

MARKET VALUE APPRAISAL

Property exhibited to us by the
MREIT FUND MANAGERS, INC.

Southeast Asian Campus (SEAC)

Located in
**McKinley Hill, Barangay Pinagsama
Taguig City, Metro Manila**

09 December 2025

MREIT FUND MANAGERS, INC.

19th Floor, Alliance Global Tower
36th Street corner 11th Avenue
Uptown Bonifacio, Taguig City, Metro Manila

Attention : **MR. ROLANDO J. TIONGSON**
President and Chief Executive Officer

Thru : **MR. GIANCARLO INACAY**

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 09 December 2025. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **MREIT FUND MANAGERS, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

Valid until: 07/17/2026

PRC Registration Number: 0000167

IPREA Membership No. 849

PTR No. 3040621

06 January 2025

City of Pasig

09 December 2025

MREIT FUND MANAGERS, INC.

19th Floor, Alliance Global Tower
36th Street corner 11th Avenue
Uptown Bonifacio, Taguig City, Metro Manila

Attention : **MR. ROLANDO J. TIONGSON**
President and Chief Executive Officer

Thru : **MR. GIANCARLO INACAY**

Subject : **CAI File No. 06-2025-0658-007AR**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **MREIT FUND MANAGERS, INC.**, for the purpose of expressing an opinion on the *market value* of the property intended for corporate use as of **30 September 2025**.

The appraised property is identified as the ***Southeast Asian Campus (building and its facilities)***, located, **along Campus Avenue, within McKinley Hill, Barangay Pinagsama, Taguig City, Metro Manila**.

The term ***Market Value***, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In the market value appraisal of any fixed land improvement, the land where the said improvement stands should be included to satisfy its definition. Being an appraisal of a building only, this report pertaining to the said item, therefore, partakes in the nature of a fractional appraisal and is rendered as such.

We personally inspected the property, investigated local market conditions and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Discounting and capitalization rates;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and
Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the *market value* of the property using income approach appraised as of **30 September 2025** is reasonably represented in the amount of **FOUR BILLION SEVEN HUNDRED FORTY-SEVEN MILLION SIX HUNDRED FOUR THOUSAND (Php4,747,604,000) PESOS.**


We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. EMMANUEL P. LEGASPI
Department Manager - Real Estate
PRC Registration Number: 0000087
Valid Until: 12/06/2028
IPREA Membership No. 847
PTR No. 3974190
06 January 2025
City of Dasmariñas

JVP:mfm

CAI File No. 06-2025-0658-007AR

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 06-2025-0658-007AR

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Barangay Pinagsama, Taguig City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **30 September 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or a liability should exchange on valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale on the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the appraised property is the **Southeast Asian Campus (building and its facilities)**, located **along Campus Avenue, within McKinley Hill, Barangay Pinagsama, Taguig City, Metro Manila**.

Southeast Asian Campus is located on the northeast side of Campus Avenue; approximately 500 meters southeast from the corner of Upper McKinley Hill Road and Park Avenue; 1-kilometer southeast from the corner of Lawton Avenue and Upper McKinley Hill Road; and about 1.20-kilometer southwest from the corner of Carlos P. Garcia Avenue (C-5) and Upper McKinley Hill Road.

Campus Avenue is 30 meters wide, provided with concrete paved with asphalt overlay and provided with concrete curbs and gutters, concrete sidewalks, underground drainage and center island.

III. NEIGHBORHOOD DATA

McKinley Hill is a 50-hectare Italian-themed urban township developed by Megaworld Corporation. This integrated community seamlessly combines residential, office, commercial, retail, sports, recreation, and institutional components, creating a vibrant mini-city environment.

McKinley Hill boasts over 270,000 square meters of office space, accommodating numerous businesses and multinational companies. The township is known for its campus-type office buildings, many accredited as PEZA special economic zones for information technology, resembling those in Silicon Valley.

Strategically located in the junction of Lawton Avenue, McKinley Road, and C-5, McKinley Hill provides easy access to major thoroughfares, making it convenient for residents and professionals commuting to and from the area.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular and pedestrian traffic loads. Major thoroughfares are concreted with widths ranging from 10 to 50 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Venice Grand Canal Mall
Science Hub Towers 1, 2 3, and 4
Enderun Colleges
McKinley Hill Stadium

Venice Grand Canal Mall, SM Aura Premier, Market! Market! and various establishments within Bonifacio Global City serve the commercial, marketing and shopping needs of the residents in the area. These are accessible from Campus and Lawton Avenues by public transportation. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply, and telecommunication facilities are available in the subject building.

Public transportation connecting to various sections of Taguig City and its neighboring towns/cities is available along Campus Avenue where the subject building fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the local government.

V. LAND DATA

No copy of the title or any land ownership document was given to us.

No title verification was conducted to confirm the existence of the owner's original copy of the title supposedly on file with the Registry of Deeds since it is not included in the assignment.

VI. DESCRIPTION OF THE BUILDING

The land is improved with a building described on the next page:

Southeast Asian Campus

This is a twelve (12)-storey reinforced concrete-framed building with a roof deck, having a concrete slab and waterproof membrane finished concrete slab roof deck; acoustic board with T-runner, fiber cement board and concrete slab with powder coated aluminum tubular design ceilings; cement plastered concrete hollow block and tempered glass walls; cement plastered concrete hollow block, tempered glass and double-wall plywood partitions; metal louver; glass on steel frame and tempered glass on powdered coated aluminum frame windows; viewing glass on wood panel, metal sheet, metal louver on steel frame, glass on powder coated aluminum frame and sliding glass panel doors; and carpet tiles, ceramic tiles, marble tiles and plain cement with epoxy concrete slab floors.

The building features a three (3) podium level car park, cafeteria, training rooms, production area, gym, clinic, auditorium and two hundred thirty six (236) parking slots.

This is painted and provided with fire-fighting equipment, lighting, plumbing, and telecommunication facilities. Also equipped with a stand-by genset, twelve (12) passenger and one (1) service elevators, and CCTV camera security system, having gross floor area and gross leasable area of 58,840.00-square meter and 50,093.91-square meter, allocated below:

Floor Level	Gross Floor Area (sq.m.)	Gross Leasable Area (sq.m.)	Occupancy
Ground	6,608.00	1,816.39	WELLS FARGO INTERNATIONAL SOLUTIONS
Second	-	-	
Third	-	-	
Fourth	-	-	
Fifth	6,529.00	6,034.69	
Sixth	6,529.00	6,034.69	
Seventh	6,529.00	6,034.69	
Eight	6,529.00	6,034.69	
Ninth	6,529.00	6,034.69	
Tenth	6,529.00	6,034.69	
Eleventh	6,529.00	6,034.69	
Twelfth	<u>6,529.00</u>	<u>6,034.69</u>	
Total -	58,840.00	50,093.91	

Estimated remaining economic life is 43 years.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing office/commercial utility** would represent the highest and best use of the property.

Highest and Best Use is the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all the costs required to maintain the earning potential of the property.

The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. Gross Leasable Area is 50,093.91 square meters;
3. Effective gross revenues, operating expenses, and capitalization expenses were based on the 10-year cash flow given to us by the client, taking into consideration the historical data and the existing lease contracts of the tenants;
4. Estimation of the present worth of the projected net income. Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = \sum [FVt / (1 + i)^t] - I_0$$

The last equation states that the Net Present Value, PV, is just the sum of the present worth of the expected economic benefits to be received;

5. Discount rate is estimated at 10.17%, using a built-up method, the computation is shown below:

Derivation of Discount Rate using Built-up Method

91-day treasury bill rate	=	5.526%	auction date: 30 June 2025
Below one year time deposit	=	4.018%	Peso Deposit June 12-18,
	Average	4.772%	2025 BSP
Less: 20% withholding tax	=	0.954%	
		3.818%	
Plus: Recapture rate of the building	= 1/REL of the Bldg.		
	= 1/29 yrs x 100	3.45%	
	Cap Rate	7.268%	
Plus: Inflation Rate	=	2.90%	inflation rate for December
	Discount Rate	10.168%	2024 (PSA)
	Say	10.17%	

Note: REL – Remaining Economic Life
The average of MREIT buildings is 29-year.

6. Growth rate is estimate at 2% based on the average escalation rate;
7. Capitalization rate adopted to arrive at the terminal value is 8.17% (discount rate less growth rate);
8. Marketing Cost is pegged at 0% of resale value, MREIT has no intention of selling this property at the end of 10th year.

Discounted Cash Flow Analysis (in Php) SOUTHEAST ASIAN CAMPUS																
STATISTICS																
Land Area			sq.m.													
Gross Floor Area		58,840.00	sq.m.													
Gross Leasable Area		50,093.91	sq.m.													
Vacancy Rate (incl. bad debts)			(ave.)													
Terminal Capitalization Rate		8.17%														
Discount Rate		10.17%														
Present Worth Factor				0.9527	0.8647	0.7849	0.7124	0.6467	0.5870	0.5328	0.4836	0.4390	0.3984			0.3616
				202	202	202	202	202	203	203	203	203	203			203
				Year	1	2	3	4	5	6	7	8	9	10	Totals	11
				Escalation												
GROSS REVENUES																
Rental Income																
Rental Income - PAS Adjustment																
Rental Income - deferred credits amortization																
Rental Income - penalties																
Income from dues - net																
Total Annual Gross Rental																
Total Annual Revenue				-	-	-	-	-	-	-	-	-	-	-	-	-
LESS:																
Vacancy Rate (incl. bad debts)		of gross revenues		547,559.00	547,570.71	550,573.88	550,583.68	553,698.91	571,022.19	598,196.05	623,354.33	653,096.60	680,833.60			713,399.94
Effective Gross Revenue				547,559.00	547,570.71	550,573.85	550,583.68	553,698.91	571,022.19	598,196.05	623,354.33	653,096.60	680,833.60	5,876,488.97	713,399.94	
LESS EXPENSES:																
Cost of Services																
Outside Services																
Management Fees - FM																
Management Fees - PM																
Land Lease																
Utilities																
Taxes, Licences and Fees - RPT																
Taxes, Licences and Fees - Others																
Repairs and Maintenance																
Supplies and Materials																
Miscellaneous																
Total of Cost of Services				93,147.12	98,921.43	101,372.37	101,373.41	103,945.14	105,764.09	110,976.55	113,618.17	119,220.67	122,133.06			128,158.57
Other Operating Expenses				27,377.95	27,378.53	27,528.69	27,529.18	27,684.94	28,551.11	29,909.80	31,167.71	32,654.83	34,041.68			35,669.99
Capex Reserve				42,273.07	41,696.75	41,715.44	41,716.27	41,732.45	43,196.27	45,232.82	47,358.69	49,599.05	51,942.83			54,407.93
Total				162,798.14	167,996.73	170,616.51	170,618.86	173,362.55	177,511.47	186,119.17	192,144.58	201,474.56	208,117.57			218,236.50
Total				162,798.14	167,996.73	170,616.51	170,618.86	173,362.55	177,511.47	186,119.17	192,144.58	201,474.56	208,117.57	1,810,760.19	218,236.50	
NET OPERATING INCOME				384,760.85	379,573.98	379,957.34	379,964.81	380,336.36	393,510.72	412,076.88	431,209.75	451,622.03	472,716.03	4,065,728.78	495,163.44	
ADD: Reversion Value (Resale Value)																6,060,752,019.00
LESS: Marketing Cost		0.0%	of Resale Value													-
Net Reversion Value																6,060,752.01
Present Worth Factor		10.17%	discount rate	0.95273	0.86478	0.78495	0.71245	0.64672	0.58702	0.53283	0.48364	0.43900	0.39840			0.36160
Present Worth of Net Income				366,571,932	328,247,491	298,247,262	270,720,820	245,970,355	230,997,96	219,566,70	208,551,56	198,260,70	188,364,26	2,555,499,06		
Present Worth of Net Reversion Value																2,192,104.96

Total Present Value of Net Income	2,555,499,06
Present Worth of Net Reversion Value	2,192,104,96
Total	4,747,604,03

Market Value of Property (Building and its facilities)	Php 4,747,604,031
Rounded to	Php 4,747,604,000

On the basis of the foregoing, the market value of the property (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php4,747,604,000**.