJOURNMENT

The Presiding Officer inquired if there are other matters in the agenda. The Corporate Secretary replied there were none. There being no other matters to be discussed, the Meeting was adjourned at 2:33 p.m.

CERTIFIED CORRECT:

MARIA CARLA T. UYKIM
Corporate Secretary 

ATTESTED BY:


FRANCISCO C. CANUTO
Chairman and Presiding Officer

Annex A
Tabulation of Stockholder Attendance

Total No. of Shares Outstanding and Voting Shares as of Record Date	Total Number of Shares Present	Percentage of Total
2,795,821,381	1,525,671,845	54.57%