

MARKET VALUE APPRAISAL

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

HORIZON CENTER

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. 04-2026-0309A**
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 is the **Horizon Center**, bounded by **Portwood Street, Resort Drive, and Andrews Avenue 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 improvement, the land where the said improvement stands 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 TWO HUNDRED FIFTY ONE MILLION EIGHT HUNDRED SEVENTY THOUSAND (Php2,251,870,000) 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. 04-2026-0309A

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. 04-2026-0309A

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. Rannie De Guzman (client's representative), the appraised property is the **Horizon Center**, bounded by **Portwood Street, Resort Drive and Andrews Avenue within Newport City, Barangay 183, Zone 20, Pasay City, Metro Manila**.

The property is located approximately 60 meters southwest from the corner of Resort Drive and Newport Boulevard; 130 meters northwest from the corner of Jasmine Drive and Andrews Avenue; 400 meters northwest from the corner of Sales Road and Newport Boulevard; and about 500 meters southwest from the corner of Parkside Road and Sales Road.

Portwood Street, Resort Drive, and Andrews Avenue are 12, 16, and 40 meters wide, respectively. All are asphalt-paved and provided with concrete curbs and gutters, concrete sidewalks, and underground drainage. Andrews Avenue is 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
Holiday Inn Express
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 Andrew Avenue 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**Horizon Center**

This is an eight (8)-storey reinforced concrete framed building with roof deck and one (1) level basement, having a reinforced concrete slab roof covered with waterproofing membrane and partly rib-type sheet on steel frame roof; gypsum board and slab soffit ceilings; cement plastered concrete hollow block and glass curtain walls and partitions; tempered glass panel on powder coated frame windows; wood panel, frameless glass, and steel doors; ceramic, granite tiles, and plain cement with epoxy paint finished concrete floors.

Typically, all the leasable units are bare shells consisting of concrete soffit slab ceilings; cement-plastered concrete hollow block on walls and partitions; fixed glass on aluminum frame windows; and plain cement-finished concrete floors.

The building is painted and provided with electrical lighting, telecommunication, and plumbing facilities. Also equipped with an air conditioning system, stand-by genset, five (5) passenger elevators, one (1) service elevator, and CCTV camera security system having gross floor area and gross leasable area of 23,040.00 square meters and 20,422.04 square meters, respectively.

Floor Level	Gross Floor Area (sq.m.)	Leasable Floor Area (sq.m.)
Ground Floor	2,534.00	1,576.90
Basement	934.00	72.54
2/F	2,796.00	2,681.80
3/F	2,796.00	2,681.80
4/F	2,796.00	2,681.80
5/F	2,796.00	2,681.80
6/F	2,796.00	2,681.80
7/F	2,796.00	2,681.80
8/F	<u>2,796.00</u>	<u>2,681.80</u>
Total -	23,040.00	20,422.04

The building construction was completed sometime in 2009. 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 office/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 Php227,336,237 considering vacancy and bad debts, and including dues-net. And the average lease rate for offices is Php928/sq.m./mo. (based on gross leasable area);
3. The average growth rate of the gross revenue is estimated at 2.75% 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 32.34% of the effective gross revenues;
5. The average capital expenditures over 10-year projection are estimated at 10% per year of distributable income;
6. Discount rate is estimated at 9.00% using built-up method, the computation is as follows;

Derivation of Discount Rate Using Built-up Method					
91-day treasury bill rate		=	4.731%		auction date: 15 December 2025
Below one year time deposit		=	<u>3.828%</u>		Peso Deposit Rate 20-26 November 2025 BSP
Average		=	4.280%		
Less: 20% withholding tax		=	<u>0.856%</u>		
		=	3.424%		
Plus: Recapture rate of the building	=	1/REL of the Bldg.			
	=	1/34 yrs x 100%	=	<u>2.94%</u>	
		Cap Rate	=	6.36%	
Plus: Inflation Rate			=	<u>2.62%</u>	inflation rate for December 2025 (PSA)
		Discount Rate	=	8.98%	
		Say	=	<u>9.00%</u>	
<i>Note: REL - Remaining Economic Life</i>					
Horizon Centre	=	34-yr.			

7. Terminal capitalization rate is estimated at 6.25% (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)															
HORIZON CENTER															
STATISTICS															
Classification	Office														
No. Storey	eight (8)														
Gross Floor Area	23,040.00	sq.m.													
Gross Leasable Area	20,422.04	sq.m.													
		Average Lease Rate on Year 1 -		Php928/sq.m./mo.		(based on gross leasable area)									
Vacancy Rate (incl. bad debts)															
Terminal Capitalization Rate	6.25%														
Discount Rate	9.00%														
Present Worth Factor				0.91743	0.84168	0.77218	0.70843	0.64993	0.59627	0.54703	0.50187	0.46043	0.42241		0.42241
				2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		2035
GROSS REVENUES (Php000)															
			Year	1	2	3	4	5	6	7	8	9	10	Total	11
			Escalation	0.00%	2.75%	2.28%	2.41%	2.54%	2.67%	2.81%	2.95%	3.10%	3.25%		2.75%
Rental Income				-	-	-	-	-	-	-	-	-	-		
Rental Income - PAS Adjustment				-	-	-	-	-	-	-	-	-	-		
Rental Income - deferred credits amortization				-	-	-	-	-	-	-	-	-	-		
Rental Income - penalties				-	-	-	-	-	-	-	-	-	-		
Income from dues net				-	-	-	-	-	-	-	-	-	-		
				-	-	-	-	-	-	-	-	-	-		
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-		
LESS:															
Vacancy Rate (incl. bad debts)															
Effective Gross Revenues				227,336,237.7	233,590,931.5	238,925,385.8	244,677,654.5	250,883,737.5	257,582,945.4	264,818,216.8	272,636,465.0	281,088,960.2	290,231,748.2	2,561,772,283	298,213,121
LESS EXPENSES:															
Operating Expenses															
Outside Services				34,355,850	36,073,643	37,877,325	39,771,191	41,759,751	43,847,738	46,040,125	48,342,131	50,759,238	53,297,200	432,124,191	54,762,873
Management Fees - FM				7,956,768	8,175,683	8,362,389	8,563,718	8,780,931	9,015,403	9,268,638	9,542,276	9,838,114	10,158,111	89,662,030	10,437,459
Management Fees - PM				4,546,725	4,671,819	4,778,508	4,893,553	5,017,675	5,151,659	5,296,364	5,452,729	5,621,779	5,804,635	51,235,446	5,964,262
Land Lease				5,362,957	7,400,796	9,517,718	9,805,332	10,115,636	10,450,596	10,812,360	11,203,272	11,625,897	12,083,036	98,377,601	12,415,320
Utilities				21,295,570	22,360,348	23,478,366	24,652,284	25,884,898	27,179,143	28,538,100	29,965,005	31,463,256	33,036,418	267,853,389	33,944,920
Taxes, licenses and fees - RPT				-	-	-	-	-	-	-	-	-	-	-	-
Taxes, licenses and fees - Others				-	-	-	-	-	-	-	-	-	-	-	-
Repairs & maintenance				-	-	-	-	-	-	-	-	-	-	-	-
Supplies and Materials				-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous				-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses				-	-	-	-	-	-	-	-	-	-	-	-
Other income/(charges)				-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses -			32.34%	73,517,869.6	78,682,288.7	84,014,305.1	87,686,077.8	91,558,890.3	95,644,539.6	99,955,587.1	104,505,414.4	109,308,283.3	114,379,400.7	939,252,657	117,524,834
NET OPERATING INCOME				153,818,368.1	154,908,642.8	154,911,080.8	156,991,576.7	159,324,847.2	161,938,405.9	164,862,629.7	168,131,050.5	171,780,676.9	175,852,347.5	1,622,519,626	180,688,287
ADD: Reversion Value (Resale Value)															2,891,698,053
LESS: Marketing Cost			0.00% of Resale Value												-
Net Reversion Value															2,891,698,053
Present Worth Factor @	9.00%	discount rate		0.91743	0.84168	0.77218	0.70843	0.64993	0.59627	0.54703	0.50187	0.46043	0.42241	-	0.42241
Present Worth of Net Income				141,117,769	130,383,505	119,619,777	111,216,791	103,550,219	96,558,580	90,185,504	84,379,305	79,092,596	74,281,932	1,030,385,978	
Present Worth of Net Reversion Value															1,221,484,508
Total Present Value of Net Income															1,030,385,978
Present Worth of Net Reversion Value															1,221,484,508
Total															2,251,870,486
Market Value of the property				Php	2,251,870,486										
Rounded to				Php	2,251,870,000										

On the basis of the foregoing, the market value of the **Horizon Center (building and its facilities)** using Income Approach by **Discounted Cash Flow Analysis**, is represented in the amount of **Php2,251,870,000**.