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PSE Security Code
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File Number

MREIT, INC.						
(Company's Full Name)						
18 TH FLOOR ALLIANCE GLOBAL TOWER, 36 TH STREET CORNER 11 TH AVENUE, UPTOWN BONIFACIO, TAGUIG CITY 1634, METRO MANILA, PHILIPPINES						
(Company's Address)						
(02) 88946400						
(Company's Telephone Number)						
DECEMBER 31						
(Fiscal Year Ending) (Month & Day)						
SEC FORM 17-A (2021)						
(Form Type)						
(Amendment Designation, if Applicable)						
Davied Finded Date						
Period Ended Date						
PERMIT TO OFFER SECURITIES FOR SALE						
(Secondary License Type, if any)						

SECURITIES AND EXCHANGE COMMISSION SEC FORM 17-A ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE

1.	For the fiscal year ended 31 Decemb	<u>per 2021</u>					
2.	SEC Identification Number: CS20205	3. BIR Tax Identification No. <u>502-228-971</u>					
4.	MREIT, INC. Exact name of issuer as specified in i	its charter					
5.	Metro Manila, Philippines Province, country or other jurisdiction of incorporation or organization						
6.	(SEC Use Only) Industry Classification Code						
7.	18 th Floor, Alliance Global Tower, 3 11 th Avenue, Uptown Bonifacio, Ta Address of principal office						
8.	(02) 88946400 Registrant's telephone number, include	ding area code					
9.	Former name, former address and for N/A	rmal fiscal year, if changed since last report:					
10.	Securities registered pursuant to Sec RSA	ctions 8 and 12 of the Code or Sections 4 and 8 of the					
	Title of Each Class Common	Number of Shares of Stock Outstanding 2,532,121,381					
11.	Are any or all of these securities listed	d on a Stock Exchange?					
	[x] Yes	[] No					
	If yes, disclose the name of such Sto	ck Exchange and the class of securities listed therein:					
	Philippine Stock Exchange	Common Shares					
12.	Check whether the issuer:						
	thereunder or Section 11 of the	o be filed by Section 17 of the SRC and SRC Rule 17 RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 ode of the Philippines during the preceding twelve (12)					
	[x] Yes	[] No					
	has been subject to such filing re	requirements for the past ninety (90) days.					
	[x] Yes	[] No					

Aggregate Market Value of Voting Common Stock held by Non-Affiliates as of 31 December 2021 is Php18,711,798,750 based on the closing price of Php19.70 per share.

13.

- 14. Briefly describe documents incorporated by reference and identify the part of the SEC Form 17-A into which the document is incorporated:
 - (a) 2021 Audited Financial Statements;
 - (b) Pursuant to SEC Memorandum Circular No. 4-2019, MREIT, Inc.'s Sustainability Report for 2021 is attached to and submitted together with this SEC Form 17-A.

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

Background

MREIT, Inc. (the Company) is a real estate investment trust (REIT) incorporated under the Philippine Real Estate Investment Trust Law (Republic Act No. 9856) on 2 October 2020. The Company was designated by Megaworld Corporation (Megaworld), its Parent and Sponsor, to operate as its flagship REIT company, the primary focus of which will be office and retail leasing to a diversified tenant base, with a high-quality portfolio of 14 office, hotel, retail and other assets across the Philippines and an aggregate GLA of of 280,175 sgm as of 31 December 2021.

The Company has an authorized capital stock of ₱5,000,000,000.00 divided into 5,000,000,000 common shares with a par value of ₱1.00 per share, with no preferred shares and no shares held in treasury.

On 1 October 2021, the Company conducted an initial public offering and listed its shares in the Philippine Stock Exchange (PSE). MREIT has a total market capitalization of Php49.9 billion based on the closing price of Php19.7 per common share on 31 December 2021, the last trading day of the year. As of the date of this report, the Company has 2,532,121,381 common shares issued and outstanding. 62.09% of the issued and outstanding shares is held by the Sponsor, Megaworld, while the remaining 37.51% is held by the public.

The Business

MREIT is a REIT formed primarily to own and invest in income-producing commercial portfolio of office, retail, and hotel properties in the Philippines, that meets its investment criteria. The principal investment mandate and strategy of MREIT is to invest in income-generating real estate that meets a select set of criteria, such as location, property grade and type, and tenant profile. In 2021, the Company acquired a total of fourteen (14) mixed-use buildings from Megaworld, with a total gross leasable area of 280,175 sqm, namely:

Quezon City

1800 Eastwood Avenue 1880 Eastwood Avenue E Commerce Building

Taguig City

One World Square Two World Square Three World Square 8/10 Upper Mckinley 18/20 Upper Mckinley World Finance Plaza

Iloilo City

Richmonde Hotel Iloilo and Richmonde Iloilo Office Tower One Techno Place Two Techno Place Three Techno Place One Global Center

In furtherance of the transfer, assignment and conveyance in favor of the Company of all of Megaworld's rights, title and interests in the Properties, Megaworld also assigned in favor of the Company all of its rights and interests in and to the contracts of lease over portions of the Properties leased out to various entities as office, retail and hotel. In 2021, the Company started earning rental income from the Properties. (For more information, see Exhibit 1 – Audited Financial Statements).

As a commercial REIT, MREIT will focus on expanding its office, mall, and hotel properties. However, if the opportunity arises, MREIT may also explore other types of real estate properties available in the market. MREIT offers Shareholders an investment opportunity with a stable yield, opportunities for Gross Revenue and Net Operating Income growth, high-quality properties with strong tenant demand, strong Sponsor support from Megaworld, experienced management with incentive to grow the Company's Gross Revenue and Net Operating Income, and distribution of at least 90% of the Company's Distributable Income.

Through its Fund Manager, the Company intends to maximize investment returns by growing the Gross Revenue as well as the Net Operating Income from the the Company's Properties over time, through active management of present and future property portfolio in order to secure income growth and provide a Competitive Investment Return to its investors.

The Company derives its revenues through leasing real properties. As of 31 December 2021, the Company owns fourteen (14) mixed used buildings located in Quezon City, Taguig City and Iloilo City leased out to various entities as office, retail and hotel. All of the Properties were developed by Megaworld. All of the Properties are owned by the Company and stand on land leased from Megaworld for an aggregate period of 50 years.

All Properties are PEZA-registered and/or located in PEZA-registered zones. The Company's portfolio has tenants across various sectors which are categorized as follows: (i) Business Process Outsourcing (BPO) and traditional office; (ii) hotel, (iii) retail and others. Due to the sustained growth from the BPO sector, the Company has secured a number of major BPO customers as long-term tenants in the properties. As of 31 December 2021, 94% or 254,227 sqm of the total available GLA of the portfolio was occupied by BPOs and traditional offices, and 6% or 15,381 sqm of the total available GLA of the portfolio was occupied by retail and other tenants including 6,769 sqm pertaining to the hotel GLA.

In spite of the community quarantine imposed by the Government due to the coronavirus pandemic, the Properties enjoy pre-COVID-19 occupancy levels due largely to the sustained operations of the BPO office tenants. The Properties have enjoyed consistently high occupancy rates thus earning stable rental revenues. Most of the commercial office lease agreements for the Company's properties are for tenancy periods of between five (5) to ten (10) years. To ensure the timely payment of rent, arrears management procedures are enforced to ensure timely payment of rent. For office properties, we require three months' deposit and three months' advance rental. For retail properties, we require six months' deposit and one month advance rental. Rentals, as well as common use service area (CUSA) fee of the maintenance upkeep of the buildings, are billed monthly or quarterly, and are collected every fifth of the month or first month of the quarter. In addition, under the general terms of the leases, lessees and tenants for office properties are obligated to pay additional security deposit also equivalent to three months' rental upfront.

The Company's current Committed Leases structurally provide opportunities for growth, and this is primed to continue into the future. The total Gross Revenue from the Properties is expected to increase continuously primarily due to higher rental rates obtained on new leases or on renewals of existing leases and built-in rental escalations. The Properties have contractual fixed lease rental escalations of 5% to 10% per annum, providing for a secure source of organic growth and clear income visibility. Additionally, the Company also has the ability to lease up the assets—raising the overall occupancy of the buildings.

The Company is also not subject to the effects of seasonality or other sales cycles, as its rent terms are fixed and apply uniformly (subject to individually negotiated escalation rates) across the lease terms. Additionally, tenants of office properties typically pay a security deposit equal to three months' rent and advance rent equal to three months. Meanwhile, tenants of commercial properties usually pay a security deposit equal to six months' rent and advance rent equal to one month. All of these advance rents are forfeited in case the tenant pre-terminates the lease agreement without prior notice or before the expiry of the lease term without cause. Such stable cash flows have, and will continue to, allow the Company flexibility in maintaining and upgrading the Properties to continually satisfy its tenants needs; in seeking further investment opportunities, whether expansion of the Company's existing Properties or acquisition of additional properties; and in making regular distributions to the Company's shareholders.

Distribution Methods of Services

The Company caters primarily to office tenants. As of December 31, 2021, commercial office space comprised approximately 94% of the total gross leasable area of the properties, leased out to BPOs and traditional office lessees. The remaining 6% of the GLA is allotted to retail tenants and hotel operations.

Marketing

The Company engages the services of MREIT Property Managers, Inc. (MPMI) to render, among other things, marketing services of vacant office units, retail, units, and other spaces in the properties, including the preparation and submission of proposals and offers to prospective lessees in the name of the Company, and the identification of potential tenants. MPMI shall also formulate and implement leasing and marketing strategies, and package leasing and marketing materials to be provided to prospective lessees. In exchange for MPMI's services, the Company pays property management fee to MPMI on a quarterly basis.

Competition

The Company believes that the competition for office space is principally on the basis of location, quality and reliability of the project's design and equipment, reputation of the developer, supply of comparable space, changing needs of business users, and PEZA registration. The Company considers as primary competitors Ayala Land, Inc. and its REIT Subsidiary, SM Prime Holdings, Inc., Robinsons Land Corporation and its REIT Subsidiary, Filinvest Land Inc. and its REIT Subsidiary, and Double Dragon Properties Corporation and its REIT Subsidiary.

The Company competes on the basis of the strategic locations of its buildings, including their proximity to the malls and residences as part of its mixed-use developments and accessibility to public transportation. The Company believes that its and its Sponsor's established reputation for good quality, ease of doing business, and completing projects on time makes the Company one of the most preferred choices of the BPO industry as well as local and multinational companies. The Company is committed to providing an excellent customer experience and satisfaction by offering and maintaining office projects of high quality and reliability, meeting the evolving needs of its customers. Together with Megaworld, the Company aims to maintain its leading position in the office leasing market.

Suppliers

The Company has a broad base of suppliers that cater to the operation, maintenance and upkeep of the Company's properties, which the Company engages either directly or through the property manager.

Transactions with and/or dependence on related parties

The Company, in its ordinary course of business, engages in transactions with its parent and affiliates. The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

Transactions with related parties include asset acquisitions from, property-for-share swap transactions and land leases with, Megaworld (the Company's Parent and Sponsor), and fund and property management agreements with affiliates. As a newly established business, the Company's current operations depend principally on the services of its Senior Management, comprised of officers who are seconded from Megaworld. Other related party transactions include advances granted to and obtained from subsidiaries, associates and other related parties are for purposes of working capital requirements. (For more information, see Exhibit 1 - Audited Financial Statements, Note 15).

Intellectual Property

The Company has adopted a logo of MREIT which has been filed for the trademark registration with the Philippine Intellectual Property Office. The Company has also secured an exclusive domain for its website and email system (www.mreit.com.ph).

The Company also relies on Megaworld's trademarks to establish and protect its business interests, believing that Megaworld's trademarks and intellectual property rights are important to the Company's success and competitive position. Megaworld, the Sponsor, has registration of trademarks of the McKinley Hill and Iloilo Business Park townships where most of the Properties are located, approved by the Philippine Intellectual Property Office. Megaworld has granted the Company non-exclusive rights to use the foregoing marks where the Properties are located for free for a period of 25 years plus an extension of 25 years, commencing on June 1, 2021.

Regulatory

Republic Act No. 9856 or the Real Estate Investment Trust Act of 2009 lapsed into law on December 17, 2009. Pursuant to Section 22 of the said law, the Philippine SEC approved the implementing rules and regulations of the Real Estate Investment Trust Act of 2009 on May 13, 2010. Under the REIT Law, a REIT is a stock corporation established primarily for the purpose of owning income-generating real estate assets. Although designated as a trust, the REIT Law explicitly provides that a REIT is not a "trust" as contemplated under other existing laws and regulations. Instead, the term is used for the sole purpose of adopting the internationally accepted description of the company in accordance with global best practices.

On January 20, 2020, the Philippine SEC issued Memorandum Circular No. 1, Series of 2020 (Revised REIT IRR), amending the existing REIT regulations by, among other things, modifying the minimum public ownership of a REIT, incorporating a reinvestment of proceeds policy, imposing additional corporate governance mechanisms into a REIT, and adding qualifications of a REIT fund manager and property manager. The regulatory amendment was published in a newspaper of general circulation on January 23, 2020 and became effective on February 7, 2020.

In order to be considered a REIT and to benefit from the incentives under the law, the shares of a REIT must be registered with the Philippine SEC in accordance with the SRC and listed with the PSE in accordance with its Listing and Disclosure Rules and its Amended Listing Rules for REITs (PSE Rules). The procedure for the registration and listing of such shares as a REIT shall comply with the applicable registration and listing rules and regulations of the Philippine SEC and the PSE, in addition to the specific requirements under the REIT Law and the PSE Rules.

The REIT Law and the Revised REIT IRR limit the allowable investment of a REIT mainly to income generating real estate. 75% of the total value of the REIT's assets, reflecting the fair market value of total assets held, must be invested in, or consist of, income-generating real estate and 35% of which must be located in the Philippines. Should a REIT invest in income-generating real estate located outside of the Philippines, the same should not exceed 40% of its Deposited Property and only upon special authority from the Securities and Exchange Commission. An investment in real estate may, by way of direct ownership or a shareholding in a domestic special purpose vehicle, be constituted to hold/own real estate. The real estate to be acquired by the REIT should have a good track record for three years from the date of acquisition. An income-generating real estate is defined under the REIT Law to mean real property which is held for the purpose of generating a regular stream of income such as rentals, toll fees, user's fees, ticket sales, parking fees and storage fees.

A REIT must distribute at least 90% of its distributable income annually, as dividends to its shareholders not later than the last working day of the fifth (5th) month following the close of the fiscal year of the REIT.

Government approvals and regulations

The Company secures various government approvals, such as PEZA licenses, environmental compliance certificates, and operating permits, required primarily in the Company's operation of its assets for leases. The Company's property manager is tasked to ensure that the Company's permits and licenses to operate the properties and to engage in property leasing business are up-to-date.

Employees

The business of the Company is not highly dependent on the services of personnel outside of Senior Management, who are officers and employees of Megaworld, and of the services performed by the Company's fund manager and property manager. As of December 31, 2021, the Company only has one full-time employee.

The Company has no collective bargaining agreements with employees and there are no organized labor organizations in the Company.

Risks Associated with the Company's Business

The Company is exposed to risks inherent in the Philippine real estate market.

The Company is highly dependent on the performance of the Philippine real estate market and the state of the Philippine economy because all of its Properties are located in the Philippines. The demand for, and prevailing prices of office leases are directly related to the strength of the Philippine economy and the overall levels of business activity in the Philippines. The growth of the real estate sector has been mainly driven by the fast-growing BPO sector, which is vulnerable to global economic changes. As one of the fastest growing sectors in the Philippine real estate industry, the BPO sector drives office space demand, which fuels the performance and profitability of the Company's Properties.

Several factors contribute to fluctuations in the Philippine property market including the general demand and supply of properties which may cause asset price bubbles, increases and decreases in interest rates, inflationary pressures, Government-related real estate policies and other factors beyond the Company's control. In particular, the global economic downturn resulting from the COVID-19 pandemic has resulted in an economic slowdown and negative business sentiment, which may have an adverse effect on the outlook on the Philippine property market and lead to an adverse change in the Philippines' macroeconomic situation generally, which could materially and adversely affect the Company's results of operations. Moreover, the ongoing COVID-19 pandemic could result in the Company's tenants in the BPO sector taking actions to mitigate its impact, such as early termination of leases, downsizing or non-renewal of leases, particularly with the increase in work-from-home arrangements. Thus, the Company is directly affected by the risks that affect the Philippine property market as a whole, and the property market in the BPO sector in particular. The Company cannot foresee when the disruptions of business activities caused by the outbreak of COVID-19 will cease. Any decline in the value of land or real estate in the Philippines may lead to a downward revaluation of the Properties and a decrease in rental rates.

The Company is exposed to risks that it will be unable to lease its properties in a timely manner or collect rent at profitable rates or at all.

The Company is subject to risks incidental to the ownership and operation of office and related retail properties including, among other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, increased operating costs and the need to renovate, repair and re-let space periodically and to pay the associated costs. In particular, the Company relies on the growth of the BPO business as a continued source of revenue from its rental properties. If the BPO business does not grow as the Company expects or if the Company is not able to continue to attract BPO-based tenants, it may not be able to lease its office space or as a consequence, its retail space, in a timely manner or otherwise at satisfactory rents.

Significant competition in the markets in which the Company operates could adversely affect its business.

The Company operates in a highly competitive industry. Its future growth and development are dependent, in large part, on the availability of large tracts of office and commercial assets suitable for acquisition, development or lease. As the Company and its competitors compete for such assets, it may become more difficult to find suitable properties in locations and at prices acceptable to the Company, particularly in Metro Manila, CBDs and other key urban areas. To the extent that the Company is unable to grow its portfolio at acceptable prices, its growth prospects could be limited and its business and results of operations could be adversely affected.

A number of other office and commercial center developers and real estate services companies, some with greater financial and other resources than the Company, compete with the Company in various aspects. Competition from other real estate developers and real estate services companies may adversely affect the Company's ability to grow its portfolio, or attract and retain tenants, and continued development by these and other market participants could result in saturation of the market for office spaces.

Market changes in demand for new types of office space may reduce the appeal of the Properties to potential tenants.

The Company's Properties cater primarily to the BPO sector and the traditional office sector. Majority of its Properties are currently designed with traditional office space or to suit the specific requirements of a BPO tenant.

Recent trends in the Philippine commercial leasing market, however, indicate that many corporate consumers desire non-traditional office space, such as co-working spaces. Tenants that desire these types of co-working space also typically seek short-term lease terms. There is no guarantee that the Company will be able to keep pace with such changes in the commercial leasing market and offer office space and rental terms that are desirable for such businesses. There is also no guarantee that the Company's current tenants will not prefer different types of office space and rental arrangements. If the Company's pool of potential tenants is significantly reduced or if a large number of tenants do not renew their leases as a result of such trends, the Rental Income generated by the Properties could be adversely affected, which could adversely affect the Company's financial condition and results of operations and ability to make distributions at the desired levels. The Company attempts to manage this risk by actively monitoring the real estate market in the Philippines to assess market trends and respond to changing needs and tastes, and by continuing to maximize the desirability of its Properties and by pursuing well-planned and timed asset acquisition and investments.

The Company does not own the lands on which its Properties are situated.

The Properties are situated on lands owned by Megaworld. Although the Company's owns the Properties, the Company leases the underlying land from Megaworld pursuant to separate lease agreements for the land underlying each of the Properties.

Lease agreements were entered into between the Company and Megaworld over the land on which the Properties stood for an aggregate period of 50 years, comprising an initial lease period of 25 years, with the Company having the option to renew for 25 years on such terms and conditions mutually acceptable to the Company and Megaworld. As consideration for the land leases, the Company will pay the Sponsor, commencing July 1, 2023 and until June 30, 2025, rent equivalent to 2.5% of gross rental income for office properties, 2.5% of gross retail revenues for retail and other properties, and 1.5% of hotel rental/revenues for hotel properties; and, commencing July 1, 2025 onward, rent equivalent to 5.0% of gross rental income for office properties, 5.0% of gross retail revenues for retail and other properties, and 3.0% of hotel rental/revenues for hotel properties. Rent is exclusive of VAT, DST and other taxes which shall be borne by the Company. The rental amounts due to Megaworld from the Company may be renegotiated for the renewal period.

Any substantial changes to the land lease contracts or Megaworld's ownership or right over the leased land, as well as the cancellation or termination of the lease, may adversely affect the Company's financial condition and results of operations and ability to make distributions. Because Megawold remains as the majority shareholder of the Company, the Company believes that the interests of both parties are generally aligned and this alignment helps mitigate the risk.

The Company's business and operations are dependent upon the expertise and experience of the Fund Manager's and Property Manager's managers and employees.

As part of its transition to a REIT, the executive officers of the Company are seconded from other companies in the Megaworld Group. As such, the Company will be dependent on the expertise and experience of the Fund Manager's and the Property Manager's directors, senior management, and

other key employees for the success of the business. Most of these individuals possess deep industry knowledge and an acknowledged reputation in the market, owing to their track records and experience.

If one or more of these directors or members of senior management are unable or unwilling to continue in their present positions, the Fund Manager or the Property Manager may not be able to replace them within a reasonable period of time with individuals who possess comparable expertise and experience, or at all, which may seriously disrupt, and materially and adversely affect, the Company's business, results of operations, and future prospects. The Company intends to manage the foregoing risks by adopting a business continuity plan and succession plan by identifying members of the management who will be able to assume and take on the role and additional responsibilities arising from such departure.

ITEM 2. PROPERTIES

The principal properties of the Company as of 31 December 2021 consist of rental office and retail properties and hotels, including the following:

Property	Location	Description	GLA (in sq.m.)
One World Square	McKinley Hill, Fort Bonifacio, Taguig City	11-storey Office Tower	30,481.7
Two World Square	McKinley Hill, Fort Bonifacio, Taguig City	16-storey Office Tower	21,286.4
Three World Square	McKinley Hill, Fort Bonifacio, Taguig City	16-storey Office Tower	21,216.6
8/10 Upper McKinley Building	McKinley Hill, Fort Bonifacio, Taguig City	10-storey Office Tower	19,937.5
18/20 Upper McKinley Building	McKinley Hill, Fort Bonifacio, Taguig City	10-storey Office Tower	19,413.8
World Finance Plaza	McKinley Hill, Fort Bonifacio, Taguig City	15-storey Office Tower	25,066.5
1880 Eastwood Avenue	Eastwood, Quezon City	10-storey Office Tower	33,743.8
1800 Eastwood Avenue	Eastwood, Quezon City	10-storey Office Tower	34,738.2
E-Commerce Plaza	Eastwood, Quezon City	10-storey Office Tower	20,940.2
Richmonde Tower and Richmonde Hotel Iloilo	Iloilo Business Park, Iloilo City	3-storey Office Tower and 12- storey Tower	6,354.8 and 6,769.1
One Techno Place	Iloilo Business Park, Iloilo City	4-storey Office Tower	9,548.7
Two Techno Place	Iloilo Business Park, Iloilo City	5-storey Office Tower	10,808.9
Three Techno Place	Iloilo Business Park, Iloilo City	4-storey Office Tower	9,567.9

The Company continuously seeks opportunities to acquire properties in prime locations through purchase or otherwise to increase its leasable assets.

There are no mortgages, liens or encumbrances over any of the Properties owned by the Company.

ITEM 3. LEGAL PROCEEDINGS

No Material Pending Legal Proceedings

Neither the Company or any of its Properties are involved in or the subject of any legal proceedings which would have a material adverse effect on the business or financial position of the Company or any of its subsidiaries, or any of its or their properties.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted during the fourth quarter of 2021 to a vote of security holders.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The common shares of the Company are traded on the PSE under the symbol of MREIT. The Company's common stock was first listed on the PSE on 1 October 2021.

The following table sets out, for the periods indicated, the high and low sales price for the Company's common shares as reported on the PSE:

Year	Q1	Q2	Q3	Q4
2021 High	-	-	-	19.70
Low	-	-	-	16.12

Market price of the Issuer's Shares as at 31 December 2021 was ₱19.70 per share.

Holders

As of 31 December 2021, the Company had 11 shareholders of record. The following table sets forth the shareholders of the Company as of 31 December 2021.¹

Rank	Name of Stockholder	Number of Common Shares	Percentage of Ownership
1.	Megaworld Corporation	1,572,282,881	62.09%
2.	PCD Nominee Corp. (Filipino)	926,937,100	36.61%
3.	PCD Nominee Corp. (Non-Filipino)	32,878,400	1.30%

¹ The shares of Mr. Kevin Andrew L. Tan, Mr. Francisco C. Canuto, and Ms. Lourdes T. Gutierrez-Alfonso are lodged with PCD Nominee Corporation.

4.	Myra P. Villanueva	10,000	0.00%
5.	Milagros P. Villanueva	4,000	0.00%
6.	Myrna P. Villanueva	4,000	0.00%
7.	Marietta V. Cabreza	1,000	0.00%
8.	Antonio E. Llantada Jr.	1,000	0.00%
9.	Sergio R. Ortiz-Luis Jr.	1,000	0.00%
10.	Katherine L. Tan	1,000	0.00%
11.	Jesus B. Varela	1,000	0.00%

Dividends and Dividend Policy

The Company is required to declare dividends pursuant to the REIT Law. The REIT Law requires a REIT to distribute annually a total of at least 90% of its distributable net income as adjusted for unrealized gains and losses/expenses and impairment losses, and other items in accordance with generally accepted accounting standards (excluding proceeds from the sale of the Company's assets that are reinvested in the Company within one year from the date of the sale) as dividends to its shareholders. Such dividends shall be payable only from the unrestricted retained earnings, and the income distributable as dividends shall be based on the audited financial statements for the most recently completed fiscal year prior to the prescribed distribution. The Company may declare either cash, property, or stock dividends. However, the declaration of stock dividends must be approved by at least a majority of the entire membership of the Company's Board, including the unanimous vote of all its independent Directors, and stockholders representing not less than two-thirds (2/3) of the outstanding capital stock at a regular meeting or special meeting called for that purpose. Any such stock dividend declaration is also subject to the approval of the Securities and Exchange Commission (SEC) within five working days from receipt of the request for approval. If the SEC does not act on said request within such a period, the declaration shall be deemed approved.

The Company has adopted a dividend policy in accordance with the provisions of the REIT Law, pursuant to which the Company's shareholders may be entitled to receive at least 90.0% of the Company's annual Distributable Income. The Company intends to declare and pay out dividends on a quarterly basis each year.

The Company's distributable income as of 31 December 2021 is Php1,098,164,684, computed by deducting the fair value adjustment of investment properties and unrealized gains from the Company's net income.

Out of the distributable net income for 2021, the Company declared total cash dividends on the Company's common shares amounting to Php1,215,165,050.74 broken down as follows;

Payment Date	Amount	Amount per Share					
From Income Generated for the 6-months ending June, 2021							
November 15, 2021	Php139,013,463.82	Php0.0549					
From Income Generated for the	e 6-months ending December, 2	021					
November 15, 2021	Php468,695,667.62	Php0.1851					
March 31, 2022	Php607,455,919.30	Php0.2399					
Total	Php1,215,165,050.74	Php0.4799					

The Company has distributed a total of Php1,076,151,586.92 out of its income generated for the six months ending December 31, 2021 or 98% of its distributable income for the period.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION AND FINANCIAL CONDITION

Results of Operations

(Based on Financial Statements adopted in accordance with the Philippine Financial Reporting Standards)

Review of Six Months ending December 31, 2021 versus Six Months Ending June 30, 2021

In the six months ending December 31, 2021, the Company saw an increase in its net income by 519% to Php2,014 million from Php325.5 million in the previous period. The increase was mainly driven by increase in rental revenues from the acquisition of the initial ten buildings, in exchange for shares of stock in the Company (the Initial Properties), in June 2021.

Revenues, primarily from rental income, grew by 543% to Php1,461 million from Php227 million for the same reason above. Total costs and expenses likewise grew by 493% to Php233 million from Php39.2 million.

Meanwhile, other income and charges – net grew by 187% to Php687 million from Php239 million due mainly to the recognition of the fair value gain arising from the re-appraisal of the Initial Properties pursuant to the requirements under the REIT Law and the Revised REIT IRR.

In December 2021, the Company also acquired four prime office assets from Megaworld for a consideration amounting to Php9,116 million, namely World Finance Plaza in McKinley Hill, Two Techno Place, Three Techno Place, and One Global Center in Iloilo Business Park.

Financial Condition

The Company maintains a prudent financial policy and has a healthy balance sheet to support its financial and operational requirements. As of December 31, 2021, the Company's total assets stand at Php60.9 billion, a 17% increase from the previous period.

The Company's total current assets now stand Php1,493 million compared to Php2,319 million in June 30, 2021. The change was driven by the utilization of the Company's cash balance to partially fund its acquisition of the four office assets in December 2021 to improve the Company's productive use of its resources.

Interest bearing loans, net of capitalized transaction costs, now stand at Php7,196 million as of December 31, 2021, arising from the term loan secured from a local bank to partially finance the acquisition of the four office assets.

The top five (5) key performance indicators of the Company are shown below:

	December 31, 2021	June 30, 2021
Current Ratio ¹	3.43	9.51
Debt to Equity Ratio ²	0.14	-
Net Debt to Equity Ratio ³	0.11	-
Return on Assets ⁴	3.57%	1.26%
Return on Equity ⁵	3.91%	1.28%

^{*1 -} Current Assets / Current Liabilities

^{*2 –} Total Debt / Equity (Total debt includes interest bearing loans and borrowings and bonds payable)

^{*3 –} Net Debt / Equity (Net debt is total debt less cash and cash equivalents)

^{*4 –} Net Profit / Average Total Assets

^{*5 -} Net Profit / Average Equity

- Due to the Company's sound financial condition, there is no foreseeable trend or event which may have a material impact on its short-term or long-term liquidity.
- Funding will be sourced from internally-generated funds and/or bank loans.
- There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.
- There is no known trend, event or uncertainty that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.
- There is no significant element of income arising from continuing operations.
- There have not been any seasonal aspects that had a material effect on the financial condition or results of the Company's operations.
- There were no known events and uncertainties that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons created during the reporting period.

Material Changes in the Year 2021 Financial Statements

(Increase/decrease of 5% or more versus June 30, 2021)

Statement of Financial Position

Item	Change	Causes
Cash and cash equivalent	-42%	Decrease due to the utilization of the Company's
		cash balance to partially fund its acquisition of the
		four office assets in December 2021
Other current assets	5,867%	Increase in creditable withholding taxes and prepaid expenses
Trade and other	569%	Increase due to a combination of increase in
receivables		accrued receivables arising from straight-line
		method recognition of rental income and increase
		in billed receivables which are generally collectible
		on a 30-day term
Investment properties	20%	Increase due to the acquisition of the four office
		assets in December 2021 and increase in value
		from the re-appraisal of assets
Accounts and other	170%	Increase due to the commencement of Fund
payables		Manager and Property Manager services whose
		fees are payable annually and quarterly
		respectively
Interest bearing loans	N/A ²	Increase due to the interest-bearing loan secured
		from a local bank to partially finance the
December 1	470/	acquisition of the four office assets
Deposits and other	47%	Increase due to assumption of security deposit
liabilities		and advance rent arising from the assignment of
Defermed to a link little	4000/	leases from the acquisition in December 2021
Deferred tax liabilities	-100%	Reversal of deferred tax liabilities

Statement of Income

The Company started operating its investment properties and earning therefrom beginning only in June 2021. Thus, the Company's statement of income as of 31 December 2021 is not comparable with the statement of income as of 30 June 2021. The Company shall provide a statement of Material Changes for the items in the statement of income in the succeeding financial reports.

² The loan taken out by the Company in December 2021 is the first interest-bearing loan of the Company.

External Audit Fees and Services

The external auditors of the Company billed the amounts of Php627,000 for the 6-month period ending 31 December 2021, Php444,500 for the 6-month period ending 30 June 2021, and Php77,000 for 2020, in fees for professional services rendered for the audit of the Company's annual financial statements and services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for 2021 and 2020.

Except as disclosed above, no other services were rendered or fees billed by the external auditors of the Company for the years 2021 and 2020.

The Board of Directors, after consultation with the Audit Committee, recommends to the stockholders the engagement of the external auditors of the Company. The selection of external auditors is made on the basis of credibility, professional reputation, accreditation with the Philippine Securities and Exchange Commission, and affiliation with a reputable foreign partner. The professional fees of the external auditors of the Company are approved by the Company's Audit Committee after approval by the stockholders of the engagement and prior to the commencement of each audit season.

ITEM 7. FINANCIAL STATEMENTS

Financial Statements meeting the requirements of SRC Rule 68, as amended, are attached hereto as Exhibit 1 and incorporated herein by reference.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There are no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company.

PART III - CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

There are seven (7) members of the Company's Board of Directors, three (3) of whom are independent directors. An independent director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as director [SRC Rule 38]. All directors were elected during the annual meeting of stockholders held on 28 May 2021, and will hold office until their successors have been duly elected and qualified. All the incumbent directors have been nominated for election to the Board of Directors of the Company for the ensuing calendar year.

Information concerning the background of the directors/nominees for directors and executive officers of the Company indicating their principal occupation or employment and their business experience for the past five (5) years is provided below.

The table sets forth each member of the Company's Board as of 31 December 2021.

Name	Age	Citizenship	Position
Francisco C. Canuto	64	Filipino	Director and Chairman
Kevin Andrew L. Tan	42	Filipino	Director, President and CEO
Katherine L. Tan	70	Filipino	Director
Lourdes T. Gutierrez-Alfonso	58	Filipino	Director

Antonio E. Llantada, Jr.	66	Filipino	Independent Director
Jesus B. Varela	65	Filipino	Independent Director
Sergio R. Ortiz-Luis, Jr.	78	Filipino	Independent Director

The table below sets forth the Company's executive officers in addition to its executive directors listed above as of 31 December 2021.

Name	Age	Citizenship	Position
Giovanni C. Ng	47	Filipino	Treasurer
Englebert G. Teh	30	Chinese	Chief Financial Officer
Maria Carla T. Uykim	45	Filipino	Corporate Secretary
Vladimir B. Bumatay	49	Filipino	Assistant Corporate Secretary
Cheryll B. Sereno	42	Filipino	Compliance Officer and DPO
Dave Michael V. Valeriano	42	Filipino	Investor Relations Officer

Francisco C. Canuto Chairman of the Board

Mr. Canuto is a Certified Public Accountant and is currently the Chairman of the Board of Directors. He holds a bachelor's degree in Commerce major in Accounting and a Master's Degree in Business Administration. He is concurrently Senior Vice President, Chief Finance Officer, Treasurer, Compliance Officer, Corporate Information Officer and Chief Audit Executive of Megaworld Corporation (publicly-listed), Director of Megaworld Global-Estate, Inc. and Eastwood Property Holdings, Inc., Director and Corporate Secretary of Megaworld Central Properties, Inc., and Director and Treasurer of Megaworld Cebu Properties, Inc., Twin Lakes Corporation, Oceantown Properties, Inc., Megaworld Resort Estates, Inc., Megaworld Land, Inc., Megaworld-Daewoo Corporation, Eastwood Cyber One Corporation, and Prestige Hotels & Resorts, Inc. He serves as a Director and President of Arcovia Properties, Inc., Lucky Chinatown Cinemas, Inc., Festive Walk Cinemas, Inc., Southwoods Cinemas, Inc., McKinley Cinemas, Inc., Uptown Cinemas, Inc. and Gilmore Property Marketing Associates, Inc. He is also the President of Megaworld Foundation, Inc. Before joining the Megaworld Group, he worked as Audit Manager of SGV & Company and Controller of Federal Express Corporation.

Kevin Andrew L. Tan

Director, President and Chief Executive Officer

Mr. Tan is a Director and the President and Chief Executive Officer of the Company. He obtained his bachelor's degree in Business Administration major in Management from the University of Asia and the Pacific. He is concurrently Executive Vice President and Chief Strategy Officer of Megaworld Corporation, He previously held the position of Senior Vice President of Megaworld Corporation for Commercial Division which markets and operates the Megaworld Lifestyle Malls including Eastwood Mall and The Clubhouse at Corinthian Hills in Quezon City, Venice Piazza at McKinley Hill and Burgos Circle at Forbestown Center, both in Fort Bonifacio, California Garden Square in Mandaluyong City, Newport Mall at Resorts World Manila in Pasay City, Lucky Chinatown Mall in Binondo, Manila and Uptown Mall in Bonifacio Global City. He is also the Chief Executive Officer and Vice Chairman of Alliance Global Group, Inc (public-listed). He is also the concurrently a Director of Empire East Land Holdings, Inc., Emperador Inc. and Global-Estate Resorts, Inc. (all publicly-listed companies) and of Eastwood Cyber One Corporation, Uptown Cinemas, Inc., Megaworld Central Properties Inc., Twin Lakes Corporation, Megaworld Land, Inc., Townsquare Development, Inc., Emperador Distillers, Inc., Alliance Global Brands, Inc., Anglo Watsons Glass, Inc., Yorkshire Holdings, Inc., The Bar Beverage, Inc., Emperador Brandy, Inc., and New Town Land Partners, Inc. He is also a trustee and an Executive Director of Megaworld Foundation, Inc.

Katherine L. Tan

Director

Ms. Tan is a Director of the Company. She is concurrently a Director of Megaworld Corporation (publicly-listed) and a Director and Treasurer of Alliance Global Group, Inc. and Emperador Inc. (both publicly-listed). She has extensive experience in the food and beverage industry and is currently Director and Corporate Secretary of The Bar Beverage, Inc. and Director and President of Andresons Global, Inc., Raffles & Company, Inc., The Andresons Group, Inc. and Choice Gourmet Banquet, Inc. She is also a Director and Treasurer of Alliance Global Brands, Inc. and Emperador Distillers, Inc.

Lourdes T. Gutierrez-Alfonso

Director

Ms. Gutierrez is a Director of the Company. Ms. Gutierrez has extensive experience in real estate and a strong background in finance and marketing. A certified public accountant by profession, she is concurrently the Chief Operating Officer of Megaworld Corporation, where she also previously held the position of Senior Executive Vice President for Finance and Administration. Ms. Gutierrez is also the Chairman of the property management company, First Oceanic Property Management, Inc. She serves as Director in numerous affiliate companies including Global-Estate Resorts, Inc. (publicly-listed), Suntrust Properties, Inc., Twin Lakes Corporation, Southwoods Mall, Inc., Mactan Oceanview Properties and Holdings, Inc., Megaworld Resort Estates, Inc., Megaworld Cebu Properties, Inc., Oceantown Properties, Inc., Megaworld Bacolod Properties, Inc., Eastwood Cyber One Corporation, Davao Park District Holdings, Inc., and Prestige Hotels & Resorts, Inc. She is also currently the Chairman of Belmont Newport Luxury Hotels, Inc., Megaworld Global-Estate, Inc., Savoy Hotel Manila, Inc. She is also a trustee and a Corporate Secretary of Megaworld Foundation, Inc.

Jesus B. Varela

Independent Director

Mr. Varela is an Independent Director of the Company and has served as such since April 2021. He concurrently serves as independent director in the boards of Megaworld Corporation (publicly-listed). Global-Estate Resorts, Inc. (publicly-listed), and Travellers International Hotel Group, Inc. He is also the Chairman of the Philippine Chamber of Commerce and Industry, GS1 Philippines (Barcode of the Philippine), and New Lights Technologies, Inc. He is the President and CEO of the Advancement of Workers' Awareness Regarding Employment (AWARE) Foundation, Inc., and President of Foundation for Crime Prevention, Philippine Greek Business Council and Philippine Peru Business Council. He is also the Director General of the International Chamber of Commerce Philippines (ICC-Philippine), Receiver of J-Phil Marine Shipping Inc., and Member of the Committee for Accreditation of Cargo Surveying Companies. Mr. Varela has more than twenty years of experience in the fields of marketing, human resources, international labor affairs, agriculture, and commerce, among others. He has done executive work with the Department of Agriculture, National Food Authority Council, Philippine Genetics, Inc., National Irrigation Administration, Philippine Planters Products, National Agri- Business Corporation, Agriculture Anti-Smuggling Task Force, and Nautical Highway Board. He served as Labor Attaché to Kobe, Japan, to the Commonwealth of Northern Marianas Island, and to Athens. Mr. Varela obtained his bachelor's degree in Economics from Ateneo De Manila University. He attended training courses in Labor Administration and Policy Formulation under the International Labor Organization/ARPLA program, the Corporate Planning Course at the Center for Research Communication, Foreign Exchange Training by Metro Bank and Forex Club of the Philippines, Systems Analysis by the Presidential Management Staff, Asian Productivity Seminar and other inhouse seminars conducted by the Department of Labor and the Development Academy of the Philippines.

Antonio E. Llantada, Jr.

Independent Director

Mr. Llandata is an Independent Director of the Company and has served as such since May 2021. Mr. Llantada is a certified public accountant by profession. He is concurrently a professor of Accounting and Finance in Enderun Colleges and Thames International Business School, and a guest lecturer in the Asian Institute of Management School of Executive Education and Lifelong Learning. He previously served as the Internal Audit Consultant and Chief Audit Executive of Empire East Land Holdings, Inc.

(publicly-listed). He is a member of the Philippine Institute of Certified Public Accountants and Institute of Internal Auditors. Mr. Llantada obtained his Bachelor or Science degree in Accounting and Bachelor of Arts degree in Behavioral Science in De La Salle University of Manila, and his Master's Degree in Business Administration in the Ateneo Graduate School of Business.

Sergio R. Ortiz-Luis, Jr.

Independent Director

Mr. Ortiz-Luis is an Independent Director of the Company and has served as such since April 2021. He is concurrently an Independent Director of Alliance Global, Inc. (publicly-listed), and Calapan Ventures, Inc. He is the President of the Philippine Exporters Confederation, Inc. (PHILEXPORT) and Honorary Chairman and Treasurer of the Philippine Chamber of Commerce & Industry. He is also Honorary Chairman of Integrated Concepts & Solutions, Inc. and Vice Chairman of Export Development Council. He is a Director of Waterfront Philippines, Inc., Philippine Estate Corporation, B.A. Securities, Manila Exposition Complex, Inc., and Jolliville Holdings. Mr. Ortiz-Luis, Jr. obtained his bachelor's degree in Liberal Arts and Business Administration, and a candidate of Master of Business Administration from De La Salle College. He has a PhD in Humanities from Central Luzon State University, PhD in Business Technology from Eulogio "Amang" Rodriguez Institute of Science and Technology, and PhD in Business Administration from Angeles University Foundation.

Giovanni C. Ng

Treasurer

Mr. Ng, is the Treasurer of the Company. He concurrently serves as Senior Vice President and Finance Director of Megaworld Corporation, the Company's Parent and Sponsor (publicly-listed). He also serves as Director of Eastwood Property Holdings, Inc., Oceantown Properties, Inc., Empire East Communities, Inc., Gilmore Property Marketing Associates, Inc., First Centro, Inc., Valle Verde Properties, Inc., Lucky Chinatown Cinemas, Inc., McKinley Cinemas, Inc., Uptown Cinemas, Inc., Mactan Oceanview Properties and Holdings, Inc. and New Town Land Partners, Inc. He also serves as Treasurer of publicly-listed Empire East Land Holdings, Inc. and Adams Properties, Inc. and Townsquare Development, Inc. He is also a Director and Corporate Secretary of Megaworld Land, Inc. Previously, he worked as Analyst Associate in Keppel IVI Investments. Mr. Ng obtained his bachelor's degree in Quantitative Economics from the University of Asia and the Pacific, graduating summa cum laude in 1995.

Englebert G. Teh

Chief Financial Officer

Mr. The is the Chief Financial Officer of the Company. Mr. Teh also served as the Corporate Planning Officer of MREIT Fund Managers, Inc. and the Assistant Vice President for Business Research and Development under the Office of Corporate Strategy of Megaworld Corporation, the Parent and Sponsor of the Company. His experience includes investment banking in Primeiro Partners, Inc. and business development for San Miguel Holdings Inc. Mr. Teh graduated in Ateneo De Manila University with a degree of BS Management Engineering.

Maria Carla T. Uykim

Corporate Secretary

Atty. Uykim is the Corporate Secretary of the Company. She is concurrently the Head of the Corporate Advisory and Compliance of Megaworld Corporation, the Company's Parent and Sponsor, and a member of its Management Executive Committee. She is concurrently the Corporate Secretary of San Vicente Coast, Inc., Northwin Properties, Inc. and Maple Grove Land, Inc. and a Director and Corporate Secretary of Luxury Global Malls, Inc. and Mactan Oceanview Properties and Holdings, Inc. Atty. Uykim was previously an Associate at Andres Marcelo Padernal Guerrero and Paras law offices from August 2005 to April 2007, where she specialized in labor and corporate law, and at ACCRA Law from February 2003 to January 2004, where she practiced immigration law. She also served as Chief of Staff of Congresswoman Remedios L. Petilla from July 2004 until June 2005. Atty. Uykim obtained her Juris Doctor Degree from the Ateneo De Manila School of Law and is a graduate of the double degree program of De La Salle University, with a Bachelor of Arts in Psychology and a Bachelor of Science in Marketing Management.

Vladimir B. Bumatay

Assistant Corporate Secretary

Atty. Bumatay is the Assistant Corporate Secretary of the Company. He is concurrently the Head of Litigation and Labor in Megaworld Corporation (publicly-listed), the Company's Parent and Sponsor. He was previously the Director for Labor, General Counsel Group in publicly-listed companies JG Summit Holdings, Inc. and Universal Robina Corporation. He also previously served as Assistant Vice President for Legal in publicly-listed company Lepanto Consolidated Mining Company, and Legal Manager in Manila Mining Corporation. Atty. Bumatay obtained his Bachelor of Arts degree in Philosophy and Letters, and his Bachelor of Laws degree, from San Beda University. Atty. Bumatay is also an arbitrator in the Philippine Dispute Resolution Center, Inc. and a member of the Philippine Bar Association and the Alliance for Alternative Action in San Beda Law.

Cheryll B. Sereno

Compliance Officer and Data Privacy Officer

Ms. Sereno is the Compliance Officer and Data Privacy Officer of the Company. She is concurrently the Chief Risk Officer of Megaworld Corporation (publicly-listed), the Company's Parent and Sponsor, and is the Head of the Opportunity and Risk Management Department. Ms. Sereno previously worked in the field of external audit, finance and has extensive experience handling Enterprise Risk Management and Business Continuity Management for the real estate industry. She graduated from Ateneo de Naga University with the degree of Bachelor of Science in Accountancy. Ms. Sereno is a Certified Public Accountant and a Certified Business Continuity Professional.

Dave Michael V. Valeriano

Investor Relations Officer

Mr. Valeriano is the Investor Relations Officer of the Company. He is concurrently the Investor Relations Head of Megaworld Corporation (publicly-listed), the Company's Parent and Sponsor. Prior to joining the Megaworld group, Mr. Valeriano had notable stints as Treasury and Investor Relations Head for Manila Water Company, Investor Relations Head for Aboitiz Equity Ventures and Aboitiz Power Corporation, and General Manager for WeatherPhilippines Foundation and Lima Water Corporation. Mr. Valeriano graduated with the degree of Bachelor of Science in Civil Engineering from UP Diliman and a Master's degree in Business Administration from De La Salle University. He passed the Civil Engineering licensure examination in 2001.

Significant Employees

The business of the Company is not highly dependent on the services of personnel outside of Senior Management and the employees of the Fund Manager and the Property Manager. Nevertheless, the entire workforce is considered significant, and is expected to work together to achieve the Company's goals and objectives.

Family Relationships

President and Chief Executive Officer Kevin Andrew L. Tan is the son of Andrew L. Tan, the Chairman and President of Megaworld Corporation (the Company's Parent and Sponsor), and of Katherine L. Tan, Director of the Company and of Megaworld Corporation. Kevin Andrew L. Tan is also the Executive Vice President and Chief Strategy Officer of Megaworld Corporation.

Involvement in Certain Legal Proceedings

The Company is not aware of the occurrence, as of the date hereof and during the past five (5) years preceding this date, of any of the following events which it believes to be material to the evaluation of the ability or integrity of any of its directors, nominees for election as director, or executive officers:

1. Any bankruptcy petition filed by or against any business of a director, nominee for election as director, or executive officer who was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

- 2. Any director, nominee for election as director, or executive officer being convicted by final judgment in a criminal proceeding, domestic or foreign, or being subject in his personal capacity to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- 3. Any director, nominee for election as director, or executive officer being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- 4. Any director, nominee for election as director, or executive officer being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

ITEM 10. EXECUTIVE COMPENSATION

Summary Compensation Table

Aggregate compensation paid to the Company's Chief Executive Officer and the four most highly compensated executive officers as a group for the last two fiscal years and the estimate for the ensuing year are as follows:

Name and Principal Position	Year	Salary	Other Variable Pay	Total Annual Compensation	
Kevin Andrew L. Tan President and CEO					
Giovanni C. Ng Treasurer					
Maria Carla T. Uykim Corporate Secretary					
Englebert G. The Chief Financial Officer					
Vladimir B. Bumatay Asst. Corporate Secretary					
President and 4 Most	Actual 2020	n/a	n/a	n/a	
Highly Compensated Officers	Actual 2021 ³	Php5.20m	Php1.075m	P6.275m	
	Projected 2022	Php10.90m	Php2.25m	P13.15m	
	Actual 2020	n/a	n/a	n/a	
All Other Officers and Directors as a Group	Actual 2021 ⁴	Php1.75m	Php0.37m	Php2.12m	
·	Projected 2022	Php3.69m	Php0.77m	Php4.46m	

³ Officers' compensation for 6 months (from July to December 2021).

⁴ Officers' compensation for 6 months (from July to December 2021).

Compensation of Directors

The members of the Board will receive a standard per diem for attendance in Board meetings. For 2022, the Company has allocated Php700,000 for directors' per diem. There are no arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the year ended December 31, 2021 for any service provided as a director.

Name of Directors	Year	Salary	Total Annual Director's Per Diem
Francisco C. Canuto		Per diem	
Kevin Andrew L. Tan		Per diem	
Katherine L. Tan		Per diem	
Lourdes T. Gutierrez-Alfonso		Per diem	
Antonio E. Llantada, Jr.		Per diem	
Jesus B. Varela		Per diem	
Sergio R. Ortiz-Luis, Jr.		Per diem	
Kingson U. Sian ⁵		Per diem	
Maria Carla T. Uykim ⁶		Per diem	
Total Annual Director's Per Diem	2020		n/a
	2021		n/a
	2022		700,000

Employment Contracts and Termination of Employment and Change-in-Control Arrangement

Executive officers are appointed by the Board to their respective offices. The Company does not enter into employment contracts with its executive officers. Other than benefits available under the Company's retirement plan, there is no compensatory plan or arrangement with respect to an executive officer which results or will result from the resignation, retirement or any other termination of such executive officer's employment with the Company and its subsidiaries, or from a change-incontrol of the Company, or a change in an executive officer's responsibilities following a change-incontrol of the Company.

Options Outstanding

There are no outstanding warrants or options in connection with the shares of the Company held by any of the directors or executive officers.

⁵ Resigned in and replaced in April 2021.

⁶ Resigned in and replaced in April 2021.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Record and Beneficial Owners of more than 5% of the Company's Shares as of 31 December 2021

Title of Class	Name, address of	Name of	Citizenship	No. of Shares	Percent
11110 01 01000	Record Owner and	Beneficial Owner	On Zononip	Held	of Class
	Relationship with	and Relationship			
	Issuer	with Record			
Communication	Magayyarla	Owner	Filining	4 570 000 004	60.000/
Common	Megaworld Corporation	Megaworld Corporation ⁷	Filipino	1,572,282,881	62.09%
	Corporation	Corporation			
	30th Floor, Alliance				
	Global Tower, 36th				
	Street cor.				
	11th Avenue, Uptown Bonifacio,				
	Taguig City 1634				
	Parent/Sponsor				
Common	PCD Nominee	Participants of the	Filipino	926,937,100	36.61%
Common	Corp. (Filipino)	PCD composed of	Filipilio	920,937,100	30.0176
		custodian banks			
	G/F MKSE Bldg.,	and brokers.8			
	6767 Ayala Ave.,				
Common	Makati PCD Nominee	BANCO DE ORO	Filipino	284,871,700	11.25%
Common	Corp. (Filipino)	- Trust Banking	i ilipiilo	204,071,700	11.25/0
	(p. (p)	Group			
	G/F MKSE Bldg.,				
	6767 Ayala Ave.,				
Common	Makati PCD Nominee	Citibank N.A.	Filipino	183,828,870	7.26%
Common	Corp. (Filipino)	Ciudank IV.A.	i ilipiilo	103,020,070	1.20%
	(/				
	G/F MKSE Bldg.,				
	6767 Ayala Ave.,				
	Makati				

Other than the persons identified above, there are no other beneficial owners of more than 5% of the Company's voting stock known to the Company.

Security Ownership of Management as of 31 December 2021

Namo	Title of Class e of Beneficial Owner	Amount and Nature of Beneficial Ownership*	Citizenshi p	Percent of Class	
Directors/Nom	inees				
Common	Francisco C. Canuto ⁹	1,000 (Direct)	Filipino	0.0000%	
Common	Kevin Andrew L. Tan ¹⁰	9,995,000 (Direct)	Filipino	0.3900%	

⁷ The Board of Directors of Megaworld Corporation ("Megaworld") has voting and investment power over shares of stock held by Megaworld in the Company.

8 Among the PCD participants, BANCO DE ORO - Trust Banking Group owns 284,871,700 representing 11.25% of the

Company's outstanding capital stock and Citibank N.A. owns 183,828,870 shares representing 7.26%.

⁹ Shares are lodged with PCD Nominee Corporation.

Common	Katherine L. Tan	1,000 (Direct)	Filipino	0.0000%
Common	Lourdes T. Gutierrez-Alfonso ¹¹	1,000 (Direct)	Filipino	0.0000%
Common	Antonio E. Llantada, Jr.	1,000 (Direct)	Filipino	0.0000%
Common	Jesus B. Varela	1,000 (Direct)	Filipino	0.0000%
Common	Sergio R. Ortiz-Luis, Jr.	1,000 (Direct)	Filipino	0.0000%
CEO and Mo	st Highly Compensated Officers			
Common	Kevin Andrew L. Tan	Samo	e as above	
Common	Giovanni C. Ng	0	Filipino	n/a
Common	Maria Carla T. Uykim	0	Filipino	n/a
Common	Englebert G. Teh	0	Chinese	n/a
Common	Vladimir B. Bumatay	0	Filipino	n/a
Other Execu	tive Officers			
Common	Giovanni C. Ng	0	Filipino	n/a
Common	Englebert G. Teh	0	Filipino	n/a
Common	Maria Carla T. Uykim	0	Filipino	n/a
Common	Vladimir B. Bumatay	0	Filipino	n/a
Common	Cheryll B. Sereno	0	Filipino	n/a
Common	Dave Michael V. Valeriano	0	Filipino	n/a

Voting Trust Holders of 5% or More

The Company is not aware of the existence of persons holding more than five percent (5%) of the Company's common shares under a voting trust or similar agreement.

Changes in Control

On 1 February 2021, Megaworld obtained control over the Company by subscribing to 12,400,000 shares of the Company's authorized capital stock with par value of P100 per share or a total of P1,240,000,000. Accordingly, Megaworld acquired 99.20% direct ownership of the Company's total issued and outstanding capital stock.

On April 7, 2021, the Company approved the amendment of its Articles of Incorporation to change the par value of common shares from P100 to P1, resulting to an increase in the number of common shares from 50,000,000 to 5,000,000,000.

On April 7, 2021, the Company also approved the Property-for-Share Swap transaction with Megaworld in which Megaworld transferred, assigned and conveyed absolutely in favor of the Company all of its rights, title and interests in certain real properties, in exchange for 1,282,120,381 common shares with a par value of P1 per share and additional paid-in capital (APIC) of P47,920,287,239. The SEC certified the approval of the valuation of the Property-for-Share Swap on June 1, 2021; hence, the issuance of additional common shares to Megaworld was consummated. Accordingly, Megaworld's direct ownership interest increased to 99.61% of the total issued and outstanding capital stock of the Company.

On 1 October 2021, upon the Company's listing in the PSE, Megaworld sold 949,837,500 of its shares in the Company to the public. As a result, Megaworld became the 62.09% owner of the Company, while 37.51% of the Company's shares are held by the public. The remaining shares are held by the Company's directors.

Foreign Ownership

As of 31 December 2021, 32,878,400 common shares, or 1.29% of the Company's outstanding capital stock, are owned by foreigners. The Company's foreign ownership limit is 40%.

¹¹ Shares are lodged with PCD Nominee Corporation.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company, in the ordinary course of business, engages in transactions with its Parent and affiliates. On 25 June 2021, the Company adopted a Related Party Transaction Policy to ensure that related party transactions are entered into terms comparable to those available to unrelated third parties in similar transactions. The Company has also established a Related Party Transaction Committee composed of three members of the board, two of whom are independent, including the Chairman.

Transactions with related parties include asset acquisitions from, and land leases with, Megaworld Corporation (the Company's Parent and Sponsor), and fund and property management agreements with affiliates. The table below sets out the principal transactions of the Company with related parties as of December 31, 2021:

Related Parties	Nature of the Transaction	Value of the Transaction
Megaworld Corporation (and Empire East Land Holdings, Inc. in respect of certain properties)	Acquisition of ten buildings owned by Megaworld in exchange for shares of stock in the Company	The ten properties valued by an independent property valuer at Php49,202,407,620.00 were acquired by the Company in exchange for 1,282,120,381 common shares, with a resulting additional paid-in capital of Php47,920,287,239.00
Megaworld Corporation	Acquisition of four buildings owned by Megaworld for cash	The four properties were acquired by the Company for cash in the amount of Php9,116,000,000.00
Megaworld Corporation (and Empire East Land Holdings, Inc. in respect of certain properties)	Lease of various lands where the buildings acquired from Megaworld are located	From 1 July 2023, rent equivalent to, as applicable:
	Megaworiu are locateu	 a. 2.5% of the Company's gross rental income for office and retail properties; and b. 1.5% of the Company's hotel rental/revenues for hotel properties.
		From 01 July 2025 onwards, rent equivalent to, as applicable:
		 a. 5% of the Company's gross rental income for office and retail properties; and b. 3% of the Company's hotel rental/revenues for hotel properties.
MREIT Fund Managers, Inc.	Fund management agreement for the management of the Company's funds and assets	Fund management fee equivalent to 3.5% of the Company's gross revenues, payable annually, not to exceed 1% of the net asset value of the properties under management

MREIT Property Managers, Inc.

Property management agreement for the operation and management of the Company's properties and facilities Property management fee equivalent to 2% of the Company's gross revenues, payable quarterly, not to exceed 1% of the net asset value of the properties under management

Other than the foregoing and those disclosed in the Company's Financial Statements, the Company has not entered into any other related party transactions. (For more information, see Exhibit 1 – Audited Financial Statements)

PART IV - CORPORATE GOVERNANCE

Evaluation System

The Company has designated a Compliance Officer who is tasked with monitoring compliance with the provisions and requirements of its Manual on Corporate Governance. The Compliance Officer has established an evaluation system, patterned after the CG Scorecard of the Institute of Corporate Directors to measure or determine the level of compliance by the Company with its Manual. The first Integrated Annual Corporate Governance (I-ACGR) of the Company will be submitted to the SEC on or before 30 June 2022. 12

Deviations from Manual and Sanctions Imposed

In 2021, the Company substantially complied with its Manual on Corporate Governance and did not materially deviate from its provisions. No sanctions were imposed on any director, officer or employee on account of non-compliance with the Company's Manual on Corporate Governance.

Plan to Improve Corporate Governance

The Company adopted a Manual of Corporate Governance that is compliant with SEC Memorandum Circular No. 19, Series of 2016. The Company will continue to adopt best practices in Corporate Governance as may be prescribed by the Commission.

PART V - EXHIBITS AND SCHEDULES

Exhibits

Exhibit No.

Description of Exhibit

Audited Financial Statements as of December 31, 2021

Sustainability Report for 2021

Reports on SEC Form 17-C

The Company filed the following reports on SEC Form 17-C during the last six-month period covered by this report.

	Date	Disclosures
	1 October 2021	Press Release: MREIT to Bulk Up Assets with Uptown BGC Offices
İ	4 October 2021	Stabilization Activities

¹² Pursuant to the SEC Memorandum Circular No. 13, series of 2021, a public company's or registered issuer's I-ACGR shall be submitted on or before June 30 of the following year.

8 October 2021	Stabilization Activities
15 October 2021	Stabilization Activities
18 October 2021	Press Release: Just Two Weeks after Listing, MREIT sets to Declare Dividends this Month as Revenues Jump 6% in 1st Full Quarter Of Operations
22 October 2021	Stabilization Activities
25 October 2021	Cash Dividend Declaration
29 October 2021	Notice of Analysts' Briefing
29 October 2021	Stabilization Period Closing Date
2 November 2021	Change in Fiscal Year
12 November 2021	Final Stabilization Report
16 November 2021	Press Release: MREIT to Acquire Four Prime Assets
15 December 2021	Resolutions approved in the Regular Board Meeting of MREIT, Inc. on 15 December 2021
15 December 2021	Appointment of Assistant Corporate Secretary
15 December 2021	Press Release: MREIT'S Asset Value to Jump by 19% To P58.5-B after Megaworld Asset Infusion
15 December 2021	Acquisition of four (4) prime, Grade A buildings located in PEZA-registered Zones, namely: Two Techno Place, Three Techno Place (Building D), One Global Center (Building A) and World Finance Plaza
15 December 2021	Reinvestment Plan (4 Buildings acquired in December 2021)
29 December 2021	Three-Year Investment Strategy of MREIT, Inc.

SIGNATURES

Pursuant to	the req	uirer	nents	of	Section	17	of the	Securiti	ies Reg	gulat	ion	Code	and Se	ection	141 c	of the
Corporation	Code,	this	report	is	signed	on	behalf	of the	issuer	by	the	under	signed	, the	reunto	duly
authorized, i	n				, on _											

MREIT, Inc. Company

Ву:

KEVIN ANDREW L. TAN President and Chief Executive Officer GIOVANNI C. NG asurer

NGLEBERT G. TEH Chief Financial Officer

MARIA CARLA T. UYKIM Corporate Secretary

day of ___ PARAÑAQUE CITY

20 affiant(s) exhibiting to

SUBSCRIBED AND SWORN to before me this me his/their Tax Identification Numbers, as follows:

Notary Public

ROLL NO. 59435

ROLL NO. 59435

Name Kevin Andrew L. Tan Giovanni C. Ng Englebert G. Teh Maria Carla T. Uykim

235. Doc. No. Page No. Book No. Series of 2022.

TIN No. 224-803-734 164-662-351 422-006-274 159-353-280 MICHICO RIZZA G. OI

Notary Public for Parañaque City NOTARIAL COMMISSION NO. 214-2019 Extended until 06/30/2022 - B.M. No. 3795 Roll of Attorneys No. 59435 PTR No. 2954583, 15 February 2022/Parañaque City IBP No. 184428, 02/04/2022/PPLM No. 1 Mon-el St., Mon-el Subdivision, San Antonio Sucat, Parañaque City

MCLE COMPLIANCE No. VI-0009403; June 13, 2018

SIGNATURES

Pursuant to the requirements of Section 17 of the S	Securities Regula	ation Code and Section 141 of the
Corporation Code, this report is signed on behalf authorized, in, on	of the issuer by	
MREIT		
Comp	pany	
Ву:		
KEVIN ANDREW L. TAN President and Chief Executive Officer		GIOVANNI C. NG Treasurer
		1
ENGLEBERT G. TEH Chief Financial Officer		RIA CAFLA T. UYKIM Corporate Secretary
oner i manolai oniesi		orpoide Coordinary
		,
		THE CITY
SUBSCRIBED AND SWORN to before me this	day of	†AGUIG CITY 20 affiant(s) exhibiting to
me his/their Tax Identification Numbers, as follows:		
<u>Name</u>	TIN No.	
Kevin Andrew L. Tan Giovanni C. Ng	224-803-734 164-662-351	
Englebert G. Teh	422-006-274	
Maria Carla T. Uykim	159-353-280	
Doc. No. 40%;		
Page No. W:		
Book No. 46; Series of 2022.	ATTY, ED	DUARDO P. BAROT

ATTY. EDUARDO P. BAROT
Notary Public for Taguig Roll No. 36248
Commission No. 3 until December 31, 2022
PTR No. 4863627 / 01.03.2022 /Mandaluyong City
iBP Lifetime No. 013895 / 06.02.15 / RSM
MCLE Compliance No. VI-0007875 / 04.14.2022
Unit 2A the Grand Hamptons Tower 2, 1st Avenue cor.
31st St. Bonifacio Global City, Taguig City

COVER SHEET for AUDITED FINANCIAL STATEMENTS

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COMPANY INFORMATION																													
J	COMPANY EMAIL ADDRESS COMPANY'S TELEPHONE NUMBER																MOBILE NUMBER												
	COMPLIANCE@MREIT.COM.PH																		1	(0917) 8788206									
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NAME OF CONTACT PERSON CHERYLL B. SERENO											COMPLIANCE@MREIT.COM.PH								TELEPHONE NO. MOBILE NUMB (632) 8894-6300 (0917) 87882										
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Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

Note 2: All boxes must be properly and completely filled-up. Failure to do so shall cause delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.





The following document has been received:

Receiving: Jyrod Genova

Receipt Date and Time: March 04, 2022 06:36:58 PM

Company Information

SEC Registration No.: CS202052294

Company Name: MEGAWORLD HOLDINGS, INC.

Industry Classification: K64200 Company Type: Stock Corporation

Document Information

Document ID: OST1030420228244887 **Document Type:** Financial Statement

Document Code: FS

Period Covered: December 31, 2021

Submission Type: Annual

Remarks: no supplemental written statement



18th Floor Alliance Global Tower 36th St. cor. 11th Avenue, Uptown Bonifacio, Taguig City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of MREIT, Inc. (the Company), is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the six months ended December 31, 2021 and June 30, 2021, and for the period October 2 to December 31, 2020 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

FRANCISCO C. CANUTO

Chairman of the Board

KEVIN ANDREW L. TAN

President

GIOVANNI C. NG

Treasurer

0 4 MAR 2022

SUBSCRIBED AND SWORN to before me this at MAKATI CITY , Philippines, affiants exhibiting to me their Tax Identification Nos. as follows:

Francisco C. Canuto

102-956-483-000 224-803-734-000

Kevin Andrew L. Tan Giovanni C. Ng

164-662-351-000

Doc. No. Page No. Book No.

Series of 2022

ATTY RAYMODD A. RAMOS
COMMISSION NO M-239
NOTARY PUBLIC FOR MAKATI CITY
NTIL JUNE 30, 2022 PER B.M. NO 2722 UNTIL JUNE 30, 2022 PER B.M. NO 3795 11 KALAYAAN AVENUE EXTENSION, BARANGAY WEST REMBO, MAKATI CITY SC Roll No. 62179/04-26-2013 IBP NO 171365/01-03-2022/Pasig City

PTR NO MKT 8852502/01-03-2022/Makati City MCLE Compliance No. VI-0007878/4-06-2018



FOR SEC FILING

Financial Statements and Independent Auditors' Report

MREIT, Inc.

For the Six Months Ended December 31, 2021 and June 30, 2021 and the Three Months Ended December 31, 2020



Report of Independent Auditors

Punongbayan & Araullo

20th Floor, Tower 1 The Enterprise Center 6766 Ayala Avenue 1200 Makati City Philippines

T+63 2 8988 2288

The Board of Directors
MREIT, Inc.
(Formerly Megaworld Holdings, Inc.)
(A Subsidiary of Megaworld Corporation)
18th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

Opinion

We have audited the financial statements of MREIT, Inc. (the Company), which comprise the statements of financial position as of December 31, 2021 and June 30, 2021, and the statements of comprehensive income, statements of changes in equity (capital deficiency) and statements of cash flows for the six months ended December 31, 2021 and June 30, 2021, and the three months ended December 31, 2020, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and June 30, 2021, and its financial performance and its cash flows for the six months ended December 31, 2021 and June 30, 2021, and the three months ended December 31, 2020, in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics for Professional Accountants in the Philippines* (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of a Matter

As more fully described on Note 1 to the financial statements, the Company was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 2, 2020. Subsequently, the Company applied with the SEC in October 2021 for the amendments in its By-laws for a change in its reporting period from fiscal year beginning July 1 and ending June 30 to calendar year beginning January 1 and ending December 31, and such amendment was approved by the SEC and Bureau of Internal Revenue (BIR) on November 4, 2021 and November 25, 2021, respectively.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment Properties

Description of the Matter

The fair value of investment properties was determined by an independent appraiser using the income approach. Under the income approach, the fair value of an asset is measured by calculating the present value of its economic benefits by discounting expected cash flows at a rate of return that compensates the risks associated with a particular investment. The total fair value of investment properties as of December 31, 2021 is P59.3 billion, which represents 97% of the total assets of the Company. The valuation of investment properties is significant to our audit because of the significance of the amount and because the measurement involves application of significant judgments and estimates.

The Company's policy on measurement of investment properties is more fully described in Note 2 to the financial statements. The significant judgments applied and estimates used in measuring fair value are more fully described in Note 3 to the financial statements, while the methods used are fully described in Note 21 to the financial statements.

How the Matter was Addressed in the Audit

We have evaluated the independence and competence of the appraiser by obtaining an understanding of their qualifications, experience and track record. We have also involved our internal valuation specialists in evaluating the accuracy of the valuation model and the reasonableness of key assumptions used, such as discount rates and growth rates. We have also tested key inputs used such as lease rates and lease terms by agreeing a sample to supporting lease contracts.



Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the period ended December 31, 2021, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the period ended December 31, 2021 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether
 due to fraud or error, design and perform audit procedures responsive to those risks, and
 obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
 The risk of not detecting a material misstatement resulting from fraud is higher than for one
 resulting from error, as fraud may involve collusion, forgery, intentional omissions,
 misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing
 an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

The supplementary information for the period ended December 31, 2021 required by the BIR is presented by the management of the Company in a supplementary schedule filed separately from the basic financial statements. The BIR requires the information to be presented in the notes to financial statements. The supplementary information is not a required part of the basic financial statements prepared in accordance with PFRS; it is also not a required disclosure under Revised Securities Regulation Code Rule 68 of the SEC. Such supplementary information is the responsibility of management. Our opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

The engagement partner on the audits resulting in this independent auditors' report is Renan A. Piamonte.

PUNONGBAYAN & ARAULLO

By: Renan A. Piamonte

Partner '

CPA Reg. No. 0107805
TIN 221-843-037
PTR No. 8852342, January 3, 2022, Makati City
SEC Group A Accreditation
Partner - No. 107805-SEC (until Dec. 31, 2023)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-037-2019 (until Sept. 4, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

February 24, 2022

(Formerly Megaworld Holdings, Inc.) (A Subsidiary of Megaworld Corporation) STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2021 AND JUNE 30, 2021

(Amounts in Philippine Pesos)

	Notes	December 31, 2021	June 30, 2021
ASSETS			
CURRENT ASSETS		D 4 222 005 005	D 2200.047.524
Cash and cash equivalents Trade and other receivables	4 5	P 1,333,805,607 88,118,786	P 2,308,916,531 9,339,619
Other current assets	7	71,262,351	1,194,220
Total Current Assets		1,493,186,744	2,319,450,370
NON-CURRENT ASSETS			
Trade receivables	5	56,558,890	12,300,122
Investment properties	6	59,261,000,000	49,443,000,000
Other non-current assets	7	54,441,929	54,923,129
Total Non-current Assets		59,372,000,819	49,510,223,251
TOTAL ASSETS		P 60,865,187,563	P 51,829,673,621
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts and other payables	8	P 172,191,343	P 63,879,299
Deposits and other liabilities	9	263,008,802	179,944,909
Total Current Liabilities		435,200,145	243,824,208
NON-CURRENT LIABILITIES			
Interest-bearing loan	10	7,195,789,259	-
Deposits and other liabilities	9	1,072,876,081	729,865,666
Deferred tax liabilities	14	-	101,168,724
Total Non-current liabilities		8,268,665,340	831,034,390
Total Liabilities		8,703,865,485	1,074,858,598
EQUITY			
Capital stock	16	2,532,121,381	2,532,121,381
Additional paid-in capital	16	47,907,466,035	47,907,466,035
Retained earnings		1,721,734,662	315,227,607
Equity		52,161,322,078	50,754,815,023
TOTAL LIABILITIES AND EQUITY		P 60,865,187,563	P 51,829,673,621

(Formerly Megaworld Holdings, Inc.) (A Subsidiary of Megaworld Corporation) STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED DECEMBER 31, 2021 AND JUNE 30, 2021 AND THE THREE MONTHS ENDED DECEMBER 31, 2020*

(Amounts in Philippine Pesos)

	Notes	December 31, 2021 (Six Months)			June 30, 2021 (Six Months)		December 31, 2020 (Three Months)	
REVENUES Rental income Income from dues - net	11 2	P	1,197,497,661 263,215,987	P	195,044,232 32,151,176	P	- -	
			1,460,713,648		227,195,408		-	
COST OF SERVICES	12		222,987,792	-	20,469,415			
GROSS PROFIT			1,237,725,856		206,725,993		-	
OTHER OPERATING EXPENSES	13		9,630,912		18,761,149		10,278,820	
OPERATING PROFIT			1,228,094,944		187,964,844	(10,278,820)	
OTHER INCOME (CHARGES) - NET Fair value gains on investment properties Interest expense Interest income	6 9,10 4,7		702,000,000 23,833,140) 8,374,430 686,541,290	(240,592,380 2,403,391) 637,045 238,826,034		- - -	
PROFIT (LOSS) BEFORE TAX			1,914,636,234		426,790,878	(10,278,820)	
TAX INCOME (EXPENSE)	14		99,579,952	(101,284,451)			
NET PROFIT (LOSS)			2,014,216,186		325,506,427	(10,278,820)	
OTHER COMPREHENSIVE INCOME			-				-	
TOTAL COMPREHENSIVE INCOME (LOSS)	ı	P	2,014,216,186	P	325,506,427	(<u>P</u>	10,278,820)	
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	17	P	0.80	Р	0.13	(<u>P</u>	1.03)	

^{*} The Company was incorporated on October 2, 2020 and has started its commercial operations on June 2, 2021.

See Notes to Financial Statements.

(Formerly Megaworld Holdings, Inc.) (A Subsidiary of Megaworld Corporation)

STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY) FOR THE SIX MONTHS ENDED DECEMBER 31, 2021 AND JUNE 30, 2021

AND THE THREE MONTHS ENDED DECEMBER 31, 2020*

(Amounts in Philippine Pesos)

	Notes	December 31, 2021 (Six Months)	June 30, 2021 (Six Months)	December 31, 2020 (Three Months)
CAPITAL STOCK Balance at beginning of period Issuance of shares during the period Balance at end of period	1	P 2,532,121,381	P 10,000,000 2,522,121,381 2,532,121,381	P - 10,000,000 10,000,000
ADDITIONAL PAID-IN CAPITAL Balance at beginning of period Addition during the period Balance at end of period	1, 16	47,907,466,035	- 47,907,466,035 47,907,466,035	- - -
RETAINED EARNINGS (DEFICIT) Balance at beginning of period Net profit (loss) during the period Dividends declared during the period Balance at end of period	16	315,227,607 2,014,216,186 (607,709,131) 1,721,734,662	(10,278,820) 325,506,427 - 315,227,607	(10,278,820)
EQUITY (CAPITAL DEFICIENCY)		P 52,161,322,078	P 50,754,815,023	(<u>P 278,820</u>)

^{*} The Company was incorporated on October 2, 2020 and has started its commercial operations on June 2, 2021.

See Notes to Financial Statements.

(Formerly Megaworld Holdings, Inc.)

(A Subsidiary of Megaworld Corporation)

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2021 AND JUNE 30, 2021 AND THE THREE MONTHS ENDED DECEMBER 31, 2020*

(Amounts in Philippine Pesos)

	Notes	December 31, 2021 (Six Months)		, ,		June 30, 2021 (Six Months)		December 31, 2020 (Three Months)	
CASH FLOWS FROM OPERATING ACTIVITIES Profit (loss) before tax Adjustments for:		P	1,914,636,234	P	426,790,878	(P	10,278,820)		
Fair value gains on investment properties Interest expense Interest income Operating profit (loss) before working capital changes Increase in trade and other receivables Increase in other current assets Decrease (increase) in other non-current assets Increase (decrease) in due to parent company Increase in accounts and other payables Increase in deposits and other liabilities Cash generated from (used in) operations Interest received	6 9,10 4,7	(((702,000,000) 23,833,140 8,374,430) 1,228,094,944 122,916,877) 70,068,131) 858,355 - 100,316,824 410,400,646 1,546,685,761 7,876,217	(240,592,380) 2,403,391 637,045) 187,964,844 21,639,741) 1,184,980) 54,864,716) 201,820) 63,793,059 907,407,184 1,081,273,830 578,632	(- - - - - - - - - - - - - - - - - - -		
Income tax paid Net Cash From (Used in) Operating Activities			1,588,771) 1,552,973,207	(115,727) 1,081,736,735	(10,000,000)		
CASH FLOW FROM AN INVESTING ACTIVITY Acquisition of investment properties	6	(9,116,000,000)	_					
CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from availment of loan, net of transaction costs Dividends paid Proceeds from issuance of shares, net of shares issuance costs Net Cash From Financing Activities	10 16 16	(7,195,625,000 607,709,131) - 6,587,915,869	_	- 1,227,179,796 1,227,179,796	_	- - 10,000,000 10,000,000		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(975,110,924)		2,308,916,531		-		
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD			2,308,916,531		<u>-</u>				
CASH AND CASH EQUIVALENTS AT END OF PERIOD		P	1,333,805,607	<u>P</u>	2,308,916,531	P	-		

^{*} The Company was incorporated on October 2, 2020 and has started its commercial operations on June 2, 2021.

$Supplemental\ Information\ on\ Non-cash\ Investing\ and\ Financing\ Activity\ --$

In June 2021, the Company and Megaworld Corporation (the Parent Company) entered into a property-for-share swap transaction. Accordingly, the Parent Company transferred certain real properties for lease to the Company amounting to P49,202.4 million and was presented as Investment Properties in the June 30, 2021 statement of financial position (see Note 6). In exchange for the properties transferred, the Company issued 1,282,120,381 common shares with a par value of P1 per share to the Parent Company which resulted in recognition of Capital Stock and Additional Paid-in Capital amounting to P1,282.1 million and P47,920.3 million, respectively (see Note 16).

See Notes to Financial Statements.

(Formerly Megaworld Holdings, Inc.) (A Subsidiary of Megaworld Corporation) NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND JUNE 30, 2021 (Amounts in Philippine Pesos)

1. GENERAL INFORMATION

MREIT, Inc. (the Company, formerly Megaworld Holdings, Inc.) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 2, 2020. The Company's primary purpose, as amended in April 2021, is to engage in the business of a real estate investment trust, as provided under Republic Act (R.A.) No. 9856, *The Real Estate Investment Trust Act of 2009* (the "REIT Act"), including its implementing rules and regulations, and other applicable laws.

On February 1, 2021, Megaworld Corporation (MC or the Parent Company) obtained control over the Company by subscribing to 12,400,000 shares of the Company's authorized capital stock with par value of P100 per share or a total of P1,240,000,000. Accordingly, MC acquired 99.20% direct ownership of the Company's total issued and outstanding capital stock (see Note 16).

On April 7, 2021, majority of the members of the BOD and stockholders of the Company approved the amendments to the Articles of Incorporation and By-Laws of the Company, which include, among others, the following:

- change of name of the Company from Megaworld Holdings, Inc. to MREIT, Inc.;
- change in primary purpose of the Company from engaging in investment activities as an investment holdings company to engaging in the business of a real estate investment trust, as provided under the REIT Act and other applicable laws, which business includes: dealing with (1) income-generating real estate; (2) real estate, real estate-related assets, investments and instruments; and, (3) rent, interest, dividends and income arising from its property and investments;
- change in the secondary purposes of the Company to align with its primary purpose;
- change of principal office of the Company from 30th Floor, Alliance Global Tower to 18th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City;
- change in number of directors from five to seven;
- change in par value of common shares from P100 to P1, resulting to an increase in the number of common shares from 50,000,000 to 5,000,000,000; and,
- change in the fiscal year of the Company to begin on the first day of July and end on the last day of June of each year.

The SEC and the Bureau of Internal Revenue (BIR) approved the amendments to the Company's Articles of Incorporation and By-Laws on May 19, 2021 and May 20, 2021, respectively.

Likewise, on April 7, 2021, the Board of Directors (BOD) and stockholders of the Company approved the Property-for-Share Swap transaction with the Parent Company (see Notes 6 and 16.1).

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

Alliance Global Group, Inc. (AGI) is the Company's ultimate parent company. AGI is a holding company presently engaged in the food and beverage, real estate development, quick-service restaurant, tourism-oriented and gaming businesses.

Both MC and AGI are publicly-listed companies in the Philippines.

On September 30, 2021, the BOD approved the change in the Company's accounting period to begin on the first day of January and end on the last day of December of each year. The Company applied with the SEC for an amendment of its By-laws in October 2021. The SEC and the BIR approved the change on November 4, 2021 and November 25, 2021, respectively.

On October 1, 2021, the Company offered and sold 949,837,500 of its common shares, with a par value of P1 per share (the Offer) through an initial public offering. The Offer was comprised of secondary offer of shares held by MC. The effective ownership of MC was reduced to 62.09% as a result of the Offer.

On December 20, 2021, the Company acquired additional four properties from MC for cash (see Note 6).

The registered office address and principal place of business of the Company and MC are located at 18th and 30th Floors, respectively, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City. The registered office of AGI, which is also its principal place of business, is located at 7th Floor, 1880 Eastwood Avenue, Eastwood City Cyberpark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City.

The financial statements of the Company as of and for the six months ended December 31, 2021 (including the comparative financial statements as of and for the six months ended June 30, 2021 and for the three months period ended December 31, 2020) were authorized for issue by the Company's BOD on February 24, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to the periods presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income, expense and other comprehensive income or loss in a single statement of comprehensive income.

The Company presents a third statement of financial position as of the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

The Company presents Accounts and Other Payables as a separate line item in its statement of financial position as of December 31, 2021. This account was previously presented as part of Deposits and Other Liabilities but is now presented separately as the amount is considered material as of December 31, 2021. As a result, accrued expenses and other payables amounting to P63.8 million as of June 30, 2021, previously presented within Deposits and Other Liabilities, was reclassified and presented as part of Accounts and Other Payables. The reclassification did not have a significant impact on the Company's statement of financial position as of December 31, 2020; hence, the comparative statement of financial position is not presented.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Company's presentation and functional currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using the Company's functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of New and Amended PFRS

(a) Effective in the Six Months Period Ended December 31, 2021 that is Relevant to the Company

The Company adopted for the first time the application of the amendments to *PFRS 16*, *Leases – COVID-19-Related Rent Concessions beyond June 30, 2021*, which is effective from April 1, 2021. The amendment extends for one year the use of practical expedient of not assessing whether rent concessions reducing payments up until June 30, 2022 occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The application of these amendments had no significant impact to the Company's financial statements.

(b) Effective Subsequent to Fiscal Year 2021 but not Adopted Early

There are pronouncements effective for annual periods subsequent to 2021, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company's financial statements.

- (i) PAS 37 (Amendments), Provisions, Contingent Liabilities and Contingent Assets Onerous Contracts Cost of Fulfilling a Contract (effective from January 1, 2022). The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor and materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
- (ii) Annual Improvements to PFRS 2018-2020 Cycle. Among the improvements, only PFRS 9 (Amendments), Financial Instruments Fees in the '10 per cent' Test for Derecognition of Liabilities (effective from January 1, 2022), is relevant to the Company. The improvements clarify the fees that a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- (iii) PAS 1 (Amendments), Presentation of Financial Statements Classification of Liabilities as Current or Non-current (effective from January 1, 2023). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
- (iv) PAS 1 (Amendments), Presentation of Financial Statements and PFRS Practice Statement 2 (Amendments), Making Materiality Judgments Disclosure of Accounting Policies (effective from January 1, 2023). The amendments specify the requirement for an entity to disclose its material accounting policies instead of its significant accounting policies and provide guidance and examples with regards to application of the four-step materiality process in the identification of material accounting policy disclosures.

(v) PAS 8 (Amendments), Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates (effective from January 1, 2023). The amendments clarify the definition of accounting estimates as monetary amounts in the financial statements that are subject to measurement uncertainty and the difference of changes in accounting estimates from changes in accounting policies and corrections of prior period errors.

2.3 Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

(a) Financial Assets

For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

(i) Classification and Measurement of Financial Assets

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Currently, the relevant financial asset classification applicable to the Company is financial assets at amortized cost.

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Company's business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss.

The Company's financial assets at amortized cost are presented as Cash and Cash Equivalents, Trade and Other Receivables and Security deposit (presented under Other Non-current Assets) in the statement of financial position. Cash and cash equivalents include demand deposits and short-term placements with original maturities of three months or less from the date of acquisition. Demand deposits maintained in a local bank are unrestricted and readily available for use in the Company's operations. Short-term placements include short-term, highly-liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of reporting period, which are classified as non-current assets.

(ii) Impairment of Financial Assets

The Company assesses expected credit losses (ECL) on a forward-looking basis associated with its financial assets carried at amortized cost. The measurement of ECL involves consideration of broader range of information that is available without undue cost or effort at the reporting date about past events, current conditions, and reasonable and supportable forecasts of future economic conditions (i.e., forward-looking information) that may affect the collectability of the future cash flows of the financial assets. Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instruments evaluated based on a range of possible outcome.

The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all trade and other receivables and security deposit. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators, forward-looking information, and other qualitative factors (including possible offsetting) to calculate the ECL using a provision matrix. The Company also assesses impairment of trade and other receivables and security deposit on a collective basis as they possess shared credit risk characteristics, and have been grouped based on the days past due.

For cash and cash equivalents, the Company applies low credit risk simplification and measures the ECL on the financial assets based on a 12-month ECL basis unless there has been a significant increase in credit risk since origination, in which case, the loss allowance will be based on lifetime ECL.

The key elements used in the calculation of ECL are as follows:

- Probability of default It is an estimate of likelihood of a counterparty defaulting at its financial obligation over a given time horizon, either over the next 12 months or the remaining lifetime of the obligation.
- Loss given default It is an estimate of loss arising in case where a default occurs at a given time. It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those that the Company would expect to receive, including the realization of any collateral or effect of any credit enhancement.
- Exposure at default It represents the gross carrying amount of the financial instruments in the event of default which pertains to its amortized cost.

The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through an allowance for impairment account. Subsequent recoveries of amounts previously written off are credited against the same line item.

(iii) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(b) Financial Liabilities

Financial liabilities, which pertain to Security deposits (presented under Deposits and Other Liabilities), Accounts and Other Payables (except tax-related liabilities), and Interest-bearing Loan are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments.

All interest-related charges, except any capitalized borrowing costs, are recognized as expense in profit or loss under Interest Expense account in the statement of comprehensive income.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when the Company currently has legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and, must be legally enforceable for both entity and all counterparties to the financial instruments.

2.4 Other Assets

Other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period or in the normal operating cycle of the business, if longer, are classified as non-current assets.

2.5 Investment Properties

Investment properties include several buildings for mixed use, which are being leased out as office, retail and hotel, including the hotel's parking spaces.

Investment properties are accounted for under the fair value model. They are revalued annually and are reported in the statement of financial position at its fair value. Fair value is based on the income approach and is determined annually by an independent appraiser with sufficient experience with respect to both the location and the nature of the investment properties (see Note 21.3).

Any gain or loss resulting from either a change in the fair value or the sale or retirement of an investment property is immediately recognized in profit or loss as Fair value gains on investment properties account under the Other Income (Charges) section in the statement of comprehensive income.

Investment properties are derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from their disposal.

2.6 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, probable inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets; hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.7 Revenue and Expense Recognition

Revenue comprises revenue from leasing activities.

To determine whether to recognize revenue, the Company follows a five-step process:

- 1. identifying the contract with a customer;
- 2. identifying the performance obligation;
- 3. determining the transaction price;
- 4. allocating the transaction price to the performance obligations; and,
- 5. recognizing revenue when/as performance obligations are satisfied.

The Company determines whether a contract with customer exists by evaluating whether the following gating criteria are present:

- (i) the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
- (ii) each party's rights regarding the goods or services to be transferred or performed can be identified;
- (iii) the payment terms for the goods or services to be transferred or performed can be identified;
- (iv) the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and,
- (v) collection of the consideration in exchange of the goods and services is probable.

Revenue is recognized only when (or as) the Company satisfies a performance obligation by transferring control of the promised services to a customer. The transfer of control can occur over time or at a point in time.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- (a) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
- (c) the Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control of the goods or services transfers to the customer. If the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied. The Company uses the practical expedient in PFRS 15 with respect to non-disclosure of the aggregate amount of the transaction price allocated to unsatisfied or partially satisfied performance obligations as of the end of the reporting period and the explanation of when such amount will be recognized.

The following specific recognition criteria must also be met before revenue is recognized:

(a) Income from dues – Income from dues are recognized when the related services are rendered. Electricity and water dues in excess of actual charges and consumption are recorded as revenues. In addition, billing from common dues, presented at gross amounts, is computed based on a fixed rate per square meter of the leasable area occupied by the tenant.

The Company assesses its revenue agreement against the specific criteria in order to determine if it is acting as a principal or an agent. The Company has concluded that it is acting as a principal for billings from common area, air conditioning and other dues, except for electricity and water dues in which the Company acts as an agent.

(b) Interest Income – Revenue is recognized as the interest accrues taking into account the effective yield on the asset.

The Company also recognizes revenues from rentals which are based on the provisions of PFRS 16 [see Note 2.8(b)].

Cost of services and operating expenses are recognized in profit or loss upon utilization of the goods or services or at the date these are incurred.

Finance costs are reported on an accrual basis, except any capitalized borrowing costs which are included as part of the cost of the related qualifying asset (see Note 2.11).

2.8 Leases

The Company accounts for leases as follows:

(a) Company as a Lessee

For any new contracts entered into, the Company considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the
 contract or implicitly specified by being identified at the time the asset is made
 available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Company has elected to account for any short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) Company as a Lessor

Leases wherein the Company substantially transfers to the lessee all risks and benefits incidental to ownership of the leased item are classified as finance leases and are presented as receivable at an amount equal to the Company's net investment in the lease. Finance income is recognized based on the pattern reflecting a constant periodic rate of return on the Company's net investment outstanding in respect of the finance lease.

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset, are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

The Company determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific or identified asset or assets and the arrangement conveys a right to use the asset for a period of time in exchange for consideration.

2.9 Impairment of Non-financial Assets

The Company's non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

2.10 Employee Benefits

The Company provides post-employment benefits to employees through defined contribution plans and other employee benefits which are recognized as follows:

(a) Defined Contribution Plans

A defined contribution plan is a post-employment plan under which the Company pays fixed contributions into an independent entity. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(b) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in Trade and Other Payables account in the statement of financial position at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

2.11 Borrowing Costs

For financial reporting purposes, borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

For income tax purposes, interest and other borrowing costs are charged to expense when incurred.

2.12 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or current tax liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods, that are uncollected or unpaid at the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority.

2.13 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Based on the requirement of SEC Memorandum Circular 2019-10, Rules of Material Related Party Transactions of Publicly-listed Companies, transactions amounting to 10% or more of the total assets based on its latest financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds (2/3) vote of the Company's board of directors, with at least a majority of the independent directors, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of ten percent of the Company's total assets based on the latest financial statements, the same board approval would be required for the transactions that meet and exceeds the materiality threshold covering the same related party.

2.14 Equity (Capital Deficiency)

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital (APIC) includes any premiums received on the issuance of capital. Any transaction costs associated with the issuance of shares are deducted from APIC, net of any related income tax benefits.

Retained earnings (deficit) represents all current and prior period results of pre-operations and operations as reported in the statement of comprehensive income.

2.15 Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net profit (loss) by the weighted average number of shares issued and outstanding, adjusted retrospectively for any share dividend declared, share split and reverse share split during the current year, if any.

Diluted earnings (loss) per share is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of potential dilutive common shares. Currently, the Company does not have potential dilutive shares outstanding; hence, the diluted earnings (loss) per share is equal to the basic earnings (loss) per share.

2.16 Events After the End of the Reporting Period

Any event after the end of the reporting period that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Events after the end of the reporting period that are not adjusting events, if any, are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgment in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

(a) Determination of ECL on Trade and Other Receivables

The Company uses a provision matrix to calculate ECL for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography and customer type).

The Company has just started its operations during the period; hence, no historical default is available for the Company. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Company's trade and other receivables are disclosed in Note 19.2(b).

Based on management evaluation of information and circumstances affecting the Company's trade and other receivables as of the end of the reporting periods, the Company has not recognized any impairment loss.

(b) Distinction Among Investment Properties and Owner-occupied Properties

The Company determines whether a property should be classified as investment property or owner-occupied property. The Company applies judgment upon initial recognition of the asset based on intention and also when there is a change in use. In making its judgment, the Company considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

When a property comprises of a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the Company's main line of business or for administrative purposes, the Company accounts for the portions separately if these portions can be sold separately (or leased out separately under finance lease). If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the Company's main line of business or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

(c) Distinction Between Operating and Finance Leases (As a Lessor)

The Company has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Based on management assessment, the Company's lease agreements are classified as operating leases.

(d) Evaluating Principal Versus Agent Consideration

The Company exercises judgment to determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e., the Company is a principal) or to arrange for the other party to provide to those goods or services (i.e., the Company is an agent). Failure to make the right judgment will result in misstatement of revenues and expenses accounts. The Company assessed that it is acting as an agent for utility transactions of its tenants under operating leases. The amount of utility revenues and utility expenses which were set off against each other is presented as part of Income from dues under Revenues section of the statements of comprehensive income for the six months ended December 31, 2021 and June 30, 2021.

(e) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Accounting policies on recognition and disclosure of provision are discussed in Note 2.6 and disclosures on relevant provisions and contingencies are presented in Note 18.

3.2 Key Sources of Estimation Uncertainty

Presented below are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 19.2.

(b) Fair Value Measurement of Investment Properties

The Company's investment properties, composed of buildings for mixed use, are measured using the fair value model. In determining the fair value of these assets, the Company engages the services of professional and independent appraisers applying the Income Approach. In determining the fair value under the Income Approach, significant estimates are made such as revenues generated, costs expenses related to the operations of the development and discount rate (see Note 21.3).

A significant change in these elements may affect prices and the value of the assets. The fair value of investment properties is disclosed in Notes 6 and 21.3.

For investment properties with valuation conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

(c) Determination of Realizable Amount of Deferred Tax Asset

The Company reviews its deferred taxes at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Although the Company is not designated as tax-free under the law, as a REIT entity it is exempt from income tax provided it meets certain conditions which includes distribution of a minimum amount of its earnings. The Company assesses that it will continue to comply with the conditions and therefore will not have sufficient taxable income against which it can utilize its net operating loss carry over (NOLCO). As a result, no deferred tax asset was recognized as of December 31, 2021 and June 30, 2021.

The carrying amount of the unrecognized deferred tax asset as at December 31, 2021, and June 30, 2021 is disclosed in Note 14.

(d) Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainties relates to assumptions about future operating results and the determination of suitable discount rate. Also, the Company's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.9. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

There were no impairment losses on the Company's non-financial assets required to be recognized for the six months ended December 31, 2021 and June 30, 2021, and the three months ended December 31, 2020 based on management's assessment.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	De	2021		June 30, 2021
Cash on hand and in bank Short-term placements	<u>P</u>	832,127,010 501,678,597		1,308,559,864 1,000,356,667
	<u>P</u>	<u>1,333,805,607</u>	P	2,308,916,531

Cash in bank generally earns interest based on daily bank deposit rates.

Short-term placements are made for varying periods from 30 to 44 days and earn effective interest of 0.5% to 1.125%.

Interest earned from cash in bank and short-term placements for the six months ended December 31, 2021 and June 30, 2021 amounted to P8.0 million and P0.6 million, respectively, and is presented as Interest income under Other Income (Charges) section in the statements of comprehensive income for the six months ended December 31, 2021 and June 30, 2021.

5. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	De	December 31, 2021		June 30, 2021
Current				
Trade receivables:				
Billed	P	70,763,275	P	7,793,613
Accrued		14,112,404		85,318
Others		3,243,107		1,460,688
		88,118,786		9,339,619
Non-current –		• •		, ,
Trade receivables –				
Accrued		56,558,890		12,300,122
	P	144,677,676	P	21,639,741

Accrued receivables pertain to receivables resulting from the straight-line method of recognizing rental income.

Billed receivables arise mainly from tenants for rentals of office, retail, hotel and parking spaces, including dues. These are noninterest-bearing and are generally collectible on 30-day term.

All trade and other receivables are subject to credit risk exposure. However, there was no impairment losses recognized for the six months ended December 31, 2021 and June 30, 2021 as management believes that the remaining receivables are fully collectible [see Note 19.2(b)].

6. INVESTMENT PROPERTIES

The Company's investment properties include several buildings for mixed use, which are being leased out as office, retail and hotel, including the hotel's parking spaces.

A reconciliation of the carrying amounts at the beginning and end of the six-month periods ended December 31, 2021 and June 30, 2021 of investment properties is shown below.

Balance at January 1, 2021 Additions for the period	P - 49,202,407,620
Fair value gains	240,592,380
Balance at June 30, 2021 Additions for the period	49,443,000,000 9,116,000,000
Fair value gains Balance at December 31, 2021	702,000,000 P 59,261,000,000
2 4 4 4 5 6 6 6 6 6 7 7 8 6 7 7 7 8 7 8 7 8 7 8 7	

In May 2021, ten properties were transferred to the Company in accordance with the Property-for-Share Swap transaction (the Assigned Properties) entered into by the Company and MC as approved by its BOD and stockholders on April 7, 2021 (see Note 1).

On May 19, 2021, in furtherance of the transfer, assignment and conveyance in favor of MREIT of all of MC's rights, title and interests in the Assigned Properties in exchange for MREIT's common shares, MC and MREIT entered into a Deed of Assignment of Leases assigning all of MC's rights and interests in and to the Contracts of Lease over portions of the Assigned Properties leased out to various entities effective upon the issuance of MREIT's common shares in the name of the Company under the Deed of Exchange of Property and Shares.

On June 1, 2021, SEC has certified the approval of the valuation of the Assigned Properties under the Deed of Exchange of Property and Shares. Consequently, on June 2, 2021, the Company issued 1,282,120,381 common shares to MC, and the Deed of Assignment of Leases was consummated (see Note 16.1).

On December 20, 2021, the Company purchased four additional prime, Grade A buildings located in zones registered with the Philippine Economic Zoning Authority (PEZA) from MC for a total acquisition price of P9,116.0 million (the Additional Properties). The acquisition was partially financed by a loan obtained from a local bank (see Note 10). MC and MREIT likewise entered into a Deed of Assignment of Leases assigning all of MC's rights and interests in and to the Contracts of Lease over portions of the Additional Properties.

As of December 31, 2021, the Company has a total of 14 assets consisting of the following:

Located at McKinley Hill, Fort Bonifacio, Taguig City:

One World Square Two World Square Three World Square 8/10 Upper McKinley Building 18/20 Upper McKinley Building World Finance Plaza

Located at Eastwood, Quezon City:

1880 Eastwood Avenue 1800 Eastwood Avenue E-Commerce Plaza

Located at Iloilo Business Park, Iloilo City:

Richmonde Hotel Iloilo and Richmonde Iloilo Office Tower

One Techno Place

Two Techno Place

Three Techno Place

One Global Center

For the six months ended December 31, 2021 and June 30, 2021, rental income from investment properties amounted to P1,197.5 million and P195.0 million, respectively (see Note 11). All investment properties generate rental income.

The direct operating costs incurred relating to investment properties, which pertains to repairs and maintenance and real property taxes, amounted to P10.7 million and P4.4 million for the six months ended December 31, 2021 and June 30, 2021, respectively.

The fair values of the investment properties as of December 31, 2021 and June 30, 2021 amounted to P59.3 billion and P49.4 billion, respectively, were determined based on the latest appraisal reports by an independent real property appraiser, which uses the income approach (see Note 21.3). The related fair value gain amounting to P702.0 million and P240.6 million is presented as Fair value gains on investment properties in the Other Income (Charges) section of the statement of comprehensive income for the six months ended December 31, 2021 and June 30, 2021, respectively.

The Company does not have contractual commitments for purchase of investment properties. The operating lease commitments of the Company as lessor are fully disclosed in Note 18.1.

7. OTHER ASSETS

The Company's other assets consist of the following:

	D	ecember 31, 2021		June 30, 2021
Current: Creditable withholding taxes Prepaid expenses Deferred input value added tax (VAT)	P	35,522,343 24,595,487 11,144,521 71,262,351	P	1,140,880 - 53,340 1,194,220
Non-current: Security deposit Deferred charges	 <u>Р</u>	12,704,475 41,737,454 54,441,929 125,704,280	<u>р</u>	12,327,320 42,595,809 54,923,129 56,117,349

Security deposit is related to the lease of certain parcels of land on which the investment properties stand (see Note 15.3). The related interest income recognized from subsequent amortization of the security deposit is presented as part of Interest income under Other Income (Charges) section in the statements of comprehensive income for the six months ended December 31, 2021 and June 30, 2021.

Deferred charges pertain to the difference between the nominal values of the security deposits and their fair values. These are initially measured at fair value and subsequently amortized using the straight-line method. Amortization of deferred charges is presented as part of Miscellaneous under Cost of Services account in the statements of comprehensive income for the six months ended December 31, 2021 and June 30, 2021 (see Note 12).

8. ACCOUNTS AND OTHER PAYABLES

The details of this account are as follows:

	Notes	Do	ecember 31, 2021		June 30, 2021
Accounts payable	15.4	P	84,743,687	P	_
Accrued expenses			54,791,622		55,497,840
Deferred output VAT			11,618,604		917,509
Interest payable	10		7,995,219		-
Withholding taxes payable			7,083,822		1,480
Others			5,958,389		7,462,470
		<u>P</u>	172,191,343	<u>P</u>	63,879,299

Other payables include output VAT payable.

9. DEPOSITS AND OTHER LIABILITIES

The details of this account are as follows:

	Notes D	ecember 31, 2021	June 30, 2021
Current: Advance rent Security deposits Deferred credits	15.1, 18.1 P 15.1,18.1	139,154,738 87,085,752 36,768,312 263,008,802	P 47,908,232 102,285,171 29,751,506 179,944,909
Non-current: Security deposits Advance rent Deferred credits	15.1, 18.1 15.1, 18.1	588,129,870 411,374,176 73,372,035 1,072,876,081 1,335,884,883	405,187,680 259,071,270 65,606,716 729,865,666 P 909,810,575

Security deposits represent deposits from lessees to secure the faithful compliance by lessees of their obligations under the lease contracts. These are equivalent to three months' rent for office and six months' rent for commercial spaces and will be refunded to the lessee at the end of the lease term.

A reconciliation of security deposits as of December 31, 2021 and June 30, 2021 is shown below:

	Do	2021		June 30, 2021
Balance at beginning of period Additions Accretion of interest	P	507,472,851 152,069,109 15,673,662	P	505,069,460 2,403,391
Balance at end of period	<u>P</u>	675,215,622	<u>P</u>	507,472,851

Accretion of interest is presented as part of Interest expense under Other Income (Charges) section of the statements of comprehensive income for the six months ended December 31, 2021 and June 30, 2021.

Advance rentals from lessees represent cash received in advance representing three months' rent which will be applied to the last three months' rentals on the related lease contracts.

Deferred credits pertain to the difference between the nominal values of the deposits and their fair values. These are initially measured at fair value and subsequently amortized using the straight-line method.

A reconciliation of deferred credits is shown below.

	De	2021	June 30, 2021		
Balance at beginning of period Additions Amortization	P	95,358,222 31,323,170		97,977,031	
Balance at end of period	<u> </u>	16,541,045) 110,140,347	<u>P</u>	2,618,809) 95,358,222	

Amortization of deferred credits is presented as part of Rental income under Revenues section in the statements of comprehensive income for the six months ended December 31, 2021 and June 30, 2021 (see Note 11).

10. INTEREST-BEARING LOAN

In December 2021, the Company obtained an unsecured, 10-year, P7.25 billion term loan from a local bank to finance the acquisition of investment properties (see Note 6). The principal is payable quarterly in instalment beginning on the last quarter of the fifth year with a balloon payment at the end of the term. Interest is payable quarterly at 3.64% per annum subject to repricing on December 2024. Interest incurred amounted to P8.0 million and is presented as part of Interest Expense in the statement of comprehensive income for the six months ended December 31, 2021. The related accrual is presented as Interest payable under Accounts and Other Payables in the statement of financial position as of December 31, 2021 (see Note 8).

Total capitalized loan origination costs amounted to P54.4 million. Amortization for the six months ended December 31, 2021 amounted to P0.1 million and is presented as part of Interest Expense in the statement of comprehensive income for the six months ended December 31, 2021.

11. RENTAL INCOME

The Company derives its revenues from contracts with customers through leasing real properties. The breakdown of rental income for the six months ended December 31, 2021 and June 30, 2021 reported in the statements of comprehensive income is shown below.

		December 31, 2021		June 30, 2021
Office	P	1,106,101,576	P	180,906,954
Commercial		45,839,766		6,715,759
Hotel		28,200,000		4,700,000
Parking		629,980		102,710
Advertising		185,294		-
Amortization of deferred credits		16,541,045		2,618,809
	<u>P</u>	1,197,497,661	<u>P</u>	195,044,232

Rental income from office, retail and advertising includes income from straight-line method of recognizing rental income amounting to P58.3 million and P12.4 million, for the six months ended December 31, 2021 and June 30, 2021, respectively.

Rental income also includes variable lease payments amounting to P8.2 million and P1.4 million for the six months ended December 31, 2021 and June 30, 2021, respectively, which do not depend on an index or a rate.

12. COST OF SERVICES

The following are the details of direct costs and expenses from rendering of services for the six months ended December 31, 2021 and June 30, 2021:

	Note	D-	ecember 31, 2021		June 30, 2021
Outside services		P	79,955,624	P	9,308,668
Management fees	15.4		63,807,804		_
Utilities			54,410,175		4,370,148
Taxes and licenses			11,434,498		3,485,621
Repairs and maintenance			2,469,379		2,966,060
Miscellaneous			10,910,312		338,918
		P	222,987,792	<u>P</u>	20,469,415

13. OTHER OPERATING EXPENSES

Presented below are the details of other operating expenses.

	Note	De	2021		June 30, 2021	D	ecember 31, 2020
Outside services	15.5	P	3,376,257	Р	1,100,342	P	-
Taxes and licenses			2,967,914		17,017,937		10,201,820
Professional fees			1,069,812		444,500		77,000
Advertising and promotion			920,130		-		-
Office supplies			692,044		3,630		-
Salaries and employee benefits			197,218		37,500		-
Miscellaneous			407,537		157,240		-
		<u>P</u>	9,630,912	<u>P</u>	18,761,149	P	10,278,820

14. INCOME TAXES

The components of tax expense (income) as reported in the statements of comprehensive income for the six months ended December 31, 2021 and June 30, 2021 (nil for the three months ended December 31, 2020) are as follows:

	De	ecember 31, 2021	June 30, 2021		
Current tax expense – Final tax at 20%	P	1,588,771 P	115,727		
Deferred tax expense (income) related to origination and reversal of temporary differences	(101,168,723)	101,168,724		
	(<u>P</u>	99,579,952) P	101,284,451		

A reconciliation of tax on pretax profit or loss computed at the applicable statutory rates to tax expense or income reported in the statement of comprehensive income for the six months ended December 31, 2021 and June 30, 2021 is as follows:

	D 	ecember 31, 2021	June 30, 2021
Tax on pretax profit at 25%	P	478,659,059 P	106,697,720
Adjustment for income subjected to lower income tax rate	(410,548) (28,931)
Application of unrecognized NOLCO		- (2,144,401)
Tax effects of:			
Deductible expenses	(280,417,757)(3,205,301)
Reversal of deferred tax liabilities	(101,168,724)	-
Non-taxable income	Ì	194,301,013)(669,305)
Excess of optional standard deductions	`	, ,	,
(OSD) over itemized deductions	(6,514,902)	-
Non-deductible expenses		4,573,933	634,669
	(<u>P</u>	99,579,952) P	101,284,451

The deferred tax liabilities as at June 30, 2021 relate to the following:

Fair value gains on investment properties	P	60,148,095
Depreciation of investment properties		37,924,269
Rent income differential		3,096,360

In 2021, the Company is subject to regular corporate income tax (RCIT) of 25% of net taxable income. However, the Company did not recognize RCIT in 2021 since the Company reported zero net taxable income for the six months ended December 31, 2021 and June 30, 2021. On the other hand, the Company is in a tax loss position for the three months ended December 31, 2020 as the Company has not yet started commercial operations during such time; hence, there was no RCIT reported.

101,168,724

The Company availed of tax-free incentives available under the REIT Act and no deferred taxes were recognized on temporary differences.

The Company is not subject to the minimum corporate income being a REIT entity.

The Company opted to claim OSD for the six months ended December 31, 2021 while the Company claimed itemized deductions in computing for its income tax due for the six months ended June 30, 2021 and for the three months ended December 31, 2020. In addition, the Company's dividend distribution can be claimed as a special deduction in computing for taxable income both under OSD and itemized deductions.

In 2020, the Company incurred NOLCO amounting to P10.3 million, of which P8.6 million was claimed as a deduction from the Company's taxable income for the period ended June 30, 2021. The remaining NOLCO incurred in 2020, which can be claimed as a deduction from the future taxable income until 2025 in accordance with R.A. No. 11494, *Bayanihan to Recover as One Act*, amounted to P1.7 million as at June 30, 2021. Deferred tax asset on NOLCO amounting to P0.4 million both as at December 31, 2021 and June 30, 2021 and P3.1 million as at December 31, 2020, respectively, was not recognized [see Note 3.2(c)].

On March 26, 2021, R.A. No. 11534, Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, amending certain provisions of the National Internal Revenue Code of 1997, as amended, was signed into law with veto on certain provisions and shall be effective 15 days after its publication. The CREATE Act has several provisions with retroactive effect beginning July 1, 2020. The CREATE Act aims to lower certain corporate taxes and rationalize tax incentives given to certain taxpayers. The CREATE Act has no impact on the Company's financial statements.

15. RELATED PARTY TRANSACTIONS

The Company's related parties include the Parent Company and related parties under common ownership. A summary of the Company's transactions and outstanding balances with its related parties is presented in the succeeding page.

						Outs	tandı	ng
		_	Amount of T	ransaction	_	Receivab	le (Pa	iyable)
Related Party		D	ecember 31,	June 30,	D	ecember 31,		June 30,
Category	Notes	_	2021	2021	_	2021		2021
Parent Company								
Property-for-share swap	6	P	-	P 49,202,440,620	P	-	P	-
Purchase of properties	6		9,116,000,000	-		-		-
Rendering of services	15.1		73,776,308	12,296,051		10,897,960		1,556,851,
Advance rent	15.1	(13,527,808)	13,527,808		-	(13,527,808)
Security deposits received	15.1	ì	18,117,600)		(18,117,600)	`	- '
Security deposits paid	15.3	`	377,155	12,327,320	`	12,704,475		12,327,320
Accommodation of expenses	15.2		-	(201,820)		-		-
Related parties								
under common								
ownership								
Advance rent	15.1	(96,529)	8,713,747	(8,617,218)	(8,713,747)
Security deposits received	15.1	`	10,674,337	12,195,962	ì	22,870,299)	Ì	12,195,962)
Rendering of services	15.1		61,122,501	9,938,898	`	21,192,835		3,655,623
Management services	15.4		63,807,804	-	(53,860,004)		-
Key management								
personnel –								
Compensation	15.5		2,734,890	455,815		-		-

15.1 Rendering of Services to Related Parties

The Company leases some of its investment properties to Parent Company and other related parties under common ownership with rental payments mutually agreed generally before the commencement of the lease. Most of the leases have terms ranging from 5 to 25 years, with renewal options, and include annual escalation rates of 5% to 10%, except for contingent rent. The revenues earned from these related parties are included as part of Rental income under Revenues section in the statements of comprehensive income for the six months ended December 31, 2021 and June 30, 2021 (see Note 11). The related outstanding receivables from these transactions, which are collectible on demand, unsecured and noninterest-bearing, are presented as part of Trade receivables under the Trade Receivables account in the statements of financial position (see Note 5). Advanced rentals and security deposits relating to this transaction are presented under the current and non-current portion of Deposits and Other Liabilities account in the statements of financial position (see Note 9).

15.2 Accommodation of Expenses

In 2020, portion of the SEC registration fees amounting to P0.2 million was paid by the Parent Company on behalf of the Company. Such amount is still outstanding as of December 31, 2020 and is presented as Due to Parent Company in the 2020 statement of financial position. This outstanding balance is unsecured, noninterest-bearing and is payable in cash on demand or through offsetting arrangement. As of June 30, 2021, the outstanding balance was fully paid.

15.3 Land Lease Agreement

In 2021, the Company entered into a land lease agreement with MC over the land on which its investment properties stood for a period of 25 years, renewable for another 25 years, at the option of the Company, on terms and conditions mutually acceptable to the parties. As consideration for the land lease, the Company shall pay MC rent equivalent to: (a) 2.5% of gross rental income for office, retail and commercial properties for the period July 1, 2023 and until June 30 2025, and 5% thereafter; and, (b) 1.5% of gross rental income for hotel properties for the period July 1, 2023 and until June 30 2025, and 3% thereafter.

Deposit paid by the Company from the land lease agreement was presented as Security deposit under Other Non-current Assets in the statements of financial position (see Note 7). This deposit will be refunded at the end of the lease term at its face value amounting to P55.0 million.

15.4 Management Services

The fund management function of the Company is handled by MREIT Fund Managers, Inc., a subsidiary of MC, in exchange for a fee. Management fee is payable annually equivalent to 3.5% of the Company's gross revenues but shall not exceed 1% of the net asset value of the properties under management.

The operations and management of the properties and facilities of the Company are handled by MREIT Property Managers, Inc., a subsidiary of MC, in exchange for a fee. Property management fee is payable quarterly equivalent to 2% of the Company's gross revenues but shall not exceed 1% of the net asset value of the properties under management.

The Company recognized a total of P63.8 million management fees for the six months ended December 31, 2021 (nil for the six months ended June 30, 2021), which is presented as part of Cost of Services in the statement of comprehensive income for the six months ended December 31, 2021. The outstanding balance of P53.9 million as of December 31, 2021 is presented as part of Accounts payable under Accounts and Other Payables account in the statement of financial position as of December 31, 2021 (see Note 8).

15.5 Key Management Personnel Compensation

Key management personnel compensation pertains to payment for outsourced management services included within Outside services under Other Operating Expenses (see Note 13). There was no similar transaction for the three months ended December 31, 2020.

16. EQUITY

16.1 Capital Stock

Capital stock consists of:

		Shares			Amount	
	December 31, 2021	June 30, 2021	December 31 2020	December 31, 2021	June 30, 2021	December 31, 2020
Common shares Authorized						
Balance at beginning	E 000 000 000	E0 000 000	E0 000 000	D = 000 000 000	D = 000 000 000	P 5.000.000.000
of the period Change in par value	5,000,000,000	50,000,000 4,050,000,000	50,000,000	P 5,000,000,000	P 5,000,000,000	P 5,000,000,000
Balance at end of						
the period	5,000,000,000	5,000,000,000	5,000,000,000	P 5,000,000,000	P 5,000,000,000	P 5,000,000,000
Issued and outstanding						
Balance at beginning						
of the period	2,532,121,381	100,000	-	P 2,532,121,381	P 10,000,000	P -
Issuance	-	1,294,521,381	100,000	-	2,522,121,381	10,000,000
Change in par value		1,237,500,000				-
Balance at end of						
the period	2,532,121,381	2,532,121,381	100,000	P 2,532,121,281	P 2,532,121,381	P 10,000,000

On October 2, 2020, the Company was incorporated with a total authorized capital stock of P5,000,000,000 divided into 50,000,000 common shares with a P100 par value per share, of which P10,000,000 has been subscribed and paid.

On February 1, 2021, MC has subscribed to and paid for 12,400,000 shares with par value of P100 per share or a total of P1,240,000,000 (see Note 1).

On April 7, 2021, majority of the members of the BOD and stockholders of MREIT approved the amendments to the Articles of Incorporation and By-Laws of MREIT, which include, among others, the change in par value of common shares from P100 to P1, resulting in an increase in the number of authorized common shares from 50,000,000 to 5,000,000,000 and subscribed common shares from 12,500,000 to 1,250,000,000. On May 19, 2021, the Company obtained approval of the amendments from the SEC (see Note 1).

On May 28, 2021, an individual stockholder subscribed and paid 1,000 common shares of the Company with par value of P1 per share or a total subscription price of P1,000.

On June 2, 2021, on consummation of the Deed of Exchange of Property and Shares in relation to the Property-for-Share Swap transaction with MC, the Company issued 1,282,120,381 common shares at par value of P1 per share (see Notes 1 and 6). In addition, the Company recognized APIC amounting to P47,920,287,239, less shares issuance costs amounting to P12.8 million.

As of December 31, 2021, there are 12,900 holders of at least one board lot of the listed shares, which closed at P19.70 per share as of that date.

16.2 Dividends

On October 25, 2021, the BOD approved the declaration of cash dividends of P0.24 per share (P607.7 million) to stockholders on record as of November 9, 2021. The dividends were declared out of the unrestricted retained earnings for the fiscal year ending June 30, 2021 and earnings for the quarter ending September 30, 2021. The cash dividends were paid on November 15, 2021.

16.3 Distributable Income

The computation of the distributable income of the Company as at December 31, 2021 is shown below.

Net income	P	2,014,216,186
Fair value adjustment of investment property		
resulting to gain	(702,000,000)
Unrealized gains or adjustments to income		
as a result of certain transactions		
accounted for under PFRS	(214,909,856)
Adjustments due to any prescribed accounting		
standard which result to a loss		858,354
Distributable income	P	1,098,164,684

REIT entities must distribute annually at least 90% of its distributable income as dividends to its shareholders not later than the last working day of the fifth month following the close of the fiscal year.

17. EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share amounts were computed as follows:

	December 31, 2021 (Six Months)	June 30, 2021 (Six Months)	December 31, 2020 (Three Months)
Net profit (loss) for the period Divided by weighted number	P 2,014,216,186	P 325,506,427	(P 10,278,820)
of outstanding common shares	2,532,121,381	2,532,121,381	10,000,000
Basic and diluted earnings (loss) per share	P 0.80	<u>P 0.13</u>	(<u>P 1.03</u>)

The Company has no potential dilutive common shares as of December 31, 2021, June 30, 2021 and December 31, 2020.

18. COMMITMENTS AND CONTINGENCIES

18.1 Operating Lease Commitments – Company as a Lessor

The Company is a lessor under several operating leases covering real estate properties for office and commercial use (see Note 6). The future minimum lease receivable under these agreements as of December 31, 2021 and June 30, 2021 are shown below.

	December 31, 2021	June 30, 2021
Within one year	P 2,911,615,030	P 2,072,833,070
After one year but not more than two years After two years but not more than	2,876,435,530	1,913,175,479
three years	2,090,182,820	1,281,609,300
After three years but not more than four years After four years but not more than	1,424,419,672	927,994,622
five years	749,643,195	456,827,297
More than five years	<u>2,946,449,745</u>	2,321,048,522
	P 12,998,745,992	P 8,973,488,290

The Company is subject to risk incidental to the operation of its office and commercial properties, which include, among others, changes in market rental rates, inability to renew leases upon lease expiration, and inability to collect rent from tenants due to bankruptcy or insolvency of tenants. Majority of the Company's revenue from rental properties are derived from commercial and BPO-based tenants. If the expected growth, particularly from BPO-based tenants, does not meet management's expectations, or in the case of commercial tenants more stringent health measures are imposed resulting to further temporary or permanent closures of commercial establishments, the Company may not be able to lease their properties in a timely manner or collect rent at profitable rates.

To mitigate these risks, the Company requires security deposits and advanced rentals representing three months' and six months' rent from office and commercial tenants, respectively (see Note 9).

18.2 Operating Lease Commitments – Company as a Lessee

The Company entered into a land lease agreement with MC over the land on which its investment properties stood for a period of 25 years, renewable for another 25 years. (see Note 15.3). Variable lease payments will commence on July 1, 2023. The lease agreement do not contain any fixed lease payments. In addition, the lease agreement involves payment for security deposit (see Note 7).

18.3 Others

There are commitments and contingent liabilities that may arise in the normal course of the Company's operations, which are not reflected in the financial statements. Management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Company's financial statements.

19. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks in relation to its financial instruments. The Company's financial assets and financial liabilities by category are summarized in Note 20. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated with its parent company, in close coordination with the BOD, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial risks.

The Company does not engage in trading of financial assets for speculative purposes. The relevant financial risks to which the Company is exposed are discussed below and in the succeeding pages.

19.1 Market Risk

As of December 31, 2021 and June 30, 2021, the Company is exposed to market risk through its cash in banks, which are subject to changes in market interest rates. However, management believes that the related interest rate risk exposure is not significant. All other financial assets and financial liabilities are either noninterest-bearing or subject to fixed interest rates.

19.2 Credit Risk

The Company's credit risk is attributable to trade and other receivables and other financial assets. The Company maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties. In addition, for trade receivables, security deposits and advance payments are received to mitigate credit risk.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statement of financial position (or in the detailed analysis provided in the notes to financial statements), as summarized below.

	Notes	December 31, 2021	June 30,
Cash and cash equivalents Trade and other receivables Security deposit	4 5 7	P 1,333,805,607 144,677,676 12,704,475	21,639,741
		P 1,491,187,758	<u>P 2,342,883,592</u>

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum of P0.5 million for every depositor per banking institution.

(b) Trade and Other Receivables

The Company applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from third parties other than trade receivables and have substantially the same risk characteristics as the trade receivables. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other assets.

The Company has just started its operation during the current period; hence, no historical information is available for the Company. In addition, management considers the ECL on the Company's trade and other receivables to be negligible taking into consideration the counterparties' ability to repay at the reporting date.

Furthermore, the Company considers credit enhancements in determining the expected credit loss. Trade receivables are collateralized by advance rental and security deposits received from lessees.

The estimated fair value of collateral and other security enhancements held against trade and other receivables as of December 31, 2021 and June 30, 2021 is presented below.

	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
As of December 31, 2021	<u>P 144,677,676</u>	<u>P 1,225,744,536</u>	<u>P</u> -
As of June 30, 2021	P 21,639,741	P 814,452,353	Р -

(c) Security Deposit

The credit risk for security deposit is considered negligible as the Company has ongoing lease agreement with the counterparty and the latter is considered to be with sound financial condition and sufficient liquidity. The security deposit can also be applied against future rental payments in cases of default.

19.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week, as well as on the basis of a rolling 30-day projection. Long-term needs for a 6-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits, or short-term marketable securities.

As at December 31, 2021 and June 30, 2021, the Company's financial liabilities have contractual maturities which are presented below.

	Within 1 Year			1 to 5 Years		More than 5 Years
December 31, 2021 Interest-bearing loan Security deposits Accounts payable Accrued expenses	Р	202,226,142 80,283,620 84,743,687 54,791,622	P	1,062,378,362 624,904,157 -	P	8,558,008,771 81,250,993 - -
	<u>P</u>	422,045,071	<u>P</u>	1,687,282,519	<u>P</u>	8,639,259,764
June 30, 2021 Security deposits Accrued expenses	P	12,163,230 55,497,840	P	475,158,733	P	115,724,527
	<u>P</u>	67,661,070	<u>P</u>	475,158,733	<u>P</u>	115.724,527

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting periods.

20. CATEGORIES, FAIR VALUES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

20.1 Carrying Amounts and Fair Value by Category

The carrying values and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below and in the succeeding page.

		December	31, 2021	June 30, 2021		
	Notes	Carrying Values	Fair Values	Carrying Values	Fair Values	
Financial assets						
Financial assets at						
amortized cost:						
Cash and cash equivalents	4	P 1,333,805,607	P 1,333,805,607	P 2,308,916,531	P 2,308,916,531	
Trade and other receivables	5	144,677,676	144,677,676	21,639,741	21,639,741	
Security deposit	7	12,704,475	14,998,475	12,327,320	12,443,514	
		P 1,491,187,758	P 1,493,481,758	P 2,342,883,592	P 2,342,999,786	

		December 31, 2021), 2021
	Notes	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial liabilities					
Financial liabilities at					
amortized cost:					
Interest-bearing loan	10	P 7,195,789,259	P 7,195,789,259	P -	P -
Security deposits	9	675,215,622	755,115,600	507,472,851	507,990,352
Accounts payable	8	84,743,687	84,743,687	-	-
Accrued expenses	8	54,791,622	54,791,622	55,497,840	55,497,840
Interest payable	8	7,995,219	7,995,219	<u> </u>	
		P 8,018,535,409	P 8,098,435,387	P 562,970,691	P 563,488,192

See Note 2.3 for the description of the accounting policies for each category of financial instruments. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 19.

20.2 Offsetting of Financial Assets and Financial Liabilities

Except for the offsetting of rental receivables and rental deposits arising from the normal course of the Company's leasing activities, the Company has not set off financial instruments and do not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and shareholders. As such, the Company's outstanding receivables from and payables to the same related parties can be potentially offset to the extent of their corresponding outstanding balances.

21. FAIR VALUE MEASUREMENT AND DISCLOSURE

21.1 Fair Value Hierarchy

In accordance with PFRS 13, Fair Value Measurement, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

21.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The Company's financial assets which are not measured at fair value in the statements of financial position but for which fair value is disclosed include cash and cash equivalents, which are categorized as Level 1, and trade and other receivables and security deposit, which are categorized as Level 3. Financial liabilities which are not measured at fair value but for which fair value is disclosed pertain to security deposits, accrued expenses and due to parent company, which are categorized under Level 3.

For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data.

21.3 Fair Value Measurement of Investment Properties

As of December 31, 2021 and June 30, 2021, the Company's investment properties amounting to P59.3 billion and P49.4 billion, respectively, are classified under Level 3 of the hierarchy of fair value measurements.

The fair values of the Company's investment properties (see Note 6) are determined on the basis of the appraisals performed by Santos Knight Frank, Inc., an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Company's management with respect to the determination of the inputs such as the size, age, and condition of the properties (buildings), and the comparable prices in the corresponding property location. In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Company's investment property is its current use.

Fair value as determined by independent appraisers are based on the Income Approach. Under Income Approach, the fair value of an asset is measured by calculating the present value of its economic benefits by discounting expected cash flows at a rate of return that compensates the risks associated with the particular investment. The most common approach in valuing future economic benefits of a projected income stream is the discounted cash flows model. This valuation process of this model consists of the following: (a) estimation of the revenues generated; (b) estimation of the costs expenses related to the operations of the development; (c) estimation of an appropriate discount rate; and (d) discounting process using an appropriate discount rate to arrive at an indicative fair value. The most significant unobservable inputs used in this model are the estimated expected future annual cash inflows and outgoing expenses, which runs for an average period of 10 years. Cash inflows include the contractual rents that are based on existing lease contracts, as presented in Note 18.1, with an assumption of renewal for a period of 5 years and an annual escalation of 5% until the end of the term. Aside from rentals, cash inflows also include income from dues with 15% of the average expected costs are assumed to be recovered. The costs and expenses are assumed to be at an average of 10% to 15% of the total net revenues. In addition, the discount rates and terminal growth rates used range from 4.5% to 9%. A reasonably possible change in the inputs to different amounts or rates would not cause the fair values of the investment properties to increase or decrease significantly.

Also, there were no transfers into or out of Level 3 fair value hierarchy.

22. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern.

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The Company manages the capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's total liabilities and total equity are presented below.

	December 31, 2021	June 30, 2021
Total liabilities	P 8,703,865,485	P 1,074,858,598
Total equity	52,161,322,078	50,754,815,023

Under REIT Act, the Company is subject to external capital requirement to have a minimum paid-up capital of P300.0 million.

23. OPERATING SEGMENT

The Company has determined that it operates as one operating segment. The Company's only income-generating activity is the lease of its buildings which is the measure used by the Chief Operating Decision Maker in allocating resources.



Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

The Board of Directors and Stockholders MREIT, Inc.
(A Subsidiary of Megaworld Corporation)
(Formerly Megaworld Holdings, Inc.)
18th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

Punongbayan & Araullo

20th Floor, Tower 1 The Enterprise Center 6766 Ayala Avenue 1200 Makati City Philippines

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We have audited, in accordance with Philippine Standards on Auditing, the financial statements of MREIT, Inc. (the Company) as at December 31, 2021 and for the six months then ended, and have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the Company's management. The supplementary information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Renan A. Piamonte

Partner

CPA Reg. No. 0107805
TIN 221-843-037
PTR No. 8852342, January 3, 2022, Makati City
SEC Group A Accreditation
Partner - No. 107805-SEC (until Dec. 31, 2023)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-037-2019 (until Sept. 4, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

February 24, 2022

MREIT, INC. List of Supplementary Information December 31, 2021

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В	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	2
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Other Required Information

Reconciliation of Retained Earnings Available for Dividend Declaration

Map Showing the Relationship Between the Company and its Related Entities

MREIT, Inc. Schedule A - Financial Assets December 31, 2021

The Company does not have financial assets classified under fair value through other comprehensive income, fair value through profit or loss and held to maturity as of December 31, 2021.

MREIT, Inc.

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties) December 31, 2021

The Company does not have amounts receivable from directors, officers, employees, related parties and principal stockholders (other than related parties) above P1 million or 1% of total assets as of December 31, 2021.

MREIT, Inc.

Schedule C - Amounts Receivable/ Payable from/ to Related Parties which are Eliminated During the Consolidation of Financial Statements December 31, 2021

			Dedu	ctions			
Name a Designatio Debto	on of Beginning of	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

MREIT, Inc. Schedule D - Long-Term Debt December 31, 2021

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption"Current Portion of Long-term Debt" in related Balance Sheet	Amount shown under Caption"Long-term Debt" in related Balance Sheet
Long -term loan (Domestic)	P 7,250,000,000	Р -	P 7,195,789,259

MREIT, Inc.

Schedule E - Indebtedness to Related Parties (Long-term Loans from Related Companies) December 31, 2021

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
N/A	N/A	N/A

MREIT, Inc. Schedule F - Guarantees of Securities of Other Issuers December 31, 2021

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee
N/A	N/A	N/A	N/A	N/A

MREIT, Inc. Schedule G - Capital Stock December 31, 2021

				Nu	mber of Shares Held	by
Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under the related Balance Sheet Caption	Number of Shares Reserved for Options, Warrants, Conversion and other Rights		Directors, Officers and Employees	Others
Common shares - P1 par value	5,000,000,000	2,532,121,381	=	1,572,282,881	10,001,000	949,837,500

MREIT, INC.
(Formerly Megaworld Holdings, Inc.)
(A Subsidiary of Megaworld Corporation)
18th Floor, Alliance Global Tower,
36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City

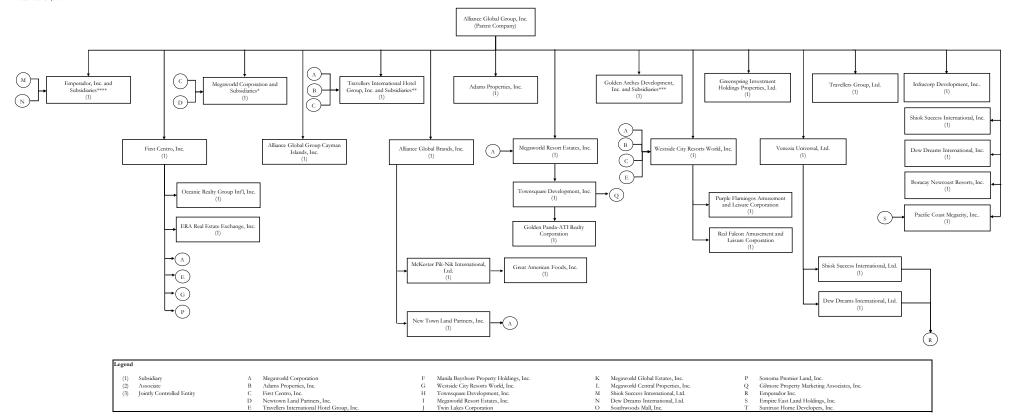
Reconciliation of Retained Earnings Available for Dividend Declaration For the Six Months Ended December 31, 2021

Unappropriated Retained Earnings at Beginning of the Period			P	315,227,607
Prior Period Outstanding Reconciling Items:				
Fair value adjustments of investment properties	(P	240,592,380)		
Deferred tax expense		101,168,724		
PFRS 16 straight-line adjustment on rental income	(12,385,440)		
Rent income on amortization of deferred credits	(2,618,809)		
Interest expense on amortization of security deposit (liability)		2,403,391		
Rent expense on amortization of deferred charges		135,284		
Interest income on amortization of security deposit (asset)	(58,413)	(151,947,643)
Unappropriated Retained Earnings Available for				
Dividend Declaration at Beginning of Period, as Adjusted				163,279,964
Net Profit Realized during the period				
Net profit per audited financial statements				2,014,216,186
Non-actual/unrealized income				
Fair value adjustments of investment properties	(702,000,000)		
Deferred tax income	(101,168,724)		
PFRS 16 straight-line adjustment on rental income	(58,285,853)		
Loan transaction costs	(54,210,741)		
Rent income on amortization of deferred credits	(16,541,045)		
Interest expense on amortization of security deposit (liability)	`	15,673,662		
Rent expense on amortization of deferred charges		858,354		
Interest income on amortization of security deposit (asset)	(377,155)	(916,051,502)
Dividends declared during the period			(607,709,131)
Unappropriated Retained Earnings Available for				
Dividend Declaration at End of Period			P	653,735,517

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES

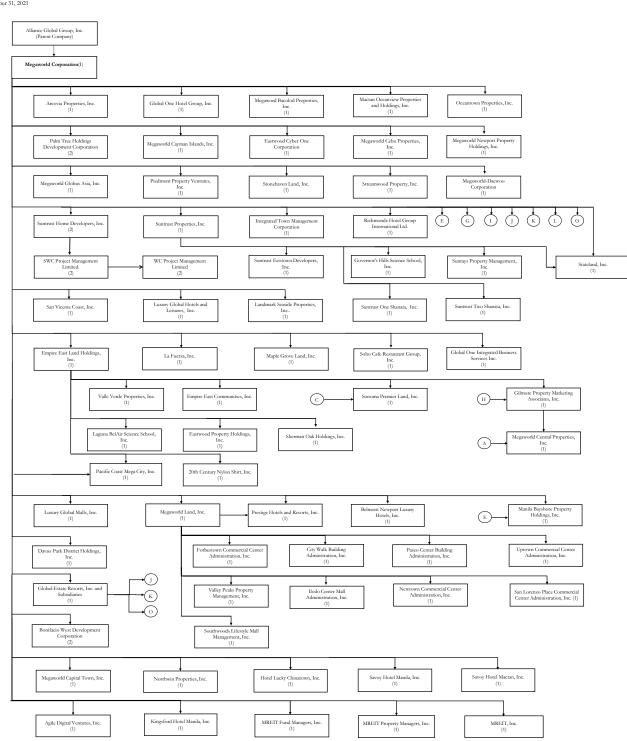
Map Showing the Relationship Between Alliance Global Group, Inc. and its Related Parties

December 31, 2021



ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES

Map Showing the Relationship Between Alliance Global Group, Inc. and Megaworld Corporation Group December 31, 2021

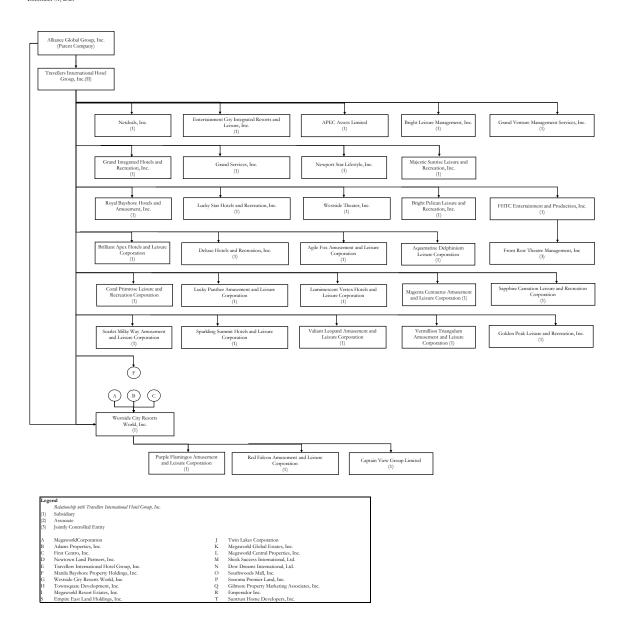


Legend
Relationship with Megaworld
(1) Subsidiary
(2) Associate
(3) Jointly Controlled Entity

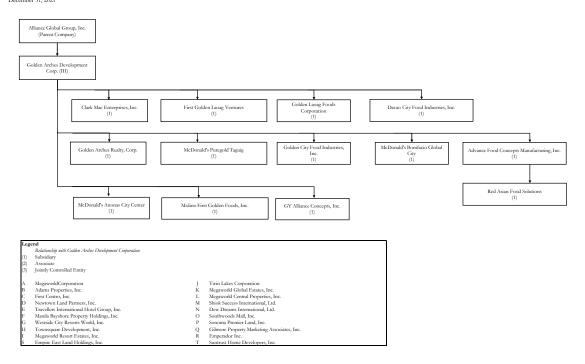
- Megaworld Corporation Adams Properties, Inc. First Centro, Inc. Newtown Land Partners, Inc.
- Travellers International Hotel Group, Inc. Manila Bayshore Property Holdings, Inc. Westside City Resorts World, Inc. Townsquare Development, Inc.
- Megaworld Resort Estates, Inc.
 Twin Lakes Corporation
 Megaworld Global Estates, Inc.
 Megaworld Central Properties, Inc.

- Shiok Success International, Ltd. Dew Dreams International, Ltd. Southwoods Mall, Inc. Sonoma Premier Land, Inc.
- Gilmore Property Marketing Asso Emperador Inc. Empire East Land Holdings, Inc. Suntrust Home Developers, Inc.

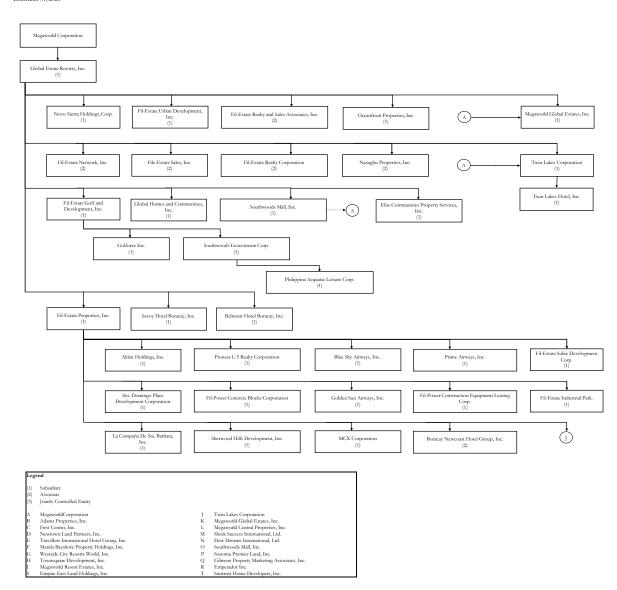
ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Travellers Group
December 31, 2021



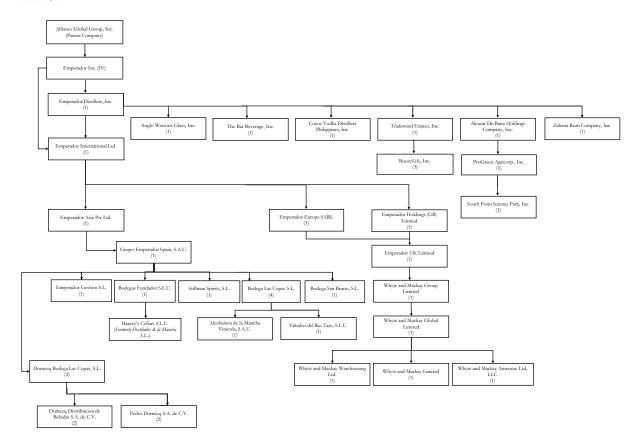
ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Golden Arches Development Corporation Group
December 31, 2021



ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between and
Among Megaworld and Global Estate Resorts Inc. Group
December 31, 2021



ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES Map Showing the Relationship Between Alliance Global Group, Inc. and Emperador Group December 31, 2021



end Relationship with Emperador Inc. Subsidiary (100%) Subsidiary (50%) Subsidiary (51%) Jointly Controlled Entity



Report of Independent Auditors on Components of Financial Soundness Indicator

The Board of Directors and Stockholders MREIT, Inc.
(A Subsidiary of Megaworld Corporation)
(Formerly Megaworld Holdings, Inc.)
18th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

Punongbayan & Araullo

20th Floor, Tower 1 The Enterprise Center 6766 Ayala Avenue 1200 Makati City Philippines

T +63 2 8988 2288

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of MREIT, Inc. (the Company) as at December 31, 2021 and for the six months then ended, and have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2021 and for the six months then ended and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

sy: Renan A. Piamonte

Partner

CPA Reg. No. 0107805
TIN 221-843-037
PTR No. 8852342, January 3, 2022, Makati City
SEC Group A Accreditation
Partner - No. 107805-SEC (until Dec. 31, 2023)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-037-2019 (until Sept. 4, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

February 24, 2022

MREIT, INC. SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS For the six months ended December 31, 2021*

Ratio	Formula	December 31, 2021 (Six Months)	June 30, 2021 (Six Months)	December 31, 2020 (Three Months)
Current ratio	Current assets / Current liabilities	3.43	9.51	0.03
Acid test ratio	Quick assets / Current liabilities (Quick assets include cash and current portion of trade receivables - net)	3.27	9.51	0.00
Solvency ratio	EBITDA / Total debt (Total debt includes interest bearing loans and borrowings and bonds and notes payable)**	0.27	N/A	N/A
Debt-to-equity ratio	Total debt / Total stockholders' equity (Total debt includes interest bearing loans and borrowings and bonds and notes payable)**	0.14	N/A	N/A
Asset-to-equity ratio	Total assets / Total stockholders' equity	1.17	1.02	-0.03
Interest rate coverage ratio	EBIT / Total Interest (Total interest includes interest expense and capitalized interest)***	81.34	178.58	N/A
Return on equity	Net profit (loss) / Average total stockholders' equity (capital deficiency)	0.04	0.01	36.87
Return on assets	Net profit (loss) / Average total assets	0.04	0.01	-1,112.43
Net profit margin	Net profit (loss) / Total revenues****	1.38	1.43	N/A

^{*}The Company was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 2, 2020. Subsequently, the Company applied with the SEC in October 2021 for the amendments in its By-laws for a change in its reporting period from fiscal year beginning July 1 and ending June 30 to calendar year beginning January 1 and ending December 31, and such amendment was approved by the SEC and Bureau of Internal Revenue (BIR) in November 2021.

***The Company has no interest bearing loans and borrowings and bonds and notes payable as of June 30, 2021 and December 31, 2020.

***The Company did not incur any interest expense for the three months ended December 31, 2020.

***The Company did not earn any revenue for the three months ended December 31, 2020.



Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: MEGAWORLDHOLDINGSINC@gmail.com
Cc: MEGAWORLDHOLDINGSINC@gmail.com

Fri, Mar 4, 2022 at 5:51 PM

Hi MREIT, INC.,

Valid files

- EAFS502228971RPTTY122021.pdf
- EAFS502228971OTHTY122021.pdf
- EAFS502228971ITRTY122021.pdf
- EAFS502228971AFSTY122021.pdf
- EAFS502228971TCRTY122021-01.pdf

Invalid file

<None>

Transaction Code: AFS-0-QMZ1PVTS0P1NRVS1RPNRWRPZM03VM2QTWV

Submission Date/Time: Mar 04, 2022 05:51 PM

Company TIN: 502-228-971

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes:
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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Sustainability Report 2021

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	MREIT, Inc.
Location of Headquarters	18th Floor, Alliance Global Tower, 36th Street corner 11th Avenue,
	Uptown Bonifacio, Taguig City (Main office).
Location of Operations	Philippines
Report Boundary: Legal entities	
(e.g. subsidiaries) included in this	MREIT is a subsidiary of Megaworld Corporation
report*	
Business Model, including	MREIT, a company designated by our Sponsor to operate as a REIT,
Primary Activities, Brands,	leases to a diversified tenant base, currently with a high-quality
Products, and Services	portfolio (the "Portfolio") of 14 office, hotel, retail and other assets
	(the "Properties" and each, a "Property") across the Philippines
	with an aggregate GLA of 280,175 sqm as of December 31, 2021.
	MREIT's Portfolio consists of commercial spaces primarily leased
	for office purposes, which may also be used and leased for retail
	purposes as required.
Reporting Period	For the period ending December 31, 2021
Highest Ranking Person	Englebert G. Teh
responsible for this report	

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.¹⁴

Process in Determining Materiality

For 2021, MREIT conducted its first Environmental, Social, and Governance (ESG) materiality assessment to identify the economic, environmental, and social topics that are material to the group and its stakeholders. Stakeholder engagement was conducted through Megaworld as parent and sponsor company. Furthermore, the organization also looked into trends and issues related to sustainability in the industry. These processes served as a guide for the group to determine their materiality for the year. MREIT assessed different topics and identified those that are material based on the importance of the topic to the Company ability to act on these topics. With that, topics that were seen to have the highest ratings in the materiality matrix were selected as material.

Approach to Stakeholder Engagement

Engagement is done through meetings (face-to-face or virtual) at least once a month to get their feedback and input, supporting LGU programs, attending functions/meetings/seminars together with our partners.

¹⁴ See *GRI 102-46* (2016) for more guidance.

ECONOMIC

Economic Performance

<u>Direct Economic Value Generated and Distributed</u>

Disclosure	Amount	Units
Direct economic value generated (revenue)	1,687,909,056.00	PhP
Direct economic value distributed:		PhP
a. Operating costs	228,537,088.00	PhP
b. Employee wages and benefits	234,718.00	PhP
c. Payments to suppliers, other operating costs	8,171,492.00	Php
d. Dividends given to stockholders and interest payments to		PhP
loan providers*	631,542,271.44	
e. Taxes given to government	36,610,468.00	PhP
f. Investments to community (e.g. donations, CSR)	-	PhP

^{*}As of the date of this report, the Company has distributed a total of Php1,076,151,586.92 out of its income generated for the six months ending December 31, 2021 or 98% of its distributable income for the period.

MREIT's Management Approach on Economic Performance

Measuring the economic/financial performance of the organization is critical in understanding how we manage and allocate resources prudently. MREIT's business model relies a lot on its ability to generate stable rental income and grow its portfolio of income generating properties over the long term. As such, it prefers properties that already have stable tenants such as those from the BPO industry. The Company has made it a point not to have any exposure from Philippine Offshore Gaming Operators (POGO). It also seeks to minimize concentration risk by having diversification in its portfolio in terms of location and tenant mix.

In spite of the community quarantine imposed by the Government due to the coronavirus pandemic, MREIT's properties enjoy pre-COVID-19 occupancy levels due largely to the sustained operations of the BPO office tenants. Nonetheless, cost-saving measures in other areas of operations have been implemented to ensure that investors can maximize the return on their investments. MREIT has already set its growth plans for the coming decade. The Company's expansion will largely come from its Sponsor, Megaworld's existing property portfolio and project pipeline. Complementing this initiative, the Company implements a rigorous valuation exercise and ensures that measures governing related party transactions are strictly observed. Regular reviews of corporate objectives and budget variances are conducted monthly to understand the resources utilized and expected scorecards have been achieved.

Climate-related risks and opportunities

Natural catastrophes, such as severe weather conditions, may materially disrupt the Company's operations and result in losses not covered by its insurance.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, floods, droughts, volcanic eruptions and earthquakes. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Company's operations. These factors, which are not within the Company's control, could potentially have significant effects on the Company's leasing business and building operations. In particular, damage to the Company's structures resulting from such natural catastrophes could also give rise to claims against the Company from third parties or from customers for physical injuries or loss of property.

Further, although the Company carries insurance for certain catastrophic events, of types (such as business interruption insurance), in amounts and with deductibles that the Company believes are in line with general industry practices in the Philippines, there are losses for which the Company cannot obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur with respect to a particular property, for instance, the Company could lose all or a portion of the capital invested to acquire such property. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations	100	%
of operations that is spent on local suppliers		

MREIT's Management Approach on Procurement Practices

Procurement processes and protocols are important to the Company in ensuring that the partners and vendors it engages have reputable backgrounds. By supporting local suppliers, an organization can indirectly attract additional investment to the local economy.

In the case of MREIT, most of its procurement would be related to the management of its properties, which is outsourced to MREIT Property Managers, Inc., a subsidiary of its sponsor, Megaworld Corporation.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-	100	%
corruption policies and procedures have been communicated to	100	/0
Percentage of business partners to whom the organization's		
anti-corruption policies and procedures have been	100	%
communicated to		
Percentage of directors and management that have received	100	%
anti-corruption training	100	70
Percentage of employees that have received anti-corruption	100	%
training*	100	/0

^{*}Training related to anti-corruption is done through the employee onboarding activities.

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or	0	#
disciplined for corruption		
Number of incidents in which employees were dismissed or	0	#
disciplined for corruption		
Number of incidents when contracts with business partners	0	#
were terminated due to incidents of corruption		

MREIT's Management Approach on Anti-Corruption Practices

Anti-corruption processes and protocols are important to the organization, especially, in ensuring that we engage with reputable partners and vendors. MREIT deals with a variety of government and non-government agencies in its business operations. Any instances of corruption, especially within the industry of office leasing and investment property management, could result in the loss of trust of existing investors and shareholders, distort markets, underline competition, and increase costs to firms. MREIT, a subsidiary of Megaworld, is not highly dependent on the services of personnel outside of Senior Management, who are officers and employees of Megaworld and of the services performed by the Company's fund manager and property manager. The Company's Legal team, with the help of the Human Resources team, takes the lead in resolving issues and concerns regarding corruption. To help ensure that corruption does not occur, the Company conducts annual training for all levels of management, and the leadership mandate prioritizing integrity is communicated regularly throughout the organization. There are no incidences of corruption for 2021.

ENVIRONMENTAL

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources - biodiesel)	-	GJ
Energy consumption (gasoline)	-	GJ
Energy consumption (LPG)	-	GJ
Energy consumption (diesel)	18,825.84	GJ
Energy consumption (electricity)	59,931.28	GJ

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)		GJ
	N/A	
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	N/A	GJ
Energy reduction (electricity)	N/A	GJ
Energy reduction (gasoline)	N/A	GJ

MREIT's Management Approach on Energy Consumption

The nature of our operations requires us to maintain and operate equipment and facilities that require significant energy utilization, particularly for cooling and lighting requirements. It is therefore important for the Company to manage energy use efficiently.

Through its property manager, the Company regularly monitors its facilities and equipment to see areas where energy conservation initiatives can be applied.

The Company measures its ability to manage its energy consumption through the monitoring of its actual energy consumption versus its allocated budget. Maintenance checks are also conducted at regular intervals to make sure that equipment is running at optimal level.

Aside from managing the amount of energy consumed, MREIT also recognizes that the source of energy is important. In line with the Megaworld group's thrust to transition to clean energy, MREIT will exert efforts to shift to renewable energy, where applicable.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	874	cubic
		meter
Water consumption	874	cubic
		meter
Water recycled and reused	Not available	cubic
		meter

Supplied from a third-party water, the total water withdrawal and consumption is 874 cubic meters respectively.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	Not available	Megaliters
Percent of wastewater recycled	N/A	%

All of MREIT's buildings are located in Megaworld townships. As such, it is the Sponsor's responsibility for the treatment of wastewater coming from its properties.

MREIT's Management Approach on Water and Effluents

The Company believes that given the size of its property portfolio, it can significantly contribute to efforts to help efficiently manage the country's limited water resources. Water-saving initiatives in MREIT's operations help conserve this natural resource. Through its property manager, the Company puts efforts to minimize leakages to its plumbing system, promote the responsible use of water among its visitors and tenants, and look at opportunities to use water-saving technologies in its properties.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
renewable	N/A	cubic
		meters
non-renewable	N/A	liters
Percentage of recycled input materials used to manufacture the	N/A	%
organization's primary products and services		

This is not considered material to MREIT since it is primarily engaged in the leasing business, which does not require significant use of input materials in its operations.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	#
Habitats protected or restored	N/A	ha
IUCN ¹⁷ Red List species and national conservation list species	N/A	
with habitats in areas affected by operations		

¹⁷ International Union for Conservation of Nature

This is not considered material to MREIT since it does not have any property that are within or adjacent to watersheds or coastal and marine areas.

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	1,309.00	Tonnes
Diesel Generator		CO2e
Energy indirect (Scope 2) GHG Emissions	N/A	Tonnes
		CO2e
Emissions of ozone-depleting substances (ODS)	N/A	Tonnes

MREIT regularly monitors its GHG emissions. We have 1,309.00 Tonnes CO2e for Direct (Scope 1) GHG Emissions while data on Energy indirect (Scope 2) GHG Emissions and Emissions of ozone-depleting substances (ODS) are not available. MREIT is committed to materialize sustainable approaches to its operating properties by providing green spaces and use of natural light in its common areas. Included in the operations and project development planning are ways on how the Company can use its resources efficiently, thereby reducing consumption and GHG emissions

Air pollutants

Disclosure	Quantity	Units
NOx	N/A	kg
SOx	N/A	kg
Persistent organic pollutants (POPs)	N/A	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg
Particulate matter (PM)	N/A	kg

MREIT's Management Approach on Emissions

The Alliance Global group has started a target of being carbon neutral by 2035. As part of the group, MREIT aims to significantly contribute to the achievement of this target. By setting targets and goals for reducing carbon emissions, MREIT can identify initiatives that will allow the Company to reach its target in a timely and efficient manner.

The Company is currently in the process of developing its program for managing its emissions.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	7,860.68	metric tonnes
Electronic Scrap	0.83	metric tonnes
Printer fax and cartridges	0.34	metric tonnes
Glass	1.15	metric tonnes
Metal	21.09	metric tonnes
Plastic	306.25	metric tonnes
Textile	11.08	metric tonnes
Wood	2.931	metric tonnes
Paper	223.74	metric tonnes
Sludge	22.2	metric tonnes
Office waste	7,251.00	metric tonnes
Engine Oil	12.69	metric tonnes
Electronics	0.56	metric tonnes
Battery	4.87	metric tonnes
Lamp Bulbs	1.95	metric tonnes

The total solid waste generated by MREIT amounts to 7,860.676 metric tonnes which accounts to reusable, recyclable, composted, incinerated and residuals/landfilled wastes which is presented in detail above.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Data unavailable	metric
		tonnes
Total weight of hazardous waste transported	Data unavailable	metric
		tonnes

Waste was identified by MREIT to be material since compliance requirements is one of their relevant topics in the organization.

MREIT's Management Approach on Waste Management

Waste generated by MREIT properties are sent to DENR-Accredited third-party haulers and recyclers. Improper handling could lead to environmental pollution, waste accumulation resulting in obstruction of drainage systems, and health and sanitation risks.

MREIT believes that waste generation must be controlled at various stages of the waste handling process to lessen the impact to the environment. The Company, through its property manager, ensures that waste generated by MREIT properties are managed efficiently.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with	None	PhP
environmental laws and/or regulations		
No. of non-monetary sanctions for non-compliance with	None	#
environmental laws and/or regulations		
No. of cases resolved through dispute resolution mechanism	None	#

The Company secures various government approvals, including environment compliance certificates and operating permits required in the Company's operation of its assets for lease. The property manager is tasked to ensure that the Company's permits and licenses to operate are up-to-date.

MREIT had no incidents of non-compliance with environmental laws and/or regulations for 2021.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ¹⁸	1	
a. Number of female employees	1	#
b. Number of male employees	-	#
Attrition rate ¹⁹	0%	rate
Ratio of lowest paid employee against minimum wage	N/A	ratio

¹⁸ Employees are individuals who are in an employment relationship with the organization, according to national law or its application (<u>GRI Standards 2016 Glossary</u>)

No employees are below minimum wage.

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Υ	0.00 %	0.00 %
PhilHealth	Y	0.00 %	0.00 %
Pag-ibig	Y	0.00 %	0.00 %
Parental leaves	Y	0.00 %	0.00 %
Vacation leaves	Y	0.00 %	0.00 %
Sick leaves	Υ	0.00 %	0.00 %
Medical benefits (aside from	Y	0.00 %	0.00 %
PhilHealth)			
Housing assistance (aside from Pag-	Y	0.00 %	0.00 %
ibig)			
Retirement fund (aside from SSS)	Y	0.00 %	0.00 %
Further education support	Y	0.00 %	0.00 %
Company stock options	N	0.00 %	0.00 %
Telecommuting	Υ	0.00 %	0.00 %
Flexible-working Hours	N	0.00 %	0.00 %
Life insurance	Υ	0.00 %	0.00 %
Disability and invalidity coverage	Υ	0.00 %	0.00 %
Others			

¹⁹ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

MREIT's Management Approach on Employment

Megaworld is in-charge of MREIT's Human Resources and talent acquisition and plays a vital role in the Company's operations. Thus, it places value in its talents by taking care of their well-being. Upon hiring, the MREIT covers for an employee's physical well-being thru an HMO coverage, provides security thru a life insurance coverage, and shows recognition of an employee's performance thru annual appraisals and incentives.

As needed, the Company does benchmarking against competitors and even other industries to check if its practices, processes, and compensation and benefits packages are at par.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	0	hours
b. Male employees		hours
Average training hours provided to employees		
a. Female employees	0	hours/employee
b. Male employees		hours/employee

MREIT values its employees and it believes that training and development is necessary in each position to adapt to the rapid changes and demands in the industry. As part of the Company's 2022 initiatives, MREIT plans to improve an individualized employee learning track record by gender.

MREIT's Management Approach on Training and Development

Megaworld handles and manages the training and development of MREIT employees through Megaworld's Learning Academy which oversees the whole learning and development of the employees. The Company has a performance system in place to provide an opportunity for getting feedback on how the employee is contributing to the overall goal of the Company.

The effectiveness of learning and development initiatives/programs is determined through post-training evaluation/feedback which helps us in understanding training areas for improvement.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining	N/A	%
Agreements		
Number of consultations conducted with employees	Minimum of once a	#
concerning employee-related policies	year	

MREIT aligns with the labor management practices and policies of Megaworld. The Company establishes a good working management relationship with its manpower complement when it comes to labor management. Though the organization has no collective bargaining agreements, a minimum of once-a-year consultation is conducted with employees concerning employee-related policies.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	100%	%
% of male workers in the workforce	0%	%
Number of employees from indigenous communities and/or	Data unavailable	#
vulnerable sector*		

^{*}Vulnerable sectors include, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

MREIT's Management Approach on Diversity and Equal Opportunity

The Company believes in empowering its people to grow and learn, thus opening new opportunities within the organization.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	Data Unavailable	Man-hours
No. of work-related injuries	None	#
No. of work-related fatalities	None	#
No. of work related ill-health	None	#
No. of safety drills	None	#

MREIT'S Management Approach on Occupational Health and Safety

Employee well-being is vital in reaching the Company's vision of uplifting lives and mission statement of delivering long-term value to its employees. The organization's Occupational Health and Safety (OHS) focuses on maintaining a safe and healthy work environment which impacts across the supply chain. The organization is in the low-risk level relative to OHS risk category. Risks include decrease in productivity and healthcare financing for accidents and illnesses.

MREIT's practices are consistent with Megaworld's OHS Policy. Monitoring and reporting incidents of illness and accidents in the workplace are regularly conducted.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced	N/A	#
or child labor		

The MREIT Board-of-Directors approved the adoption of anti-harassment and employee welfare policies of the Company. MREIT values employee welfare by keeping everyone informed of the new policies to be adopted in its process. The Company ensures that these policies are effectively communicated through virtual meetings, emails and memorandums to inform the employees prior to implementation.

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	N	

Supply Chain Management

The Company has a broad base of suppliers that cater to the operation, maintenance, upkeep and valuation of the Company's properties, and the management of its funds and assets, which the Company engages either directly or through the property manager or the fund manager. The accreditation of these suppliers are also conducted by the property manager and fund manager following Megaworld's policy.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N/A	
Forced labor	N/A	
Child labor	N/A	
Human rights	N/A	
Bribery and corruption	N/A	

Relationship with Community Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Leasing Operations	Philippines	Elderly, persons with disabilities, vulnerable women, solo parents, people living with HIV and other diseases	N	economic growth	As the Company increases its portfolio, MREIT is also able to provide more employment opportunities for this sector

^{*}Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: ______

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

MREIT's Management Approach on Local Communities

MREIT supports the thrust of Megaworld to help the national government in its efforts to promote countryside development by investing and managing stable and attractive properties. MREIT believes that it can contribute to the growth of economic activities in the localities where it has a presence.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct
		the customer satisfaction study (Y/N)?
Customer satisfaction	N/A	N

No customer satisfaction survey has been conducted in 2021.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service		#
health and safety*	-	
No. of complaints addressed	-	#

^{*}Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

MREIT's Management Approach on Customer Health and Safety

MREIT has been strictly and consistently following government guidelines in promulgating a secure and safe experience to its office tenants. The Company also is in full compliance in terms of IATF Safety Guidelines such as issuance of Safety Seal from the LGUs.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and	None	#
labelling*		
No. of complaints addressed	None	#

^{*}Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Marketing and labeling were not identified as material to the organization.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None	#
No. of complaints addressed	None	#
No. of customers, users and account holders whose	None	#
information is used for secondary purposes		

^{*}Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses	None	#
of data		

MREIT's Management Approach on Customer Privacy and Data Security

MREIT values the trust of its customers and safeguarding against this violation of trust is crucial for the business.

The Company gathers and processes a significant amount of data from the clients, partners and vendors. As such, compliance with the National Privacy Commission and Data Privacy Act requirements are observed and implemented to ensure that necessary and relevant measures to safeguard this information are observed.

Regular reviews and impact assessments are conducted to identify compliance with the company requirements.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and	Societal Value /	Potential Negative	Management Approach
Services	Contribution to UN SDGs	Impact of Contribution	to Negative Impact
Office rentals	SDG 3: Good Health and Well-being Safety seals for all MREIT properties		
	SDG 5: Gender Equality Equal opportunities in employment, skills training, and career advancement		
	SDG 7: Affordable and Clean Energy Adapting DOE's Energy Efficiency Program		
	SDG 8: Decent work and Economic Growth indirect employment through its tenants		
	SDG 10: Reduced Inequalities providing job opportunities to vulnerable sector of the community		

^{*} None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.

The stated product and services on sustainable development goals are of Megaworld. MREIT is also committed to the world in achieving such goals as our top priority by establishing and implementing the plans for sustainable business.

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Annex B: Topic Guide

In line with the Disclosure Topic and Management Approach discussion above, this Annex will provide a guide on what to disclose in the Topics provided in the Reporting Template. The guide is based on the GRI Standards, SASB Standards and Recommendations of the Task Force on Climate-related Financial Disclosures.

ECONOMIC

Economic disclosures relate to how the company directly increases the pool of economic resources that flows in the local and national economy. Included in the disclosures are the risks and opportunities due to climate change, procurement practices with respect to local suppliers and anti-corruption.

Economic Performance

Measuring the direct economic value generated, measured as revenue and distributed (costs) shows that an organization does not just create economic value for itself but also ensures that this value flows back to its various stakeholders such as stockholders, suppliers, employees, government, and the community. This also discloses the remaining value that is retained in the company for liquidity and for future investments. Figures for this disclosure can be derived using the audited financial statement with the revenue as the economic value generated for the reporting period.

This disclosure answers the questions:

- How much direct economic value (revenue) did you generate?
- How much of this flowed back to society (costs disaggregated according to stakeholders)?
- How much of this was retained in the company for liquidity and to fund future investments?

See **GRI 201-1** for more guidance on the disclosure.

Disclosure of an organization's climate-related issues helps stakeholders make sound and reasonable assessments of the impact climate change may have on the organization. Companies should disclose the climate-related risks and opportunities they have identified and how they assess and manage those issues. See <u>GRI 201-2</u> and <u>the Recommendations of the Task Force on Climate-related Financial Disclosures</u> for more guidance on the disclosure.

Procurement Practices

Disclosure on the proportion of spending on local suppliers show's an organization's support for local groups, including those owned by women or members of vulnerable sectors. Supporting local suppliers can indirectly attract additional investments to the local economy. The disclosure describes the policies and practices used to select locally-based suppliers and to promote economic inclusion when selecting suppliers. See <u>GRI 204</u> for more guidance on disclosures

Anti-corruption

Disclosures on training on anti-corruption policies and procedures show how the company ensures that it has the necessary capability to fight against corruption through proper training and awareness building for its directors, management, employees and business partners. Disclosures on incidents of corruption and

how the company responded on the incidents show how serious an organization is on combatting corruption. See <u>GRI 205</u> and <u>SASB Standards General Issue Category: Business Ethics</u> for more guidance on the disclosures.

ENVIRONMENT

Environmental disclosures relate to how the company manages the natural resources it needs for its business, as well as how it minimizes its negative impacts to the environment, including biodiversity. The company's ability to access materials needed for its operations is critical to the company's long-term success.

Resource Management

Disclosures on resource management such as energy consumption, water consumption, and materials use show how efficiently an organization uses scarce natural resources, which has implications on reduction of environmental impacts from extraction and processing of these resources. The efficiency of managing resources relates to profitability of the organization. See <u>GRI 301</u>, <u>GRI 302</u>, <u>GRI 303</u> and <u>SASB Standards General Issue Categories: Energy Management; Water and Wastewater Management; Material Sourcing and Efficiency for more guidance on the disclosures.</u>

Ecosystems and Biodiversity

Disclosure on activities that show how an organization protects, conserves, or rehabilitates ecosystems and biodiversity therein such as in watersheds and coastal and marine areas gives an idea of how that organization appreciates the ecosystem and the services it gives that make business thrive. Ecosystems and Biodiversity is vital to human existence. Companies have the responsibility and clear business case for ensuring ecosystems and biodiversity around its sites are protected and restored. See <u>GRI 303</u>, <u>GRI 304</u> and <u>SASB Standards General Issue Category: Ecological Impacts</u> for more guidance on the disclosures.

Environmental Impact Management

Reporting on an organization's impact on air, soil, and water through emissions, wastes, and effluents provides a basis for companies to manage these impacts. Responsible companies take an effort to minimize such impacts through cleaner production and pollution prevention measures. Companies should disclose their performance on these topics including how well the organization mitigates, reduces, and/or prevents these impacts to the environment in compliance to Philippine Environmental Laws or on efforts beyond compliance. See <u>GRI 305</u>, <u>GRI 306</u> and <u>SASB Standards General Issue Categories: GHG Emissions; Air Quality; Water & Wastewater Management; Waste & Hazardous Materials Management</u> for more guidance on the disclosures.

Environmental Compliance

Disclosure on an organization's compliance with environmental laws and/or regulations shows an organization's ability to conform to certain performance parameters. The strength of an organization's compliance indicates its concern for environmental protection. See <u>GRI 307</u> and <u>SASB Standards General Issue Categories: Ecological Impacts; Air Quality; Water & Wastewater Management; Waste and <u>Hazardous Materials Management</u> for more guidance on the disclosures</u>

SOCIAL

Disclosures on social topics relate to how the organization relates and manages its relationship with its stakeholders such as employees, communities, customers, and suppliers.

Employee Management

Disclosing on employee management indicates of how good an employer the organization is in engaging its employees. It also provides a sense on how the organization develops its employees and gives equal opportunity for all, such as indigenous people and those coming from vulnerable groups which include elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E). See <u>GRI 401</u>, <u>GRI 402</u>, <u>GRI 404</u>, <u>GRI 405</u>, <u>GRI 406</u>, <u>GRI 407</u>, <u>GRI 102-8</u>, <u>GRI 102-41</u> and <u>SASB Standards General Issue Categories: Labor Practices; Employee, Engagement Diversity & Inclusion</u> for more guidance on the disclosures.

Workplace Conditions, Labor Standards and Human Rights

Disclosures on workplace conditions and labor standards show how an organization gives importance to occupational health and safety and how it upholds labor standards and human rights in the workplace. See <u>GRI 403</u>, <u>GRI 408</u>, <u>GRI 409</u>, <u>GRI 412</u> and <u>SASB Standards General Issue Category: Employee Health & Safety</u> for more guidance on the disclosures.

Supply Chain Management

Disclosures on supply chain management is most relevant for companies with a significant portion of value creation carried out by suppliers. Organizations can report on how the reporting company ensures that supplier upholds with sustainability standards and practices including compliance to Philippine laws. The reporting company may also disclose how it influences its suppliers to be sustainable through supplier accreditation processes, among other approaches. See <u>GRI 308</u>, <u>GRI 414</u> and <u>SASB Standards General Issue</u> Category: Supply Chain Management for more guidance on the disclosures.

Relationship with Community

These disclosures show how an organization meaningfully engages the community around their sites and how it aims to create a net positive impact to its host or neighbors. These also includes how the company contributes in addressing issues of indigenous people and those coming from vulnerable groups [youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)] in its business operations. See <u>GRI 411</u>, <u>GRI 412</u>, <u>GRI 413</u> and <u>SASB Standards General Issue Category: Human Rights & Community Relations</u> for more guidance on the disclosures.

Customer Management

Disclosing on customer management shows how well an organization upholds the rights of its customers to privacy, safety, and security from probable negative impacts of its products and services. See <u>GRI 416</u>, <u>GRI 417</u>, <u>GRI 418</u> and <u>SASB Standards General Issue Categories: Product Quality & Safety; Customer Welfare; Selling Practices & Product Licensing</u> for more guidance on the disclosures.

Data Security

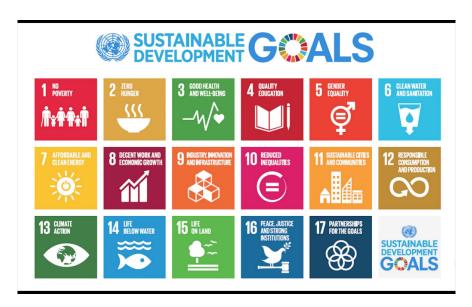
Reporting on the number of data breaches, including leaks, thefts and losses of data shows how much importance an organization places on keeping data secure. Organizations can indicate how they manage risks related to the collection, retention and use of sensitive information. See <u>SASB Standards General Issue Category: Data Security</u> for more guidance on the disclosure.

UN SUSTAINABLE DEVELOPMENT GOALS

The SDG Compass can be used as guidance for companies on how they can align their strategies as well as measure and manage their contribution to the realization of the SDGs. The SDG Compass can be accessed at https://sdgcompass.org/

Moreover, a recent publication with the title: *Integrating the SDGs into Corporate Reporting: A Practical Guide*, ²⁰ helps companies of all sizes to prioritize SDG targets to act and report on, set related business objectives, and measure and report on progress. This is a co-production between GRI and UN Global Compact (UNGC).

Companies may also use the following framework to determine which area of sustainable development its company is contributing to improve people's quality of life.



For more information on how the private sector can contribute to sustainable development, companies may visit www.sdgsbiz.ph.

²⁰ This publication may be accessed at https://www.globalreporting.org/resourcelibrary/GRI_UNGC_Reporting-on-SDGs_Practical_Guide.pdf

Disclosures for REIT Companies¹

(a) Real Estate Transactions for 2021

On April 7, 2021, the Company approved the Property-for-Share Swap transaction with Megaworld Corporation ("Megaworld") in which Megaworld transferred, assigned and conveyed absolutely in favor of the Company all of its rights, title and interests in the real properties listed below, in exchange for 1,282,120,381 common shares with a par value of P1 per share and additional paid-in capital (APIC) of P47,920,287,239, or a total subscription price of Php 49,202,407,620.00. The SEC certified the approval of the valuation of the Property-for-Share Swap on June 1, 2021; hence, the issuance of additional common shares to Megaworld was consummated.

Property	Location	Valuation
1800 Eastwood Avenue	Quezon City	6,947,630,000.00
1880 Eastwood Avenue	Quezon City	6,748,764,000.00
E-Commerce Plaza	Quezon City	4,188,040,000.00
One World Square	Taguig City	7,528,990,000.00
Two World Square	Taguig City	5,257,741,000.00
Three World Square	Taguig City	5,240,508,000.00
8/10 Upper McKinley	Taguig City	4,924,563,000.00
18/20 Upper McKinley	Taguig City	4,795,211,000.00
Richmonde Iloilo Hotel and Office Tower	Iloilo City	2,062,266,020.00
One Techno Place	Iloilo City	1,508.694,600.00

The properties were valued using the Market Data Approach.

On December 20, 2021, the Company purchased the following four additional prime, Grade A buildings located in PEZA-zones from Megaworld for a total cash acquisition price of P9,116,000,000.00:

Property	Location	Valuation
World Finance Plaza	Taguig City	Php5,265,000,000.00
One Global Center	Iloilo City	1,274,000,000.00
Two Techno Place	Iloilo City	1,498,000,000.00
Three Techno Place	Iloilo City	1,244,000,000.00

The properties were valued using the Income Approach.

¹ Pursuant to Section 6.2 of the Amended Listing Rules for REITs

(b) Schedule of Properties as of 31 December 2021

Property and Location	Purchase Price	Latest Appraisal*	Remaining Land Lease Term	Gross leasable area (GLA)	Leased Area	Occupancy Rate	Rental Income	Gross Revenue	Cost of Services	Gross Profit
	in Php millions	in Php millions	Years	in sqm	in sqm	%	in Php millions	in Php millions	in Php millions	in Php millions
Eastwood, Quezon City 1800 Eastwood										
Avenue 1880 Eastwood	6,948	7,836	49.5	34,738	34,704	100%	185.2	239.5	38.2	201.4
Avenue	6,749	6,814	49.5	33,744	29,751	88%	122.4	169.9	31.4	138.6
E-Commerce Plaza	4,188	4,289	49.5	20,940	16,636	79%	87.4	104.2	15.5	88.6
McKinley Hill, Taguig										
One World Square	7,529	8,047	49.5	30,482	30,224	99%	190.9	221.0	25.7	195.4
Two World Square	5,258	5,554	49.5	21,286	20,630	97%	133.9	162.6	29.5	133.1
Three World Square	5,241	5,208	49.5	21,217	21,144	100%	129.2	157.9	27.2	130.7
8/10 Upper McKinley	4,925	5,000	49.5	19,938	19,938	100%	131.4	152.3	18.5	133.9
18/20 Upper McKinley	4,795	4,460	49.5	19,414	19,413	100%	109.5	125.2	14.1	111.1
World Finance Plaza** Iloilo Business Park, Iloilo	5,153	5,265	50	25,067	25,006	100%	13.3	15.0	1.6	13.4
Richmonde Tower	2,062	1,709	49.5	13,124	13,124	100%	55.8	62.1	10.6	51.5
One Techno Place	1,509	1,228	49.5	9,549	9,041	95%	29.3	39.2	8.6	30.6
Two Techno Place**	1,465	1,498	50	10,809	10,653	99%	3.4	4.3	0.9	3.4
Three Techno Place**	1,242	1,244	50	9,568	9,305	97%	2.9	3.6	0.7	2.9
One Global Center**	1,256	1,274	50	10,301	10,043	97%	2.9	3.7	0.7	3.1
Total	58,318	59,426		280,175	269,610	96%	1,197.5	1,460.7	223.0	1,237.7

^{*}Latest appraisal for IPO Properties, namely: 1800, 1880, E-Commerce, One World Square, Two World Square, Three World Square, 8/10 Upper McKinley, 18/20 Upper McKinley, Richmonde Tower, and One Techno Place, issued on Feb 24, 2022

^{**}Assets injected last December 2021



SPONSOR REINVESTMENT PLAN

(Amended as of March 9, 2022)

In connection with the Secondary Offer by Megaworld Corporation of 844,300,000

Common Shares of MREIT, Inc., with an Overallotment Option of up to

105,537,500 Common Shares

Offer Price: P16.10 per share

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A. EXECUTIVE SUMMARY

This Amended Reinvestment Plan sets forth the revised planned use of the net proceeds received by Megaworld Corporation (referred to herein as "Megaworld" or the "Sponsor" or the "Selling Shareholder") from the secondary offer of MREIT, Inc. (formerly Megaworld Holdings, Inc.) ("MREIT") shares on October 1, 2021.

On October 1, 2021, MREIT offered and sold 949,837,000 of its common shares, with a par value of P1.00 per share (the "Offer") thru an initial public offering (the "IPO"). The Offer comprised of secondary offer of shares held by Megaworld, the Selling Shareholder. The Firm Shares consisted of 844,300,000 issued shares and the Optional Shares consisted of 105,537,000 issued Shares. The Firm Shares and Optional Shares collectively comprise the "Offer Shares". The Offer Shares were offered at a price of P16.10 per Share (the "Offer Price"). Megaworld received net proceeds of approximately P14.790 billion from the sale of the Offer Shares, after deducting fees and expenses payable by the Selling Shareholder.

Pursuant to Securities and Exchange Commission (SEC) Memorandum Circular No. 1, Series of 2020, and Bureau of Internal Revenue (BIR) Revenue Regulations No. 3-2020, any sponsor/promoter of a REIT who contributes income-generating real estate to a REIT, shall submit to the SEC, the Philippine Stock Exchange, and the BIR, a reinvestment plan undertaking to reinvest any proceeds realized by the sponsor/promoter from the sale of REIT shares or other securities issued in exchange for income-generating real estate transferred to the REIT, and any money raised by the sponsor/promoter from the sale of anyof its income-generating real estate to the REIT, in any real estate, including any redevelopment thereof, and/or infrastructure projects in the Philippines, within one (1) year from the date of receipt of proceeds or money by the sponsor/promoter.

On September 9, 2021, Megaworld submitted its Reinvestment Plan ("First Reinvestment Plan") covering a total of ₱14.695 billion worth of net proceeds from the IPO, net of estimated underwriting and other costs related to listing and stabilization activities. Net Proceeds received after actual expenses were deducted amounted to ₱14.790 billion. From October 1, 2021 to the December 31, 2021, Megaworld has disbursed proceeds to various investments in accordance with the First Reinvestment Plan.

In view of the COVID-19 pandemic and the extended community quarantines and government restrictions on mobility of persons, workers and cargoes and percentage of business operations imposed by the Philippine Government to manage the spread of the virus, Megaworld was constrained to make certain adjustments in its project planning and development activities to optimize its capital expenditures.

In view of the foregoing, and following current Philippine Government regulations, Megaworld hereby submits its Amended Sponsor Reinvestment Plan which lays out its plan to invest its net proceeds in malls, offices, land improvements, and other developments, comprising comprising eleven (11) projects within Metro Manila, Cavite and Batangas, four (4) projects in Bacolod, two (2) in Iloilo, and one (1) project in Pampanga. All disbursements for such projects are intended to be distributed within one year upon receipt of the net proceeds from the IPO. Please see the section on "Amended Reinvestment Plan" of this report for more details on the projects and the planned disbursement schedule for each.

B. ABOUT THE SPONSOR

1. Overview

The Company is one of the leading property developers in the Philippines and is primarily engaged in the development of large scale mixed-use planned communities, or community townships, that comprise residential, commercial and office developments and integrate leisure, entertainment and educational/training components. Founded in 1989, the Company initially established a reputation for building high quality residential condominiums and commercial properties located in convenient urban locations with easy access to offices as well as leisure and entertainment amenities in Metro Manila. Beginning in 1996, in response to demand for the lifestyle convenience of having quality residences in close proximity to office and leisure facilities, the Company began to focus on the development of mixed-use communities, primarily for the middle-income market, by commencing the development of its Eastwood City project. In addition, the Company engages in other property related activities such as project design, construction oversight and property management.

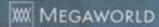
The Company's real estate portfolio includes residential condominium units, subdivision lots and townhouses as well as office projects and retail space. The Company has the following three primary business segments: (i) real estate sales of residential developments (ii) leasing of office space, primarily to Business Process Outsourcing ("BPO") enterprises and retail space and (iii) management of hotel operations.

The Company's consolidated revenues for the year ended 31 December 2021 were P50.8 billion compared to P43.5 billion for the year ended31 December 2020. Real estate sales of residential developments accounted for 61%. of the Company's consolidated revenues in 2021 and 57% in 2020. Rental income from leasing operations accounted for approximately 26% of the Company's consolidated revenues in 2021 and 30% in 2020. The Company's consolidated net profit for the year ended 31 December 2021 was P14.4 billion compared to P10.6 billion for the year ended 31 December 2020.

As of 31 December 2021, the Company owns or has development rights to over 5,000 hectares of land located throughout the Philippines.

The Company's common shares were listed on The Philippine Stock Exchange ("PSE") in 1994 (under listing code "MEG") and as of December 31, 2021 had a market capitalization of P100.3 billion (US\$2.0 billion).







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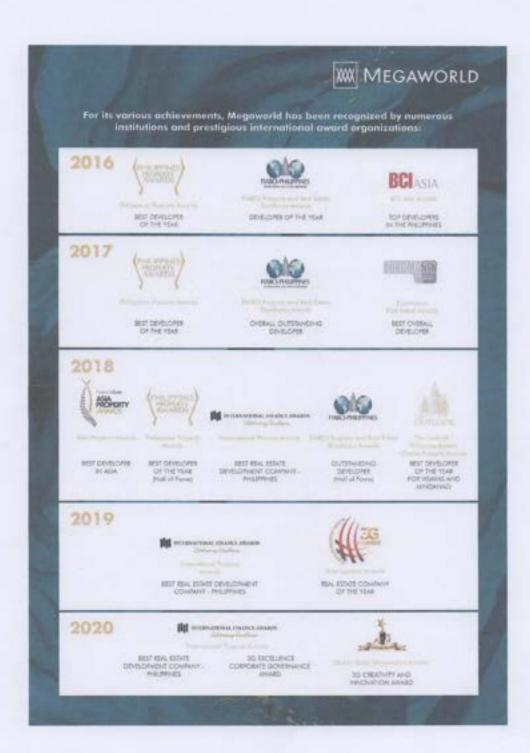
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2. Current Property Development Projects

The Company's current development projects are mostly mixed-use township developments that typically have residential, office, and commercial components. These projects are located in key areas throughout the Philippines. The objective of each of the mixed-use developments is to provide an integrated community with high quality "live-work-play-learn" amenities within close proximity to each other. For each development, the Company's real estate strategy is to lease all office and commercial properties and sell all residential units. Where the Company is not able to sell 100% of its residential units, upon completion of the residential project, it rents these unsold units on a lease-to-own basis or pursuant to a lease with an option to buy. The location of each of the Company's township developments, together with their respective sizes in hectares, is set out in the following map and each project is described below.

Eastwood City

Eastwood City is the first township to implement the Company's "live-work-play-learn" concept. Its 18.50-hectare community property in Libis, Quezon City has 19 completed luxury condominium towers, 10 first-class corporate office buildings, and a modern IT park. The planning of Eastwood City adopts an integrated approach to urban planning, with an emphasis on the development of the

Eastwood City Cyberpark provides offices with infrastructure such as high-speed telecommunications and 24-hour power supply that support BPO and other technology-driven businesses. The township provides education/training, restaurants, leisure and retail facilities and residences. It is currently home to more than 25,000 residents and 55,000 workers. Eastwood city is also home to the four-level Eastwood Mall — a shopping and dining destination which has been declared the "Best Shopping Center" by the Philippine Retailers Association. Eastwood City has three malls and around 500 commercial and retail shops.

Forbes Town Center

Forbes Town is located in a 5-hectare land in Bonifacio Global City, Taguig, Metro Manila adjacent to the Manila Golf Club, Manila Golf and Country Club, the Forbes Park residential subdivision and Dasmariñas Village. Forbes Town has 12 residential towers which house more than 3,500 residential units. Upon completion, Forbes Town is expected to consist of residential, retail and entertainment properties. The focal point of activity in the township is Forbes Town Road, a retail strip with 37 restaurants and shops that cater to the diverse needs of the residents of the community's three Bellagio towers, six towers of Forbeswood Heights, two towers of Forbeswood Parklane, and the 53- storey Eight Forbes Town Road. This is connected to another Fort Bonifacio landmark, Burgos Circle, a leisure spot with residential condominiums and a small park. These commercial centers along with each of the condominiums' convenient location and top- notch resort-style amenities form a lifestyle of absolute leisure.

McKinley Hill

McKinley Hill is a community township located on approximately 50 hectares of land in Fort Bonifacio, Taguig City, Metro Manila. McKinley Hill consists of office, residential, retail, educational, entertainment and recreational centers. The residential zone consists of

subdivision lots for low- density single-detached homes, clusters of low-rise residential garden villas and residential condominiums. The office properties will include the McKinley Hill Cyberpark which is a PEZA- designated IT special economic zone. Tenants of the office properties will largely comprise software developers, data encoding and conversion centers, call centers, system integrations, IT and computer system support. The leisure and entertainment zone will consist of bars, restaurants, specialty shops, cinemas and a sports complex. Three international schools, the Chinese International School, the Korean International School and Enderun College, a hotel management institution affiliated with Les Roches of Switzerland, comprise the "learn" component of the township. McKinley Hill is also home to the British Embassy and the Korean Embassy.

Newport City

Newport City is a community township located on 25 hectares of land at the Villamor Air Base, Pasay City, Metro Manila, across from the NAIA Terminal 3 and adjacent to the Villamor golf course. It will be targeted towards tenants and buyers who consider proximity to the NAIA Terminal 3 an advantage. The residential zone consists of eight to nine-storey medium-rise buildings. The corporate zone consisted of office buildings. The Company expects to establish a PEZA special economic zone cyberpark at Newport City. The leisure and entertainment zone consists of bars, restaurants, retail and tourist oriented shops, which are designed to complement the office and residential buildings in the community township. Newport City is home to Resorts World Manila, which is a leisure and entertainment complex comprising gaming facilities, restaurants, hotels and shopping outlets. The hotel zone comprises the Marriott Hotel, Maxims Hotel, Holiday Inn Express Hotel, Hilton Hotel Manila and Sheraton Manila managed by Travellers International Hotel Group, Inc. and Megaworld Hotels' Belmont Hotel Manila and Savoy Hotel Manila.

McKinley West

The Company is developing McKinley West on a 34.5-hectare portion of the JUSMAG property in Fort Bonifacio which is directly beside Forbes Park and Manila Polo Club and across McKinley Hill in Taguig, Metro Manila. The development of McKinley West is another joint venture undertaking with

BCDA. McKinley West will have rows of luxury residential estates, some of which will have their own swimming pools and other amenities. The upscale residential enclave will be supplemented by a modern business district of sustainable office buildings, an international school, and a commercial center. These will all be complemented by open spaces and greenery. Ingress and egress points of the estate are conveniently located along Lawton Avenue which connects Fort Bonifacio to Pasay City and Makati City.

The Mactan Newtown

The Company's first township venture outside Luzon, Mactan Newtown is a mixed-use development on a 30-hectare property near Shangri-La's Mactan Resort and Spa in Mactan, Cebu. Mactan Newtown combines high-end office towers, luxury condominiums, leisure amenities, retail shops, a school, and upscale hotels. It will also have its own exclusive, world-class beach club at the township's beachfront, and sports facilities at the 11-hectare beachfront property formerly known as Portofino Beach. It is also near the Mactan-Cebu International Airport, making the township ideal for residence, business or leisure. The first phase of the

project is expected, on completion, to comprise high-tech BPO offices, retail centers, luxury condominiums, leisure facilities and beach resort frontage. The Mactan Newtown is approximately 10 minutes away from the Mactan-Cebu International Airport, the Philippines' second largest airport. Soon to rise are 5 hotels, two of which are at the beachfront.

Uptown Bonifacio

Uptown Bonifacio is an approximately 15.4-hectare property in Fort Bonifacio in Taguig, Metro Manila. Modeled after the most progressive cities around the world – Paris, London, Milan, New York and Tokyo, Uptown Bonifacio comprises a residential portion in the northern part of Fort Bonifacio, and a portion for mixed-use, comprising office and retail space. It is well placed to cater to the fast - paced lives of today's young professionals and growing families. Set in the heart of Fort Bonifacio, the township will be close to several of the new central business district's ("CBD") popular landmarks, such as Forbes Town, Burgos Circle, the Mind Museum, Bonifacio High Street, and The Fort Strip. First class health care and education will never be far with St. Luke's Medical Center and the institutional zone mere footsteps away. Within the township is a complete community of its own: live luxuriously in the residences of Uptown Bonifacio; work in the top grade office sites; and play at its very own high-end commercial center, Uptown Place Mall. The township is easily accessible via Kalayaan Avenue, C-5 Road and EDSA.

Boracay Newcoast

Boracay Newcoast is a 150-hectare mixed-use leisure and resort development. It is envisioned to be the next world-class tourism destination in the paradise island. Soon to rise in the tropical tourism development are luxury and boutique hotels, commercial and retail district, upscale villas, and an exclusive residential village. Among the first residential towers to rise is Oceanway Residences, a cluster of mid-rise condominiums offering amazing views of the Sibuyan Sea, Mt. Luho, the island's highest peak, as well as the Fairways & Bluewater Golf Course. Aside from Oceanway Residences, among the upcoming projects here include four hotels and an Ibiza-inspired commercial and retail strip, all the more making it the most anticipated destination in Boracay.

Twin Lakes

Twin Lakes is a 1,200-hectare mixed-use leisure and resort community that raises the bar of living in Tagaytay. The tourism estate features the best of Europe at the first residential cluster called The Vineyard Residences, which is composed of three mid-rise condominium towers named after famous grape varieties: Shiraz, Merlot, and Chardonnay. Twin Lakes also has a unique mixed-use community development called The Vineyard, which spans 177-hectare of natural landscape that offers the perfect view of the famous Taal Volcano, along with a view of the man-made lake within the estate. The Vineyard will have its own sports club and spa, wedding venue, and the 10-hectare vineyard that will produce real grapes that can be processed, stored, and aged in its very own chateau. The township will also have commercial and retail hubs (The Village and Lakeshore Town Center), a university park, as well as a nature park. Other developments in Twin Lakes include a retirement community, wellness center, hotel and chateau, among others. With these developments, one can enjoy both the natural and man-made wonders at Twin Lakes.

Hoilo Business Park

Iloilo Business Park is a mixed-planned community in a 72-hectare property in Mandurriao, Iloilo. When completed, it will be a mixed-use business, tourism, commercial and residential hub with a residential community, BPO office buildings, hotels, a convention center, retail centers and a lifestyle center, all at the heart of Iloilo, a new growth center in the Visayas. The entire Iloilo Business Park development was registered as a special economic zone with the Government, which allows it to benefit from a tax holiday period as well as other incentives for investors. It also features The Street of Festive Walk, a 1.1-kilometer retail strip inspired by outlet shops in America and envisioned to be the longest shop-and-dine street outside of Metro Manila. Iloilo Business Park has launched 5 residential condominium developments to date — One Madison Place Luxury Residence, Lafayette Park Square, The Palladium, the tallest building in the region at 22 storeys high, Saint Dominique and Saint Honore. With Iloilo Business Park, the Company aims to transform Western Visayas into the next central district in the region.

Suntrust Ecotown

Sitting on a 350-hectare land in Tanza, Cavite, the Suntrust Ecotown will be the Company's first mixed-use development with an industrial park, also a first in the country. The industrial park is the country's first to be accredited by PEZA with lifestyle amenities. It is also positioned to be the major hub for world-class light to medium export-oriented industries, residential, commercial, and institutional establishments in the south. At Suntrust Ecotown, 111 hectares will be allotted for the industrial park, another 40 hectares is dedicated for the expansion of the industrial park and the integration of lifestyle amenities such as a hotel, commercial and retail hubs, driving range, mini golf course, putting greens, swimming pool, jogging path, basketball and badminton courts, and open parks, and another 200 hectares of future development that may include residential and other recreational facilities.

Davao Park District

Davao Park District is the Company's first township development in Mindanao, specifically on an 11- hectare property along S.P. Dakudao Loop in Lanang, Davao City which used to be the Lanang Golf and Country Club. The township is envisioned to be Mindanao's new central business district, by being a center for BPO and other corporate entities over the next seven years. Also located in Davao Park District are the themed residential condominiums that will be built by Suntrust Properties, Inc., a wholly-owned subsidiary of the Company. The township will also have a lifestyle mall, commercial and retail strips, open parks, a lagoon, and a school. The first office tower to rise is the iconic 15-storey Davao Finance Center, which was completed in 2018. The first tower in One Lakeshore Drive, a 4- tower condominium cluster, started selling in 2014.

Southwoods City

Southwoods City is the largest and only fully-integrated township with a golf course located in the south of Metro Manila. The 561-hectare property is a mixed-use development that features the Jack Nicklaus-designed Manila Southwoods Golf and Country Club, a central business district, a mall, schools, a church, and a medical facility among others. It maintains its suburban feel while being conveniently accessible via the South Luzon Expressway. Within Southwoods City is Pahara, a 26-hectare residential village consisting of over 600

lots, each having a spectacular view of the golf course and the Laguna de Bay. Pahara, which is a Bengali term for hills, was named due to its landscape and terrain. This residential village has a Mediterranean-inspired architectural theme with green open spaces and its own clubhouse, swimming pool, function halls, children's playground, an outdoor circuit gym, and parks.

Alabang West

Alabang West is a 62-hectare township located at the heart of Alabang's leisure, business and commercial district. It delivers the glitz and glamor of Beverly Hills by offering high-end shopping boutiques and world-class amenities, all in a posh neighborhood. It is easily accessible to and from Metro Manila via the South Luzon Expressway and the Daang Hari Exit. Alabang West has a 1.3- kilometer commercial and retail row inspired by Hollywood's famous Rodeo Drive and an exclusive Alabang West Village that features over 700 residential lots. The village will have a clubhouse with badminton and basketball courts, function rooms, game room, a fitness center, and an infinity pool.

ArcoVia City

Envisioned as an environment-friendly community, the 12.4-hectare ArcoVia City is located along the C-5 Road in Pasig City. A main "green" feature of the township is the approximately 1,000 trees that will be planted around the development. This greening feature will help provide an outdoor thermal comfort for the future residents, workers, tenants and visitors of the township. Sustainable buildings registered under Leadership in Energy and Environmental Design (LEED) are the standard of office developments in this township, with the first two to rise designed by world-renowned architectural firm Skidmore, Owings & Merrill. Other green features of ArcoVia City are a rainwater catchment facility, a network of bicycle lanes, and wide tree-lined sidewalks. Aside from office towers, the township will have residential condominiums, a lifestyle mall, retail and commercial strips, and open parks.

The Upper East

The Upper East sits on a 34-hectare property in Bacolod City, Negros Occidental and is bound by Burgos Avenue on the north, Lopez Jaena Street on the west, the Circumferential Road on the east, and is just across the New Government Center. Modeled after New York City's Upper East Side district, its prime location is geared to be Bacolod's own version of an upscale lifestyle district where residential condominiums, malls and commercial centers, BPO officetowers, tourism and leisure facilities as well as recreational parks and open spaces are integrated to create an exciting Live-Work- Play township, which the company pioneered in the Philippines.

Northill Gateway

Northill Gateway will rise in the northern part of Bacolod, where the famous Sugar Road was built. Sitting on a 53-hectare property along the new Circumferential Road on the boundaries of Talisay City and Bacolod City, it has direct access to the new Bacolod-Silay Airport. It will rise in an area that has a direct link to The Upper East via the Circumferential Road. Northill Gateway is envisioned to be a refreshing lifestyle district that will house upscale residential villages, mixed-use office and retail developments, leisure and recreational amenities as wellas institutional facilities. The Company is constructing a 'commercial towncenter' on the Bacolod side of the rising Northill Gateway township occupying around 7.5

hectares, the Northill Town Center will be a sprawling horizontal commercial development composed mostly of stand-alone two-storey structures of retail shops and dining establishments, surrounded by landscaped parks and open spaces. The town center, which will be accessible along the Bacolod-Silay Airport Access Road, will also have a central plaza, an events venue, 'pasalubong' centers featuring local Negrense delicacies, a supermarket, and wellness and sports facilities.

Sta. Barbara Heights

Sta. Barbara Heights is a 173-hectare mixed-use development has 34 hectares allocated for residential lots, which offer a backdrop of a nearby natural lake and rolling hills in Sta. Barbara, Iloilo. The township is adjacent to the historic Santa Barbara Church and Convent and the Iloilo Golf Course and Country Club, the oldest golf course in Asia. Sta. Barbara Heights will have a direct access to the road leading to the Iloilo International Airport via the Iloilo International Avenue, a six-lane "spine" highway featuring rows of mixed-use and commercial buildings, retail shops, restaurants, boutique hotels and institutional facilities. Half of the entire development is allocated for the Sta. Barbara

Heights Residential Estates, a residential village with three phases offering around 1,000 lots. The village will feature a five-hectare Village Center with amenities that include a 260-meter swimming pool, tennis and basketball courts, children's park and picnic ground overlooking a lake beside the Iloilo Golf and Country Club.

Capital Town

The Capital Town is 35.6-hectare prime property beside the provincial capital of the City of San Fernando, Pampanga, 21st integrated urban township by the Company set to become the newest Central Business District of the North. It is situated at the heart of San Fernando, Pampanga, where Pampanga Sugar Development Company (PASUDECO) used to operate.

Its existence then became a catalyst for the exponential growth of the city. Backed by PASUDECO's rich history, culture and heritage, the development of Capital Town will be at the forefront of business and progress as the area enters a new phase of growth in moving forward while preserving its values.

Westside City

Westside City will be the second site of Resorts World Manila in the Philippines. The 31hectare leisure and entertainment township at the booming Entertainment City in Paraflaque
will also have international hotels, a luxury mall, and residential condominiums. The launch
of Westside City marked the Company's 20th integrated urban township, the most by any
developer in the country. The township will also be home to the Company's upscaleresidential
condominiums, a luxury mall as well as international hotel brands such as The Westin Hotel
of the Starwood Asia Pacific Hotels & Resorts Group, Hotel Okura Manila of the Okura
Hotels & Resorts, the Genting Grand and Crockfords Tower of the Genting Group, and Kingsford
Hotel. These hotels will have a total of around 1,500 rooms. Part of the Company's vision for
Westside City is to become the "Broadway of Asia" as the township highlights facilities for
the performing arts. It will be home to the Philippines' first Grand Opera Housethat has a total
capacity of approximately 3,000 persons.

Maple Grove

Maple Grove is a 140-hectare property in General Trias, Cavite. This vast property will be developed into another world-class mixed-use development, where relaxation and nature perfectly blend with the urban lifestyle. Just 45 minutes away from Makati and other Metro Manila CBDs via Coastal Road and Cavitex, Maple Grove is at the entry point of the booming industrial and residential center of the Cavite-Batangas corridor. The Company is allocating P10-billion in the next 10 years to develop Maple Grove. The township will have an eclectic mix of residential, retail, office and institutional components.

Eastland Heights

Through its subsidiary, Global-Estate Resorts Inc., the Company is building Eastland Heights, an 'integrated lifestyle community' in Antipolo, Rizal on an expansive 640 hectares of land along Marcos Highway with some areas overlooking Metro Manila's panoramic skyline. The vast property has its own iconic 36-hole golf course and country club, which will occupy around 20% of the entire development. It is also known for its rolling terrains on the foot of the scenic Sierra Madre Mountain Range. The Company is spending P5-billion to develop Eastland Heights in the next five to seven years. Aside from the golf course, the community will have residential, commercial and retail, and institutional components such as a school.

The Hamptons Caliraya

The Hamptons Caliraya is located in Lumban-Cavinti, Laguna, surrounding Lake Caliraya, The Hamptons Caliraya is a 300-hectare development set to feature a lakeside residential villages and villas, a town center, two 18-hole golf courses and clubhouse, and a Marina Club that offers a wide range of water sports activities such as boating, jet ski and kayaking, as well as a shophouse district and resort hotel district.

Highland City

Together with its subsidiary, Empire East Land Holdings, Inc., the Company is set to masterplan this 24-hectare property located at the convergence of Pasig City and Cainta, Rizal. This master-planned township, envisioned to be the first-ever "elevated city" in the Philippines, will be integrated with a lifestyle mall, retail arcades, mixed-use towers, a church, an expansive green park, and an exclusive sports club—raising the standards of urban living in the east side of Metro Manila.

Arden Botanical Estate

The Company, along with its subsidiary Global-Estate Resorts Inc., is jointly developing a 251-hectare property located at the boundary of Trece Martires and the municipality of Tanza in Cavite. Surrounded by natural rivers, the Arden Botanical Estate will have several residential and leisure villages, commercial areas, sports and adventure parks, and a mixed-use district. The expansive development, which will be curated to engage and stimulate thesenses, will be highlighted by flower gardens and green parks.

Lucky Chinatown

Located at the heart of Binondo, the world's oldest Chinatown, Lucky Chinatown is strategically located near Manila's historic and cultural sites such as Intramuros, Manila City Hall and the National Museum. This 3-hectare property will have residential condominium projects, lifestyle mall, hotel, and a museum that perfectly blends history and modernity.

3. Business Strategy

The Company's objective is to increase its profitability and maintain its leading position as a major property developer in the Philippines, specifically in the middle residential condominium market and the market for BPO-related office developments.

4. Conglomerate Map

Please see Annex "A" hereof.

5. Board of Directors and Senior Management

There are seven (7) members of the Company's Board of Directors, three (3) of whom are independent directors. An independent director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as director [SRC Rule 38]. All directors were elected during the annual meeting of stockholders held on 18 June 2021, and will hold office until their successors have been duly elected and qualified. All the incumbent directors have been nominated for election to the Board of Directors of the Company for the ensuing calendar year.

Information concerning the background of the directors/nominees for directors and executive officers of the Company indicating their principal occupation or employment and their business experience for the past five (5) years is provided below.

The table sets forth each member of the Company's Board as of 31 December 2021.

Name	Age	Citizenship	Position
Andrew L. Tan	72	Filipino	Chairman and CEO
Katherine L. Tan	70	Filipino	Director
Kingson U. Sian	60	Filipino	Director and Executive Director
Enrique Santos L. Sy	72	Filipino	Director
Jesus B. Varela	65	Filipino	Independent Director
Cresencio P. Aquino	68	Filipino	Independent Director

Roberto S. Guevara 70 Filipino Independent Director

The table sets forth the Company's executive officers in addition to its executive directors listed above as of 31 December 2021.

Name	Age	Citizenship	Position
Lourdes T. Gutierrez- Alfonso	58	Filipino	Chief Operating Officer
Kevin Andrew L. Tan	42	Filipino	Executive Vice President and Chief Strategy Officer
Francisco C. Canuto	64	Filipino	Senior Vice President, Chief Finance Officer, Treasurer, Compliance Officer, Corporate Information Officer and Chief Audit Executive
Noli D. Hernandez	52	Filipino	Executive Vice President for Sales and Marketing
Giovanni C. Ng	47	Filipino	Senior Vice President and Finance Director
Maria Victoria M. Acosta	60	Filipino	Senior Vice President for International Marketing
Maria Carla T. Uykim	45	Filipino	Head of Corporate Advisory and Compliance
Rafael Antonio S. Perez	53	Filipino	Head for HR and Corporate Admin. Division
Graham M. Coates	57	British	Head of Megaworld Lifestyle Malls
Jennifer L. Romualdez	52	Filipino	Senior Vice President and Head for Operations Division
Kimberly Hazel A. Sta. Maria	41	Filipino	Assistant Vice President for Corporate Communications and Advertising
Cheryll B. Sereno	42	Filipino	Chief Risk Officer

Anna Michelle T.Llovido 43 Filipino Corporate Secretary

Nelileen S. Baxa 43 Filipino Assistant Corporate Secretary

The following states the business experience of the Company's incumbent directors and officers for the last five years:

Andrew L. Tan Chairman & CEO

Mr. Tan is the founder of the Company and has served as its Chairman and President since its incorporation in 1989. He pioneered the live-work-play-learn model in real estate development through the Company's integrated township communities, faeling the growth of the business process outsourcing (BPO) industry. He embarked on the development of integrated tourism estates through publicly-listed Alliance Global Group, Inc. and Global- Estate Resorts, Inc., which he both chairs, while continuing to focus on consumer-friendly food and beverage and quick service restaurants. Mr. Tan serves as Chairman of the Board of Empire East Land Holdings, Inc., a publicly-listed subsidiary of the Company, and Suntrust Properties, Inc., a subsidiary engaged in the development and marketing of affordable housing projects. He also serves in the boards of other Megaworld subsidiaries including Eastwood Cyber One Corporation, Megaworld Land, Inc., Megaworld Central Properties Inc., Megaworld Bacolod Properties, Inc., Mactan Oceanview Properties and Holdings, Inc., Megaworld Newport Property Holdings, Inc. and Richmonde Hotel Group International Limited. He is also the Chairman of Emperador Inc., a public-listed company which owns Emperador Distillers, Inc., the leading brandy manufacturer and distributor in the Philippines. Mr. Tan is Chairman of Megaworld Foundation, the Company's corporate social responsibility arm, which primarily focuses on the promotion of education through scholarship programs for financially handicapped but deserving students, and supports causes that promote poverty alleviation, people empowerment, social justice, good governance and environmental conservation. He is a director of Travellers International Hotel Group, Inc., which owns Resorts World Manila, and the food and beverage companies, Emperador Distillers, Inc. Alliance Global Brands, Inc. and Golden Arches Development Corporation.

Katherine L. Tan Director

Ms. Tan has served as Director of the Company since 1989. She is concurrently a Director and Treasurer of publicly-listed Alliance Global Group, Inc. and Emperador Inc. She has extensive experience in the food and beverage industry and is currently Director and Corporate Secretary of The Bar Beverage, Inc. and Director and President of Andresons Global, Inc., Raffles & Company, Inc., The Andresons Group, Inc. and Choice Gourmet Banquet, Inc. She is also a Director and Treasurer of Alliance Global Brands, Inc. and Emperador Distillers, Inc.

Kingson U. Sian Director and Executive Director

Mr. Sian has served as Director of the Company since April 13, 2007. He joined the Megaworld Group in September 1995 as Senior Vice President and is currently Executive Director of the Company. He is concurrently Director, President and Chief Operating Officer of publicly-listed Alliance Global Group, Inc. and Travellers International Hotel Group, Inc. He is the Chairman and President of Prestige Hotels & Resorts, Inc. and Luxury Global Hotels and Leisure, Inc., the Senior Vice President of Megaworld Land, Inc. and the President of Eastwood Cyber One Corporation. Mr. Sian was formerly Vice President of FPB Asia Ltd/First Pacific Bank in Hong Kong from 1990 to 1995. Prior to that, he was connected with Citicorp Real Estate, Inc. in the United States from 1988 to 1990. Mr. Sian graduated from the University of the Philippines with the degree of Bachelor of Science in Business Economics. He obtained his Master's Degree in Business Administration for Finance and Business Policy from the University of Chicago.

Enrique Santos L. Sy Director

Mr. Sy has served as Director of the Company since July 2009. He was formerly a Vice President for the Corporate Communications & Advertising Division of the Company until his retirement in March 2011. He is concurrently a Director of publicly-listed Empire East Land Holdings, Inc. and a Director of Eastin Holdings, Inc. and First Oceanic Property Management Inc. He is also a Director and the Corporate Secretary of Asia Finest Cuisine, Inc. and Soho Café & Restaurant Group, Inc. and Corporate Secretary of Empire East Communities, Inc. Mr. Sy previously worked as Advertising Manager of Consolidated Distillers of the Far East, Inc., Creative Director of AdCentrum Advertising, Inc., Copy Chief of Admakers, Inc. and Peace Advertising Corporation, and Creative Associate of Adformatix, Inc. Mr. Sy graduated with honors from the Ateneo de Manila University with the degree of Bachelor of Arts in Communication Arts.

Jesus B. Varela Independent Director

Mr. Varela has served as Director of the Company since June 2016. He concurrently serves as independent director in the boards of publicly-listed, Global-Estate Resorts, Inc. and Travellers International Hotel Group, Inc. He is also the Chairman of the Philippine Chamber of Commerce and Industry, GS1 Philippines (Barcode of the Philippine), and New Lights Technologies, Inc. He is the President and CEO of the Advancement of Workers' Awareness Regarding Employment (AWARE) Foundation, Inc., and President of Foundation for Crime Prevention, Philippine Greek Business Council and Philippine Peru Business Council. He is also the Director General of the International Chamber of Commerce Philippines (ICC-Philippine), Receiver of J-Phil Marine Shipping Inc., and Member of the Committee for Accreditation of Cargo Surveying Companies. Mr. Varela has more than twenty years of experience in the fields of marketing, human resources, international labor affairs, agriculture, and commerce, among others. He has done executive work with the Department of Agriculture, National Food Authority Council, Philippine Genetics, Inc., National Irrigation Administration, Philippine Planters Products, National Agri- Business Corporation, Agriculture Anti- Smuggling Task Force, and Nautical Highway Board. He served as Labor Attaché to Kobe, Japan, to the Commonwealth of Northern Marianas Island, and to Athens. Mr. Varela obtained his bachelor's degree in Economics from Ateneo De Manila University. He attended training courses in Labor Administration and Policy Formulation under the International Labor Organization/ARPLA program, the Corporate Planning Course at the Center for Research Communication, Foreign Exchange Training by Metro Bank and Forex Club of the Philippines, Systems Analysis by the Presidential Management Staff, Asian

Productivity Seminar and other in-house seminars conducted by the Department of Labor and the Development Academy of the Philippines.

Cresencio P. Aquino

Independent Director

Atty. Aquino is currently the Managing Partner of The Law Firm of CP Aquino & Partners. He concurrently serves as independent director in the boards of publicly-listed, Global-Estate Resorts, Inc. and Empire East Land Holdings, Inc. He is a graduate of the San Sebastian College Manila with degrees in Bachelor of Arts and Bachelor of Laws. Atty. Aquino has extensive experience in both the public and private sectors as Director of Clark Development Corporation from 2012 to 2016., Independent Director of Suntrust Home Developers, Inc. from 2009 to 2012, Corporate Legal Counsel of MBF Card and One Card Corporation from June 1998 to May 2004, Special Assistant and Chief Legal Counsel of the Government Service Insurance System from September 1992 to June 1998, Director of the Meat Packaging Corporation of the Philippines from September 1992 to June 1998, Personnel and Administrative Manager, Corporate Secretary and Chief Legal Counsel of ComSavings Bankfrom September 1992 to June 1998, and Executive Director of the Department of Interior and Local Government ("DILG") from 1988 to 1992, and concurrently Ex-Officio Commissionerof the DILG with the Housing and Land Use Regulatory Board also for the same period. Atty. Aquino He was formerly an Associate Professor with the San Sebastian College, Atty. Aquino has been a member of the Integrated Bar of the Philippines since 1978 and is also a member of the Capitol Bar Association, Knights of Columbus, and the Lawyers League of the Philippines.

Roberto S. Guevara

Independent Director

Mr. Guevara has been an Independent Director of the Company since June 20, 2001. He is Chairman of the Board of Directors of Seed Capital Ventures, Inc. He serves on the board of other companies, such as G & S Transport Corporation, a licensee of Avis Car Rentals, Guevent Industrial Development Corporation, and Investment and Capital Corporation of the Philippines, and as Independent Director of First Centro, Inc., Honeycomb Builder and Kalahi Realty, Inc. Mr. Guevara graduated from San Beda College in 1974, and received a graduate degree from the Asian Institute of Management and a post-graduate course at the Institute for Management Development (IMD), in Lausanne, Switzerland.

Lourdes T. Gutierrez-Alfonso

Chief Operating Officer

Ms. Gutierrez joined the Company in 1990. She is the Company's Chief Operating Officer and is a member of the Company's Management Executive Committee. Ms. Gutierrez has extensive experience in real estate and a strong background in finance and marketing. A certified public accountant by profession, she previously held the position of Senior Executive Vice President for Finance and Administration in the Company. Ms. Gutierrez is Chairman of the property management company, First Oceanic Property Management, Inc. She serves as director in numerous affiliate companies including publicly-listed Global-Estate Resorts, Inc. and Suntrust Properties, Inc., Twin Lakes Corporation, Southwoods Mall, Inc., Mactan Oceanview Properties and Holdings, Inc., Megaworld Resort Estates, Inc., Megaworld Cebu

Properties, Inc., Oceantown Properties, Inc., Megaworld Bacolod Properties, Inc., Eastwood Cyber One Corporation, Davao Park District Holdings, Inc., and Prestige Hotels & Resorts, Inc. She is currently the Chairman of Belmont Newport Luxury Hotels, Inc., Megaworld Global-Estate, Inc., Savoy Hotel Manila, Inc. She is also a trustee and a Corporate Secretary of Megaworld Foundation, Inc.

Kevin Andrew L. Tan

Executive Vice President and Chief Strategy Officer

Mr. Tan holds the rank of Executive Vice President and Chief Strategy Officer of the Company. He previously held the position of Senior Vice President for Commercial Division which markets and operates the Megaworld Lifestyle Malls including Eastwood Mall and The Clubhouse at Corinthian Hills in Quezon City, Venice Piazza at McKinley Hill and Burgos Circle at Forbestown Center, both in Fort Bonifacio, California Garden Square in Mandaluyong City, Newport Mall at Resorts World Manila in Pasay City, Lucky Chinatown Mall in Binondo, Manila and Uptown Mall in Bonifacio Global City. He is the Chief Executive Officer and Vice Chairman of public-listed company, Alliance Global Group, Inc. He is also the concurrently a Director of publicly-listed companies, Empire East Land Holdings, Inc., Emperador Inc. and Global-Estate Resorts, Inc. and of Eastwood Cyber One Corporation, Uptown Cinemas, Inc., Megaworld Central Properties Inc., Twin Lakes Corporation, Megaworld Land, Inc., Townsquare Development, Inc., Emperador Distillers, Inc., Alliance Global Brands, Inc., Anglo Watsons Glass, Inc., Yorkshire Holdings, Inc., The Bar Beverage, Inc., Emperador Brandy, Inc., and New Town Land Partners, Inc. He is also a trustee and an Executive Director of Megaworld Foundation, Inc. Mr. Tan obtained his bachelor's degree in Business Administration major in Management from the University of Asia and the Pacific.

Francisco C. Canuto

Senior Vice President, Chief Finance Officer, Treasurer, Compliance Officer, Corporate Information Officer and Chief Audit Executive

Mr. Canuto joined the Company in 1995. He is a Certified Public Accountant and currently holds the rank of Senior Vice President and Treasurer of the Company and is Senior Assistant to the Chairman. He is a member of the Company's Management Executive Committee. He holds a bachelor's degree in Commerce major in Accounting and a Master's Degree in Business Administration. He is concurrently Director of Megaworld Global-Estate, Inc. and Eastwood Property Holdings, Inc., Director and Corporate Secretary of Megaworld Central Properties, Inc. and Director and Treasurer of Megaworld Cebu Properties, Inc., Twin Lakes Corporation, Oceantown Properties, Inc., Megaworld Resort Estates, Inc., Megaworld Land, Inc., Megaworld-Daewoo Corporation, Eastwood Cyber One Corporation, and PrestigeHotels & Resorts, Inc. He serves as a Director and President of Arcovia Properties, Inc., Lucky Chinatown Cinemas, Inc., Festive Walk Cinemas, Inc., Southwoods Cinemas, Inc., McKinley Cinemas, Inc., Uptown Cinemas, Inc. and Gilmore Property Marketing Associates, Inc. He is also the President of Megaworld Foundation, Inc. Before joining the Company, heworked as Audit Manager of SGV & Company and Controller of Federal Express Corporation.

Noli D. Hernandez

Executive Vice President for Sales and Marketing

Mr. Hernandez joined the Company in February 1994 as a property consultant. He is currently an Executive Vice President for Sales and Marketing. Mr. Hernandez rose from the ranks in the Company, starting out as a property consultant then becoming Sales Manager, Assistant Vice President, Senior Assistant Vice President, Vice President and Senior Vice President for Marketing. Mr. Hernandez graduated from the University of the Philippines with a degree of Bachelor of Science in Political Science. He serves as Director and President of Megaworld Cebu Properties, Inc. and President of the Newtown School of Excellence in the Mactan Newtown development of the Company.

Giovanni C. Ng

Senior Vice President and Finance Director

Mr. Ng, is a Senior Vice President and Finance Director of the Company. He serves as director in Eastwood Property Holdings, Inc., Oceantown Properties, Inc., Empire East Communities, Inc., Gilmore Property Marketing Associates, Inc., First Centro, Inc., Valle Verde Properties, Inc., Gilmore Property Marketing Associates, Inc., First Centro, Inc., Valle Verde Properties, Inc., Lucky Chinatown Cinemas, Inc., McKinley Cinemas, Inc., Uptown Cinemas, Inc., Mactan Oceanview Properties and Holdings, Inc. and New Town Land Partners, Inc. He also serves as Treasurer of publicly-listed Empire East Land Holdings, Inc. and Adams Properties, Inc. and Townsquare Development, Inc. He is also a Director and Corporate Secretary of Megaworld Land, Inc. Previously, he worked as Analyst Associate in Keppel IVI Investments. Mr. Ng obtained his bachelor's degree in Quantitative Economics from the University of Asia and the Pacific, graduating summa cum laude in 1995.

Maria Victoria M. Acosta

Senior Vice President for International Marketing

Ms. Acosta is Senior Vice President for International Marketing. She joined the Company in September 1999. Prior to her appointment, she had twenty years of marketing experience in real estate and consumer products with other companies. Ms. Acosta was Executive Vice President and Chief Operating Officer of Empire East Land Holdings, Inc. from 1997 to 1998 and was Executive Director for Marketing from 1996 to 1997. Earlier, she also served as Senior Vice President and General Manager of Raffles & Co., Inc. She is concurrently Director and Corporate Secretary of Eastwood Property Holdings, Inc. and Corporate Secretary of Gilmore Property Marketing Associates, Inc.

Maria Carla T. Uykim

Head of Corporate Advisory and Compliance

Ms. Uykim is the head of the Corporate Advisory and Compliance of Megaworld Corporation and a member of the Management Executive Committee. She is primarily responsible for the special projects group which handles the negotiation and documentation of the Company's various land acquisitions, joint venture agreements and other corporate transactions. She also heads the property registration group, which is in charge of the registration of the Company's real estate projects, including the deeds of restriction, and issuance of the certificates of title for the individual units or lots and the intellectual property group, which handles the registration, protection and enforcement of the Company's trademarks. She is concurrently the Corporate Secretary of San Vicente Coast, Inc., Northwin Properties, Inc. and Maple Grove Land, Inc. and a Director and Corporate Secretary of Luxury Global Malls, Inc. and Mactan Oceanview Properties and Holdings, Inc. She joined the Company in April 2007 as a Senior Manager of the Corporate Management Department and handled buyer's concerns, including documentation of sales transactions, labor and human resources issues, and the registration and protection of intellectual property. Prior to joining the Company, Atty. Uykim was an Associate at Andres Marcelo Padernal Guerrero and Paras law offices from August 2005 to April 2007, where she specialized in labor and corporate law, and at ACCRA Law from February 2003 to January 2004, where she practiced immigration law. She also served as Chief of Staff of Congresswoman Remedios L. Petilla from July 2004 until June 2005. Atty. Uykim obtained her Juris Doctor Degree from the Ateneo De Manila School of Law and is a graduate of the double degree program of De La Salle University, with a Bachelor of Arts in Psychology and a Bachelor of Science in Marketing Management.

Rafael Antonio S. Perez

Head for HR and Corporate Admin. Division

Mr. Perez joined the Company in June 2008 as head of the Human Resources Division. He is currently the Vice President for Human Resources & Corporate Administration Division. He is concurrently the President and Managing Director of Global One Integrated Business Services, Inc. and Luxury Global Malls, Inc. Mr. Perez graduated Cum Laude from the Philippine Normal University with the degree of Bachelor of Arts in Psychology.

Graham M. Coates

Head of Megaworld Lifestyle Malls

Mr. Coates, is a British national, he has an extensive international management experience in numerous culturally diverse locations such as Asia (twenty years), Europe (eight years) and the United States (four years). He joined the company in January 2019. Throughout his career, he has demonstrated a record of sustained profitable growth, building world-class organizations and driving change for global, multinational and family-owned corporations and entrepreneurial companies worldwide. Graham is skilled in P&L, Operations,

Merchandising, Marketing, Customer Development, Business Development and Logistics. He brings with him a wealth of experience that cuts through many retail formats and cross functions. He has the unique advantage of being familiar with all retail formats, together with a solid perspective of mall and landlord operations.

Mr. Coates is the President of the Coates Charity Foundation, a non-profit organization set up several years ago to support Christian missionaries, students, fellow church members and others in need. He is the Vice President and board member of HAND Philippines, an offshoot of HAND International, a Christian humanitarian aid organization that uses its resources and efforts on helping the rehabilitation needs of the natural disaster-stricken areas in the Philippines, an example being Typhoon Yolanda victims.

Jennifer L. Romualdez

Senior Vice President and Head for Operations Division

Ms. Romualdez, prior to her appointment to her current position in Megaworld in February 2020, served the Company for nine years, from 1995 to 2004, in various capacities in the areas of procurement, contracts, interior design and special projects. She was previously the Senior Vice President of the Operations Division of Global Estate-Resorts, Inc. (GERI), Megaworld's subsidiary and the country's biggest developer of master-planned integrated lifestyle communities (ILCs) oriented toward tourism. She headed the development ofGERI's various projects and ILCs, including Boracay Newcoast in Boracay Island; Twin Lakes in Alfonso, Batangas, near Tagaytay; Southwoods City on the boundaries of Cavite and Laguna; Eastland Heights in Antipolo, Rizal; and Sta. Barbara Heights in Mandurriao, Iloilo. From 2006 to 2011, she served different companies in various roles— Corporate Director for Quantity Surveying and Tender of Ding Feng (Shanghai) Real Estate Development Co., Ltd.; Assistant Director for Marketing - Interior Design and Graphics of Ho Cheng (China) Co., Ltd.; and Consultant for the HCG Beijing Flagship Showroom project. Ms. Romualdez graduated from the University of the Philippines Diliman with a B.S. Architecture degree. She completed and passed the Philippine Licensure Examination for Architects in 1993.

Kimberly Hazel A. Sta. Maria

Assistant Vice President for Corporate Communications and Advertising

Ms. Sta. Maria holds the rank of Assistant Vice President and heads the Corporate Communication and Advertising Division of the Company. She joined the Company in 2002 as Head Writer and is responsible for the creative conceptualization and production of advertising and marketing campaigns and materials for the Company's projects. Ms. Sta. Maria is a cum laude graduate of the University of the Philippines Manila and holds a bachelor's degree in Organizational Communication.

Chief Risk Officer

Ms. Sereno is the Chief Risk Officer. She joined the Company in November 2017 and currently heads the Opportunity and Risk Management department. Her responsibilities include identification and assessment of business risks and ensuring that the Company continuously develops risk management strategies that are aligned with its corporate goals

and objectives. Prior to joining the Company, Ms. Sereno worked in the field of external audit, finance and has extensive experience handling Enterprise Risk Management and Business Continuity Management for the real estate industry. She graduated from Ateneo de Naga University with the degree of Bachelor of Science in Accountancy. Ms. Sereno is a Certified Public Accountant and a Certified Business Continuity Professional.

Anna Michelle T. Llovido

Corporate Secretary

Ms. Llovido is the Corporate Secretary of the Company and has held this position since August 2014. She concurrently serves as Senior Corporate Legal Counsel of Emperador Distillers, Inc. Ms. Llovido is an experienced in-house counsel with core practice in labor and intellectual property law. Prior to her employment in Emperador Distillers, Inc., Ms. Llovido was a Manager at Reeves & Associates International Corporation and was charged with the management of its Philippine representative office. She also served as Legal Counsel to Transnational Diversified Group, Inc. from May 2008 to September 2009 where she serviced the legal requirements of over 30 companies engaged in total logistics, ship management, airand travel services, and information and communications technology. She was an Associate Lawyer at Tantoco Villanueva De Guzman & Llamas law offices from April 2006 to April 2008. Ms. Llovido obtained her bachelor's degrees in Laws in 2004 and Hotel and Restaurant Management in 1999 from the University of Santo Tomas.

Nelileen S. Baxa

Assistant Corporate Secretary

Ms. Baxa is currently a Senior Accounting Manager of Megaworld Corporation. She is a Certified Public Accountant with over eighteen (18) years of experience in the fields of accounting and finance. Ms. Baxa concurrently serves as a Director of Bordeaux Properties, Inc., Langham Properties, Inc., Rowenta International, Inc., and Venetian Properties, Inc. Ms. Baxa obtained her Bachelor's Degree in Accountancy from the University of Sto. Tomas.

C. PROCEEDS RECEIVED BY THE SPONSOR

Pursuant to the IPO, Megaworld offered its existing 949,837,500 common shares in MREIT, Inc. Megaworld received net proceeds of approximately P14.790 billion from the sale of its Offer Shares.

D. AMENDED REINVESTMENT PLAN

On September 9, 2021, Megaworld submitted its First Reinvestment Plan. From such date to December 31, 2021, Megaworld has disbursed a total of PhP1.554 billion to fund projects identified in the First Reinvestment Plan.

As of the date of this Amended Reinvestment Plan, Megaworld is to disburse a total of Php 13.236 billion, which represents the net proceeds from the IPO less the total disbursements made under the First Reinvestment Plan as of December 31, 2021. Following regulations, said amount should be fully disbursed within one year from receipt of proceeds by Megaworld. Pursuant to the REIT law and its implementing rules and regulations, the Sponsor has until September 30, 2022 to disburse the proceeds from the IPO.

Megaworld intends to use the net proceeds received to fund ongoing and future investments in real estate properties in Metro Manila and other key regions in the Philippines, which Megaworld may undertake on its own or through its subsidiaries. These include investment in commercial, office, hotel, or any real estate projects within the Philippines. While the Company is not contemplating on acquiring land at this time, there is nothing that prevents it from doing so in the future in accordance with the requirements of the law, if the timing and opportunity are right.

The projected disbursements in connection with the proposed use of proceeds is provided in the succeeding table:

TABLE 1: DISBURSEMENT SCHEDULE FOR THE PROCEEDS OF THE SECONDARY OFFER

PROJECT NAME	DESCRIPTION	TOWNSHIP / LOCATION	INVESTMENT TYPE	PRODUCT	STATUS	PERCENTAGE COMPLETION	COMPLETION DATE		TOTAL PLANNED USE FOR THE YEAR	Q4 2021	Q1 2022	Q2 2022	Q3 2022	DISBURSING ENTITY
1 One LeGrand Tower	A LEED Office Building with support retail with a total of approximately 48k sqm GLA	McKinley West	Investment in Building	Office / Retail	On-going	100%	2021	Megaworld Corporation	5.19m	5.19m	0.00m	0.00m	0.00m	Megaworld Corporation
2 One Paseo	A LEED Office Building with support retail with a total of approximately 24k sqm GLA	ArcoVia City	Investment in Building	Office / Retail	On-going	100%	2021	Megaworld Corporation	35.07m	35.07m	0.00m	0.00m	0.00m	Megaworld Corporation
3 Worldwide Plaza	A LEED Office Building with support retail with a total of approximtely 69k sqm GLA	Uptown Bonifacio	Investment in Building	Office / Retail	On-going	99%	2022	Megaworld Corporation	724.58m	724.58m	0.00m	0.00m	0.00m	Megaworld Corporation
4 No. 1 Upper East Avenue	A LEED Office Building with support retail with a total of approximately 8.6k sqm GLA	The Upper East	Investment in Building	Office / Retail	On-going	11%	2023	Megaworld Bacolod Properties, Inc.	580.00m	115.61m	0.00m	175.00m	289.39m	Megaworld Bacolod Properties, Inc.
5 International Finance Center	A LEED Office Building with support retail with a total of approximately 68k sqm	Uptown Bonifacio	Investment in Building	Office / Retail	On-going	28%	2023	Megaworld Corporation	110.95m	110.95m	0.00m	0.00m	0.00m	Megaworld Corporation
6 Enterprise One	A LEED Office Building with support retail of with a total of approximately approximately 34k sqm	Iloilo Business Park	Investment in Building	Office / Retail	On-going	13%	2024	Megaworld Corporation	1,000.00m	167.58m	0.00m	450.00m	382.42m	Megaworld Corporation
7 Office - Iloilo	A LEED Office building with support retail to be developed in Iloilo Business Park	Iloilo Business Park	Investment in Building	Office / Retail	On-going	6%	2025	Megaworld Corporation	900.00m	54.10m	325.00m	283.00m	237.90m	Megaworld Corporation
8 Office - Taguig	A LEED Office building with support retail to be developed in Taguig	Taguig	Investment in Building	Office / Retail	On-going	8%	2025	Megaworld Corporation	1,735.91m	206.91m	200.00m	769.00m	560.00m	Megaworld Corporation
9 Office / Commercial - Cavite	A Lifestyle Mall / Office located in Maple Grove	Maple Grove	Investment in Building	Office / Retail	On-going	8%	2024	Megaworld Corporation	1,430.00m	77.95m	228.00m	515.00m	609.05m	Megaworld Corporation
10 Office / Commercial - Pampanga	A Lifestyle Mall / Office located in Pampanga	Pampanga	Investment in Building	Office / Retail	On-going	8%	2025	Megaworld Capital Town, Inc.	1,050.00m		1,050.00m	0.00m	0.00m	Megaworld Capital Town, Inc.
11 Commercial - Bacolod	A commercial project in The Upper East	The Upper East	Investment in Building	Mall	On-going	8%	2025	Megaworld Bacolod Properties, Inc.	747.55m	47.55m	0.00m	350.00m	350.00m	Megaworld Bacolod Properties, Inc.
12 Commercial 2 - Bacolod	A commercial project in Northill Gateway	Northill Gateway	Investment in Building	Mall	On-going	7%	2024	Megaworld Bacolod Properties, Inc.	676.51m	8.69m	0.00m	350.00m	317.82m	Megaworld Bacolod Properties, Inc.
13 Hotel	A hotel project in various townships	Various	Investment in Building	Hotel	On-going	5%	2023	Prestige Hotels and Resorts, Inc.	1,021.24m		200.00m	450.00m	371.24m	Prestige Hotels and Resorts, Inc.
14 Eastwood City Projects	Malls, Offices, Land Development and other developments	Eastwood City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	90%	2022	Eastwood Cyber One Corporation	1,000.00m		350.00m	350.00m	300.00m	Eastwood Cyber One Corporation
15 ArcoVia City Projects	Malls, Offices, Land Development and other developments	ArcoVia City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	10%	2026	ArcoVia Properties, Inc.	1,000.00m		300.00m	350.00m	350.00m	ArcoVia Properties, Inc.
16 Boracay Newcoast Projects	Malls, Offices, Land Development and other developments	Boracay Newcoast	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	20%	2024	Global Estate Resorts, Inc.	500.00m		150.00m	167.00m	183.00m	Global Estate Resorts, Inc.
17 Arden Botanical Estate Projects	Malls, Offices, Land Development and other developments	Arden Botanical Estate	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	5%	2026	Global Estate Resorts, Inc.	500.00m		70.00m	125.00m	305.00m	Global Estate Resorts, Inc.
18 Twin Lakes Projects	Malls, Offices, Land Development and other developments	Twin Lakes	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	7%	2025	Twin Lakes Corporation	1,773.00m		557.00m	565.00m	651.00m	Twin Lakes Corporation
							Total		14,790.00m	1,554.18m	3,430.00m	4,899.00m	4,906.82m	
							Cumulative				4,984.18m	9,883.18m	14,790.00m	

Megaworld shall endeavor to cause the completion of the construction of the projects enumerated in table above within the projected time frame. However, the time of completion and, accordingly, the timing of disbursements are subject to unforeseen external conditions that may cause delays in construction timetables (e.g. fire, earthquake, and other natural elements, war, civil disturbance) or due to any other cause beyond the control of Megaworld, and/or its subsidiaries.

E. MONITORING AND REVIEW

Megaworld shall monitor the actual disbursements of projects proposed in this Reinvestment Plan on a quarterly basis. For purposes of monitoring, Megaworld shall prepare a quarterly progress report of actual disbursements on the projects covered by this Reinvestment Plan.

In the event of changes in the actual disbursements of projects proposed in this Reinvestment Plan, Megaworld shall carefully evaluate the situation and may reallocate the proceeds for future investments or other uses, and/or hold such funds in investments, whichever is in the best interest of the Company and its shareholders. Megaworld's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary and the Company may find it necessary or advisable to alter their plans.

In such an event, Megaworld undertakes that any deviation from the planned reinvestment (as disclosed in the Reinvestment Plan that formed part of the RS) will be promptly disclosed to the Exchange and to the Commission via SEC Form 17-C (and submit a Revised Reinvestment Plan as necessary).

F. REPORTING

Megaworld shall comply with the reportorial and disclosure requirements prescribed by the SEC, PSE, BIR, or the appropriate regulatory government agency/ies.

Megaworld shall submit to the PSE quarterly progress reports and a final report on the implementation of the Reinvestment Plan, duly certified by its Finance Controller, Treasurer, and External Auditor. The quarterly progress report and the final report shall be submitted to the PSE in accordance with the REIT LAW and its relevant implementing regulations and relevant PSE rules.

The Reinvestment Plan and the status of its implementation shall be included in the appropriate structured reports of Megaworld to the SEC and the PSE. Any investment pursuant to the Reinvestment Plan shall be disclosed by the Company via SEC Form 17-C as such investment is made. The Company shall likewise furnish the SEC with copies of the relevant documentary stamp tax returns, as may be applicable.

CERTIFICATION

This AMENDED REINVESTMENT PLAN was prepared an assembled under my supervision in accordance with existing rules of the Securities and Exchange Commission, Philippine Stock Exchange, and the Bureau of Internal Revenue. The information and data provided herein are complete, true, and correct to the best of our knowledge and/or based on authentic records.

MEGAWORLD CORPORATION

Sponsor

By:

LOURDES T. GUTTERREZ-ALFONSO Y

Name Competent Evidence of Identity

MEGAWORLD CORPORATION TIN: 000-477-103

Represented by:

Lourdes T. Gutierrez-Alfonso PRC No. 0063739 Valid until 12 June 2022

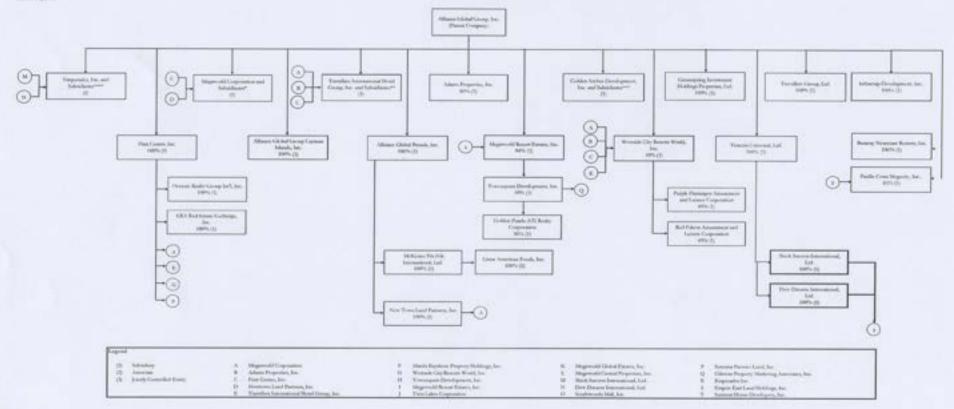
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COMMISSION NO. M-239
NOTARY PUBLIC FOR MAKATICITY
UNTIL JUNE 30, 2022 PER B.M. NO. 3795
11 KALAYAAN AVENUE EXTENSION,
BARANGAY WEST REMBO, MAKATICITY
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Annex "A" - Conglomerate Map

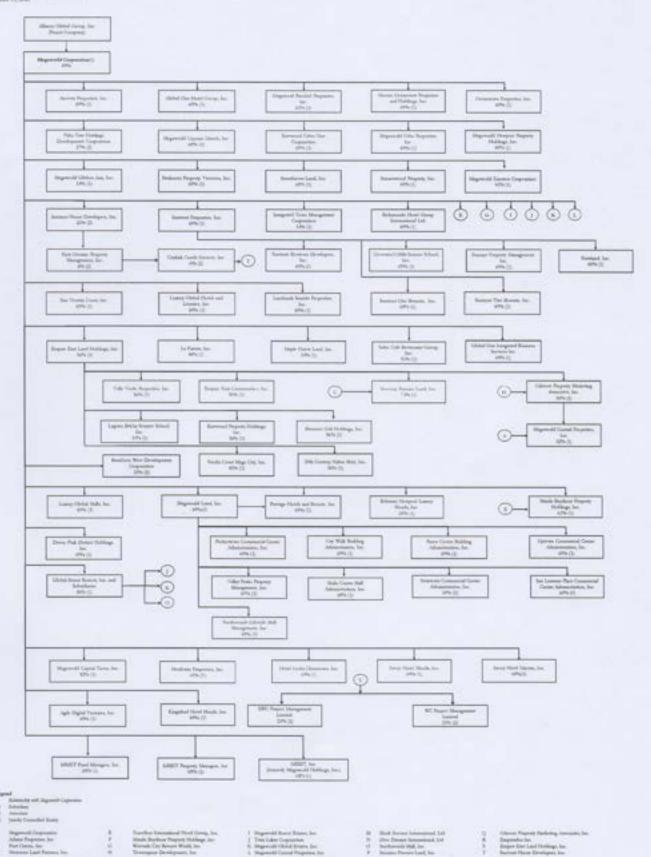
ALLIANCE GLOBAL GROUP, INC. AND SUBSEDIANTES

Map Showing the Relationship Berweien Alliance Global George, Sec. and its Related Parties

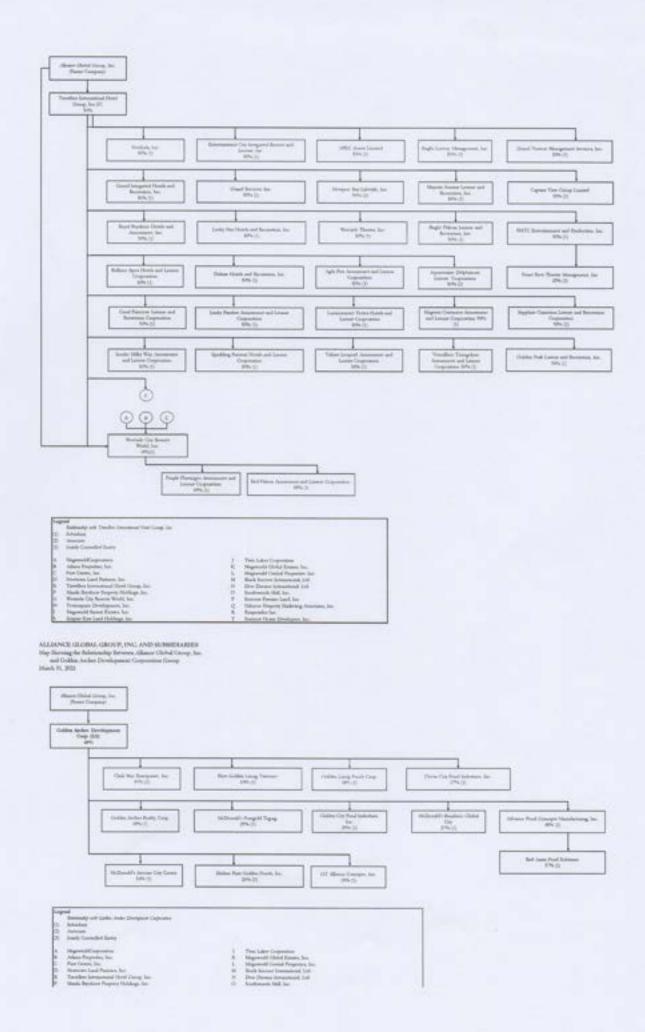
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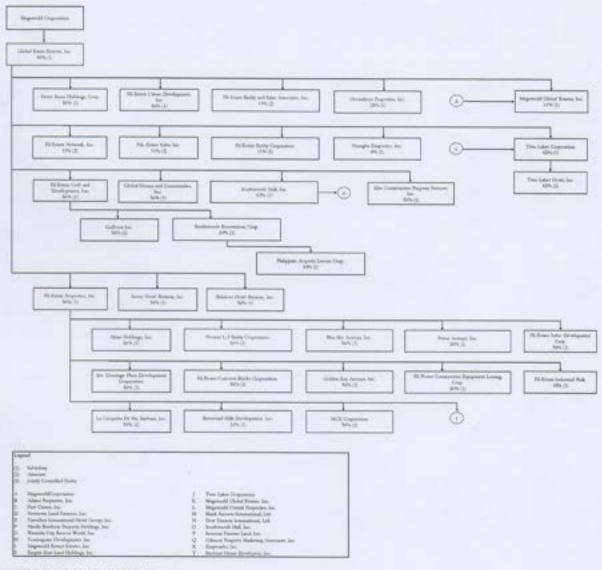




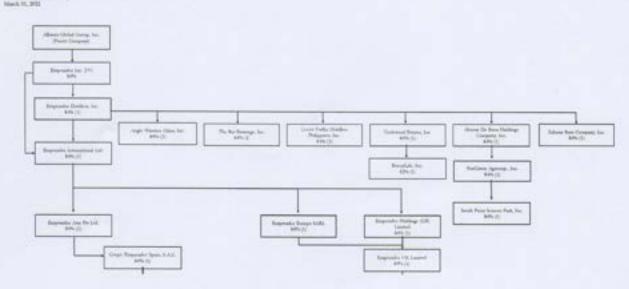
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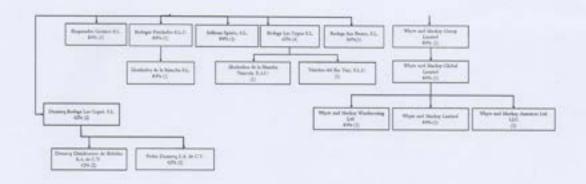


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REINVESTMENT PLAN

(Amended as of March 09, 2022)

In connection with the sale to MREIT, Inc. of Four (4) prime, Grade Q buildings located in PEZA-registered Zones for a purchase price of Php9.116 billion

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A. EXECUTIVE SUMMARY

This Amended Reinvestment Plan sets forth the revised planned use of the net proceeds received by Megaworld Corporation (referred to herein as "Megaworld" or the "Company") from the sale to MREIT, Inc. of four (4) prime, Grade A buildings located in PEZA-registered zones namely: Two Techno Place, Three Techno Place (Building D), One Global Center (Building A), and World Finance Plaza for a purchase price of Php9.116 billion (the "Asset Sale") on December 20, 2021, with net proceeds estimated at PhP8.657 billion.

Pursuant to Securities and Exchange Commission (SEC) Memorandum Circular No. 1, Series of 2020, and Bureau of Internal Revenue (BIR) Revenue Regulations No. 3-2020, any sponsor/promoter of a REIT who contributes income-generating real estate to a REIT, shall submit to the SEC, the Philippine Stock Exchange, and the BIR, a reinvestment plan undertaking to reinvest any proceeds realized by the sponsor/promoter from the sale of REIT shares or other securities issued in exchange for income-generating real estate transferred to the REIT, and any money raised by the sponsor/promoter from the sale of anyof its income-generating real estate to the REIT, in any real estate, including any redevelopment thereof, and/or infrastructure projects in the Philippines, within one (1) year from the date of receipt of proceeds or money by the sponsor/promoter.

On December 17, 2021, Megaworld submitted a Reinvestment Plan ("Second Reinvestment Plan") covering PhP8.657 billion net proceeds received in the Asset Sale. No disbursements have been made yet related to the Second Reinvestment Plan.

In view of the COVID-19 pandemic and the extended community quarantines and government restrictions on mobility of persons, workers and cargoes and percentage of business operations imposed by the Philippine Government to manage the spread of the virus, Megaworld was constrained to make certain adjustments in its project planning and development activities to optimize its capital expenditures.

In view of the foregoing, and following current Philippine Government regulations, Megaworld hereby submits its Amended Sponsor Reinvestment Plan for the Asset Sale ("Second Reinvestment Plan") which lays out its plan to invest its net proceeds in malls, offices, land improvements, and other developments, comprising comprising four (4) projects within Metro Manila, Cavite and Bulacan, two (2) projects in Bacolod and Iloilo, two (2) in Cebu, and one (1) project in Palawan. All disbursements for such projects are intended to be distributed within one year upon receipt of the net proceeds from the Asset Sale. Please see the section on "Amended Reinvestment Plan" of this report for more details on the projects and the planned disbursement schedule for each.

B. ABOUT THE SPONSOR

1. Overview

The Company is one of the leading property developers in the Philippines and is primarily engaged in the development of large scale mixed-use planned communities, or community townships, that comprise residential, commercial and office developments and integrate leisure, entertainment and educational/training components. Founded in 1989, the Company

initially established a reputation for building high quality residential condominiums and commercial properties located in convenient urban locations with easy access to offices as well as leisure and entertainment amenities in Metro Manila. Beginning in 1996, in response to demand for the lifestyle convenience of having quality residences in close proximity to office and leisure facilities, the Company began to focus on the development of mixed-use communities, primarily for the middle-income market, by commencing the development of its Eastwood City project. In addition, the Company engages in other property related activities such as project design, construction oversight and property management.

The Company's real estate portfolio includes residential condominium units, subdivision lots and townhouses as well as office projects and retail space. The Company has the following three primary business segments: (i) real estate sales of residential developments (ii) leasing of office space, primarily to Business Process Outsourcing ("BPO") enterprises and retail space and (iii) management of hotel operations.

The Company's consolidated revenues for the year ended 31 December 2021 were P50.8 billion compared to P43.5 billion for the year ended31 December 2020. Real estate sales of residential developments accounted for 61%. of the Company's consolidated revenues in 2021 and 57% in 2020. Rental income from leasing operations accounted for approximately 26% of the Company's consolidated revenues in 2021 and 30% in 2020. The Company's consolidated net profit for the year ended 31 December 2021 was P14.4 billion compared to P10.6 billion for the year ended 31 December 2020.

As of 31 December 2021, the Company owns or has development rights to over 5,000 hectares of land located throughout the Philippines.

The Company's common shares were listed on The Philippine Stock Exchange ("PSE") in 1994 (under listing code "MEG") and as of December 31, 2021 had a market capitalization of P100.3 billion (US\$2.0 billion).







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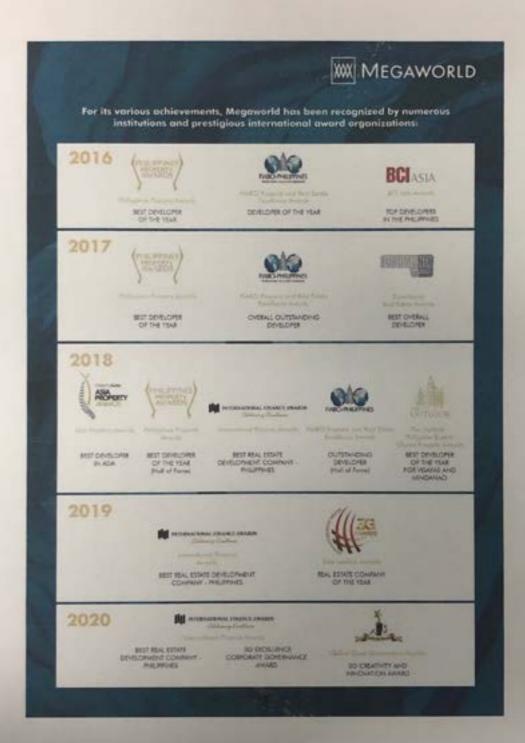
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2. Current Property Development Projects

The Company's current development projects are mostly mixed-use township developments that typically have residential, office, and commercial components. These projects are located in key areas throughout the Philippines. The objective of each of the mixed-use developments is to provide an integrated community with high quality "live-work-play-learn" amenities within close proximity to each other. For each development, the Company's real estate strategy is to lease all office and commercial properties and sell all residential units. Where the Company is not able to sell 100% of its residential units, upon completion of the residential project, it rents these unsold units on a lease-to-own basis or pursuant to a lease with an option to buy. The location of each of the Company's township developments, together with their respective sizes in hectares, is set out in the following map and each project is described below.

Eastwood City

Eastwood City is the first township to implement the Company's "live-work-play-learn" concept. Its 18.50-hectare community property in Libis, Quezon City has 19 completed luxury condominium towers, 10 first-class corporate office buildings, and a modern IT park. The planning of Eastwood City adopts an integrated approach to urban planning, with an emphasis on the development of the

Eastwood City Cyberpark provides offices with infrastructure such as high-speed telecommunications and 24-hour power supply that support BPO and other technology-driven businesses. The township provides education/training, restaurants, leisure and retail facilities and residences. It is currently home to more than 25,000 residents and 55,000 workers. Eastwood city is also home to the four-level Eastwood Mall — a shopping and dining destination which has been declared the "Best Shopping Center" by the Philippine Retailers Association. Eastwood City has three malls and around 500 commercial and retail shops.

Forbes Town Center

Forbes Town is located in a 5-hectare land in Bonifacio Global City, Taguig, Metro Manila adjacent to the Manila Golf Club, Manila Golf and Country Club, the Forbes Park residential subdivision and Dasmariñas Village. Forbes Town has 12 residential towers which house more than 3,500 residential units. Upon completion, Forbes Town is expected to consist of residential, retail and entertainment properties. The focal point of activity in the township is Forbes Town Road, a retail strip with 37 restaurants and shops that cater to the diverse needs of the residents of the community's three Bellagio towers, six towers of Forbeswood Heights, two towers of Forbeswood Parklane, and the 53- storey Eight Forbes Town Road. This is connected to another Fort Bonifacio landmark, Burgos Circle, a leisure spot with residential condominiums and a small park. These commercial centers along with each of the condominiums' convenient location and top- notch resort-style amenities form a lifestyle of absolute leisure.

McKinley Hill

McKinley Hill is a community township located on approximately 50 hectares of land in Fort Bonifacio, Taguig City, Metro Manila. McKinley Hill consists of office, residential, retail, educational, entertainment and recreational centers. The residential zone consists of

subdivision lots for low- density single-detached homes, clusters of low-rise residential garden villas and residential condominiums. The office properties will include the McKinley Hill Cyberpark which is a PEZA- designated IT special economic zone. Tenants of the office properties will largely comprise software developers, data encoding and conversion centers, call centers, system integrations, IT and computer system support. The leisure and entertainment zone will consist of bars, restaurants, specialty shops, cinemas and a sports complex. Three international schools, the Chinese International School, the Korean International School and Enderun College, a hotel management institution affiliated with Les Roches of Switzerland, comprise the "learn" component of the township. McKinley Hill is also home to the British Embassy and the Korean Embassy.

Newport City

Newport City is a community township located on 25 hectares of land at the Villamor Air Base, Pasay City, Metro Manila, across from the NAIA Terminal 3 and adjacent to the Villamor golf course. It will be targeted towards tenants and buyers who consider proximity to the NAIA Terminal 3 an advantage. The residential zone consists of eight to nine-storey medium-rise buildings. The corporate zone consisted of office buildings. The Company expects to establish a PEZA special economic zone cyberpark at Newport City. The leisure and entertainment zone consists of bars, restaurants, retail and tourist oriented shops, which are designed to complement the office and residential buildings in the community township. Newport City is home to Resorts World Manila, which is a leisure and entertainment complex comprising gaming facilities, restaurants, hotels and shopping outlets. The hotel zone comprises the Marriott Hotel, Maxims Hotel, Holiday Inn Express Hotel, Hilton Hotel Manila and Sheraton Manila managed by Travellers International Hotel Group, Inc. and Megaworld Hotels' Belmont Hotel Manila and Savoy Hotel Manila.

McKinley West

The Company is developing McKinley West on a 34.5-hectare portion of the JUSMAG property in Fort Bonifacio which is directly beside Forbes Park and Manila Polo Club and across McKinley Hill in Taguig, Metro Manila. The development of McKinley West is another joint venture undertaking with

BCDA. McKinley West will have rows of luxury residential estates, some of which will have their own swimming pools and other amenities. The upscale residential enclave will be supplemented by a modern business district of sustainable office buildings, an international school, and a commercial center. These will all be complemented by open spaces and greenery. Ingress and egress points of the estate are conveniently located along Lawton Avenue which connects Fort Bonifacio to Pasay City and Makati City.

The Mactan Newtown

The Company's first township venture outside Luzon, Mactan Newtown is a mixed-use development on a 30-hectare property near Shangri-La's Mactan Resort and Spa in Mactan, Cebu. Mactan Newtown combines high-end office towers, luxury condominiums, leisure amenities, retail shops, a school, and upscale hotels. It will also have its own exclusive, world-class beach club at the township's beachfront, and sports facilities at the 11-hectare beachfront property formerly known as Portofino Beach. It is also near the Mactan-Cebu International Airport, making the township ideal for residence, business or leisure. The first phase of the

project is expected, on completion, to comprise high-tech BPO offices, retail centers, luxury condominiums, leisure facilities and beach resort frontage. The Mactan Newtown is approximately 10 minutes away from the Mactan-Cebu International Airport, the Philippines' second largest airport. Soon to rise are 5 hotels, two of which are at the beachfront.

Uptown Bonifacio

Uptown Bonifacio is an approximately 15.4-hectare property in Fort Bonifacio in Taguig, Metro Manila. Modeled after the most progressive cities around the world – Paris, London, Milan, New York and Tokyo, Uptown Bonifacio comprises a residential portion in the northern part of Fort Bonifacio, and a portion for mixed-use, comprising office and retail space. It is well placed to cater to the fast - paced lives of today's young professionals and growing families. Set in the heart of Fort Bonifacio, the township will be close to several of the new central business district's ("CBD") popular landmarks, such as Forbes Town, Burgos Circle, the Mind Museum, Bonifacio High Street, and The Fort Strip. First class health care and education will never be far with St. Luke's Medical Center and the institutional zone mere footsteps away. Within the township is a complete community of its own: live luxuriously in the residences of Uptown Bonifacio; work in the top grade office sites; and play at its very own high-end commercial center, Uptown Place Mall. The township is easily accessible via Kalayaan Avenue, C-5 Road and EDSA.

Boracay Newcoast

Boracay Newcoast is a 150-hectare mixed-use leisure and resort development. It is envisioned to be the next world-class tourism destination in the paradise island. Soon to rise in the tropical tourism development are luxury and boutique hotels, commercial and retail district, upscale villas, and an exclusive residential village. Among the first residential towers to rise is Oceanway Residences, a cluster of mid-rise condominiums offering amazing views of the Sibuyan Sea, Mt. Luho, the island's highest peak, as well as the Fairways & Bluewater Golf Course. Aside from Oceanway Residences, among the upcoming projects here include four hotels and an Ibizainspired commercial and retail strip, all the more making it the most anticipated destination in Boracay.

Twin Lakes

Twin Lakes is a 1,200-hectare mixed-use leisure and resort community that raises the bar of living in Tagaytay. The tourism estate features the best of Europe at the first residential cluster called The Vineyard Residences, which is composed of three mid-rise condominium towers named after famous grape varieties: Shiraz, Merlot, and Chardonnay. Twin Lakes also has a unique mixed-use community development called The Vineyard, which spans 177-hectare of natural landscape that offers the perfect view of the famous Taal Volcano, along with a view of the man-made lake within the estate. The Vineyard will have its own sports club and spa, wedding venue, and the 10-hectare vineyard that will produce real grapes that can be processed, stored, and aged in its very own chateau. The township will also have commercial and retail hubs (The Village and Lakeshore Town Center), a university park, as well as a nature park. Other developments in Twin Lakes include a retirement community, wellness center, hotel and chateau, among others. With these developments, one can enjoy both the natural and man-made wonders at Twin Lakes.

Hoilo Business Park

Iloilo Business Park is a mixed-planned community in a 72-hectare property in Mandurriao, Iloilo. When completed, it will be a mixed-use business, tourism, commercial and residential hub with a residential community, BPO office buildings, hotels, a convention center, retail centers and a lifestyle center, all at the heart of lloilo, a new growth center in the Visayas. The entire lloilo Business Park development was registered as a special economic zone with the Government, which allows it to benefit from a tax holiday period as well as other incentives for investors. It also features The Street of Festive Walk, a 1.1-kilometer retail strip inspired by outlet shops in America and envisioned to be the longest shop-and-dine street outside of Metro Manila. Iloilo Business Park has launched 5 residential condominium developments to date — One Madison Place Luxury Residence, Lafayette Park Square, The Palladium, the tallest building in the region at 22 storeys high, Saint Dominique and Saint Honore. With Iloilo Business Park, the Company aims to transform Western Visayas into the next central district in the region.

Suntrust Ecotown

Sitting on a 350-hectare land in Tanza, Cavite, the Suntrust Ecotown will be the Company's first mixed-use development with an industrial park, also a first in the country. The industrial park is the country's first to be accredited by PEZA with lifestyle amenities. It is also positioned to be the major hub for world-class light to medium export-oriented industries, residential, commercial, and institutional establishments in the south. At Suntrust Ecotown, 111 hectares will be allotted for the industrial park, another 40 hectares is dedicated for the expansion of the industrial park and the integration of lifestyle amenities such as a hotel, commercial and retail hubs, driving range, mini golf course, putting greens, swimming pool, jogging path, basketball and badminton courts, and open parks, and another 200 hectares of future development that may include residential and other recreational facilities.

Davao Park District

Davao Park District is the Company's first township development in Mindanao, specifically on an 11- hectare property along S.P. Dakudao Loop in Lanang, Davao City which used to be the Lanang Golf and Country Club. The township is envisioned to be Mindanao's new central business district, by being a center for BPO and other corporate entities over the next seven years. Also located in Davao Park District are the themed residential condominiums that will be built by Suntrust Properties, Inc., a wholly-owned subsidiary of the Company. The township will also have a lifestyle mall, commercial and retail strips, open parks, a lagoon, and a school. The first office tower to rise is the iconic 15-storey Davao Finance Center, which was completed in 2018. The first tower in One Lakeshore Drive, a 4- tower condominium cluster, started selling in 2014.

Southwoods City

Southwoods City is the largest and only fully-integrated township with a golf course located in the south of Metro Manila. The 561-hectare property is a mixed-use development that features the Jack Nicklaus-designed Manila Southwoods Golf and Country Club, a central business district, a mall, schools, a church, and a medical facility among others. It maintains its suburban feel while being conveniently accessible via the South Luzon Expressway. Within Southwoods City is Pahara, a 26- hectare residential village consisting of over 600

lots, each having a spectacular view of the golf course and the Laguna de Bay. Pahara, which is a Bengali term for hills, was named due to its landscape and terrain. This residential village has a Mediterranean-inspired architectural theme with green open spaces and its own clubhouse, swimming pool, function halls, children's playground, an outdoor circuit gym, and parks.

Alabang West

Alabang West is a 62-hectare township located at the heart of Alabang's leisure, business and commercial district. It delivers the glitz and glamor of Beverly Hills by offering high-end shopping boutiques and world-class amenities, all in a posh neighborhood. It is easily accessible to and from Metro Manila via the South Luzon Expressway and the Daang Hari Exit. Alabang West has a 1.3- kilometer commercial and retail row inspired by Hollywood's famous Rodeo Drive and an exclusive Alabang West Village that features over 700 residential lots. The village will have a clubhouse with badminton and basketball courts, function rooms, game room, a fitness center, and an infinity pool.

ArcoVia City

Envisioned as an environment-friendly community, the 12.4-hectare ArcoVia City is located along the C-5 Road in Pasig City. A main "green" feature of the township is the approximately 1,000 trees that will be planted around the development. This greening feature will help provide an outdoor thermal comfort for the future residents, workers, tenants and visitors of the township. Sustainable buildings registered under Leadership in Energy and Environmental Design (LEED) are the standard of office developments in this township, with the first two to rise designed by world-renowned architectural firm Skidmore, Owings & Merrill. Other green features of ArcoVia City are a rainwater catchment facility, a network of bicycle lanes, and wide tree-lined sidewalks. Aside from office towers, the township will have residential condominiums, a lifestyle mall, retail and commercial strips, and open parks.

The Upper East

The Upper East sits on a 34-hectare property in Bacolod City, Negros Occidental and is bound by Burgos Avenue on the north, Lopez Jaena Street on the west, the Circumferential Road on the east, and is just across the New Government Center. Modeled after New York City's Upper East Side district, its prime location is geared to be Bacolod's own version of an upscale lifestyle district where residential condominiums, malls and commercial centers, BPO officetowers, tourism and leisure facilities as well as recreational parks and open spaces are integrated to create an exciting Live-Work- Play township, which the company pioneered in the Philippines.

Northill Gateway

Northill Gateway will rise in the northern part of Bacolod, where the famous Sugar Road was built. Sitting on a 53-hectare property along the new Circumferential Road on the boundaries of Talisay City and Bacolod City, it has direct access to the new Bacolod-Silay Airport. It will rise in an area that has a direct link to The Upper East via the Circumferential Road. Northill Gateway is envisioned to be a refreshing lifestyle district that will house upscale residential villages, mixed-use office and retail developments, leisure and recreational amenities as wellas institutional facilities. The Company is constructing a 'commercial towncenter' on the Bacolod side of the rising Northill Gateway township occupying around 7.5

hectares, the Northill Town Center will be a sprawling horizontal commercial development composed mostly of stand-alone two-storey structures of retail shops and dining establishments, surrounded by landscaped parks and open spaces. The town center, which will be accessible along the Bacolod-Silay Airport Access Road, will also have a central plaza, an events venue, 'pasalubong' centers featuring local Negrense delicacies, a supermarket, and wellness and sports facilities.

Sta. Barbara Heights

Sta. Barbara Heights is a 173-hectare mixed-use development has 34 hectares allocated for residential lots, which offer a backdrop of a nearby natural lake and rolling hills in Sta. Barbara, Iloilo. The township is adjacent to the historic Santa Barbara Church and Convent and the Iloilo Golf Course and Country Club, the oldest golf course in Asia. Sta. Barbara Heights will have a direct access to the road leading to the Iloilo International Airport via the Iloilo International Avenue, a six-lane "spine" highway featuring rows of mixed-use and commercial buildings, retail shops, restaurants, boutique hotels and institutional facilities. Half of the entire development is allocated for the Sta. Barbara

Heights Residential Estates, a residential village with three phases offering around 1,000 lots. The village will feature a five-hectare Village Center with amenities that include a 260-meter swimming pool, tennis and basketball courts, children's park and picnic ground overlooking a lake beside the Iloilo Golf and Country Club.

Capital Town

The Capital Town is 35.6-hectare prime property beside the provincial capital of the City of San Fernando, Pampanga, 21st integrated urban township by the Company set to become the newest Central Business District of the North. It is situated at the heart of San Fernando, Pampanga, where Pampanga Sugar Development Company (PASUDECO) used to operate.

Its existence then became a catalyst for the exponential growth of the city. Backed by PASUDECO's rich history, culture and heritage, the development of Capital Town will be at the forefront of business and progress as the area enters a new phase of growth in moving forward while preserving its values.

Westside City

Westside City will be the second site of Resorts World Manila in the Philippines. The 31hectare leisure and entertainment township at the booming Entertainment City in Parañaque
will also have international hotels, a luxury mall, and residential condominiums. The launch
of Westside City marked the Company's 20th integrated urban township, the most by any
developer in the country. The township will also be home to the Company's upscaleresidential
condominiums, a luxury mall as well as international hotel brands such as The Westin Hotel
of the Starwood Asia Pacific Hotels & Resorts Group, Hotel Okura Manila of the Okura
Hotels & Resorts, the Genting Grand and Crockfords Tower of the Genting Group, and Kingsford
Hotel. These hotels will have a total of around 1,500 rooms. Part of the Company's vision for
Westside City is to become the "Broadway of Asia" as the township highlights facilities for
the performing arts. It will be home to the Philippines' first Grand Opera Housethat has a total
capacity of approximately 3,000 persons.

Maple Grove

Maple Grove is a 140-hectare property in General Trias, Cavite. This vast property will be developed into another world-class mixed-use development, where relaxation and nature perfectly blend with the urban lifestyle. Just 45 minutes away from Makati and other Metro Manila CBDs via Coastal Road and Cavitex, Maple Grove is at the entry point of the booming industrial and residential center of the Cavite-Batangas corridor. The Company is allocating P10-billion in the next 10 years to develop Maple Grove. The township will have an eclectic mix of residential, retail, office and institutional components.

Eastland Heights

Through its subsidiary, Global-Estate Resorts Inc., the Company is building Eastland Heights, an 'integrated lifestyle community' in Antipolo, Rizal on an expansive 640 hectares of land along Marcos Highway with some areas overlooking Metro Manila's panoramic skyline. The vast property has its own iconic 36-hole golf course and country club, which will occupy around 20% of the entire development. It is also known for its rolling terrains on the foot of the scenic Sierra Madre Mountain Range. The Company is spending P5-billion to develop Eastland Heights in the next five to seven years. Aside from the golf course, the community will have residential, commercial and retail, and institutional components such as a school.

The Hamptons Caliraya

The Hamptons Caliraya is located in Lumban-Cavinti, Laguna, surrounding Lake Caliraya, The Hamptons Caliraya is a 300-hectare development set to feature a lakeside residential villages and villas, a town center, two 18-hole golf courses and clubhouse, and a Marina Club that offers a wide range of water sports activities such as boating, jet ski and kayaking, as well as a shophouse district and resort hotel district.

Highland City

Together with its subsidiary, Empire East Land Holdings, Inc., the Company is set to masterplan this 24-hectare property located at the convergence of Pasig City and Cainta, Rizal. This master-planned township, envisioned to be the first-ever "elevated city" in the Philippines, will be integrated with a lifestyle mall, retail arcades, mixed-use towers, a church, an expansive green park, and an exclusive sports club—raising the standards of urban living in the east side of Metro Manila.

Arden Botanical Estate

The Company, along with its subsidiary Global-Estate Resorts Inc., is jointly developing a 251-hectare property located at the boundary of Trece Martires and the municipality of Tanza in Cavite. Surrounded by natural rivers, the Arden Botanical Estate will have several residential and leisure villages, commercial areas, sports and adventure parks, and a mixed-use district. The expansive development, which will be curated to engage and stimulate thesenses, will be highlighted by flower gardens and green parks.

Lucky Chinatown

Located at the heart of Binondo, the world's oldest Chinatown, Lucky Chinatown is strategically located near Manila's historic and cultural sites such as Intramuros, Manila City Hall and the National Museum. This 3-hectare property will have residential condominium projects, lifestyle mall, hotel, and a museum that perfectly blends history and modernity.

3. Business Strategy

The Company's objective is to increase its profitability and maintain its leading position as a major property developer in the Philippines, specifically in the middle residential condominium market and the market for BPO-related office developments.

4. Conglomerate Map

Please see Annex "A" hereof.

Board of Directors and Senior Management

There are seven (7) members of the Company's Board of Directors, three (3) of whom are independent directors. An independent director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as director [SRC Rule 38]. All directors were elected during the annual meeting of stockholders held on 18 June 2021, and will hold office until their successors have been duly elected and qualified. All the incumbent directors have been nominated for election to the Board of Directors of the Company for the ensuing calendar year.

Information concerning the background of the directors/nominees for directors and executive officers of the Company indicating their principal occupation or employment and their business experience for the past five (5) years is provided below.

The table sets forth each member of the Company's Board as of 31 December 2021.

Name	Age	Citizenship	Position
Andrew L. Tan	72	Filipino	Chairman and CEO
Katherine L. Tan	70	Filipino	Director
Kingson U. Sian	60	Filipino	Director and Executive Director
Enrique Santos L. Sy	72	Filipino	Director
Jesus B. Varela	65	Filipino	Independent Director
Cresencio P. Aquino	68	Filipino	Independent Director

Roberto S. Guevara 70 Filipino Independent Director

The table sets forth the Company's executive officers in addition to its executive directors listed above as of 31 December 2021.

Name	Age	Citizenship	Position
Lourdes T. Gutierrez- Alfonso	58	Filipino	Chief Operating Officer
Kevin Andrew L. Tan	42	Filipino	Executive Vice President and Chief Strategy Officer
Francisco C. Canuto	64	Filipino	Senior Vice President, Chief Finance Officer, Treasurer, Compliance Officer, Corporate Information Officer and Chief Audit Executive
Noli D. Hernandez	52	Filipino	Executive Vice President for Sales and Marketing
Giovanni C. Ng	47	Filipino	Senior Vice President and Finance Director
Maria Victoria M. Acosta	60	Filipino	Senior Vice President for International Marketing
Maria Carla T. Uykim	45	Filipino	Head of Corporate Advisory and Compliance
Rafael Antonio S. Perez	53	Filipino	Head for HR and Corporate Admin. Division
Graham M. Coates	57	British	Head of Megaworld Lifestyle Malls
Jennifer L. Romualdez	52	Filipino	Senior Vice President and Head for Operations Division
Kimberly Hazel A. Sta. Maria	41	Filipino	Assistant Vice President for Corporate Communications and Advertising
Cheryll B. Sereno	42	Filipino	Chief Risk Officer

Anna Michelle T.Llovido 43 Filipino Corporate Secretary

Nelileen S. Baxa 43 Filipino Assistant Corporate Secretary

The following states the business experience of the Company's incumbent directors and officers for the last five years:

Andrew L. Tan Chairman & CEO

Mr. Tan is the founder of the Company and has served as its Chairman and President since its incorporation in 1989. He pioneered the live-work-play-learn model in real estate development through the Company's integrated township communities, fueling the growth of the business process outsourcing (BPO) industry. He embarked on the development of integrated tourism estates through publicly-listed Alliance Global Group, Inc. and Global- Estate Resorts, Inc., which he both chairs, while continuing to focus on consumer-friendly food and beverage and quick service restaurants. Mr. Tan serves as Chairman of the Board of Empire East Land Holdings, Inc., a publicly-listed subsidiary of the Company, and Suntrust Properties, Inc., a subsidiary engaged in the development and marketing of affordable housing projects. He also serves in the boards of other Megaworld subsidiaries including Eastwood Cyber One Corporation, Megaworld Land, Inc., Megaworld Central Properties Inc., Megaworld Bacolod Properties, Inc., Mactan Oceanview Properties and Holdings, Inc., Megaworld Newport Property Holdings, Inc. and Richmonde Hotel Group International Limited. He is also the Chairman of Emperador Inc., a public-listed company which owns Emperador Distillers, Inc., the leading brandy manufacturer and distributor in the Philippines. Mr. Tan is Chairman of Megaworld Foundation, the Company's corporate social responsibility arm, which primarily focuses on the promotion of education through scholarship programs for financially handicapped but deserving students, and supports causes that promote poverty alleviation, people empowerment, social justice, good governance and environmental conservation. He is a director of Travellers International Hotel Group, Inc., which owns Resorts World Manila, and the food and beverage companies, Emperador Distillers, Inc. Alliance Global Brands, Inc. and Golden Arches Development Corporation.

Katherine L. Tan Director

Ms. Tan has served as Director of the Company since 1989. She is concurrently a Director and Treasurer of publicly-listed Alliance Global Group, Inc. and Emperador Inc. She has extensive experience in the food and beverage industry and is currently Director and Corporate Secretary of The Bar Beverage, Inc. and Director and President of Andresons Global, Inc., Raffles & Company, Inc., The Andresons Group, Inc. and Choice Gourmet Banquet, Inc. She is also a Director and Treasurer of Alliance Global Brands, Inc. and Emperador Distillers, Inc.

Kingson U. Sian Director and Executive Director

Mr. Sian has served as Director of the Company since April 13, 2007. He joined the Megaworld Group in September 1995 as Senior Vice President and is currently Executive Director of the Company. He is concurrently Director, President and Chief Operating Officer

of publicly-listed Alliance Global Group, Inc. and Travellers International Hotel Group, Inc. He is the Chairman and President of Prestige Hotels & Resorts, Inc. and Luxury Global Hotels and Leisure, Inc., the Senior Vice President of Megaworld Land, Inc. and the President of Eastwood Cyber One Corporation. Mr. Sian was formerly Vice President of FPB Asia Ltd/First Pacific Bank in Hong Kong from 1990 to 1995. Prior to that, he was connected with Citicorp Real Estate, Inc. in the United States from 1988 to 1990. Mr. Sian graduated from the University of the Philippines with the degree of Bachelor of Science in Business Economics. He obtained his Master's Degree in Business Administration for Finance and Business Policy from the University of Chicago.

Enrique Santos L. Sy Director

Mr. Sy has served as Director of the Company since July 2009. He was formerly a Vice President for the Corporate Communications & Advertising Division of the Company until his retirement in March 2011. He is concurrently a Director of publicly-listed Empire East Land Holdings, Inc. and a Director of Eastin Holdings, Inc. and First Oceanic Property Management Inc. He is also a Director and the Corporate Secretary of Asia Finest Cuisine, Inc. and Soho Café & Restaurant Group, Inc. and Corporate Secretary of Empire East Communities, Inc. Mr. Sy previously worked as Advertising Manager of Consolidated Distillers of the Far East, Inc., Creative Director of AdCentrum Advertising, Inc., Copy Chief of Admakers, Inc. and Peace Advertising Corporation, and Creative Associate of Adformatix, Inc. Mr. Sy graduated with honors from the Ateneo de Manila University with the degree of Bachelor of Arts in Communication Arts.

Jesus B. Varela Independent Director

Mr. Varela has served as Director of the Company since June 2016. He concurrently serves as independent director in the boards of publicly-listed, Global-Estate Resorts, Inc. and Travellers International Hotel Group, Inc. He is also the Chairman of the Philippine Chamber of Commerce and Industry, GS1 Philippines (Barcode of the Philippine), and New Lights Technologies, Inc. He is the President and CEO of the Advancement of Workers' Awareness Regarding Employment (AWARE) Foundation, Inc., and President of Foundation for Crime Prevention, Philippine Greek Business Council and Philippine Peru Business Council. He is also the Director General of the International Chamber of Commerce Philippines (ICC-Philippine), Receiver of J-Phil Marine Shipping Inc., and Member of the Committee for Accreditation of Cargo Surveying Companies. Mr. Varela has more than twenty years of experience in the fields of marketing, human resources, international labor affairs, agriculture, and commerce, among others. He has done executive work with the Department of Agriculture, National Food Authority Council, Philippine Genetics, Inc., National Irrigation Administration, Philippine Planters Products, National Agri- Business Corporation, Agriculture Anti- Smuggling Task Force, and Nautical Highway Board. He served as Labor Attaché to Kobe, Japan, to the Commonwealth of Northern Marianas Island, and to Athens. Mr. Varela obtained his bachelor's degree in Economics from Ateneo De Manila University. He attended training courses in Labor Administration and Policy Formulation under the International Labor Organization/ARPLA program, the Corporate Planning Course at the Center for Research Communication, Foreign Exchange Training by Metro Bank and Forex Club of the Philippines, Systems Analysis by the Presidential Management Staff, Asian

Productivity Seminar and other in-house seminars conducted by the Department of Labor and the Development Academy of the Philippines.

Cresencio P. Aquino Independent Director

Atty. Aquino is currently the Managing Partner of The Law Firm of CP Aquino & Partners. He concurrently serves as independent director in the boards of publicly-listed, Global-Estate Resorts, Inc. and Empire East Land Holdings, Inc. He is a graduate of the San Sebastian College Manila with degrees in Bachelor of Arts and Bachelor of Laws. Atty. Aquino has extensive experience in both the public and private sectors as Director of Clark Development Corporation from 2012 to 2016., Independent Director of Suntrust Home Developers, Inc. from 2009 to 2012, Corporate Legal Counsel of MBF Card and One Card Corporation from June 1998 to May 2004, Special Assistant and Chief Legal Counsel of the Government Service Insurance System from September 1992 to June 1998, Director of the Meat Packaging Corporation of the Philippines from September 1992 to June 1998, Personnel and Administrative Manager, Corporate Secretary and Chief Legal Counsel of ComSavings Bankfrom September 1992 to June 1998, and Executive Director of the Department of Interior and Local Government ("DILG") from 1988 to 1992, and concurrently Ex-Officio Commissionerof the DILG with the Housing and Land Use Regulatory Board also for the same period. Atty. Aquino He was formerly an Associate Professor with the San Sebastian College. Atty. Aquino has been a member of the Integrated Bar of the Philippines since 1978 and is also a member of the Capitol Bar Association, Knights of Columbus, and the Lawyers League of the Philippines.

Roberto S. Guevara Independent Director

Mr. Guevara has been an Independent Director of the Company since June 20, 2001. He is Chairman of the Board of Directors of Seed Capital Ventures, Inc. He serves on the board of other companies, such as G & S Transport Corporation, a licensee of Avis Car Rentals, Guevent Industrial Development Corporation, and Investment and Capital Corporation of the Philippines, and as Independent Director of First Centro, Inc., Honeycomb Builder and Kalahi Realty, Inc. Mr. Guevara graduated from San Beda College in 1974, and received a graduate degree from the Asian Institute of Management and a post-graduate course at the Institute for Management Development (IMD), in Lausanne, Switzerland.

Lourdes T. Gutierrez-Alfonso Chief Operating Officer

Ms. Gutierrez joined the Company in 1990. She is the Company's Chief Operating Officer and is a member of the Company's Management Executive Committee. Ms. Gutierrez has extensive experience in real estate and a strong background in finance and marketing. A certified public accountant by profession, she previously held the position of Senior Executive Vice President for Finance and Administration in the Company. Ms. Gutierrez is Chairman of the property management company, First Oceanic Property Management, Inc. She serves as director in numerous affiliate companies including publicly-listed Global-Estate Resorts, Inc. and Suntrust Properties, Inc., Twin Lakes Corporation, Southwoods Mall, Inc., Mactan Oceanview Properties and Holdings, Inc., Megaworld Resort Estates, Inc., Megaworld Cebu

Properties, Inc., Oceantown Properties, Inc., Megaworld Bacolod Properties, Inc., Eastwood Cyber One Corporation, Davao Park District Holdings, Inc., and Prestige Hotels & Resorts, Inc. She is currently the Chairman of Belmont Newport Luxury Hotels, Inc., Megaworld Global-Estate, Inc., Savoy Hotel Manila, Inc. She is also a trustee and a Corporate Secretary of Megaworld Foundation, Inc.

Kevin Andrew L. Tan

Executive Vice President and Chief Strategy Officer

Mr. Tan holds the rank of Executive Vice President and Chief Strategy Officer of the Company. He previously held the position of Senior Vice President for Commercial Division which markets and operates the Megaworld Lifestyle Malls including Eastwood Mall and The Clubhouse at Corinthian Hills in Quezon City, Venice Piazza at McKinley Hill and Burgos Circle at Forbestown Center, both in Fort Bonifacio, California Garden Square in Mandaluyong City, Newport Mall at Resorts World Manila in Pasay City, Lucky Chinatown Mall in Binondo, Manila and Uptown Mall in Bonifacio Global City. He is the Chief Executive Officer and Vice Chairman of public-listed company, Alliance Global Group, Inc. He is also the concurrently a Director of publicly-listed companies, Empire East Land Holdings, Inc., Emperador Inc. and Global-Estate Resorts, Inc. and of Eastwood Cyber One Corporation, Uptown Cinemas, Inc., Megaworld Central Properties Inc., Twin Lakes Corporation, Megaworld Land, Inc., Townsquare Development, Inc., Emperador Distillers, Inc., Alliance Global Brands, Inc., Anglo Watsons Glass, Inc., Yorkshire Holdings, Inc., The Bar Beverage, Inc., Emperador Brandy, Inc., and New Town Land Partners, Inc. He is also a trustee and an Executive Director of Megaworld Foundation, Inc. Mr. Tan obtained his bachelor's degree in Business Administration major in Management from the University of Asia and the Pacific.

Francisco C. Canuto

Senior Vice President, Chief Finance Officer, Treasurer, Compliance Officer, Corporate Information Officer and Chief Audit Executive

Mr. Canuto joined the Company in 1995. He is a Certified Public Accountant and currently holds the rank of Senior Vice President and Treasurer of the Company and is Senior Assistant to the Chairman. He is a member of the Company's Management Executive Committee. He holds a bachelor's degree in Commerce major in Accounting and a Master's Degree in Business Administration. He is concurrently Director of Megaworld Global-Estate, Inc. and Eastwood Property Holdings, Inc., Director and Corporate Secretary of Megaworld Central Properties, Inc. and Director and Treasurer of Megaworld Cebu Properties, Inc., Twin Lakes Corporation, Oceantown Properties, Inc., Megaworld Resort Estates, Inc., Megaworld Land, Inc., Megaworld-Daewoo Corporation, Eastwood Cyber One Corporation, and PrestigeHotels & Resorts, Inc. He serves as a Director and President of Arcovia Properties, Inc., Lucky Chinatown Cinemas, Inc., Festive Walk Cinemas, Inc., Southwoods Cinemas, Inc., McKinley Cinemas, Inc., Uptown Cinemas, Inc. and Gilmore Property Marketing Associates, Inc. He is also the President of Megaworld Foundation, Inc. Before joining the Company, heworked as Audit Manager of SGV & Company and Controller of Federal Express Corporation.

Noli D. Hernandez

Executive Vice President for Sales and Marketing

Mr. Hernandez joined the Company in February 1994 as a property consultant. He is currently an Executive Vice President for Sales and Marketing. Mr. Hernandez rose from the ranks in the Company, starting out as a property consultant then becoming Sales Manager, Assistant Vice President, Senior Assistant Vice President, Vice President and Senior Vice President for Marketing. Mr. Hernandez graduated from the University of the Philippines with a degree of Bachelor of Science in Political Science. He serves as Director and President of Megaworld Cebu Properties, Inc. and President of the Newtown School of Excellence in the Mactan Newtown development of the Company.

Giovanni C. Ng

Senior Vice President and Finance Director

Mr. Ng, is a Senior Vice President and Finance Director of the Company. He serves as director in Eastwood Property Holdings, Inc., Oceantown Properties, Inc., Empire East Communities, Inc., Gilmore Property Marketing Associates, Inc., First Centro, Inc., Valle Verde Properties, Inc., Gilmore Property Marketing Associates, Inc., First Centro, Inc., Valle Verde Properties, Inc., Lucky Chinatown Cinemas, Inc., McKinley Cinemas, Inc., Uptown Cinemas, Inc., Mactan Oceanview Properties and Holdings, Inc. and New Town Land Partners, Inc. He also serves as Treasurer of publicly-listed Empire East Land Holdings, Inc. and Adams Properties, Inc. and Townsquare Development, Inc. He is also a Director and Corporate Secretary of Megaworld Land, Inc. Previously, he worked as Analyst Associate in Keppel IVI Investments. Mr. Ng obtained his bachelor's degree in Quantitative Economics from the University of Asia and the Pacific, graduating summa cum laude in 1995.

Maria Victoria M. Acosta

Senior Vice President for International Marketing

Ms. Acosta is Senior Vice President for International Marketing. She joined the Company in September 1999. Prior to her appointment, she had twenty years of marketing experience in real estate and consumer products with other companies. Ms. Acosta was Executive Vice President and Chief Operating Officer of Empire East Land Holdings, Inc. from 1997 to 1998 and was Executive Director for Marketing from 1996 to 1997. Earlier, she also served as Senior Vice President and General Manager of Raffles & Co., Inc. She is concurrently Director and Corporate Secretary of Eastwood Property Holdings, Inc. and Corporate Secretary of Gilmore Property Marketing Associates, Inc.

Maria Carla T. Uykim

Head of Corporate Advisory and Compliance

Ms. Uykim is the head of the Corporate Advisory and Compliance of Megaworld Corporation and a member of the Management Executive Committee. She is primarily responsible for the special projects group which handles the negotiation and documentation of the Company's various land acquisitions, joint venture agreements and other corporate transactions. She also heads the property registration group, which is in charge of the registration of the Company's real estate projects, including the deeds of restriction, and issuance of the certificates of title for the individual units or lots and the intellectual property group, which handles the registration, protection and enforcement of the Company's trademarks. She is concurrently the Corporate Secretary of San Vicente Coast, Inc., Northwin Properties, Inc. and Maple Grove Land, Inc. and a Director and Corporate Secretary of Luxury Global Malls, Inc. and Mactan Oceanview Properties and Holdings, Inc. She joined the Company in April 2007 as a Senior Manager of the Corporate Management Department and handled buyer's concerns, including documentation of sales transactions, labor and human resources issues, and the registration and protection of intellectual property. Prior to joining the Company, Atty. Uykim was an Associate at Andres Marcelo Padernal Guerrero and Paras law offices from August 2005 to April 2007, where she specialized in labor and corporate law, and at ACCRA Law from February 2003 to January 2004, where she practiced immigration law. She also served as Chief of Staff of Congresswoman Remedios L. Petilla from July 2004 until June 2005. Atty. Uykim obtained her Juris Doctor Degree from the Ateneo De Manila School of Law and is a graduate of the double degree program of De La Salle University, with a Bachelor of Arts in Psychology and a Bachelor of Science in Marketing Management.

Rafael Antonio S. Perez

Head for HR and Corporate Admin. Division

Mr. Perez joined the Company in June 2008 as head of the Human Resources Division. He is currently the Vice President for Human Resources & Corporate Administration Division. He is concurrently the President and Managing Director of Global One Integrated Business Services, Inc. and Luxury Global Malls, Inc. Mr. Perez graduated Cum Laude from the Philippine Normal University with the degree of Bachelor of Arts in Psychology.

Graham M. Coates

Head of Megaworld Lifestyle Malls

Mr. Coates, is a British national, he has an extensive international management experience in numerous culturally diverse locations such as Asia (twenty years), Europe (eight years) and the United States (four years). He joined the company in January 2019. Throughout his career, he has demonstrated a record of sustained profitable growth, building world-class organizations and driving change for global, multinational and family-owned corporations and entrepreneurial companies worldwide. Graham is skilled in P&L, Operations,

Merchandising, Marketing, Customer Development, Business Development and Logistics. He brings with him a wealth of experience that cuts through many retail formats and cross functions. He has the unique advantage of being familiar with all retail formats, together with a solid perspective of mall and landlord operations.

Mr. Coates is the President of the Coates Charity Foundation, a non-profit organization set up several years ago to support Christian missionaries, students, fellow church members and others in need. He is the Vice President and board member of HAND Philippines, an offshoot of HAND International, a Christian humanitarian aid organization that uses its resources and efforts on helping the rehabilitation needs of the natural disaster-stricken areas in the Philippines, an example being Typhoon Yolanda victims.

Jennifer L. Romualdez

Senior Vice President and Head for Operations Division

Ms. Romualdez, prior to her appointment to her current position in Megaworld in February 2020, served the Company for nine years, from 1995 to 2004, in various capacities in the areas of procurement, contracts, interior design and special projects. She was previously the Senior Vice President of the Operations Division of Global Estate-Resorts, Inc. (GERI), Megaworld's subsidiary and the country's biggest developer of master-planned integrated lifestyle communities (ILCs) oriented toward tourism. She headed the development of GERI's various projects and ILCs, including Boracay Newcoast in Boracay Island; Twin Lakes in Alfonso, Batangas, near Tagaytay; Southwoods City on the boundaries of Cavite and Laguna; Eastland Heights in Antipolo, Rizal; and Sta. Barbara Heights in Mandurriao, Iloilo. From 2006 to 2011, she served different companies in various roles— Corporate Director for Quantity Surveying and Tender of Ding Feng (Shanghai) Real Estate Development Co., Ltd.; Assistant Director for Marketing - Interior Design and Graphics of Ho Cheng (China) Co., Ltd.; and Consultant for the HCG Beijing Flagship Showroom project. Ms. Romualdez graduated from the University of the Philippines Diliman with a B.S. Architecture degree. She completed and passed the Philippine Licensure Examination for Architects in 1993.

Kimberly Hazel A. Sta. Maria

Assistant Vice President for Corporate Communications and Advertising

Ms. Sta. Maria holds the rank of Assistant Vice President and heads the Corporate Communication and Advertising Division of the Company. She joined the Company in 2002 as Head Writer and is responsible for the creative conceptualization and production of advertising and marketing campaigns and materials for the Company's projects. Ms. Sta. Maria is a cum laude graduate of the University of the Philippines Manila and holds a bachelor's degree in Organizational Communication.

Cheryll B. Sereno Chief Risk Officer

Ms. Sereno is the Chief Risk Officer. She joined the Company in November 2017 and currently heads the Opportunity and Risk Management department. Her responsibilities include identification and assessment of business risks and ensuring that the Company continuously develops risk management strategies that are aligned with its corporate goals

and objectives. Prior to joining the Company, Ms. Sereno worked in the field of external audit, finance and has extensive experience handling Enterprise Risk Management and Business Continuity Management for the real estate industry. She graduated from Ateneo de Naga University with the degree of Bachelor of Science in Accountancy. Ms. Sereno is a Certified Public Accountant and a Certified Business Continuity Professional.

Anna Michelle T. Llovido

Corporate Secretary

Ms. Llovido is the Corporate Secretary of the Company and has held this position since August 2014. She concurrently serves as Senior Corporate Legal Counsel of Emperador Distillers, Inc. Ms. Llovido is an experienced in-house counsel with core practice in labor and intellectual property law. Prior to her employment in Emperador Distillers, Inc., Ms. Llovido was a Manager at Reeves & Associates International Corporation and was charged with the management of its Philippine representative office. She also served as Legal Counsel to Transnational Diversified Group, Inc. from May 2008 to September 2009 where she serviced the legal requirements of over 30 companies engaged in total logistics, ship management, airand travel services, and information and communications technology. She was an Associate Lawyer at Tantoco Villanueva De Guzman & Llamas law offices from April 2006 to April 2008. Ms. Llovido obtained her bachelor's degrees in Laws in 2004 and Hotel and Restaurant Management in 1999 from the University of Santo Tomas.

Nelileen S. Baxa

Assistant Corporate Secretary

Ms. Baxa is currently a Senior Accounting Manager of Megaworld Corporation. She is a Certified Public Accountant with over eighteen (18) years of experience in the fields of accounting and finance. Ms. Baxa concurrently serves as a Director of Bordeaux Properties, Inc., Langham Properties, Inc., Rowenta International, Inc., and Venetian Properties, Inc. Ms. Baxa obtained her Bachelor's Degree in Accountancy from the University of Sto. Tomas.

C. PROCEEDS RECEIVED BY THE SPONSOR

From the Asset Sale by Megaworld to MREIT of four (4) prime, Grade A buildings located in PEZA-registered Zones namely: Two Techno Place, Three Techno Place (Building D), One Global Center (Building A) and World Finance Plaza for a purchase price of PhP9.116 billion, Megaworld received net proceeds amounting to PhP8.657 billion.

D. AMENDED REINVESTMENT PLAN

On December 17, 2021, Megaworld submitted its Second Reinvestment Plan. No disbursements had been made yet for the projects identified in the Second Reinvestment Plan.

As of the date of this Amendment to the SecondReinvestment Plan, Megaworld is to disburse a total of Php 8.657 billion, which represents the net proceeds from the Asset Sale. Following regulations, said amount should be fully disbursed within one year from receipt of proceeds by Megaworld. Pursuant to the REIT law and its implementing rules and regulations, the Company has until December 19, 2022 to disburse the proceeds from the Asset Sale.

Megaworld intends to use the net proceeds received to fund ongoing and future investments in real estate properties in Metro Manila and other key regions in the Philippines, which Megaworld may undertake on its own or through its subsidiaries. These include investment in commercial, office, hotel, or any real estate projects within the Philippines. While the Company is not contemplating on acquiring land at this time, there is nothing that prevents it from doing so in the future in accordance with the requirements of the law, if the timing and opportunity are right.

The projected disbursements in connection with the proposed use of proceeds is provided in the succeeding table:

TABLE 1: DISBURSEMENT SCHEDULE FOR THE PROCEEDS OF THE SALE OF ASSETS TO MREIT

PROJECT NAME	DESCRIPTION	TOWNSHIP / LOCATION	INVESTMENT TYPE	PRODUCT	STATUS	PERCENTAGE COMPLETION	COMPLETION DATE	TOTAL PLANNED USE FOR THE YEAR	Q1 2022	Q2 2022	Q3 2022	Q4 2022	DISBURSING ENTITY
Northwin Global City	Malls, Offices, Land Development and other developments	Bulacan	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	7%	2026	1,590.00m	795.00m	0.00m	795.00m	0.00m	Northwin Properties, Inc.
Iloilo Business Park	Malls, Offices, Land Development and other developments	Iloilo	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	25%	2026	750.00m	0.00m	225.00m	262.50m	262.50m	Megaworld Corporation
Paragua Coastown	Malls, Offices, Land Development and other developments	Palawan	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	7%	2026	1,000.00m	500.00m	500.00m	0.00m	0.00m	Megaworld San Vicente Coast, Inc.
The Mactan Newtown	Malls, Offices, Land Development and other developments	Mactan	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	15%	2026	1,172.83m	235.00m	255.00m	315.00m	367.83m	Oceantown Properties, Inc.
Bacolod Projects	Malls, Offices, Land Development and other developments	Bacolod	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	20%	2026	195.00m	0.00m	55.00m	55.00m	85.00m	Megaworld Bacolod Properties, Inc.
Cavite Projects	Malls, Offices, Land Development and other developments	Cavite	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	10%	2026	450.00m	0.00m	180.00m	135.00m	135.00m	Megaworld Corporation
Manila Projects	Malls, Offices, Land Development and other developments	Manila	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	10%	2026	1,000.00m	0.00m	0.00m	450.00m	550.00m	Megaworld Corporation
Taguig Projects	Malls, Offices, Land Development and other developments	Taguig	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	25%	2025	1,000.00m	0.00m	300.00m	350.00m	350.00m	Megaworld Corporation
The Mactan Newtown	Malls, Offices, Land Development and other developments	Mactan	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	8%	2025	1,500.00m	0.00m	425.00m	450.00m	625.00m	Megaworld Cebu Properties, Inc.
							Total Cumulative	8,657.83m	1,530.00m	1,940.00m 3,470.00m	2,812.50m 6,282.50m	2,375.33m 8,657.83m	

Megaworld shall endeavor to cause the completion of the construction of the projects enumerated in table above within the projected time frame. However, the time of completion and, accordingly, the timing of disbursements are subject to unforeseen external conditions that may cause delays in construction timetables (e.g. fire, earthquake, and other natural elements, war, civil disturbance) or due to any other cause beyond the control of Megaworld, and/or its subsidiaries.

E. MONITORING AND REVIEW

Megaworld shall monitor the actual disbursements of projects proposed in this Reinvestment Plan on a quarterly basis. For purposes of monitoring, Megaworld shall prepare a quarterly progress report of actual disbursements on the projects covered by this Reinvestment Plan.

In the event of changes in the actual disbursements of projects proposed in this Reinvestment Plan, Megaworld shall carefully evaluate the situation and may reallocate the proceeds for future investments or other uses, and/or hold such funds in investments, whichever is in the best interest of the Company and its shareholders. Megaworld's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary and the Company may find it necessary or advisable to alter their plans.

In such an event, Megaworld undertakes that any deviation from the planned reinvestment (as disclosed in the Reinvestment Plan that formed part of the RS) will be promptly disclosed to the Exchange and to the Commission via SEC Form 17-C (and submit a Revised Reinvestment Plan as necessary).

F. REPORTING

Megaworld shall comply with the reportorial and disclosure requirements prescribed by the SEC, PSE, BIR, or the appropriate regulatory government agency/ies.

Megaworld shall submit to the PSE quarterly progress reports and a final report on the implementation of the Reinvestment Plan, duly certified by its Finance Controller, Treasurer, and External Auditor. The quarterly progress report and the final report shall be submitted to the PSE in accordance with the REIT LAW and its relevant implementing regulations and relevant PSE rules.

The Reinvestment Plan and the status of its implementation shall be included in the appropriate structured reports of Megaworld to the SEC and the PSE. Any investment pursuant to the Reinvestment Plan shall be disclosed by the Company via SEC Form 17-C as such investment is made. The Company shall likewise furnish the SEC with copies of the relevant documentary stamp tax returns, as may be applicable.

1

CERTIFICATION

This AMENDED REINVESTMENT PLAN was prepared an assembled under my supervision in accordance with existing rules of the Securities and Exchange Commission, Philippine Stock Exchange, and the Bureau of Internal Revenue. The information and data provided herein are complete, true, and correct to the best of our knowledge and/or based on authentic records.

MEGAWORLD CORPORATION

Sponsor

By:

LOURDES T. GUTIEFREZ-ALFONSO (

SUBSCRIBED AND SWORN to before me this AR 2022 in MAKATI CITY , with the affiant exhibiting to me her identification document as follows:

Name

Competent Evidence of Identity

Date and Place Issued

MEGAWORLD CORPORATION

Represented by:

TIN: 000-477-103

Lourdes T. Gutierrez-Alfonso

PRC No. 0063739

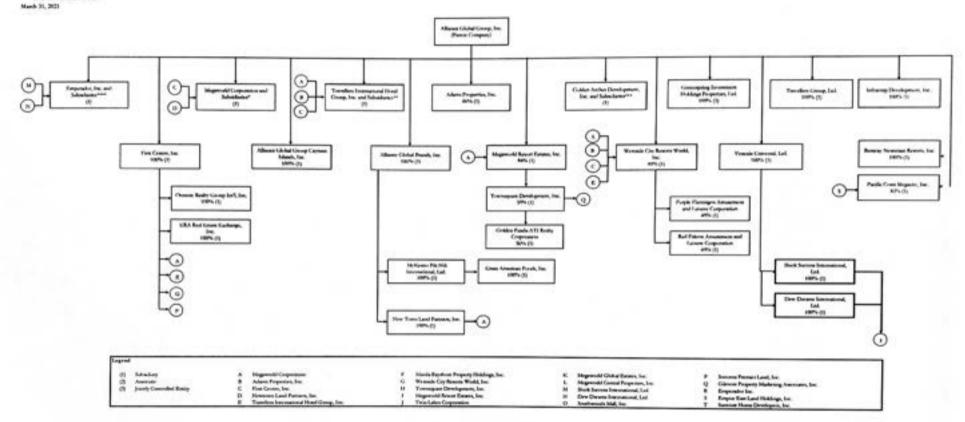
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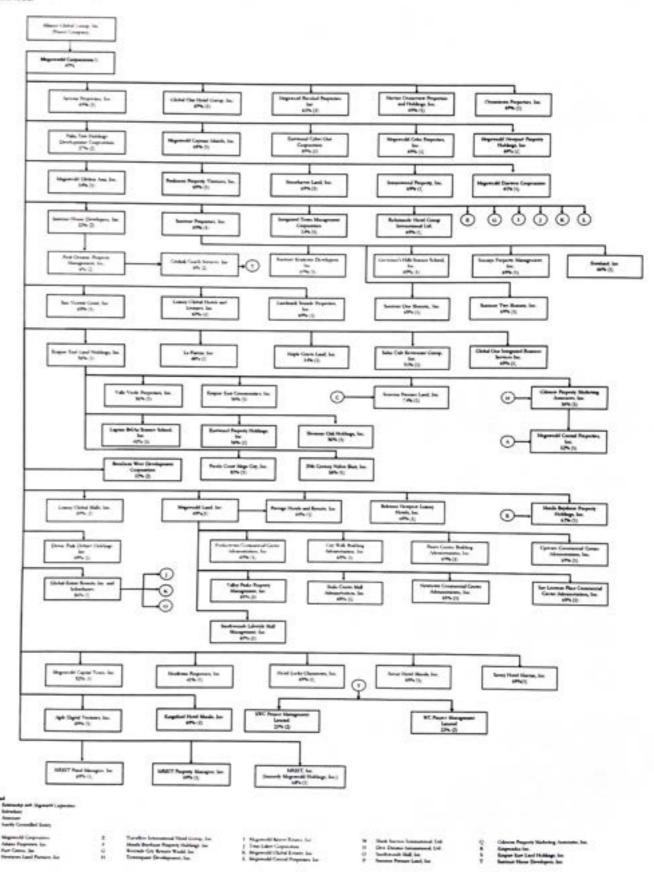
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11 KALAYAAN AVENUE EXTENSION,
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MGLE Compliance No. VI-0087878/4-46-2018

Annex "A" - Conglomerate Map

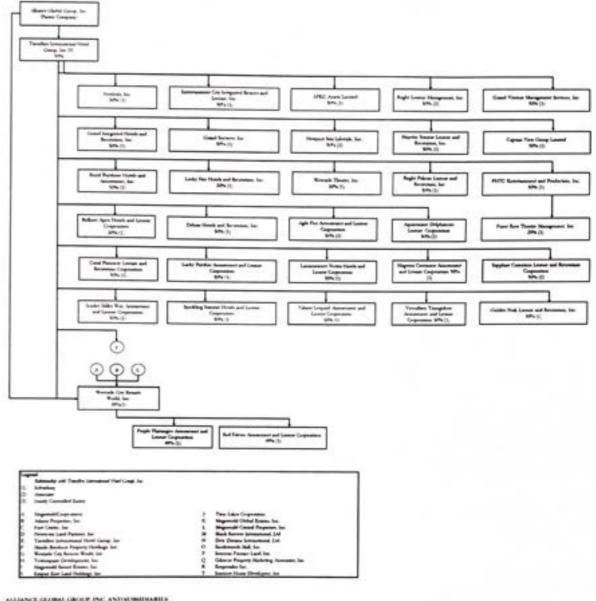
ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES Map Showing the Relationship Between Alliance Global Group, Inc. and its Related Parties



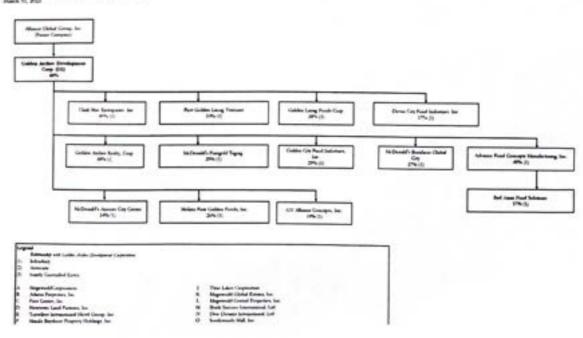
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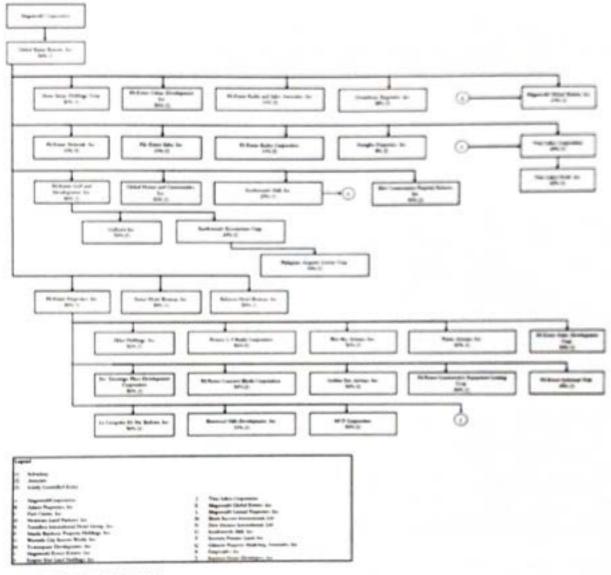


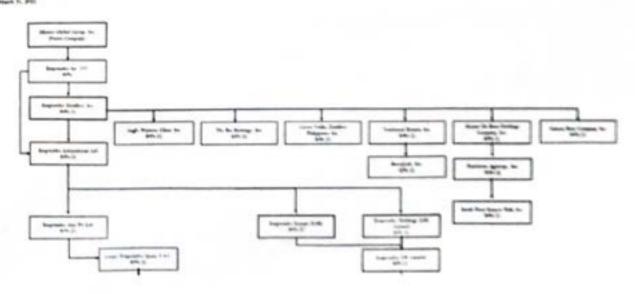
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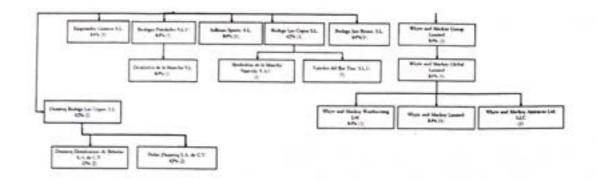


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CERTIFICATION

I, CHERYLL B. SERENO, the duly appointed and qualified Compliance Officer of MREIT, INC. (the "Corporation"), a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number CS202052294 and principal office at the 18th Floor, Alliance Global Tower, 36th Street corner 11th Avenue, Uptown Bonifacio, Taguig City 1634, do hereby certify and state:

1. I have caused this SEC Form 17-A to be prepared on behalf of the Corporation;

2. I read and understood its contents which are true and correct of my own personal knowledge and/or based on authentic records;

3. The Corporation will comply with the requirements set forth by the SEC for a complete and

official submission of reports and/or documents through electronic mail;

 That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee;

5. That the e-mail account designated by the Corporation pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Corporation in its online submissions to the Securities and Exchange Commission.

CHERITLL B. SERENO
Compliance Officer

APR 1 2 2022

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