MARKET VALUE APPRAISAL

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

HOLIDAY INN EXPRESS

Located in
Newport City, Barangay 183, Zone 20
Pasay City, Metro Manila

23 July 2026

MREIT FUND MANAGERS, INC.
30th Floor, Alliance Global Tower
36th Street corner 11th Avenue
Uptown Bonifacio, Taguig City, Metro Manila

Attention : **MR. ROLANDO J. TIONGSON**
President and CEO

Thru : **MR. CHRISTIAN AIRO JARDIN**

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 23 July 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **MREIT FUND MANAGERS, INC.,** as well as on our inspections, research, and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

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

Responsibility of the Valuation Professional

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

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (3rd Edition, 2025), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

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

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao, and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 46 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

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

CUERVO APPRAISERS, INC.
By:

LIBERTY SANTIAGO-AÑO, IPA, MRICS
Vice President and General Manager
Real Estate Appraiser
PRC Registration Number: 0000167
Valid until: 07/17/2029
IPREA Membership No. 849
PTR No. 3975856
TIN No. 108-289-697-000
05 January 2026
City of Pasig

23 July 2026

MREIT FUND MANAGERS, INC.
30th Floor, Alliance Global Tower
36th Street corner 11th Avenue
Uptown Bonifacio, Taguig City, Metro Manila

Attention	:	**MR. ROLANDO J. TIONGSON** President and CEO
Thru	:	**MR. CHRISTIAN AIRO JARDIN**
Subject	:	**CAI File No. 04-2026-0309-001A** Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **MREIT FUND MANAGERS, INC.,** for the purpose of expressing an opinion on the ***market value*** of the property intended for corporate use as of ***28 February 2026.***

The appraised property consists of ***building and its facilities of Holiday Inn Express,*** bounded **by Newport Drive, Jasmine Drive, and Sales Road within Newport City, Barangay 183, Zone 20, Pasay City, Metro Manila.**

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

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

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

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

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

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

Discounting and capitalization rates;

Extent, character, and utility of the property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the ***market value*** of the property appraised using the income approach as of ***28 February 2026*** is reasonably represented in the amount of ***TWO BILLION NINE HUNDRED SEVENTEEN MILLION THREE HUNDRED NINETY-ONE THOUSAND (Php2,917,391,000) PESOS.***

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

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

Respectfully submitted,

CUERVO APPRAISERS, INC.
By:

ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager
PRC Registration Number: 0000407
Valid Until: 05/10/2029
IPREA Membership No. 1024
PTR No. 4524263
08 January 2026
City of Malolos

CCS:mfm

CAI File No. 04-2026-0309-001A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.

2. ***Cuervo Appraisers, Inc.,*** by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.

3. Any erasure on appraisal date and/or value invalidates this valuation report.

4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.

5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.

6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc*****.**

CAI File No. 04-2026-0309-001A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain property located within Newport City, Barangay 183, Zone 20, Pasay City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the ***market value*** of the property as of ***28 February 2026.***

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

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

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

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

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client and as shown on site by Engr. William Plaquia (client's representative), the appraised property is the ***Holiday Inn Express,*** bounded **by Newport Drive, Jasmine Drive, and Sales Road within Newport City, Barangay 183, Zone 20, Pasay City, Metro Manila.**

The property is located approximately 120 meters southeast from the corner of Portwood Street and Andrew Avenue; 140 meters southwest from the corner of Parkside and Sales Road; and about 230 meters southeast from the corner of Resort Drive and Andrew Avenue.

Jasmine Drive, Newport Boulevard, and Sales Road are 12, 16, and 30 meters wide, respectively. All are asphalt-paved and provided with concrete curbs and gutters, concrete sidewalks, and underground drainage. Newport Boulevard and Sales Road are provided with a center island.

III. NEIGHBORHOOD DATA

Newport City is a 25-hectare mixed-use township development in Pasay City. Developed by Megaworld Corporation, it is a premier cosmopolitan hub known for combining luxury residential condominiums, office spaces, high-end hotels, and the entertainment complex Newport World Resorts.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicle and pedestrian traffic loads. Major thoroughfares are concreted with widths ranging from 10 to 40 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Hotel Okura Manila
Sheraton Manila Hotel
Hilton Manila
Horizon Center
Maxims Hotel
Shrine of St. Therese of the Child Jesus Church
Ninoy Aquino International Airport Terminal 3

Newport Mall, Plaza 66 Newport, Eighty-One Mall, and Metro Supermarket serve the commercial, marketing, and shopping needs of the residents in the area. This is a short distance from the subject property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

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

Public transportation connecting to various sections of Pasay City and its neighboring cities is available along Sales Road where the subject property fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

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

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

VI. DESCRIPTION OF THE BUILDING

Holiday Inn Express

This is a nine (9)-storey reinforced concrete framed building with roof deck and three (3) level basement, having a reinforced concrete slab roof covered with waterproofing membrane and partly rib-type sheet on steel frame roof; gypsum board, acoustic board on t-runner, and slab soffit ceilings; exterior aluminum composite panel, cement plastered concrete hollow block and glass curtain walls; cement plastered concrete hollow blocks and fiber cement board partitions; fixed and awning glass panel on powder coated frame windows; wood panel, frameless glass, and steel doors; ceramic, granite, marble, carpet tiles, and plain cement with epoxy paint finished concrete floors.

The building features two room types, namely queen and twin bedrooms. Each room is equipped with a toilet and bath, as well as built-in tables and cabinets. The building also has a fitness center and a laundry room located on the second floor, while commercial units are situated on the ground floor.

The building is painted and provided with electrical lighting, telecommunication, and plumbing facilities. Also equipped with an air conditioning system, stand-by genset, six (6) passenger elevators, two (2) service elevators, two (2) elevators on "The House" and CCTV camera security system having gross floor area and gross leasable area of 49,376.62 square meters and 26,495.22 square meters, respectively.

Floor Level	Gross Floor Area (sq.m.)	Leasable Floor Area (sq.m.)
GF	2,934.10	2,627.25
B1	6,291.24	-
B2	6,337.10	-
B3	6,406.84	-
Tank Level	751.72	-
2/F	2,955.35	2,646.28
3/F	2,955.35	2,646.28
4/F	2,955.35	2,646.28
5/F	2,955.35	2,646.28
6/F	2,955.35	2,646.28
7/F	2,955.35	2,646.28
8/F	2,955.35	2,646.28
9/F	2,955.35	2,646.28
RD	3,012.82	2,697.73
Total -	**49,376.62**	**26,495.22**

The building construction was completed sometime in 2011. As observed, the estimated remaining economic life of this building is 34 years.

VII. HIGHEST AND BEST USE

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

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

VIII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property.

The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant’s inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

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

Discounted Cash Flow Analysis

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

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

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php220,000,000 considering vacancy and bad debts, and including dues-net. And the average lease rate for offices is Php685/sq.m./mo. (based on gross leasable area), the yearly escalation is 3%;
3. The growth rate of the gross revenue is estimated at 3% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 8.50% of the effective gross revenues, and the yearly escalation 3%;
5. The average capital expenditures over 10-year projection are estimated at 10% per year of distributable income;
6. Discount rate is estimated at 9.90% using built-up method, the computation is as follows;

Derivation of Discount Rate Using Built-up Method					
91-day treasury bill rate			=	4.240%	*auction date: 23 February 2026*
Below one year time deposit			=	3.770%	*Peso Deposit Rate February 2026*
Average			=	4.005%	
Less: 20% witholding tax			=	0.801%	
			=	3.204%	
Plus: Recapture rate of the building	=	1/REL of the Bldg.	=	2.94%	
		Cap Rate	**=**	**6.145%**	
Plus: Inflation Rate			=	3.75%	*inflation rate for February 2026*
		Discount Rate	**=**	**9.89%**	
		Say	**=**	**9.90%**	
Note: REL - Remaining Economic Life					
Holiday Inn Express	=	34-yr.			

7. Terminal capitalization rate is estimated at 6.90% (discount rate less growth rate); and
8. Marketing Cost is pegged at 0% of resale value, MREIT Fund managers have no intention of selling this property in the future.

Note: These assumptions/estimates are in consideration of the existing lease contracts, prospective tenant/s and historical data provided to us by the client. Also, in reference to the prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the property.

Discounted Cash Flow Analysis (in PhP)
HOLIDAY INN EXPRESS

STATISTICS															
Classification :	Hotel														
No. Storey:	Nine (9)														
Gross Floor Area:	49,376.62	sq.m.													
Gross Leasable Area :	26,495.22	sq.m.		*Average Lease Rate on Year 1 -*	*Php692/sq.m./mo.*	*(based on gross leasable area)*									
Vacancy Rate (incl. bad debts)															
Terminal Capitalization Rate		6.90%													
Discount Rate		9.90%													
Present Worth Factor				0.90992	0.82795	0.75337	0.68550	0.62375	0.56756	0.51644	0.46991	0.42758	0.38907		0.38907
				2026	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**		**2035**
			Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Total**	**11**
GROSS REVENUES (Php000)			Escalation	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		3.00%
Rental Income				-	-	-	-	-	-	-	-	-	-		
Rental Income - PAS Adjustment				-	-	-	-	-	-	-	-	-	-		
Rental Income - differred credits amortization				-	-	-	-	-	-	-	-	-	-		
Rental Income - penalties				-	-	-	-	-	-	-	-	-	-		
Income from dues net				-	-	-	-	-	-	-	-	-	-		
				-	-	-	-	-	-	-	-	-	-		
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-		
LESS:															
Vacancy Rate (incl. bad debts)															
Effective Gross Revenues				**220,000,000.0**	**226,600,000.0**	**233,398,000.0**	**240,399,940.0**	**247,611,938.2**	**255,040,296.3**	**262,691,505.2**	**270,572,250.4**	**278,689,417.9**	**287,050,100.4**	**2,522,053,449**	**295,661,603**
LESS EXPENSES:															
Operating Expenses															
Outside Services				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Management Fees - FM				7,700,000.0	7,931,000.0	8,168,930.0	8,413,997.9	8,666,417.8	8,926,410.4	9,194,202.7	9,470,028.8	9,754,129.6	10,046,753.5	88,271,871	10,348,156
Management Fees - PM				4,400,000.0	4,532,000.0	4,667,960.0	4,807,998.8	4,952,238.8	5,100,805.9	5,253,830.1	5,411,445.0	5,573,788.4	5,741,002.0	50,441,069	5,913,232
Land Lease				6,600,000.0	6,798,000.0	7,001,940.0	7,211,998.2	7,428,358.1	7,651,208.9	7,880,745.2	8,117,167.5	8,360,682.5	8,611,503.0	75,661,603	8,869,848
Utilities				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes, licenses and fees - RPT				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes, licenses and fees - Others				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repairs & maintenance				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies and Materials				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Expenses				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other income/(charges)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses -			*8.50%*	**18,700,000.0**	**19,261,000.0**	**19,838,830.0**	**20,433,994.9**	**21,047,014.7**	**21,678,425.2**	**22,328,777.9**	**22,998,641.3**	**23,688,600.5**	**24,399,258.5**	**214,374,543**	**25,131,236**
NET OPERATING INCOME				**201,300,000.0**	**207,339,000.0**	**213,559,170.0**	**219,965,945.1**	**226,564,923.5**	**233,361,871.2**	**240,362,727.3**	**247,573,609.1**	**255,000,817.4**	**262,650,841.9**	**2,307,678,905**	**270,530,367**
ADD: Reversion Value (Resale Value)															3,920,729,959
LESS: Marketing Cost	0.00%	of Resale Value													-
Net Reversion Value															3,920,729,959
Present Worth Factor @	9.90%	discount rate		0.90992	0.82795	0.75337	0.68550	0.62375	0.56756	0.51644	0.46991	0.42758	0.38907	-	0.38907
Present Worth of Net Income				**183,166,515**	**171,666,525**	**160,888,553**	**150,787,270**	**141,320,190**	**132,447,493**	**124,131,864**	**116,338,325**	**109,034,099**	**102,188,464**	**1,391,969,300**	
Present Worth of Net Reversion Value															**1,525,422,005**

Total Present Value of Net Income	**1,391,969,300**
Present Worth of Net Reversion Value	**1,525,422,005**
Total	**2,917,391,304**
Market Value of the property PhP	**2,917,391,304**
Rounded to PhP	**2,917,391,000**

On the basis of the foregoing, the market value of the **Holiday Inn Express (building and its facilities)** using Income Approach by **Discounted Cash Flow Analysis**, is represented in the amount of **Php2,917,391,000**