

Expanding Opportunities in a Dynamic Investment Landscape

ReimAGIne
the Future

2022 Annual and Sustainability Report

M·REIT
A MEGAWORLD COMPANY



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About the Company

MREIT, Inc. (the Company) is a real estate investment trust (REIT) designated by Megaworld Corporation or Megaworld (the Sponsor) to operate as its flagship REIT company, primarily focused on office and retail leasing to a diversified tenant base. MREIT aspires to be one of the largest office REITs in Southeast Asia. The Company has an authorized capital stock of PhP 5 billion divided into 5 billion common shares with a par value of PhP 1.00 per share, with no preferred shares and no shares held in treasury. The Company listed its shares on the Philippine Stock Exchange (PSE) and conducted an initial public offering (IPO) on October 1, 2021.

Vision

We envision eventually being one of the largest, most impactful office and commercial real estate investment trusts in Southeast Asia, strategically creating value through a portfolio of best-in-class office and hotel properties centrally located within our sustainable master-planned township developments.

Mission

We deliver the best value to our stakeholders over the long term by:

- » Anchoring our business strategies on excellence, creativity, and innovation
- » Building on the trust of our stakeholders through transparency and good governance
- » Cultivating sustainability and environmental stewardship through our properties
- » Defining and dominating the real estate landscape through consistently high-quality assets
- » Enhancing the communities in and around our developments

About the Cover

The cover depicts the company's vision of becoming one of Southeast Asia's largest, most impactful office and commercial real estate investment trusts. The overlapping and expanding lines represent the different asset classes that can be infused into the MREIT portfolio, which will give better returns in the future. Gold represents the company's commitment to excellence, creativity, and innovation, while blue represents its commitment to transparency and good governance. Together, these represent MREIT's commitment to delivering the best value to its stakeholders through consistently high-quality assets and enhancing the communities in and around its developments.

About the Report

ReimAGine the Future: Expanding Opportunities in a Dynamic Investment Landscape, which highlights MREIT's economic, social, environmental, and governance performance, recognizes the company's second year as a publicly listed company (PLC). The Company's plan to continue giving its shareholders the best value in the years to come is covered in this Annual and Sustainability Report (ASR).

MREIT Portfolio

Investment in income-producing real estate that satisfies MREIT's investment requirements is given priority. In terms of growth trajectory, the Company seeks to expand its portfolio and offer shareholders an alluring yield through smart asset acquisitions and organic growth. By the end of 2022, MREIT's portfolio consists of 14 buildings with a combined GLA of 280,175 sqm in core business districts and PEZA-registered zones. These assets are situated in the townships of the Sponsor, specifically McKinley Hill in Taguig City, Eastwood City in Quezon City, and Iloilo Business Park in Iloilo City.

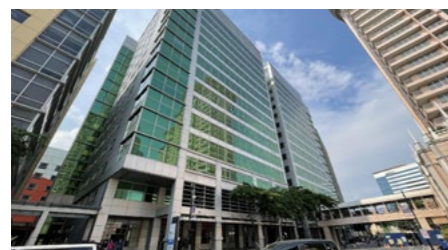
MCKINLEY HILL



WORLD FINANCE PLAZA
25,067 sqm



ONE WORLD SQUARE
30,482 sqm



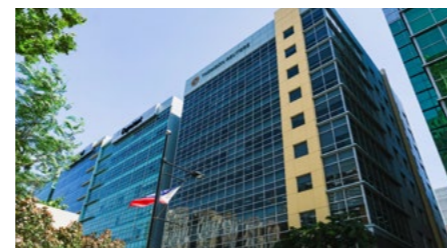
TWO WORLD SQUARE
21,286 sqm



THREE WORLD SQUARE
21,217 sqm



8/10 UPPER MCKINLEY
19,938 sqm



18/20 UPPER MCKINLEY
19,414 sqm

EASTWOOD CITY



1880 EASTWOOD AVE.
33,744 sqm



1800 EASTWOOD AVE.
34,738 sqm



ECOMMERCE PLACE
20,940 sqm

ILOILO BUSINESS PARK



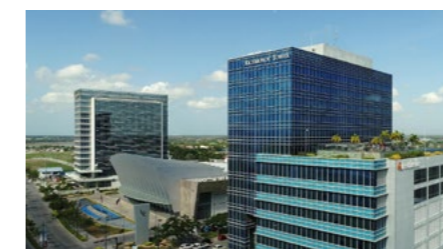
ONE TECHNO PLACE
9,549 sqm



TWO TECHNO PLACE
10,809 sqm



THREE TECHNO PLACE
9,568 sqm



RICHMONDE TOWER
13,124 sqm

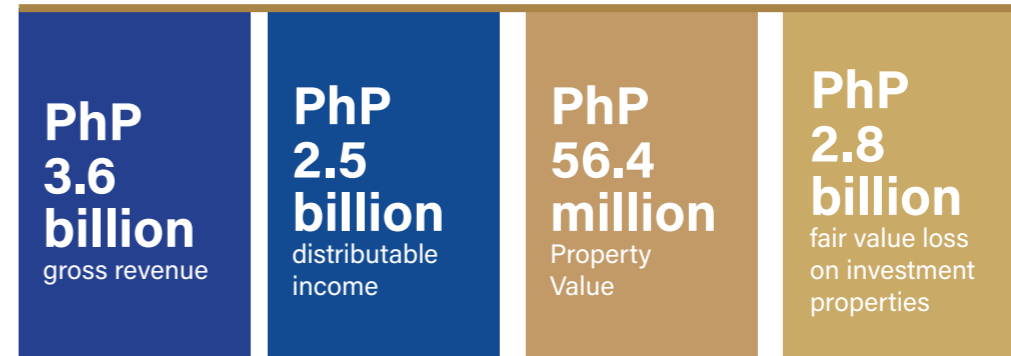


ONE GLOBAL CENTER
10,301 sqm



At a Glance

FINANCIAL HIGHLIGHTS



OPERATIONAL HIGHLIGHTS



Business Model and Strategy

The MREIT portfolio comprises commercial properties mostly leased for office usage but may be used or leased for retail needs as necessary. The Company focuses on making real estate investments that generate income and satisfies its requirements concerning location property grade and type, and tenant profile. Most of these assets are Grade A office and retail buildings in prominent sections of Metro Manila, important provinces, or other alluring regions in the Philippines.

The Company seeks to maximize investment returns through strategic property acquisitions and aggressive portfolio management through the Company's Fund Manager and Property Manager. The Company's ultimate goal is to have a portfolio GLA of 1,000,000 sqm within the decade.

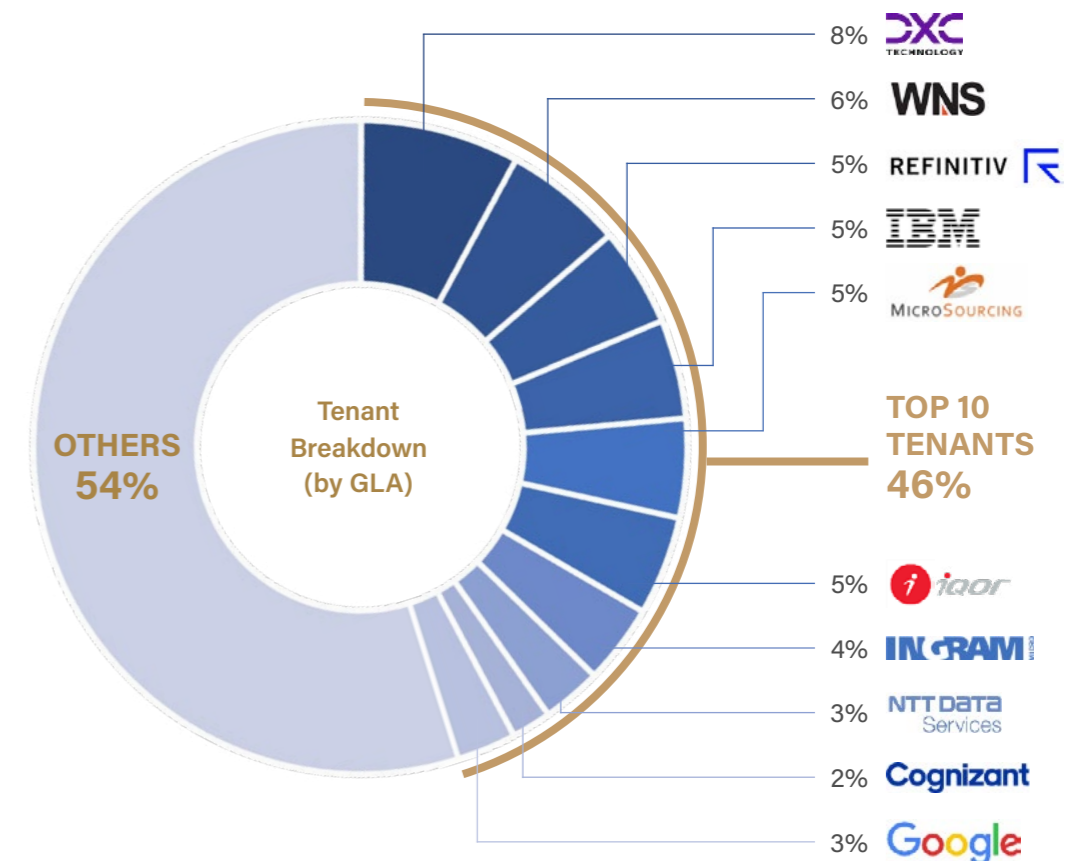
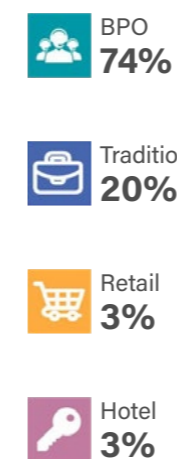
MREIT has already planned its expansion initiatives for the next ten years. Megaworld Corporation, the company's sponsor, will significantly contribute to its expansion efforts with its present portfolio and project pipeline.

As part of this effort, the Company conducts a careful valuation exercise and ensures that all regulations governing related party transactions are meticulously followed. Monthly evaluations of the corporate goals and budget variations are conducted to understand how resources have been used and whether or not the anticipated scorecards have been accomplished.

The Company has set the following objectives over the next three years:

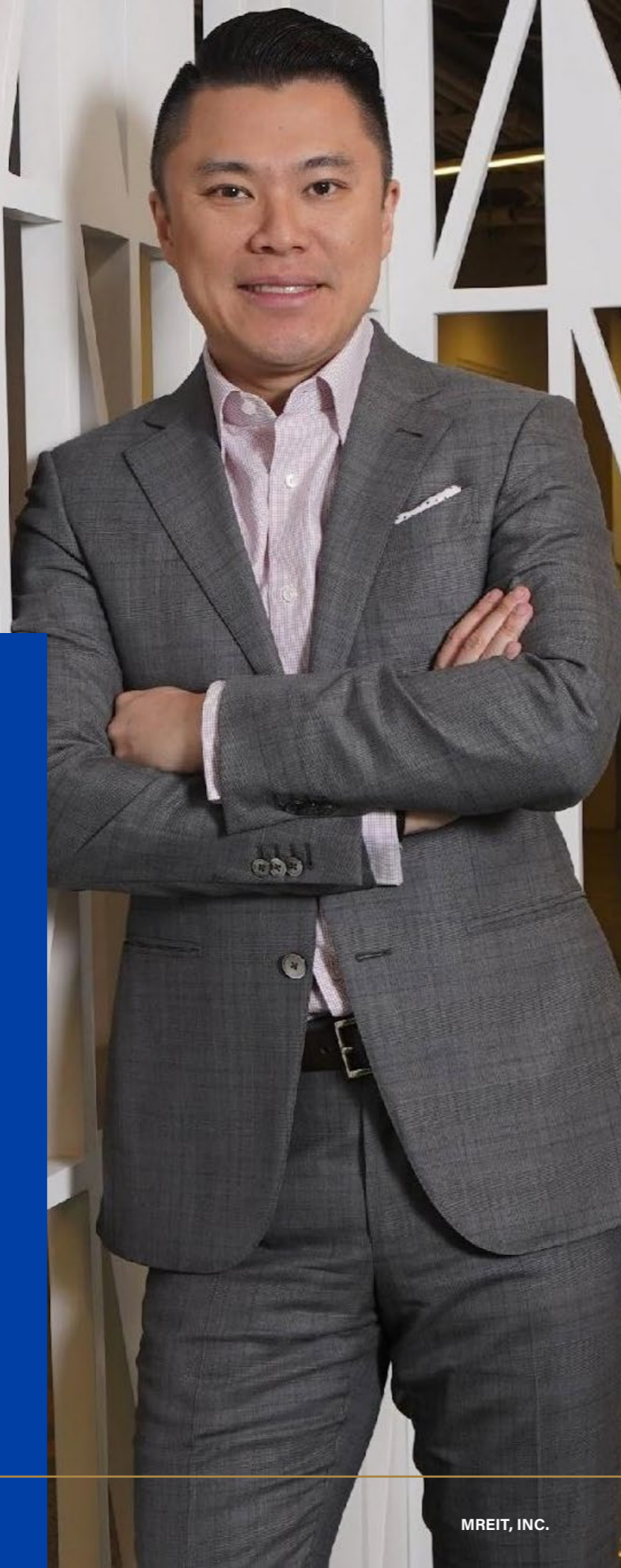
- » increase its portfolio size to 500,000 sqm. GLA by 2024;
- » diversify its portfolio by investing in other townships and real estate, in line with its investment criteria. In particular, it may target high-growth areas where the Sponsor's townships are located; and
- » achieve an annual total shareholder return of at least 10% each year over the next three years through new acquisitions and organic growth such as rent escalation, maintaining high occupancy rates, and leveraging its Sponsor's business ecosystem.

Tenant Mix (by GLA)



Message from the CEO

“Building upon our strong foundation, we have since delivered significant value to our stakeholders through the firm performance of our portfolio in a still-recovering office market, and from the successful closing of our acquisitions.”



The year 2022 marked our first anniversary since the listing of MREIT in the Philippine Stock Exchange. Building upon our strong foundation, we have since delivered significant value to our stakeholders through the firm performance of our portfolio in a still-recovering office market, and from the successful closing of our acquisitions.

For the 12 months ending December 2022, MREIT registered distributable income of PhP 2.5 billion, more than double compared to last year's PhP 1.1 billion. Revenues also reached PhP 3.6 billion, registering a 150% growth compared to last year's PhP 1.5 billion.

Throughout the year, our portfolio displayed exceptional strength, with an average occupancy rate of 96%, a figure that far surpasses industry levels of 80% to 81%. This achievement can be attributed to the quality of our assets and the loyalty of our tenants. The stabilizing vacancy rate in the market will only serve to support our portfolio's performance.

On the back of its distributable income, MREIT declared dividends of PhP 0.98 per share in 2022. By issuing dividends quarterly, we continue to provide consistent returns to our investors and deliver value to our shareholders. With these, we remain focused on our promise to provide 10% total shareholder returns each year.

In the short period of time since our initial public offering, we have closed two tranches of acquisition with a total consideration of PhP 14 billion, injecting eight prime, grade-A office buildings as we continue to pursue our expansion plans for the company.

Included in these transactions is the PhP 5.3 billion worth property for share swap that was recently approved by the SEC, triggering the start of recognition of income from these buildings under MREIT. This strategic acquisition, which included One West Campus and Five West Campus in McKinley West, expanded our presence in the highly coveted location of Taguig City, further solidifying our position in the industry.

We continue to seek expansion opportunities that align with our investment philosophy through carefully planned and timed asset acquisitions. Our focus on prime, Grade-A assets within Megaworld's thriving townships sets MREIT apart from our peers, and as Megaworld's flagship REIT, we have the largest prospective office

pipeline, further reinforcing our market leadership. In line with our investment strategy, we are aiming to expand our gross leasable area by 100,000 sqm by the end of the year in order to reach our target of 500,000 sqm by 2024.

Furthermore, we are now seeing the strong rebound in retail driving the performance of our sponsor's Lifestyle Malls with tenant sales exceeding pre-pandemic levels and rental concessions fully removed as of the start of this year. This creates the opportunity for MREIT to diversify in terms of asset class increasing the pool of properties from which MREIT can source its growth.

In recognition of our growing influence, MREIT was proudly included in the esteemed Philippine Property Index, reaffirming our status as a key player in the real estate landscape. This milestone is a testament to our dedication to excellence and innovation.

We secured a Resilient 5 star-IMMUNE certification in three of our assets in McKinley Hill. Additionally, we also secured a Powerful 4-star-IMMUNE certification for three of our buildings in Eastwood City. These prestigious recognitions highlight our commitment to provide safe and healthy spaces for our occupants.

Aligned with the Group's and Megaworld's sustainability initiatives, we have incorporated our 2035 sustainability objectives in our planning. Our goal is to achieve carbon neutrality by 2035, driving us to reduce our carbon footprint, adopt sustainable practices, utilize cutting-edge technologies, and foster innovation. Additionally, we acquire and maintain properties that offer a first-class experience for stakeholders and tenants while meeting the highest environmental standards.

We appreciate the constant support of our esteemed sponsor, Megaworld, as well as our valued clients, investors, directors, and management team who have contributed to the resounding success of our Company's journey. To our shareholders, we extend our heartfelt invitation to continue standing by our side as we embark on future endeavors, and to work together toward mutual prosperity. Let us forge a path toward greater achievements and enduring success.

Thank you.

Kevin Andrew L. Tan
President and CEO



Business Review

MREIT's distributable income soared to PhP 2.5 billion, surpassing the previous year's figure of PhP 1.1 billion by more than double. MREIT's portfolio expansion has resulted in a remarkable surge in revenues, with PhP 3.6 billion generated compared to previous year's PhP 1.5 billion. Moreover, the Company also achieved an average occupancy rate of 96%, which is a testament to its commitment to providing high-quality properties and services to its clients. MREIT's success can be attributed to its strategic investments in prime locations and its focus on maintaining top-notch facilities.

MREIT is poised to continue its growth trajectory and deliver sustainable returns to its stakeholders. The total dividends for the year amounted to PhP 0.9770 per share, resulting in a dividend yield of 6.7% based on MREIT's closing share price of PhP 14.54 per share on April 17, 2023. In line with its strong financial performance, MREIT distributed dividends to its shareholders amounting to PhP 0.2428 per share on February 15, 2023 out of its distributable income during the fourth quarter.

Expanding Portfolio

In line with its development strategy, MREIT gave the green light to acquire four prime office properties located in Megaworld's McKinley West and Iloilo Business Park, worth PhP 5.3 billion—Festive Walk 1B and Two Global Center in Iloilo Business Park in Iloilo City, and One West Campus and Five West Campus in McKinley West in

Taguig City during the second quarter of 2022. These prime office spaces are expected to enhance MREIT's strategic advantage in the competitive real estate market. With this move, the company is dedicated to capitalize on the growing demand for premium office spaces in key business districts in the Philippines.



The above acquisition, which was confirmed and approved by the Securities and Exchange Commission at the start of 2023, expanded MREIT's already impressive portfolio by 44,567 sqm or 16%, bringing the total portfolio to 325,000 sqm spreading across 18 office properties in four of Megaworld premier townships.

MREIT aims to expand its portfolio by 54% to reach 500,000 sqm by 2024 in pursuit of its goal to achieve a minimum of 10% yearly total shareholder return via organic and inorganic growth strategies.



Our Sustainability Journey

As MREIT sets its vision on becoming one of the top office REITs in Southeast Asia, it remains steadfast in its commitment to sustainability. With sustainability at the forefront of its mission, MREIT is poised to make a positive impact on the region's real estate industry while also promoting a greener future for all.

In line with its parent company's approach to sustainability, MREIT is making significant strides toward achieving the United Nation's Sustainable Development Goals (UN SDGs) through its operations.

1 NO POVERTY **SDG 1: NO POVERTY**

The Company is committed to making a positive impact on the communities where its properties are located. This helps to reduce poverty and improve the lives of people in these communities. One way of achieving this is by providing indirect employment opportunities to local residents. This way, the Company not only supports the local economy but also helps to improve the quality of life for those living in the area.

7 AFFORDABLE AND CLEAN ENERGY **SDG 7: AFFORDABLE AND CLEAN ENERGY**

Adopting the DOE's Energy Efficiency Program is imperative for many property owners looking to reduce their carbon footprint. MREIT is working diligently to improve the energy efficiency of its properties.

3 GOOD HEALTH AND WELL-BEING **SDG 3: GOOD HEALTH AND WELL-BEING**

Ensuring the safety of properties is a top priority for any responsible real estate company. This is why MREIT has taken proactive measures to provide safety seals for all of its properties. In addition, two properties of MREIT have obtained IMMUNE Certification, a testament to its commitment to providing a safe and secure environment for our tenants.

8 DECENT WORK AND ECONOMIC GROWTH **SDG 8: DECENT WORK AND ECONOMIC GROWTH**

As one of the leading REIT companies in the country, MREIT takes pride in not only providing direct employment for its own employees, but also in creating opportunities for indirect employment through its tenants and suppliers. The Company's commitment to fostering a thriving community extends beyond its walls, as it recognizes the importance of supporting the local economy and providing job opportunities for all.

5 GENDER EQUALITY **SDG 5: GENDER EQUALITY**

Institutionalizing policies and programs to support gender equality has become a top priority for many organizations. MREIT has taken significant steps towards achieving this goal by implementing a gender pay equity policy and a mentorship program for women. These initiatives are aimed at creating a more inclusive and equitable workplace, where women have equal opportunities to succeed and thrive.

10 REDUCED INEQUALITIES **SDG 10: REDUCED INEQUALITIES**

In today's society, it is crucial to ensure that everyone has access to job opportunities, regardless of their background or circumstances. That is why MREIT is keen on providing job opportunities to vulnerable community sectors. The Company believes that diversity and inclusion in the workplace are essential for creating a positive and productive work environment.

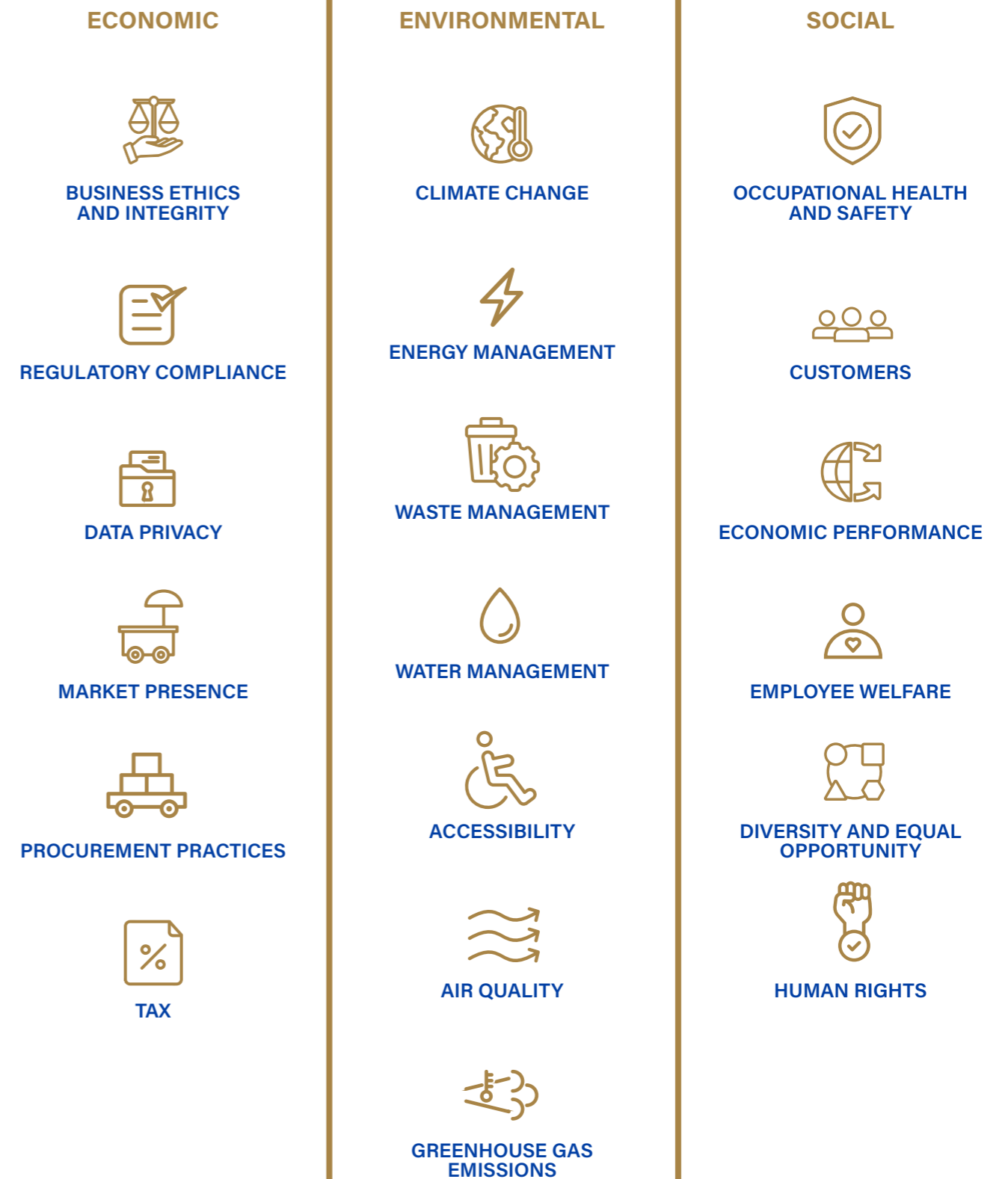


Material Topics

In 2022, MREIT updated its system for identifying material topics using the Global Reporting Initiative's (GRI) updated system. The company took a comprehensive look at its sustainability initiatives, risks, opportunities, and outcomes to evaluate the relevance of the identified material topics for the year 2021 in the current reporting period. This comprehensive assessment allowed the Company to gain a better understanding of its sustainability efforts and to identify areas where it can further improve.

The company has conducted a thorough analysis to determine both the positive and negative effects that could directly impact these areas. This strategic move is aimed at ensuring that the company is well-equipped to handle any challenges that may arise in the future.

MREIT'S MATERIALITY MATRIX





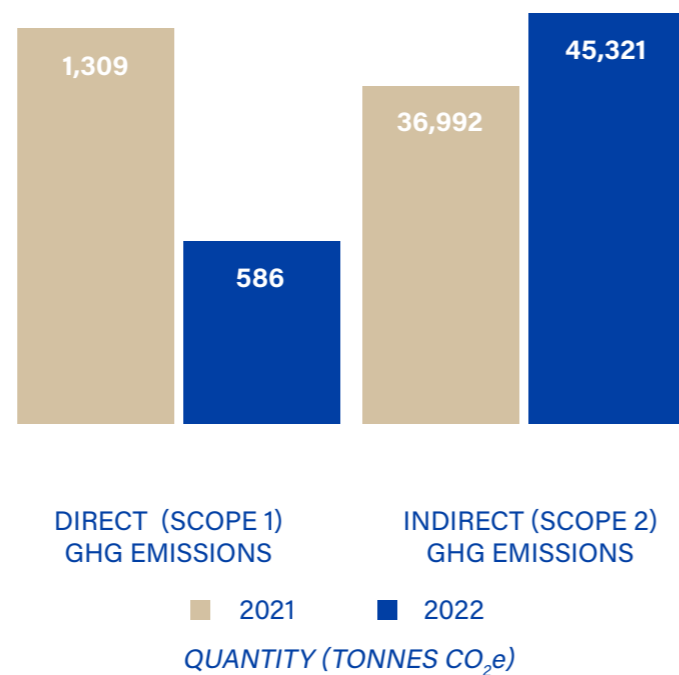
Environmental Strategies

MREIT obtains government certifications, such as environmental compliance certificates and operating permits, which are crucial for MREIT to operate its leased assets. This not only ensures that MREIT is complying with environmental regulations but also helps in building a positive image for the company. The property manager holds the responsibility in ensuring that the Company's operating permits and licenses are always current and up-to-date. In 2022, MREIT had no incidents of non-compliance with environmental laws and regulations.

Sustainable Carbon Management

In a world where sustainability is becoming increasingly important, MREIT is leading the way by implementing eco-friendly practices in its operating properties. The Company is implementing a strategy that involves integrating natural lighting and green space into the common areas of its properties. This does not only reduce the carbon footprint of the Company but also creates a more pleasant environment for its tenants.

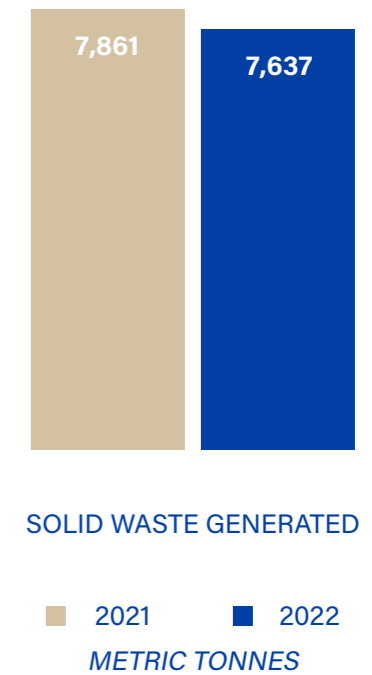
Maximizing resource utilization and reducing greenhouse gas emissions are key strategies incorporated into the operations and project development planning of the Company. As a result, MREIT is able to optimize its resources while also minimizing the environmental impact. This approach not only benefits the planet but can also lead to cost savings and increased efficiency for the Company.



Solid Waste Management

The company believes that regulating waste generation at different stages of the waste management process is crucial to minimize environmental impact. MREIT takes great care to ensure that waste generated by its properties is properly handled and disposed of. As part of the Company's waste management initiatives, MREIT partnered with DENR-accredited third-party haulers and recyclers to ensure that its waste is disposed of in an environmentally responsible manner. By working with these accredited partners, MREIT is able to ensure that its waste is properly sorted, recycled, and disposed of in accordance with strict environmental regulations. This not only helps to reduce the company's environmental footprint, but also ensures that it is compliant with all relevant laws and regulations. MREIT's commitment to sustainable waste management practices is just one example of the company's dedication to environmental stewardship.

In addition to its core business of managing real estate properties, MREIT has taken a proactive approach towards environmental sustainability. The company has collaborated with its property managers to devise and implement effective waste reduction and recycling programs. By doing so, MREIT is not only fulfilling its corporate social responsibility but also contributing towards a greener and cleaner planet.



Efficient Energy Management

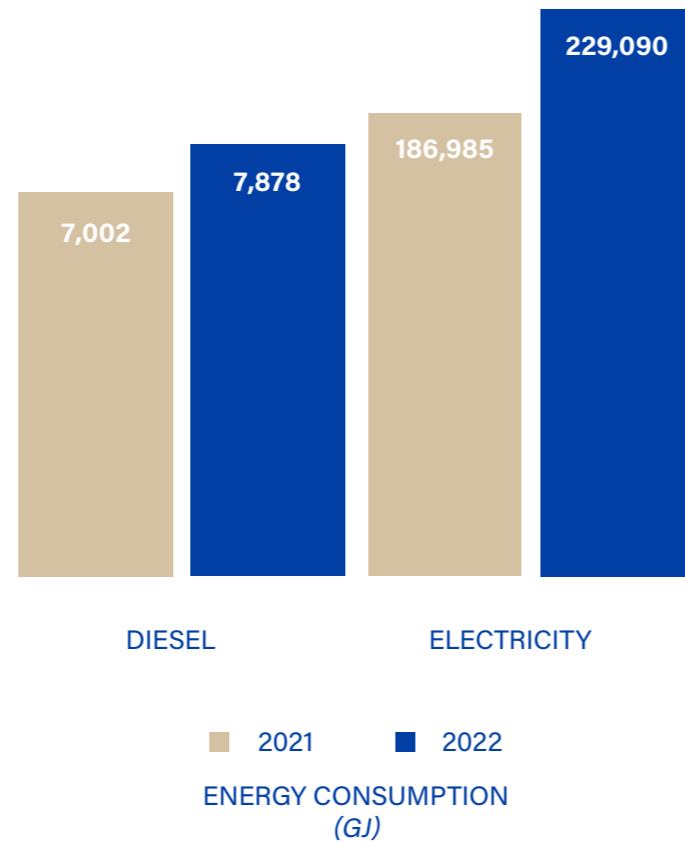
As the country begins to emerge from the pandemic-induced lockdowns, the demand for energy has skyrocketed. With the lifting of restrictions and the resumption of economic activity, the demand for energy has seen a significant surge.

The recent surge in electricity consumption has had a direct impact on MREIT, especially in the Iloilo region. As more people return to their offices, there has been an imbalance in the supply of electricity, resulting in frequent power outages within the region. This has caused a lot of inconvenience to the residents of the region. In response to a pressing challenge, MREIT has taken decisive action to ensure the smooth running of its BPO offices. The company has activated its generator sets, which has led to a notable increase in diesel consumption. This move has been crucial in maintaining uninterrupted operations and keeping the business running smoothly.

MREIT's operations require the maintenance and use of various equipment and facilities with significant energy consumption, especially for ventilation and lighting. With rising energy costs and increasing concerns about the environmental impact of energy use, it is more important than ever for the Company to implement energy-saving measures such as using energy-saving measures such as using energy-efficient lighting and equipment, optimizing heating and cooling systems, and reducing unnecessary energy use.

Another important aspect of managing energy consumption is monitoring and tracking energy usage. With this, MREIT can identify areas where energy use can be reduced and implement targeted strategies to achieve this. This helps the company reduce its carbon footprint and lower operating costs and improve overall efficiency. With this, MREIT is able to identify areas where energy use can be reduced and implement targeted strategies to achieve this.

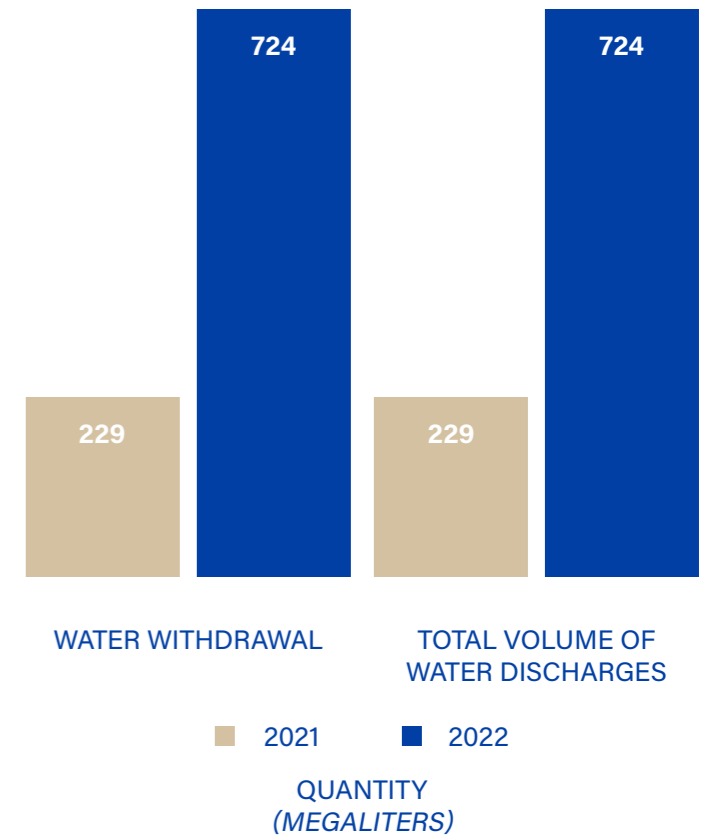
Given the present circumstances, MREIT has recognized the paramount importance of regulating energy consumption and prioritizing the energy source. This understanding arises from acknowledging the importance of managing energy. MREIT has pledged to adopt sustainable energy solutions to align with the sustainability goals of the AGI Group. The company has declared its intention to actively seek and implement renewable energy sources as part of its efforts toward sustainability. This decision is a proactive measure aimed at mitigating the company's carbon emissions and advancing environmental sustainability.



Water Resource Management

The easing of restrictions in 2022 resulted in a significant surge in the number of employees returning to offices. This resulted in an increase in foot traffic to many properties, including those owned by MREIT. MREIT's real estate portfolio is primarily comprised of office spaces, which has prompted the implementation of rigorous hygiene protocols to ensure the safety and well-being of its tenants. This includes frequent cleaning and sanitization measures to maintain a pristine environment. As a result, the properties have been consuming more water than usual, which has put a strain on the Company's resources. Although this has presented challenges for the company, it remains committed to finding solutions that will enable it to continue providing its customers with the best possible service.

- MREIT implemented the following water management measures:
- » Encouraging water conservation among its guests and tenants
 - » Looking into opportunities to include water-saving technologies in its properties
 - » Addressing plumbing system leaks





Employee Benefits

MREIT provides a comprehensive benefits package that includes both mandatory and voluntary benefits to ensure that its employees are well taken care of. Among the mandatory benefits that MREIT provides are SSS, Philhealth, and Pag-ibig contributions. These benefits are essential in providing financial security and protection to employees and their families. In addition, MREIT also offers parental leaves, vacation leaves, and sick leaves to promote work-life balance and ensure that employees have ample time to take care of their personal needs. MREIT also goes above and beyond by providing medical benefits (aside from PhilHealth) and a retirement

fund (aside from SSS) to its employees. This shows the Company's commitment to ensuring that its employees are healthy and financially secure even after they retire.

MREIT also recognizes the changing work landscape and adopts the hub and spoke model to support its employees' hybrid work setup. This approach allows for a more dynamic and adaptable work environment, where employees can choose the location that best suits their work style and preferences. Whether it's collaborating with colleagues in the hub or working independently in the spokes, this approach empowers employees to be more productive and efficient in their work.

Training and Development

In today's fast-paced industry, it is essential for companies to invest in their employees to keep up with the ever-changing demands. MREIT understands this and places a high value on training and development of its employees. Megaworld Learning Academy, a personal and professional development initiative launched by Megaworld Corporation, oversees and manages MREIT's employee training and development.

The company also has a performance system that provides employees feedback on their contribution to MREIT's overall goals. The effectiveness of learning and development initiatives and programs is determined by post-training evaluation and feedback, which allows the company to identify areas for training improvement.

Employee Management

The success of any business largely depends on the reliability and competence of its workforce. This is particularly true for MREIT, where human resources and talent acquisition form the foundation of the company's operations. It is imperative that MREIT focuses on building a skilled and dependable team to ensure the continued growth and prosperity of the business.

As the driving force behind MREIT's human resources and talent acquisition, Megaworld Corporation takes on the responsibility of sourcing and recruiting top talent to support the company's operations. With a focus on providing a supportive and engaging work environment, Megaworld Corporation ensures that MREIT's workforce is equipped with the skills and expertise needed to drive the company's growth and success.



Megaworld Learning Academy

A one-stop shop for MREIT's employee training and development needs. The Academy offers courses and programs, from basic skills training to advanced leadership development. The Academy also offers customized training programs to meet the specific needs of MREIT's business.

Performance System

MREIT's performance system is designed to help employees receive feedback on their contribution to the Company's overarching objective.

Post-Training Evaluation and Feedback

This assesses the effectiveness of training and development initiatives/ programs. The evaluation/feedback identifies improvement areas and ensures the company gets the most out of its training investments.



Labor-Management Relations

MREIT adheres to Megaworld Corporation's labor management practices and policies. This includes providing a safe and healthy work environment, fair compensation and benefits, and opportunities for career growth and development.

The Company establishes a productive management relationship with its manpower complement. Despite the absence of collective bargaining agreements, MREIT values its employees' input and makes it a priority to consult with them on employee-related policies at least once a year. This ensures that employees have a voice in the decision-making process and helps to foster a positive and collaborative work environment.

Occupational Health and Safety

Ensuring the health, safety, and welfare of employees is a top priority for the Company. MREIT has adopted a comprehensive policy designed to ensure that employees are physically capable of performing the demands of their jobs with competence. MREIT offers a comprehensive medical insurance plan from a Health Maintenance Organization (HMO) to ensure that employees have access to quality healthcare. Additionally, the Company provides a life insurance policy to guarantee the security of its employees. MREIT also values its employees' hard work and dedication, as evidenced by its annual evaluations and incentives that recognize outstanding performance.

Moreover, MREIT guarantees that its operations are in line with Megaworld Corporation's Occupational Health and Safety (OHS) policy, which prioritizes the maintenance of a secure and healthy workplace that has an impact on the supply chain. Megaworld Group

falls under the low-risk category in terms of the OHS risk category. This classification is a result of the company's efforts to implement effective health and safety policies and procedures. Megaworld Group has invested in training programs and equipment to ensure that its employees are equipped with the necessary skills and knowledge to perform their jobs safely. In addition, MREIT has established a comprehensive healthcare program that provides its employees with access to medical services and financial assistance in case of accidents or illnesses. As MREIT continues to grow and expand, it will undoubtedly continue to prioritize the health and safety of its workforce.

Regular monitoring and reporting of workplace incidents, including illnesses and accidents, is a crucial aspect of maintaining a safe and healthy work environment. MREIT ensures that proper protocols are in place to promptly identify and address any potential hazards or risks to their employees.

The Company also requires its properties to conduct annual safety drills in collaboration with the tenants and property managers. The safety drills are an essential part of MREIT's commitment in maintaining safe and secure environment for everyone.

MREIT's tenants and employees came together to participate in the company's annual safety drill in 2022. The drill, which took place in each of MREIT's properties, was designed to simulate a range of emergency scenarios, including fires, earthquakes, and other natural disasters. Participants were given the opportunity to practice their emergency response skills, including evacuating the building, using fire extinguishers, and administering first aid. Everyone involved took the drill seriously and worked together to ensure that the event was as realistic as possible. This level of commitment to safety is a testament to MREIT's culture of preparedness and its dedication to the well-being of its employees and tenants.

Labor Laws and Human Rights

MREIT established anti-harassment and employee welfare policies designed to prevent any form of harassment, discrimination, or retaliation in the workplace. This shows that the Company recognizes the importance of creating a respectful and inclusive work environment where all employees feel valued and supported.

MREIT has also implemented employee welfare policies, which include health and wellness programs, and career development opportunities that is essential for employee satisfaction and productivity. In keeping with the values of its parent company, MREIT is committed to upholding the highest standards of employee welfare as its ensure its employees are well taken care of and their needs are met.



Forced Labor

Megaworld Group mandates thorough audits on its vendors and contractors to ensure that underage workers are not employed in their operations.



Child Labor

Megaworld Group mandates thorough audits on its vendors and contractors to ensure that underage workers are not employed in their operations.



Human Rights

MREIT's Anti-Harassment Policy

- » MREIT's Policy on Health, Safety, and Welfare of Employees
- » Megaworld Corporation's Policy for Supporting Breastfeeding Employees
- » Megaworld Corporation's Policy supporting the Magna Carta for Women
- » Megaworld Corporation's Policy in support of the Family Welfare Act
- » Megaworld Corporation's Special Leave Benefits For Women Employees
- » Megaworld Corporation's Workplace policy and program on Hepatitis B
- » Megaworld Corporation's Anti-discrimination Policy



Stakeholder Relations

Client Relations

The Company has engaged MREIT Property Managers, Inc. (MPMI), a wholly owned subsidiary of the sponsor Megaworld Corporation, as its REIT property manager for all of its properties. As an independent entity, MPMI is responsible for fulfilling all of the necessary duties required of a property manager for MREIT, which includes overseeing the marketing of office and retail spaces, managing client accounts, administering leases, and handling tenant relations.

Operations management is also a key responsibility, ensuring that everything runs smoothly and efficiently. MPMI is responsible for a wide range of tasks related to overseeing the management of properties, from negotiating and executing lease contracts to enforcing lease terms and conditions. MPMI is also responsible for awarding, extending, and terminating leases, as well as supervising billing and collection of rentals and other payments from tenants. This includes monitoring past due accounts and receivables to ensure that everything is up-to-date.

As the demand for small office spaces continues to rise, MREIT has taken the lead in capturing this growing market. The company has implemented several strategic initiatives to attract small office tenants, including providing smaller floor plates, offering shorter lease terms and understanding the needs of the tenants.

Tenant Flexibility Strategy

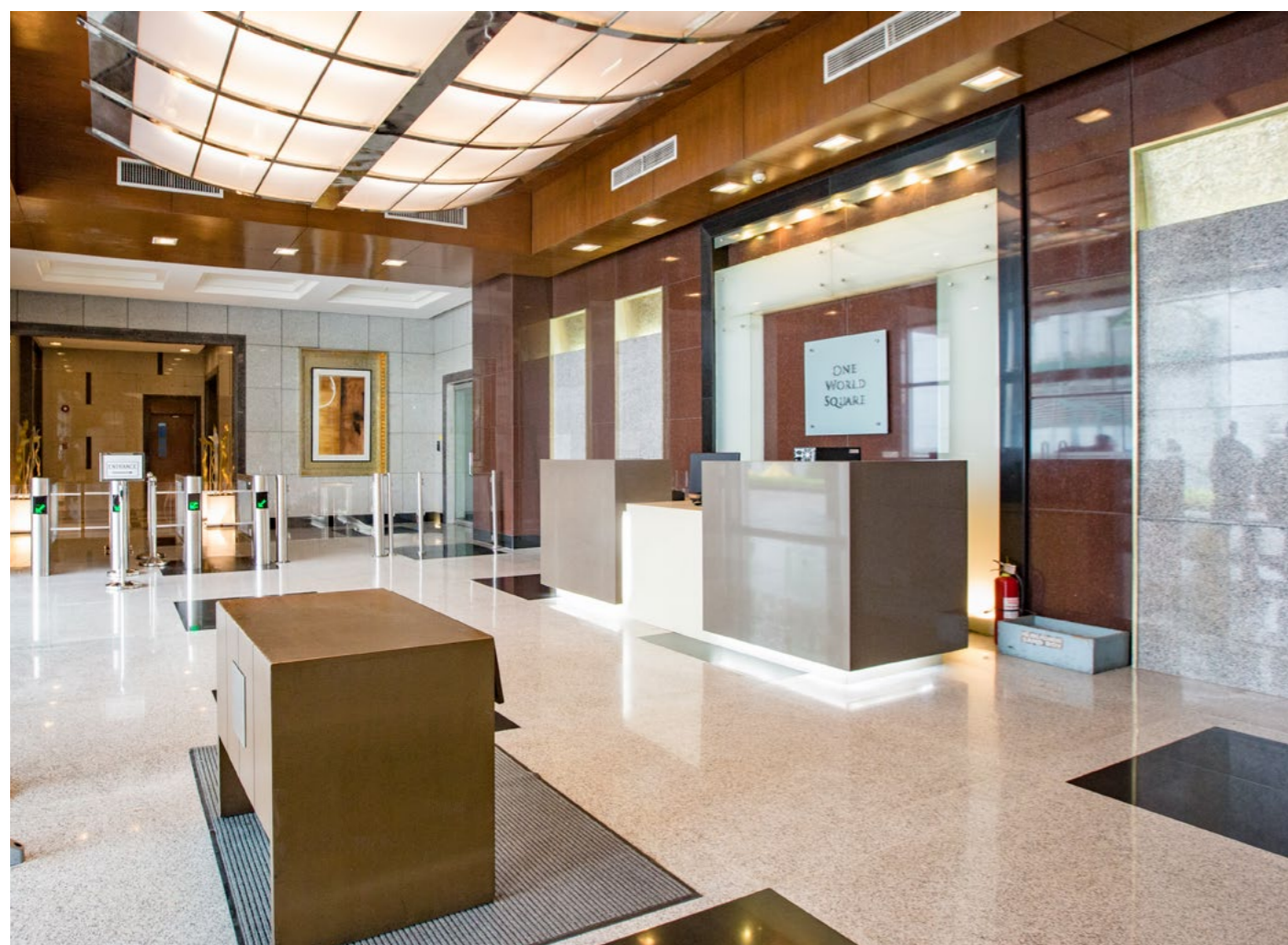
With the increasing demand for small office spaces, MREIT has recognized the need to cater to this market segment. The company has made it easier for small businesses to find the perfect office space that suits their needs. MREIT's move to seize the small office space market has been met with positive feedback from small business owners. With its focus on providing tailored solutions for small businesses, the company is poised to continue its success in this growing market segment.

In response to the ongoing pandemic situation, MREIT is working to support its tenants during these challenging times by offering shorter lease terms for office tenants. This move is aimed at providing greater flexibility to its tenants that may be uncertain about their long-term office space needs. With this, tenants will have the option to sign leases for shorter periods of time, allowing them to adjust their office space requirements as needed. This

is just one of the many ways that MREIT is working to support its tenants during these challenging times. This initiative also protects the Company from the risk of being locked into lower lease rates.

With these successful initiatives in place, MREIT is able to attract new tenants, including the expansion of current tenants and the engagement of new clients. In 2022, MREIT closed over 46,600 sqm of new leases from both expanding and new clients.

MREIT's innovative strategy has been able to extend flexibility to its existing tenants and make their lease terms more relevant to the changing market conditions. This forward-thinking approach has been a game-changer, allowing MREIT to stay ahead of the curve and remain competitive in a dynamic market.



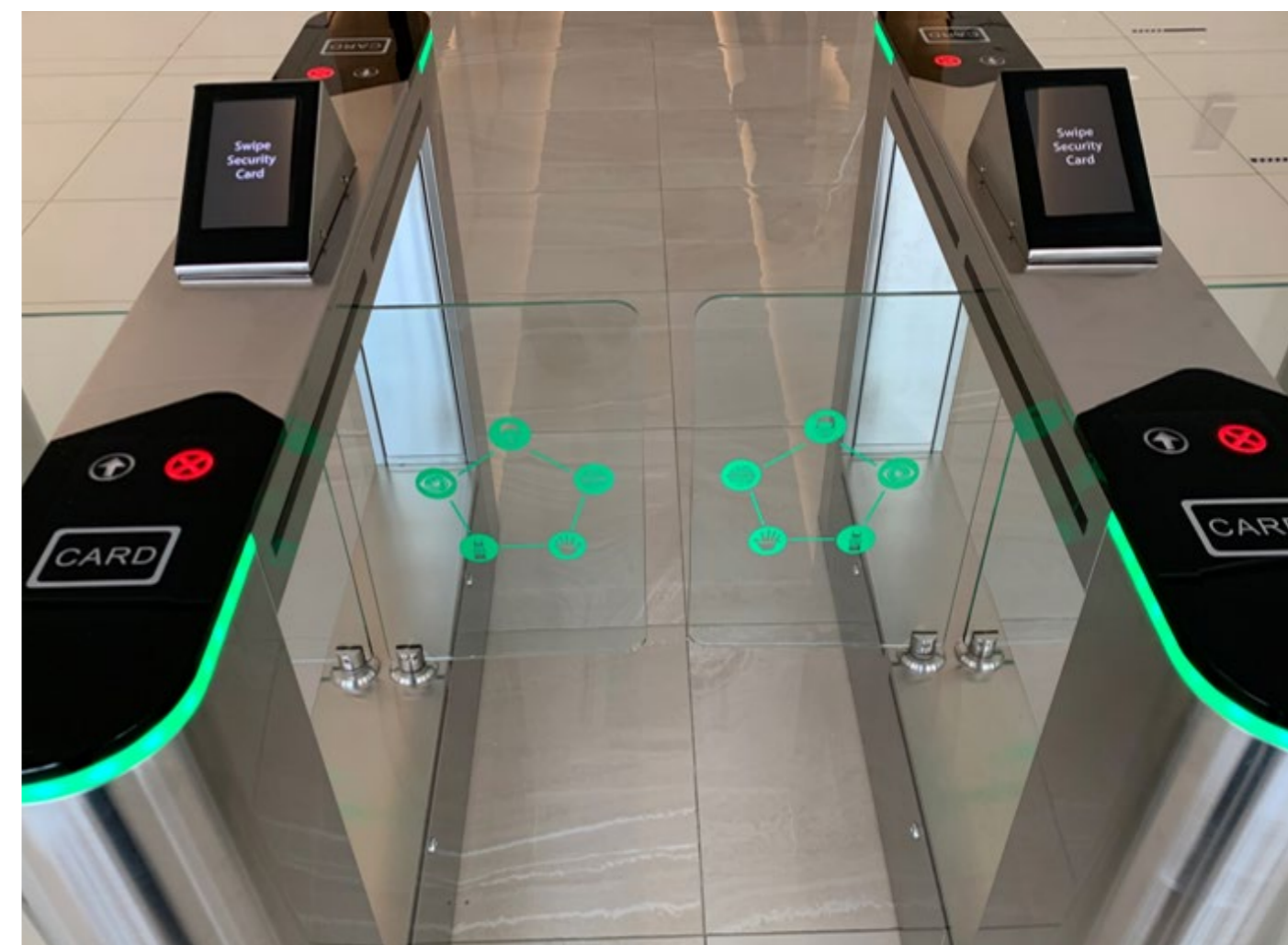
In addition to these tasks, MPMI, is responsible for building management operations. This includes overseeing security, utilities, repairs, and maintenances, as well as emergency and management. MPMI is in charge of engaging contractors for these purposes, ensuring that everything is taken care of in a timely and efficient manner.

Building Enhancements

MREIT has always prioritized the safety and security of its tenants. In these unprecedented times, the company has gone above and beyond to ensure that its properties comply with the latest government guidelines. Through rigorous measures and protocols, MREIT has created a safe and secure environment for its tenants. The company has implemented social distancing measures, increased cleaning and sanitation procedures, and provided personal protective equipment to its staff and tenants.

The Company remains dedicated to providing its tenants with a safe and secure experience. In 2022, two MREIT buildings have been awarded a 4-star IMMUNE™ certification from Healthy by Design Building Institute (HDBI). This certification is a testament to MREIT's commitment to providing a healthy and safe environment for their occupants, especially in the wake of the ongoing pandemic.

MREIT has accomplished a total of 16 building enhancement projects. Among these, 11 were architectural in nature, while the remaining 5 were focused on Mechanical, Electrical, Plumbing, and Fire Protection (MEPFS) improvements. This has resulted in increased tenant satisfaction and retention, as they are more likely to stay in their existing offices. Moreover, these projects have helped MREIT to maintain its properties' value and attract potential tenants. The improved quality and lifespan of the buildings have made them more attractive to businesses looking for long-term leases.





Investor Relations

Understanding that investors and analysts need to have access to accurate and timely information, MREIT's management team has made transparency a top priority. By providing regular updates and reports, the Company demonstrated its commitment to keeping its stakeholders informed. This approach has been well-received by investors and analysts, who appreciate the open and honest communication from MREIT's management team. By being transparent about its operations and financial performance, MREIT has built a strong reputation for reliability and trustworthiness.

In a bid to bolster its relationship with its investors, the Company participated in the Philippine Stock Exchange Strengthening Access and Reach (PSE STAR) Investor Day. The event served as an opportunity for the company to engage in open dialogue with its stakeholders and provide updates on its performance and future plans, leaving the attendees with better understanding of the Company's operations and a renewed sense of confidence in its future prospects.

MREIT also introduced the "Brown Bag" meetings, which provide a platform for more direct interactions between stakeholders and key members of the management team. These informal discussions have proven to be a valuable opportunity for investors and analysts to engage with MREIT's management and gain deeper insights into the company's operations.

The Company also provides investors with timely and accurate information about its financial performance, risk management, governance, ethical business practices, and sustainability management through annual and quarterly reports, which are available on its website. MREIT also engages with investors through the following initiatives:

In-person and virtual meetings	Investor conferences and roadshows	Quarterly briefings
MREIT hosts in-person and virtual meetings with investors throughout the year. These meetings allow investors to ask questions to MREIT's management team.	MREIT attends investor conferences and roadshows throughout the year. These events allow MREIT to meet with investors to discuss the company's business and prospects.	MREIT provides quarterly briefings to investors through its sponsor, Megaworld. These briefings provide investors with an update on the company's financial performance and outlook.

Good Corporate Governance

MREIT sets the standard for responsible real estate investment with a focus on transparency and ethical business practices. The Company partners with various government and non-government entities, while it addresses potential corruption issues, particularly within the real estate sector.

In order to safeguard against potential risks, the Company takes preventive measures to ensure that all levels of management receive annual training and are consistently reminded of the significance of maintaining integrity throughout the organization.

In an effort to maintain the integrity of its business relationships, the Company has taken a proactive approach to combating fraud. The Anti-Fraud Policy, which has been implemented by the Company, applies to any suspected irregularities involving employees, shareholders, consultants, vendors, contractors, external

agencies, and other entities with business ties to the Company. The policy is designed to ensure that all parties involved in the Company's business dealings are held to the highest ethical standards. This will enable the Company to maintain a level of trust and transparency that is essential to the success of any business relationship.

Additionally, MREIT complies with the National Privacy Commission and Data Privacy Act requirements to ensure that necessary and relevant measures to safeguard the significant amount of data the company collects from its clients, partners, and vendors.

The absence of corruption has undoubtedly had a positive impact on society, fostering an environment of trust and accountability that is essential for sustainable development. Notably, there were no reported incidents of corruption in 2022.



Community Relations

MREIT has been making significant contributions to the growth of economic activity in the areas where it operates. The company's operations have had a profound impact on the localities, creating a ripple effect that has benefited the communities in various ways. MREIT's presence has led to the creation of job opportunities, which has helped to reduce unemployment rates in the areas where it operates. This has had a positive impact on the local economy, as more people are now able to earn a living and contribute to the growth of the community.

Moreover, MREIT's business operations have also led to an increase in demand for goods and services in the localities. This has created opportunities for local businesses to thrive, leading to increased economic activity and growth. Overall, MREIT's impact on local economic activity in the Philippines has been significant, and the company continues to play a vital role in the growth and development of the communities where it operates. Megaworld's goal of promoting

countryside development has received a significant boost from the company's latest move. By investing in and managing stable and attractive properties in diverse locations, the company is supporting Megaworld's vision of helping the national government achieve its development objectives. This strategic move is expected to yield positive results for both the company and the country as a whole.

The company is also making a positive impact in the communities where it operates. With leasing operations in Quezon City, Taguig City, and Iloilo City, MREIT is providing jobs and economic opportunities that benefit various vulnerable groups, including persons with disabilities (PWDs), senior citizens, and solo parents. The company's commitment to social responsibility is evident in its efforts to create a more inclusive workplace. MREIT's leasing operations are also contributing to the economic growth of the communities where it operates. The company is helping to create new businesses and support existing ones, which in turn creates more job opportunities and stimulates economic activity.

Additionally, MREIT is revolutionizing the way buildings are designed. Not only are their structures aesthetically pleasing, but they are also designed with the environment in mind. MREIT's buildings are constructed to adhere to green building standards, which not only benefit the planet but also promote employee well-being and increase workplace productivity. This innovative approach to building design is changing the game and setting a new standard for the industry.

In a move to underscore the importance of working with trustworthy vendors and suppliers, MREIT has implemented Procurement Guidelines. This policy is aimed at ensuring that the company only partners with reputable entities. The company recognizes that the success of its business depends on the quality of its partnerships, and is taking proactive steps to ensure that it only works with the best. The Procurement Guidelines are a clear signal to vendors and suppliers that MREIT is serious about maintaining its reputation as a reliable and trustworthy partner.

Supporting local suppliers is also one of MREIT's key priority as it recognizes the significant impact this has on the economic growth of the regions in which it operates. By sourcing goods and services from local businesses, MREIT is able to not only support the local economy, but also build strong relationships with suppliers who understand the unique needs of the community.

To ensure the efficient and effective management of these properties, MREIT has entrusted the procurement activities to MPMI, which focused on supporting the operations of MREIT. This includes the acquisition of goods and services necessary for the maintenance, repair, and improvement of the properties under its care. With this, MREIT is able to ensure that its properties are well-maintained and remain attractive to tenants, thereby maximizing the returns for its investors.



Corporate Governance

MREIT's corporate governance policies cover a wide range of topics, including

- » The role of the board of directors
- » The rights of shareholders
- » The management of conflicts of interest
- » The disclosure of information
- » The protection of minority shareholders
- » The sustainability of the business

The Company's dedication to sound corporate governance governs MREIT's business processes. The Company's stewardship approach ensures that MREIT upholds its economic, ethical, legal, and social duties toward its stakeholders.

Board Meeting Attendance

MREIT's regular board meetings are scheduled and conducted monthly. The members of the Board, including Independent Directors, are required to attend all its regular and special meetings, whether in person or through teleconferencing, except in the event of justifiable causes. However, the absence of Independent Directors shall not affect the quorum requirement.

Remuneration

The levels of remuneration of the Company are sufficient to attract and retain the services of qualified and competent Directors and Officers. A portion of the remuneration of executive directors may be structured or based on corporate and individual performance. Essentially, the Board is expected to align the remuneration of key officers and board members with the long-term interests of the Company.

The total annual compensation of all directors and principal officers shall not exceed ten percent (10%) of the net income of MREIT, as mandated by the REIT Act of 2009. No director can also participate in deciding on their own remuneration.

The Board members shall receive a standard per diem of Seven Hundred Thousand Pesos (PhP 700,000) for their attendance in Board meetings, and the same amount is allocated for 2023. 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, 2022, for any service provided as a director.

Policies and Guidelines

MREIT's policies are the guidelines that establish standards and formal expectations for the Company's employees, key officers, and directors. It ensures that the Company actualizes the best practices that best reflect the Company's priorities. It reduces risks by establishing expectations and consistency and improves employee performance by encouraging them to embody the Company's values.



Whistle-Blowing Policy

The Company encourages all stakeholders to communicate legitimate concerns regarding illegal, unethical, or questionable material-related-party transactions. This promotes honest and ethical business practices in the Company.

Conflict of Interest Policy

The Board members are prohibited from using their position to profit from or gain any advantage or benefit for themselves. In the case or potential of a conflict of interest, the director shall fully disclose this and should not participate in decision-making.



Before entering official transactions, employees must submit a written disclosure to their supervisor regarding any relationship or association with a supplier or contractor.



Related Party Transactions Policy

All employees, senior management, and directors are required to immediately disclose any relationship or association with a proposed supplier or contractor or its authorized representative to avoid conflict of interest. This is in accordance with the Company's Code of Business Conduct and Ethics.

System Audit Guidelines

The Company ensures that its internal controls comply with ISO standards and company requirements through a systematic and independent examination of its business affairs. This provides transparency in the conduct of MREIT's business practices.



Board Committee

Executive Committee

The Executive Committee primarily reports all approved resolutions adopted by it during the meeting of the Board. Apart from this, the Board has the authority to delegate and determine other duties and functions of the Executive Committee.

Corporate Governance Committee

The Corporate Governance Committee assists the Board in performing corporate governance responsibilities.

Board Risk Oversight Committee

The Board Risk Oversight Committee is responsible for overseeing the Company's Enterprise Risk Management System.

Audit Committee

The Audit Committee is tasked with managing the Company's financial reporting, internal control system, internal and external audit processes, and compliance with relevant laws and regulations.

Related Party Transaction Committee

The Related Party Transaction Committee is responsible for all matters related to the party transactions of the Company.

DIRECTORS	EXECUTIVE COMMITTEE	CORPORATE GOVERNANCE COMMITTEE	BOARD RISK OVERSIGHT COMMITTEE	AUDIT COMMITTEE	RELATED PARTY TRANSACTION COMMITTEE
Francisco C. Canuto			M		
Lourdes T. Guiterrez Alfonso	M				M
Kevin Andrew L. Tan	C			M	
Katherine L. Tan					
Jesus B. Valera	M	M	C		M
Antonio E. Llantada Jr.		M		C	
Sergio R. Ortiz-Luis		C	M	M	C

C - Chairperson M - Member



Board of Directors



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.



Antonio E. Llantada, Jr.
Independent Director

Mr. Llantada 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 of 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.



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



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.



Key Executive Officers



Kevin Andrew L. Tan
Chief Executive Officer



Englebert G. Teh
Chief Finance Officer



Giovanni C. Ng
Treasurer



Maria Carla T. Uykim
Corporate Secretary



Cheryll B. Sereno¹
Compliance Officer and DPO



Caroline Kabigting²
Investor Relations Officer



Risk Opportunity Management

MREIT's management, led by the CFO, identifies key risk areas and performance indicators and monitors these factors. The Board of Directors provides oversight over the company's risk management activities. It reviews its risk exposures and management's steps to identify, analyze, treat, and monitor such risks.

MREIT has established an Enterprise Risk Management (ERM) process that provides a comprehensive approach to managing the risks inherent in its business. The

company proactively manages these anticipated risks by continuously identifying, mitigating, and monitoring serious risks and collaborating with key risk owners, critical support units, and external entities as needed.

The conduct of MREIT's affairs entails calculated risks that the company is expected to manage. Therefore, risk management is integrated into the company's decision-making process to meet its objectives.



1. Risk Identification	Finds, recognizes, and describes risks that might help or prevent the Company from achieving its objectives through relevant, appropriate, and latest information.
2. Risk Analysis	Comprehends the nature of risk, its characteristics, and the level of risk through a detailed consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls, and effectiveness.
3. Risk Evaluation	Comparing the risk analysis results with established risk criteria to determine the Company's course of action.
4. Risk Treatment	Selects and implements options for addressing risks. It involves formulating and selecting risk treatment options, planning and implementing risk treatment, assessing the effectiveness of that treatment, deciding whether the remaining risk is acceptable, and taking further treatment if needed.

Risk	Description	Mitigation Strategy
Real Estate Market Risk	Changes in demand may affect rental rates, renewal or replacement of expiring leases, or lead to early termination of contracts.	The Property Manager adopts a proactive asset management and enhancement approach to generate resilient and steadily growing gross revenues and net operating income, and optimize occupancy levels. MREIT's portfolio properties are well-maintained to ensure the competitiveness of the properties. Our marketing strategies promote the properties while maintaining strong relationships with tenants to ensure continued satisfaction and retention. Leases and tenant mix are actively monitored to reduce any vacancy period and avoid the concentration of any risks.
Operational and Climate Risk	Unforeseen circumstances may interrupt the business of each portfolio property. These circumstances may include natural disasters, fire, equipment failures, and global pandemics	MREIT carries insurance for certain catastrophic events, of types such as business interruption insurance, in amounts and with deductibles that are consistent 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 over insured limits occur with respect to a specific property, for example, the Company could incur significant capital losses. Any significant uninsured loss could have a material and negative impact on the Company's business, financial condition, and results.
Credit Risk	Failure of a customer or a counterparty to settle its financial and contractual obligations as they fall due may lead to potential financial losses	All potential leases are subject to thorough review, which includes an assessment of the potential tenant's credit standing. In addition, under the general terms of our lease agreements, our lessees and tenants for office properties are obligated to pay an advance rental deposit equivalent to three months' rental and an additional security deposit also equivalent to three months' rental upfront, and the regular lease payments are due in advance at the beginning of each month.
Financing and Capital Raising Risk	The company may be subject to risks normally associated with debt financing, including changes in interest rates, the ability to refinance said debt, or terms at par with existing indebtedness. The ability to raise capital may also restrict our ability to acquire properties or require us to set aside funds for maintenance or paying back security deposits.	The Fund Manager actively monitors financial market risks and MREIT's exposure to risks associated with changes in interest rates and maturing debt facilities. Currently, MREIT's debt level is at 0.14x the Deposited Properties. As MREIT embarks on its journey to grow into one of the largest REITs in Southeast Asia, it will ensure that it will maintain an appropriate level of gearing and that any debt financing it secures will not result in any concentration in its debt maturity or interest repricing schedules to minimize refinancing risk.

Consolidated Financial Statements

