

COVER SHEET

SEC Registration Number

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Company Name

M	R	E	I	T	,		I	N	C	.																											

Principal Office (No./Street/Barangay/City/Town/Province)

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KRIZELLE MARIE F. POBLACION

(632) 8894-6300/6400

Contact Person

Company Telephone Number

1	2
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Month

3	1
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Day

Fiscal Year

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Month

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Day

Annual Meeting

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel Concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
May 20, 2024
2. SEC Identification Number
CS202052294
3. BIR Tax Identification No.
502-228-971-000
4. Exact name of issuer as specified in its charter
MREIT, Inc.
5. Province, country or other jurisdiction of incorporation
Metro Manila
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
18th Floor, Alliance Global Tower, 36th Street corner 11th Avenue, Uptown Bonifacio,
Taguig City, Philippines
Postal Code
1634
8. Issuer's telephone number, including area code
(632) 8894-6300/6400
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	2,795,821,381

11. Indicate the item numbers reported herein
Item 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



MREIT, Inc. MREIT

PSE Disclosure Form LR-1 - Comprehensive Corporate Disclosure on Issuance of Shares (Private Placements, Share Swaps, Property-for-Share Swaps or Conversion of Liabilities/Debt into Equity) *Reference: Rule on Additional Listing of Securities*

Subject of the Disclosure

Property-for-Share Swap between Megaworld Corporation and MREIT, Inc.

Background/Description of the Disclosure

On 10 May 2024, MREIT, Inc. (the “Company”) approved a Property-for-Share Swap transaction with Megaworld Corporation (“Megaworld”) pursuant to which Megaworld shall transfer, assign and convey absolutely in favor of the Company its rights, title and interests in 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, which is located at 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 in Fort Bonifacio, Taguig, in exchange for 926,162,000 common shares of the Company, with a par value of PhP1.00 per share or PhP926,162,000.00 and Additional Paid In Capital (APIC) of PhP12,225,338,400.00, or for a total subscription price of PhP13,151,500,400.00.

Date of Approval by Board of Directors

May 10, 2024

Comprehensive Corporate Disclosure

Description of the proposed transaction including the timetable for implementation, and related regulatory requirements

On 10 May 2024, the Company and Megaworld executed a Deed of Exchange where the Company agreed to the subscription by Megaworld to 926,162,000 common shares of the Corporation to be paid for by way of transfer to the Corporation of six (6) grade A asset buildings located in PEZA-registered zones (the “Transaction”).

Megaworld shall subscribe to 926,162,000 common shares of the Company for a total subscription price of PhP13,151,500,400.00, consisting of par value of PhP1.00 per share or PhP926,162,000.00, and APIC of PhP12,225,338,400.00.

In payment for the said subscription, Megaworld shall transfer to the Company its rights, title and interests in the following buildings, improvements and machineries (the “Properties”): 100% ownership of One Fintech Place and of Two Fintech Place, which are located in Iloilo Business Park, 100% ownership of Davao Finance Center located at Davao Park District, and 80% pro indiviso ownership of Two West Campus, of Ten West Campus and of One Le Grand, which are located in McKinley West in Fort Bonifacio, Taguig.

The Transaction is subject to the approval of the Company stockholders at the Company’s annual stockholder’s meeting on 26 June 2024.

The Transaction shall be pursued as a tax-free exchange under Sec. 40(c)(2) of the National Internal Revenue Code, as amended. The shares shall be issued upon the confirmation of the valuation of the Properties by the Securities and Exchange Commission. The Company will apply for the additional listing of the Shares resulting from the Transaction with the Exchange.

Rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction

The Transaction is pursuant to the Company's investment commitment to infuse 500,000 square meters of gross leasable area (GLA) by the end of 2024. The Transaction represents the third wave of asset infusion in accordance with the investment commitment, geared towards the vision of making the Company the largest office REIT in Southeast Asia.

The aggregate value of the consideration, explaining how this is to be satisfied, including the terms of any agreements for payment on a deferred basis

The total subscription price for the Transaction is PhP13,151,500,400.00, consisting of par value of PhP1.00 per share or PhP926,162,000.00 and APIC of PhP12,225,338,400.00. The Transaction price for the shares subscribed was set at a 10.1% premium over the thirty (30)-day volume weighted average price of PhP12.90 per share over a period of thirty (30) trading days prior to the Related Party Transactions Committee meeting on 07 May 2024, as validated by a fairness opinion issued by FTI Consulting Philippines, Inc.

The basis upon which the consideration or the issue value was determined

The Properties were valued by FTI Consulting Philippines, Inc. using the Discounted Cash Flows ("DCF") Method and Direct Capitalization Method under the Income Approach. The Company, on the other hand, was valued using the DCF Method as the primary method, with the Market Approach as cross-check. Please refer to Annex "A" for the Fairness Opinion and Valuation Reports.

Detailed work program of the application of proceeds, the corresponding timetable of disbursements and status of each project included in the work program. For debt retirement application, state which projects were financed by debt being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project

The Company executed the Deed of Exchange on 10 May 2024. It shall apply for the issuance of the Certificates Authorizing Registration ("CAR") with the relevant Revenue District Office of the Bureau of Internal Revenue ("BIR") within the second quarter of 2024. The SEC's approval of the Transaction is expected to be issued within the year, and the BIR's CAR issuance is expected to be issued within the third quarter of 2024. The Company shall likewise apply for the additional listing of shares with the Exchange by the first quarter of 2025.

Identity and/or corporate background of the beneficial owners of the shares subscribed, including the following

Beneficial Owners/Subscribers	Nature of Business	Nature of any material relationship with the Issuer and the parties to the transaction, their directors/officers or any of their affiliates
Megaworld Corporation	See attached file.	Megaworld is the Sponsor of the Company and, as of date hereof, directly and indirectly owns 54.18% of the Company shares.

Organizational/Ownership Structure of Subscribers

Controlling Shareholders of Subscribers	Number of Shares Held	%		
Alliance Global Group, Inc.	15,180,921,058	48.68	-	
New Town Land Partners, Inc.	5,668,530,324	18.18	-	

For subscribers with no track record or with no operating history: the Subscriber must present a statement of active business pursuits and objectives which details the step undertaken and proposed to be undertaken by the Issuer in order to advance its business. Projected financial statements shall only be required should there be references made in the Statement to forecasts or targets

Not applicable.

The interest which directors of the parties to the transaction have in the proposed transaction

Aside from their existing ownership of shares in the Company and Megaworld, the directors of the parties do not have interest in the proposed Transaction.

Statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders

The issuance of the 926,162,000 primary common shares to Megaworld will be discussed and taken up in the next Annual Stockholders' Meeting of the Company on 26 June 2024.

The Transaction price for the shares subscribed was set at a 10.1% premium over the thirty (30)-day volume weighted average price of PhP12.90 per share over a period of thirty (30) trading days prior to the Related Party Transactions Committee meeting on 07 May 2024, as validated by a fairness opinion issued by FTI Consulting Philippines, Inc. The Transaction falls within the exceptions to the conduct of a rights or public offering requirement under Article V, Part A, Section 3(a) of the Exchange's Consolidated Listing and Disclosure Rules.

Any conditions precedent to closing of the transaction

Subject to regulatory approvals, the Transaction will close upon the listing of the Shares with the PSE.

Change(s) in the composition of the Board of Directors and Management

There are no changes in the composition of the Board of Directors and Management as a result of this Transaction.

Effects on the following

Ownership structure

Principal Shareholders	Before		After	
	Number of shares	%	Number of shares	%
Megaworld Corporation	1,514,682,881	54.18	2,440,844,881	65.58
Affiliates	28,902,900	1.03	28,902,900	0.78
Directors and Officers	10,001,000	0.36	10,001,000	0.27
Public (Non-Megaworld)	1,242,234,600	44.43	1,242,234,600	33.38

Capital structure

Issued Shares

Type of Security /Stock Symbol	Before	After
MREIT (Common Shares)	2,795,821,381	3,721,983,381

Outstanding Shares

Type of Security /Stock Symbol	Before	After
MREIT (Common Shares)	2,795,821,381	3,721,983,381

Treasury Shares

Type of Security /Stock Symbol	Before	After
-	-	-

Listed Shares

Type of Security /Stock Symbol	Before	After
MREIT (Common Shares)	2,532,121,381	3,721,983,381

Effect(s) on the public float, if any	The public float will change from 44.43% to 33.38%. The Company and Megaworld shall ensure that it shall at all times be in compliance with the public minimum ownership requirements imposed for REITs.
Effect(s) on foreign ownership level, if any	Assuming there is no change in the number of foreign-owned shares of the Company from 30 April 2024, the foreign ownership percentage will change from 0.96% to 0.72% of the outstanding capital stock.

Other Relevant Information

Please refer to the attached for additional information on the proposed transaction.

The Listed Shares post-Transaction include the 263,700,000 common shares subject of the property-for-share swap between Megaworld and MREIT approved by the SEC and issued last March 2023, which are pending listing with the Exchange.

Filed on behalf by:

Name	Krizelle Marie Poblacion
Designation	Compliance Officer

20 May 2024

SECURITIES AND EXCHANGE COMMISSION

17/F SEC Headquarters,
7907 Makati Avenue Barangay Bel-Air,
Makati City

Attention: **Director Oliver O. Leonardo**
Director, Markets and Securities Regulation Department

PHILIPPINE STOCK EXCHANGE, INC.

6th Floor, PSE Tower,
28th Street corner 5th Avenue,
Bonifacio Global City, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**
Head, Disclosure Department

PHILIPPINE DEALING AND EXCHANGE CORPORATION

29th Floor, BDO Equitable Tower 8751
Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head, Issuer Compliance and Disclosures Department

Subject: Comprehensive Corporate Disclosure on Issuance of Shares

Gentlemen:

In compliance with Article V, Part A, Section 6 of the Consolidated Listing and Disclosure Rules of the Philippine Stock Exchange, we hereby submit the Comprehensive Corporate Disclosure on the property-for-share swap between MREIT, Inc. (the "Company") and Megaworld Corporation, as approved by the Company's Board of Directors in its meeting dated 10 May 2024.

The transaction involves the issuance of 926,162,000 primary common shares of the Company 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, which is located at 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 in Fort Bonifacio, Taguig for a total subscription price of PhP13,151,500,400.00.

Please see the attached information for your reference.

Thank you.

Very truly yours,


ATTY. KRIZELLE MARIE F. POBLACION
Compliance Officer

MREIT, Inc.
Comprehensive Corporate Disclosure on Issuance of Shares

I. Description of the proposed transaction including the timetable for implementation, and related regulatory requirements

On 10 May 2024, MREIT, Inc. (the "Company") and Megaworld Corporation ("Megaworld") executed a Deed of Exchange where the Company agreed to the subscription by Megaworld to 926,162,000 common shares of the Corporation to be paid for by way of transfer to the Corporation of six (6) grade A asset buildings located in PEZA-registered zones (the "Transaction").

Megaworld shall subscribe to 926,162,000 common shares of the Company for a total subscription price of PhP13,151,500,400.00, consisting of par value of PhP1.00 per share or PhP926,162,000.00, and Additional Paid In Capital (APIC) of PhP12,225,338,400.00.

In payment for the said subscription, Megaworld shall transfer to the Company its rights, title and interests in the following buildings, improvements and machineries (the "Properties"): 100% ownership of One Fintech Place and of 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, of Ten West Campus and of One Le Grand, which are located in McKinley West in Fort Bonifacio, Taguig.

The Transaction is subject to the approval of the Company stockholders at the Company's annual stockholder's meeting on 26 June 2024.

The Transaction shall be pursued as a tax-free exchange under Sec. 40(c)(2) of the National Internal Revenue Code, as amended. The shares shall be issued upon the confirmation of the valuation of the Properties by the Securities and Exchange Commission. The Company will apply for the additional listing of the Shares resulting from the Transaction with the Exchange.

II. Rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction

The Transaction is pursuant to the Company's investment commitment to infuse 500,000 square meters of gross leasable area (GLA) by the end of 2024. The Transaction represents the third wave of asset infusion in accordance with the investment commitment, geared towards the vision of making the Company the largest office REIT in Southeast Asia.

III. The aggregate value of the consideration, explaining how this is to be satisfied, including the terms of any agreements for payment on a deferred basis

The total subscription price for the Transaction is PhP13,151,500,400.00, consisting of par value of PhP1.00 per share or PhP926,162,000.00 and APIC of PhP12,225,338,400.00. The Transaction price for the shares subscribed was set at a 10.1% premium over the thirty (30)-day volume weighted average price of PhP12.90 per share over a period of thirty (30) trading days prior to the Related Party Transactions Committee meeting on 07 May 2024, as validated by a fairness opinion issued by FTI Consulting Philippines, Inc.

IV. The basis upon which the consideration or the issue value was determined

The Properties were valued by FTI Consulting Philippines, Inc. using the Discounted Cash Flows ("DCF") Method and Direct Capitalization Method under the Income Approach. The Company, on the other hand, was valued using the DCF Method as the primary method, with the Market Approach as cross-check. Please refer to **Annex A** for the Fairness Opinion and Valuation Reports.

V. Detailed work program of the application of proceeds, the corresponding timetable of disbursements and status of each project included in the work program. For debt retirement application, state which projects were financed by debt being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project

The Company executed the Deed of Exchange on 10 May 2024, copy attached as **Annex F**.

It shall apply for the issuance of the Certificates Authorizing Registration ("CAR") with the relevant Revenue District Office of the Bureau of Internal Revenue ("BIR") within the second quarter of 2024. The SEC's approval of the Transaction is expected to be issued within the year, and the BIR's CAR issuance is expected to be issued

within the third quarter of 2024. The Company shall likewise apply for the additional listing of shares with the Exchange by the first quarter of 2025.

VI. Identity and/or corporate background of the beneficial owners of the shares subscribed

Megaworld Corporation	Megaworld Corporation was incorporated in the Philippines on August 24, 1989, primarily to engage in the development of large scale, mixed-use planned communities or townships that integrate residential, commercial, leisure and entertainment components. Megaworld is presently engaged in property-related activities such as project design, construction and property management. Megaworld’s real estate portfolio includes residential condominium units, subdivision lots and townhouses, condominium-hotel projects as well as office projects and retail spaces.	Megaworld is the Sponsor of the Company and, as of date hereof, directly and indirectly owns 54.18% of the Company shares.
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Additional Information on Megaworld Corporation

1. Articles of Incorporation

Megaworld was incorporated in the Philippines on August 24, 1989, primarily to engage in the development of large scale, mixed-use planned communities or townships that integrate residential, commercial, leisure and entertainment components.

The Articles of Incorporation of Megaworld is attached hereto as **Annex B**. The primary purpose of Megaworld, as stated in its Amended Articles of Incorporation dated 27 June 2017, is:

“a) To invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, hypothecate, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidence of indebtedness, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized and to pay therefor in money or by exchanging therefor stocks, bonds, or other evidence of indebtedness or securities of this Corporation or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, contracts, or obligations, to receive, collect, and dispose of the interest, dividends, and income arising from such property, and to possess and exercise in respect thereof all the rights, powers, and privileges of ownership, including all voting powers of any stock so owned.” (Amended as of April 30, 1999)

2. Major Projects and Investments

Megaworld is presently engaged in property-related activities such as project design, construction and property management. Its real estate portfolio includes residential condominium units, subdivision lots and townhouses, condominium-hotel projects as well as office projects and retail spaces.

3. Capital Structure

The latest General Information Sheet of Megaworld is attached as **Annex C**.

4. Latest Audited Financial Statements

The audited financial statements of Megaworld for the years 2021, 2022, and 2023 are attached as **Annex D**.

5. List of Subsidiaries and Affiliates

The list of subsidiaries of Megaworld is attached as **Annex E**.

6. Board of Directors and Officers

Directors

- a. Andrew L. Tan - Chairman of the Board/President/Chief Executive Officer
- b. Katherine L. Tan - Director
- c. Kingson U. Sian - Executive Director
- d. Enrique Santos L. Sy - Director

- e. Jesus B. Varela – Lead Independent Director
- f. Cresencio P. Aquino – Independent Director
- g. Alejo L. Villanueva, Jr. – Independent Director

Officers

- h. Lourdes T. Gutierrez-Alfonso - Chief Operating Officer
- i. Kevin Andrew L. Tan - Executive Vice President and Chief Strategy Officer
- j. Francisco C. Canuto - Senior Vice President, Chief Finance Officer, Treasurer, Compliance Officer, Corporate Information Officer and Chief Audit Executive
- k. Noli D. Hernandez - Executive Vice President for Sales and Marketing
- l. Giovanni C. Ng - Senior Vice President and Finance Director
- m. Maria Victoria M. Acosta - Executive Vice President and Managing Director for International Marketing
- n. Maria Carla T. Uykim - Head of Corporate Advisory and Compliance Division
- o. Rafael Antonio S. Perez - Head of Human Resources and Corporate Administration Division
- p. Graham M. Coates - Head of Megaworld Lifestyle Malls
- q. Jennifer L. Romualdez - Head of Operations Division
- r. Kimberly Hazel A. Sta. Maria - Assistant Vice President for Corporate Communications and Advertising
- s. Ma. Melody Ibañez-Garcia - Chief Risk Officer
- t. Lino P. Victorioso, Jr. - Data Protection Officer
- u. Anna Michelle T. Llovido - Corporate Secretary
- v. Nelileen S. Baxa - Assistant Corporate Secretary

VII. Organizational/Ownership Structure of Subscribers

Controlling Shareholders of Subscribers	Number of Shares Held	%
Alliance Global Group, Inc.	15,180,921,058	48.68%
New Town Land Partners, Inc.	5,668,530,324	18.18%

VIII. The interest which directors of the parties to the transaction have in the proposed transaction

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IX. Statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders

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