



MEGAWORLD



REINVESTMENT PLAN

In connection with the sale to MREIT, Inc. of
Four (4) prime, Grade A buildings
located in PEZA-registered Zones
for a purchase price of PhP9.116 billion

December 15, 2021

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A. EXECUTIVE SUMMARY

This Reinvestment Plan sets forth the 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**”), with net proceeds estimated at Php8.657 billion.

MREIT, Inc. (formerly Megaworld Holdings, Inc.) (“**MREIT**”) has an authorized capital stock of Php5.0 billion, divided into 5.0 billion common shares with a par value of Php1.00 per share (each, a “**Share**”). As of the date of this Reinvestment Plan, MREIT has 2,532,121,381 Shares issued, outstanding and listed with The Philippine Stock Exchange, 37.51% of which is held by the public. MREIT has no preferred shares and no Shares held in treasury. MREIT market capitalization as of date of this Reinvestment Plan stands at Php46.439 billion.

Pursuant to Securities and Exchange Commission Memorandum Circular No. 1, Series of 2020, and Bureau of Internal Revenue Revenue Regulations No. 3-2020, any Sponsor/Promoter of a REIT who sells income-generating real estate to a REIT, shall submit a sworn statement to the SEC, the Philippine Stock Exchange, and the BIR, a reinvestment plan undertaking to reinvest any money raised by the Sponsor/Promoter from the sale of 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.

Following current regulations, Megaworld intends to invest its net proceeds from the Asset Sale estimated at Php8.657 billion in nine (9) townships located in Metro Manila, Pampanga, Bulacan, Cavite, Mactan, Iloilo, Bacolod, and Palawan for the development of malls, offices, and other developments within each township. All disbursements for such projects are intended to be distributed within one year upon receipt of the money raised from the sale of its income-generating real estate to the REIT. Megaworld does not intend to reinvest the net proceeds from the Asset Sale in any infrastructure project other than the nine (9) Megaworld townships aforementioned.

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.

As of date of this Reinvestment Plan, 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 date of this Reinvestment Plan has a market capitalization of ₱96.850 billion.

2. 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 date of this Reinvestment Plan:

Name	Age	Citizenship	Position
Andrew L. Tan	71	Filipino	Director, Chairman, President and CEO
Katherine L. Tan	69	Filipino	Director
Kingson U. Sian	59	Filipino	Director and Executive Director
Enrique Santos L. Sy	71	Filipino	Director
Jesus B. Varela	64	Filipino	Independent Director
Cresencio P. Aquino	67	Filipino	Independent Director
Roberto S. Guevara	69	Filipino	Independent Director

The table below sets forth the Company's executive officers in addition to its executive directors listed above as of date of this Reinvestment Plan:

Name	Age	Citizenship	Position
Lourdes T. Gutierrez- Alfonso	57	Filipino	Chief Operating Officer
Kevin Andrew L. Tan	41	Filipino	Executive Vice President and Chief Strategy Officer
Francisco C. Canuto	63	Filipino	Senior Vice President, Chief Finance Officer, Treasurer, Compliance Officer, Corporate Information Officer and Chief Audit Executive
Noli D. Hernandez	50	Filipino	Executive Vice President for Sales and Marketing
Giovanni C. Ng	46	Filipino	Senior Vice President and Finance Director
Maria Victoria M. Acosta	59	Filipino	Senior Vice President for International Marketing and Leasing
Maria Carla T. Uykim	44	Filipino	Head of Corporate Advisory and Compliance
Rafael Antonio S. Perez	52	Filipino	Head for HR and Corporate Admin. Division
Graham M. Coates	56	British	Head of Megaworld Lifestyle Malls
Jennifer L. Romualdez	51	Filipino	Senior Vice President and Head for Operations
Kimberly Hazel A. Sta. Maria	40	Filipino	Assistant Vice President for Corporate Communications and Advertising
Cheryll B. Sereno	41	Filipino	Chief Risk Officer
Anna Michelle T. Llovido	42	Filipino	Corporate Secretary
Nelileen S. Baxa	42	Filipino	Assistant Corporate Secretary

C. PROCEEDS RECEIVED BY THE SPONSOR

Pursuant to the Asset Sale to MREIT, the Company expects to receive proceeds of approximately ₱9.116 billion, with net proceeds estimated at ₱8.657 billion, as follows:

Type	Location	Gross Floor Area (in sqm)	Rights Acquired
Building	Two Techno Place, Iloilo Business Park, Brgy. Buhang, Mandurriao, Iloilo City	19,522.24	Ownership
Building	Three Techno Place (Building D), Iloilo Business Park, Mandurriao, Iloilo City	11,753.26	Ownership
Building	One Global Center (Building A), Iloilo Business Park, Mandurriao, Iloilo City	13,416.80	Ownership
Building	World Finance Plaza, McKinley Hills, Brgy. Pinagsama, Taguig City	27,657.96	Ownership

D. THE REINVESTMENT PLAN

Megaworld intends to use net proceeds received from the Asset Sale to fund ongoing and future investments in real estate properties in nine (9) townships located in Metro Manila, Pampanga, Bulacan, Cavite, Mactan, Iloilo, Bacolod, and Palawan for the development of malls, offices, and other developments within each township, which Megaworld may undertake on its own or through other subsidiaries. While the Company is not contemplating acquiring land at this time, there is nothing preventing it from doing so in the future in accordance with the requirements of the law, if the timing and opportunity is right.

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

#	PROJECT NAME	DESCRIPTION	TOWNSHIP / LOCATION	INVESTMENT TYPE	STATUS	PERCENTAGE COMPLETION	COMPLETION DATE	TOTAL PLANNED USE FOR THE YEAR	1ST QUARTER 2022	2ND QUARTER 2022	3RD QUARTER 2022	4TH QUARTER 2022	DISBURSING ENTITY
1	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	On-going	5%	2026	1,500.00	300.00	300.00	450.00	450.00	Megaworld Corporation
2	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	On-going	25%	2026	750.00	112.50	112.50	262.50	262.50	Megaworld Corporation
3	Paragua Caintown	Malls, Offices, Land Development and other developments	Palawan	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	On-going	5%	2026	1,000.00	150.00	150.00	350.00	350.00	Megaworld Corporation
4	The Marican Newtown	Malls, Offices, Land Development and other developments	Marican	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	On-going	15%	2026	728.91	72.89	72.89	255.12	328.01	Megaworld Corporation
5	Bacold Projects	Malls, Offices, Land Development and other developments	Bacold	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	On-going	20%	2026	728.91	109.34	109.34	291.57	218.67	Megaworld Corporation
6	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	On-going	10%	2026	450.00	90.00	90.00	135.00	135.00	Megaworld Corporation
7	Pampanga Projects	Malls, Offices, Land Development and other developments	Pampanga	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	On-going	15%	2026	1,500.00	225.00	375.00	450.00	450.00	Megaworld Corporation
8	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	On-going	10%	2026	1,000.00	150.00	100.00	300.00	450.00	Megaworld Corporation
9	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	On-going	25%	2025	1,000.00	200.00	200.00	250.00	350.00	Megaworld Corporation
Total								8,657.83	1,409.73	1,509.73	2,744.18	2,994.18	
Cumulative								1,409.73	2,919.46	5,663.64	8,657.83		

Megaworld shall endeavor to cause the completion of the construction of the projects enumerated in the 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, pandemic, 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 this Reinvestment Plan) 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 REINVESTMENT PLAN was prepared and assembled under our 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. GUTIERREZ-ALFONSO
Chief Operating Officer

MAKATI CITY

SUBSCRIBED AND SWORN to before me this 15th day of December, 2021 at Pasay 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	Valid Until 12 June 2022

Doc. No. 360;
Page No. 73;
Book No. 103;
Series of 2021.


ATTY. RAYMOND A. RAMOS
COMMISSION NO. M-239
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2021 per B.M. No. 3795
11 KALAYAAN AVENUE EXTENSION,
BARANGAY WEST REMBO, MAKATI CITY
SC Roll No. 62179/04-26-2013
IBP NO. 137312/01-04-2021/Pasig City
PTR NO. MKT 8531022/01-04-2021/Makati City
MCLE Compliance No. VI-0007878/04-06-2018