

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C (As Amended)  
CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2 (c) THEREUNDER**

1. **February 10, 2023**  
Date of Report
2. SEC Identification Number: **167423**    3. BIR Tax Identification No: **000-477-103**
4. **MEGAWORLD CORPORATION**  
Exact name of Issuer as specified in its charter
5. **Metro Manila, Philippines**  
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)  
Industry Classification Code
7. **30<sup>th</sup> Floor, Alliance Global Tower**  
**36<sup>th</sup> Street cor. 11<sup>th</sup> Avenue**  
**Uptown Bonifacio, Taguig City 1634**  
Address of principal office
8. **(632) 8894-6300/6400**  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Stock Outstanding</u>
<b>Common</b>	<b>31,246,456,872</b>
<b>Preferred</b>	<b>6,000,000,000</b>
<b>Total</b>	<b>37,246,456,872</b>

10. **Item 9(b)**


Please see the attached disclosure to the Philippine Stock Exchange.

**SIGNATURE**

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**MEGAWORLD CORPORATION**  
Issuer

By:

  
**DR. FRANCISCO C. CANUTO**  
Senior Vice President and  
Corporate Information Officer  
February 10, 2023

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**MEGAWORLD**

## **Megaworld Corporation**

### **MEG**

#### **PSE Disclosure Form REIT-2 - Reinvestment Plan Progress Report** *Reference: Section 6 of the Amended PSE Listing Rules for REITS*

Annual Report  
Quarterly Report

#### **Subject of the Disclosure**

Final Sponsor Progress Report on the Disbursement of Proceeds from the Initial Public Offering ("IPO") of MREIT, Inc. ("MREIT"), pursuant to the Reinvestment Plan of Megaworld Corporation, as Sponsor of MREIT.

#### **Background/Description of the Disclosure**

Final Progress Report on the Use of Proceeds for the quarter ending 30 September 2022, in relation to the Reinvestment Plan submitted by Megaworld Corporation ("MEG") in connection with the IPO of MREIT, duly certified by external auditors.

#### **Update or Status of the Reinvestment Plan**

As of 30 September 2022, the proceeds from the MREIT IPO have been fully disbursed by MEG

#### **Summary of Transactions Involving Real Estate and/or Infrastructure Projects for the Period**

The following disbursements for the Reinvestment Plan were made for the period of July 1 to September 30, 2022:

Project Name: No. 1 Upper East Avenue  
Type of Investment: Investment in Building  
Disbursing Entity: Megaworld Bacolod Properties, Inc.  
Total: Php289,287,843.48

Project Name: Enterprise One  
Type of Investment: Investment in Building

Disbursing Entity: Megaworld Corporation  
Total: Php758,239,142.72

Project Name: Office - Iloilo  
Type of Investment: Investment in Building  
Disbursing Entity: Megaworld Corporation  
Total: Php761,998,334.30

Project Name: Office - Taguig  
Type of Investment: Investment in Building  
Disbursing Entity: Megaworld Corporation  
Total: Php462,606,660.25

Project Name: Office / Commercial - Cavite  
Type of Investment: Investment in Building  
Disbursing Entity: Megaworld Corporation  
Total: Php1,330,603,012.73

Project Name: Commercial - Bacolod  
Type of Investment: Investment in Building  
Disbursing Entity: Megaworld Bacolod Properties, Inc.  
Total: Php350,000,000.00

Project Name: Commercial 2 - Bacolod  
Type of Investment: Investment in Building  
Disbursing Entity: Megaworld Bacolod Properties, Inc.  
Total: Php317,712,156.52

Project Name: Hotel  
Type of Investment: Investment in Building  
Disbursing Entity: Prestige Hotels & Resorts, Inc.  
Total: Php370,000,000.00

Project Name: Eastwood City Projects  
Type of Investment: Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries  
Disbursing Entity: Eastwood Cyber One Corporation  
Total: Php300,000,000.00

Project Name: ArcoVia City Projects  
Type of Investment: Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries  
Disbursing Entity: ArcoVia Properties, Inc.  
Total: Php350,000,000.00

Project Name: Boracay Newcoast Projects  
Type of Investment: Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries  
Disbursing Entity: Global-Estate Resorts, Inc.  
Total: Php183,000,000.00

Project Name: Arden Botanical Estate Projects  
Type of Investment: Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries  
Disbursing Entity: Global-Estate Resorts, Inc.  
Total: Php305,000,000.00

Project Name: Twin Lakes Projects  
Type of Investment: Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries  
Disbursing Entity: Twin Lakes Corporation  
Total: Php651,000,000.00

**Description of Real Estate Assets and/or Infrastructure Projects for the Period**

No. 1 Upper East Avenue – Office/ retail building in Bacolod City  
Enterprise One – Office/ retail building in Iloilo City  
Office – Iloilo – Office/ retail building in Iloilo City  
Office - Taguig – Office/ retail building in in Taguig City  
Office / Commercial - Cavite – Office/ retail building in Cavite  
Commercial - Bacolod – Malls, Offices, Land Development, and other developments in Bacolod City  
Commercial 2 - Bacolod – Malls, Offices, Land Development, and other developments in Bacolod City  
Hotel – Various Hotels  
Eastwood City Projects– Malls, Offices, Land Development and other developments in Eastwood, Quezon City  
ArcoVia City Projects – Malls, Offices, Land Development and other developments in ArcoVia City, Pasig City  
Boracay Newcoast Projects – Malls, Offices, Land Development, and other developments in Boracay  
Arden Botanical Estate Projects – Malls, Offices, Land Development, and other developments in Cavite  
Twin Lakes Projects – Malls, Offices, Land Development, and other developments in Batangas

**Other Relevant Information**

This report is being amended to include as attachment all the Reinvestment Plan Progress Reports in relation to the October 2021 Initial Public Offering.

**Filed on behalf by:**

<b>Name</b>	Jamie Katrina Chan
<b>Designation</b>	Senior Manager II



MEGAWORLD CORPORATION

25/F Alliance Global Tower, 36th Street cor. 11th Avenue Uptown Bonifacio, Taguig City 1634  
Trunkline: (632) 905-2900 • (632) 905-2800  
*www.megaworldcorp.com • E-mail: infodesk@megaworldcorp.com*

January 14, 2022

THE PHILIPPINE STOCK EXCHANGE  
Philippine Stock Exchange Plaza  
6th Floor, PSE Tower  
Bonifacio Global City, Taguig

Attention: Ms. Janet A. Encarnacion  
Head, Disclosure Department

Subject: 4<sup>th</sup> Quarter 2021 Progress Report on the Use of Proceeds from the Initial Public Offering ("IPO") of MREIT, Inc.

Dear Ms. Encarnacion,

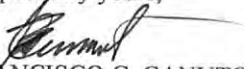
We hereby submit our Progress Report on the Use of Proceeds for the quarter ending December 31, 2021 duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The IPO proceeds are fully from the Secondary Offer of shares owned by Megaworld Corporation. Please be advised that as of December 31, 2021, the remaining balance of the proceeds from the MREIT IPO amounts to Thirteen Billion Two Hundred Thirty Six Million Three Hundred Fifty Three Thousand Eight Hundred Thirty Pesos and thirty centavos (Php 13,236,353,830.30) as indicated below:

Gross Proceeds from the IPO	15,292,383,750.00
less:	
Underwriters and IPO related fees deducted from proceeds	(267,616,715.63)
Net Proceeds received	15,024,767,034.37
less:	
Disbursement for transaction costs	(234,230,841.17)
Disbursement for Reinvestment Plan (Annex A)	(1,554,182,362.90)
Net Balance of IPO proceeds as of December 31, 2021	13,236,353,830.30

Thank you.

Respectfully yours,

  
FRANCISCO C. CANUTO  
Treasurer



ANNEX A: Disbursements for the period covering October 1 to December 31, 2021

Project	Township/Location	Investment Type	Product	Year to Date Total	Disbursing Entity
One Le Grand Tower	Mckinley West	Investment in Building	Office / Retail	5,185,241.46	Megaworld Corporation
One Paseo	Arcovia City	Investment in Building	Office / Retail	35,072,167.23	Megaworld Corporation
Worldwide Plaza	Uptown Bonifacio	Investment in Building	Office / Retail	724,583,571.10	Megaworld Corporation
No. 1 Upper East Avenue	The Upper East	Investment in Building	Office / Retail	115,606,675.94	Megaworld Corporation
International Finance Center	Uptown Bonifacio	Investment in Building	Office / Retail	110,947,043.97	Megaworld Corporation
Enterprise One	Iloilo Business Park	Investment in Building	Office / Retail	167,579,691.28	Megaworld Corporation
Office - Iloilo	Iloilo Business Park	Investment in Building	Office / Retail	54,104,556.70	Megaworld Corporation
Office - Taguig	Taguig	Investment in Building	Office / Retail	206,913,287.78	Megaworld Corporation
Office / Commercial - Cavite	Cavite	Investment in Building	Office / Retail	77,947,322.82	Megaworld Corporation
Commercial - Bacolod	The Upper East	Investment in Building	Office / Retail	47,553,284.33	Megaworld Corporation
Commercial 2 - Bacolod	Northhill Gateway	Investment in Building	Office / Retail	8,689,520.29	Megaworld Corporation
<b>TOTAL</b>				<b>1,554,182,362.90</b>	

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)  
\_\_\_\_\_, METRO MANILA) SS

At \_\_\_\_\_ Marikina City City, Metro Manila, on this \_\_\_\_\_ day of JAN 14 2022, 20\_\_\_\_, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
Francisco C. Canuto	SSS ID#03-5188143-1	

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

NOTARY PUBLIC

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Page No. 51  
Book No. 77  
Series of 2022

  
**BUENAVENTURA O. MENDOZA**

NOTARY PUBLIC  
Until December 31, 2022  
PTR No. 4857784, Marikina City-01/04/22  
IBF No. 178890 01-04-2022 Roll No. 31206  
MCLF Compliance No. 1-0021652  
500-A Madrigal bldg. Ayala Ave., Marikina City  
Extended until June 30, 2022 per B.M. No. 3795



## **Report of Independent Auditors on Factual Findings**

**The Board of Directors and Stockholders  
Megaworld Corporation**  
30th Floor, Alliance Global Tower  
36th Street cor. 11th Avenue  
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report (the Report) as of and for the quarter ended December 31, 2021 on the application of proceeds from the secondary offer received by Megaworld Corporation (the Company) from the Initial Public Offering of MREIT, Inc. (MREIT) on October 1, 2021 (the Offering) and the application of proceeds from the sale of four prime, Grade A buildings located in Philippine Economic Zone Authority-registered Zones on December 21, 2021 (the Asset Sale). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*, applicable to agreed-upon procedures engagements.

### **Agreed-upon Procedures**

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
  - a) The Report;
  - b) Schedule of planned application of proceeds from the Offering and the Asset Sale; and,
  - c) Detailed schedule of utilization of proceeds as of and for the quarter ended December 31, 2021.
  
2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.



3. Compared the schedule of planned application of the Offering and Asset Sale proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.
4. Traced to and examined supporting documents such as progress billings, invoices, official receipts, bank statements and approval documents, of a sample of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

### Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

We present below the summary of the application of the proceeds from the Offering as of and for the quarter ended December 31, 2021, based on the information we obtained from the Company.

<u>Project name</u>	<u>Amount</u>
One LeGrand Tower	P 5,185,242
One Paseo	35,072,167
Worldwide Plaza	724,583,571
No. 1 Upper East Avenue	115,606,676
International Finance Center	110,947,044
Enterprise One	167,579,691
Office – Iloilo	54,104,557
Office – Taguig	206,913,288
Office/Commercial – Cavite	77,947,323
Commercial – Bacolod	47,553,284
Commercial 2 – Bacolod	<u>8,689,520</u>
	<b><u>P 1,554,182,363</u></b>

We noted that there was no utilization of the Asset Sale proceeds as of December 31, 2021.

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.
3. With respect to item 3, we noted that the planned application of the Offering and Asset Sale proceeds is in agreement with the Reinvestment Plan.

4. With respect to item 4, we traced the utilization of the Offering proceeds for the following projects to supporting progress billings, invoices, official receipts, bank statements and approval documents:

<u>Project name</u>	<u>Amount</u>
One LeGrand Tower	P 2,077,941
One Paseo	30,841,086
Worldwide Plaza	402,985,920
No. 1 Upper East Avenue	94,144,546
International Finance Center	47,127,489
Enterprise One	164,982,662
Office – Iloilo	40,152,106
Office – Taguig	120,553,921
Office/Commercial – Cavite	44,136,881
Commercial – Bacolod	31,181,049
Commercial 2 – Bacolod	7,220,800
	<b><u>P 985,404,401</u></b>

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of Offering Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

**PUNONGBAYAN & ARAULLO**



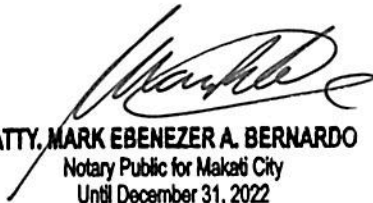
By: **Renan A. Piamonte**  
Partner

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

January 14, 2022

**SUBSCRIBED AND SWORN** to before me the above-mentioned affiant on April 20, 2022 at the City of Makati exhibiting his Professional Regulatory Commission (PRC) License ID registration no. 0107805 valid until September 19, 2022.

Notary Public

  
**ATTY. MARK EBENEZER A. BERNARDO**  
Notary Public for Makati City  
Until December 31, 2022

Notarial Commission No. M-02  
Roll No. 74096  
IBP Number: 169485 01/03/2022, PPLM  
PTR No. 8851839 01/03/2022, Makati City  
MCLE Compliance No. VII-0011480 valid until April 14, 2025

Doc. No. 19 :  
Page No. 5 :  
Book No. 2 :  
Series of 2022.



MEGAWORLD CORPORATION

25/F Alliance Global Tower, 36th Street cor. 11th Avenue Uptown Bonifacio, Taguig City 1634  
Trunkline: (632) 905-2900 • (632) 905-2800  
*www.megaworldcorp.com • E-mail: infodesk@megaworldcorp.com*

April 13, 2022

THE PHILIPPINE STOCK EXCHANGE  
Philippine Stock Exchange Plaza  
6th Floor, PSE Tower  
Bonifacio Global City, Taguig

Attention: Ms. Janet A. Encarnacion  
Head, Disclosure Department

Subject: 1<sup>st</sup> Quarter 2022 Progress Report on the Use of Proceeds from the Initial Public Offering ("IPO") of MREIT, Inc.

Dear Ms. Encarnacion ,


We hereby submit our Progress Report on the Use of Proceeds for the quarter ending March 31, 2022 duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The IPO proceeds are fully from the Secondary Offer of shares owned by Megaworld Corporation. Please be advised that as of March 31, 2021, the remaining balance of the proceeds from the MREIT IPO amounts to Nine Billion Nine Hundred Million and One Hundred Seventy Thousand Seven Hundred Eighty Two Pesos and seventy-nine centavos (Php 9,900,170,782.79) as indicated below:

Net Balance of IPO proceeds as of December 31, 2021	13,236,353,830.30
less:	
Disbursement for Reinvestment Plan (Annex A)	(3,336,183,047.51)
<u>Net Balance of IPO proceeds as of March 31, 2021</u>	<u>9,900,170,782.79</u>

Thank you.

Respectfully yours,

  
FRANCISCO C. CANUTO  
Treasurer



ANNEX A: Disbursements from the IPO Proceeds for the period covering January 1 to March 31, 2022

No	Project	Location	Investment Type	Product	Year to Date Total	Disbursing Entity
1	Enterprise One	Iloilo	Investment in Building	Office / Retail	74,181,166.01	Megaworld Corporation
2	Office - Iloilo	Iloilo	Investment in Building	Office / Retail	83,897,108.50	Megaworld Corporation
3	Eastwood City project	Quezon City	Investment in Building	Malls, Offices, Land developments and Other developments	350,000,000.00	Eastwood Cyberone Corp.
4	Hotel project	Quezon City	Investment in Building	Hotel	200,000,000.00	Prestige Hotels & Resorts, Inc.
5	Boracay Newcoast projects	Boracay	Investment in Building	Malls, Offices, Land developments and Other developments	220,000,000.00	Global Estate-Resorts, Inc
6	Twin Lakes Project	Batangas	Investment in Building	Malls, Offices, Land developments and Other developments	557,000,000.00	Twin Lakes Coporation
7	Office - Taguig	Taguig	Investment in Building	Office / Retail	500,000,000.00	Megaworld Corporation
8	Office / Commercial - Pampanga	Pampanga	Investment in Building	Office / Retail	1,051,104,773.00	Megaworld Capital Town
9	Arcovia City projects	Pasig	Investment in Building	Malls, Offices, Land developments and Other developments	300,000,000.00	Arcovia Properties, Inc.
					<b>3,336,183,047.51</b>	



# ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)  
\_\_\_\_\_Makati City METRO MANILA) SS

At \_\_\_\_\_Makati City City, Metro Manila, on this APR 18 2022 day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
Fancisco C. Canuto	SSS ID#03-5188143-1	

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this \_\_\_\_\_ day of APR 18 2022

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Page No. 10 ;  
Book No. 99 ;  
Series of 2022

NOTARY PUBLIC

  
**HERNANDEZ M. MENDOZA**  
NOTARY PUBLIC  
Until December 31, 2022  
PTR No. 8852784 Makati City-01/04/22  
IBP No. 178030 01-04-1037 Roll No. 31208  
MCLE Compliance No. 11-0021653  
500-A Medrigal Bldg. Ayala Ave., Makati City  
Extended until June 30, 2022 per D.M No. 3795



## **Report of Independent Auditors on Factual Findings**

**The Board of Directors and Stockholders  
Megaworld Corporation**  
30th Floor, Alliance Global Tower  
36th Street cor. 11th Avenue  
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report (the Report) for the quarter ended March 31, 2022 on the application of proceeds from the secondary offer received by Megaworld Corporation (the Company) from the Initial Public Offering of MREIT, Inc. (MREIT) on October 1, 2021 (the Offering). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*, applicable to agreed-upon procedures engagements.

### **Agreed-upon Procedures**

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
  - a) The Report;
  - b) Schedule of planned application of proceeds from the Offering; and,
  - c) Detailed schedule of utilization of proceeds for the quarter ended March 31, 2022.
  
2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.



3. Compared the schedule of planned application of the Offering proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.
4. Traced to and examined supporting documents such as progress billings, invoices, official receipts, bank statements and approval documents, of a sample of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

### Results of the Performance of Agreed-Up Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

We present below the summary of the application of the proceeds from the Offering for the quarter ended March 31, 2022, based on the information we obtained from the Company.

<u>Project Name</u>	<u>Township or Location</u>	<u>Products</u>	<u>Disbursing Entity</u>	<u>Amount</u>
Enterprise One	Iloilo Business Park	Office and Retail	Megaworld Corporation	P 74,181,166
Office - Iloilo	Iloilo Business Park	Office and Retail	Megaworld Corporation	83,897,109
Office - Taguig	Taguig	Office and Retail	Megaworld Corporation	500,000,000
Office / Commercial - Pampanga	Pampanga	Office and Retail	Megaworld Capital Town, Inc.	1,051,104,773
Hotel	Various	Hotel	Prestige Hotels and Resorts, Inc.	200,000,000
Eastwood City Projects	Eastwood City	Malls, Offices, Land developments and Other developments	Eastwood Cyber One Corporation	350,000,000
ArcoVia City Projects	ArcoVia City	Malls, Offices, Land developments and Other developments	Arcovia Properties, Inc.	<u>300,000,000</u>
<i>Balance carried forward</i>				<b><u>P 2,559,183,048</u></b>

<u>Project Name</u>	<u>Township or Location</u>	<u>Products</u>	<u>Disbursing Entity</u>	<u>Amount</u>
<i>Balance brought forward</i>				P 2,559,183,048
Boracay Newcoast Projects	Boracay Newcoast	Malls, Offices, Land developments and Other developments	Global-Estate Resorts, Inc.	220,000,000
Twin Lakes Projects	Twin Lakes	Malls, Offices, Land developments and Other developments	Twin Lakes Corporation	<u>557,000,000</u>
				<b><u>P 3,336,183,048</u></b>

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.
3. With respect to item 3, we noted that the planned application of the Offering proceeds is in agreement with the amended Reinvestment Plan as approved by the Company's BOD on February 28, 2022.
4. With respect to item 4, we traced the utilization of the Offering proceeds for the quarter ended March 31, 2022 to supporting progress billings, invoices, official receipts, bank statements and approval documents.

We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

<u>Disbursing Entity</u>	<u>Project Name</u>	<u>Township or Location</u>	<u>Amount</u>
Megaworld Capital Town, Inc. Prestige Hotels and Resorts, Inc.	Office / Commercial – Pampanga Hotel	Capital Town Various	P 1,051,104,773 200,000,000
Eastwood Cyber One Corporation	Eastwood City Projects	Eastwood City	350,000,000
Arcovia Properties, Inc.	ArcoVia City Projects	ArcoVia City	300,000,000
Global-Estate Resorts, Inc.	Boracay Newcoast Projects	Boracay Newcoast	220,000,000
Twin Lakes Corporation	Twin Lakes Projects	Twin Lakes	<u>557,000,000</u>
			<b><u>P 2,678,104,773</u></b>

We traced the cash advances granted by the Company to supporting official receipts issued by the entities and bank statements. Moreover, we agreed the amounts to the accounting records of the Company.

We also traced the amounts disbursed by the Company for the following projects to supporting progress billings, invoices, official receipts, bank statements and approval documents:

<u>Project name</u>	<u>Amount</u>
Enterprise One	P 74,181,166
Office – Iloilo	83,897,109
Office – Taguig	<u>500,000,000</u>
	<b><u>P 658,078,275</u></b>

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of Offering Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

### **PUNONGBAYAN & ARAULLO**



By: **Renan A. Pamonte**  
Partner

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

April 13, 2022





**SUBSCRIBED AND SWORN** to before me the above-mentioned affiant on April 20, 2022 at the City of Makati exhibiting his Professional Regulatory Commission (PRC) License ID registration no. 0107805 valid until September 19, 2022.

Notary Public

**ATTY. MARK EBENEZER A. BERNARDO**

Notary Public for Makati City

Until December 31, 2022

Notarial Commission No. M-02

Roll No. 74096

IBP Number: 169485 01/03/2022, PPLM

PTR No. 8851839 01/03/2022, Makati City

MCLE Compliance No. VII-0011480 valid until April 14, 2025

Doc. No. 21 ;  
Page No. 6 ;  
Book No. 2 ;  
Series of 2022.



MEGAWORLD CORPORATION

25/F Alliance Global Tower, 36th Street cor. 11th Avenue Uptown Bonifacio, Taguig City 1634  
Trunkline: (632) 905-2900 • (632) 905-2800  
*www.megaworldcorp.com • E-mail: infodesk@megaworldcorp.com*

July 14, 2022

THE PHILIPPINE STOCK EXCHANGE  
Philippine Stock Exchange Plaza  
6th Floor, PSE Tower  
Bonifacio Global City, Taguig

Attention: Ms. Janet A. Encarnacion  
Head, Disclosure Department

Subject: 2<sup>nd</sup> Quarter 2022 Progress Report on the Use of Proceeds from the Initial Public Offering ("IPO") of MREIT, Inc.

Dear Ms. Encarnacion,

We hereby submit our Progress Report on the Use of Proceeds for the quarter ending June 30, 2022 duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The IPO proceeds are fully from the Secondary Offer of shares owned by Megaworld Corporation. Please be advised that as of June 30, 2022, the remaining balance of the proceeds from the MREIT IPO amounts to Six Billion Four Hundred Twenty Nine Million and Four Hundred Forty Seven Thousand and One Hundred-fifty Pesos (Php 6,429,447,150.00) as indicated below:

Net Balance of IPO proceeds as of March 31, 2022	9,900,170,782.79
less:	
Disbursement for Reinvestment Plan (Annex A)	(3,470,723,632.79)
<u>Net Balance of IPO proceeds as of June 30, 2022</u>	<u>6,429,447,150.00</u>

Thank you.

Respectfully yours,

FRANCISCO C. CANUTO  
Treasurer



**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES)  
Makati City, METRO MANILA) SS

At Makati City City, Metro Manila, on this JUL 15 2022 day of JUL 15 2022, 2022, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
For and on behalf of MEGAWORLD CORPORATION:		
For and on behalf of		

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this JUL 15 2022 day of JUL 15 2022.

NOTARY PUBLIC

Doc. No. 142 ;  
Page No. 30 ;  
Book No. 120 ;  
Series of 2022 .

  
NOTARY PUBLIC  
Until December 31, 2022  
PTR No. 8857784, Makati City-01/04/22  
ISP No. 178830 D1-04-2022 Roll No. 31206  
MCLE Compliance No. H-0021653  
500-A Madrigal Bldg. Ayala Ave., Makati City

ANNEX A: Disbursements from the IPO Proceeds for the period covering April 1 to June 30, 2022

	Project Name	Township/Location	Investment Type	Product	2Q Disbursements	Disbursing Entity
1	Office - Taguig	Taguig City	Investment in Building	A LEED Office building with support retail to be developed in Taguig	567,092,939.05	Megaworld Corporation
2	Office / Commercial - Cavite	Cavite City	Investment in Building	Malls, Offices, Land Development and other developments	21,630,693.74	Megaworld Corporation
3	Eastwood City Projects	Eastwood City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	350,000,000.00	Eastwood Cyber One Corporation
4	ArcoVia City Projects	Arcovia City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	350,000,000.00	Arcovia Properties, Inc
5	No. 1 Upper East Avenue	Bacolod City	Investment in Building	Malls, Offices, Land Development and other developments	175,000,000.00	Megaworld Bacolod Properties, Inc
6	Commercial - Bacolod	Bacolod City	Investment in Building	Malls, Offices, Land Development and other developments	350,000,000.00	Megaworld Bacolod Properties, Inc
7	Commercial 2 - Bacolod	Bacolod City	Investment in Building	Malls, Offices, Land Development and other developments	350,000,000.00	Megaworld Bacolod Properties, Inc
8	Boracay Newcoast Projects	Boracay Newcoast	Investment in Building	Malls, Offices, Land Development and other developments	167,000,000.00	Global-Estate Resorts, Inc
9	Arden Botanical Estate Projects	Arden Botanical Estate	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	125,000,000.00	Global-Estate Resorts, Inc
10	Twin Lakes Projects	Twin Lakes	Investment in Building	Malls, Offices, Land Development and other developments	565,000,000.00	Twin Lakes Corporation
11	Hotel	Eastwood City	Investment in Building	Hotel	450,000,000.00	Prestige Hotels & Resorts, Inc

**3,470,723,632.79**



## Report of Independent Auditors on Factual Findings

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

T +63 2 8988 2288

**The Board of Directors and Stockholders**  
**Megaworld Corporation**  
30th Floor, Alliance Global Tower  
36th Street cor. 11th Avenue  
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report (the Report) for the quarter ended June 30, 2022 on the application of proceeds from the secondary offer received by Megaworld Corporation (the Company) from the Initial Public Offering of MREIT, Inc. (MREIT) on October 1, 2021 (the Offering). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*, applicable to agreed-upon procedures engagements.

### Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
  - a) The Report;
  - b) Schedule of planned application of proceeds from the Offering; and,
  - c) Detailed schedule of utilization of proceeds for the quarter ended June 30, 2022.
2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.

3. Compared the schedule of planned application of the Offering proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.
4. Traced to and examined supporting documents such as progress billings, invoices, official receipts, bank statements and approval documents, of all the disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

### Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

We present below the summary of the application of the proceeds from the Offering for the quarter ended June 30, 2022, based on the information we obtained from the Company.

<u>Project Name</u>	<u>Township or Location</u>	<u>Products</u>	<u>Disbursing Entity</u>	<u>Amount</u>
Office - Taguig	Taguig	Office and Retail	Megaworld Corporation	P 567,092,939
Office / Commercial - Cavite	Maple Grove	Office and Retail	Megaworld Corporation	21,630,694
Eastwood City Projects	Eastwood City	Malls, Offices, Land developments and Other developments	Eastwood Cyber One Corporation	350,000,000
ArcoVia City Projects	ArcoVia City	Malls, Offices, Land developments and Other developments	Arcovia Properties, Inc.	350,000,000
No. 1 Upper East Avenue	The Upper East	Office and Retail	Megaworld Bacolod Properties, Inc.	175,000,000
Commercial - Bacolod	The Upper East	Mall	Meaworld Bacolod Properties, Inc.	<u>350,000,000</u>
<i>Balance carried forward</i>				<b><u>P 1,813,723,633</u></b>

<u>Project Name</u>	<u>Township or Location</u>	<u>Products</u>	<u>Disbursing Entity</u>	<u>Amount</u>
<i>Balance brought forward</i>				P 1,813,723,633
Commercial 2 - Bacolod	Northhill Gateway	Mall	Megaworld Bacolod Properties, Inc.	350,000,000
Boracay Newcoast Projects	Boracay Newcoast	Malls, Offices, Land developments and Other developments	Global-Estate Resorts, Inc.	167,000,000
Arden Botanical Estate Projects	Arden Botanical Estate	Malls, Offices, Land developments and Other developments	Global-Estate Resorts, Inc.	125,000,000
Twin Lakes Projects	Twin Lakes	Malls, Offices, Land developments and Other developments	Twin Lakes Corporation	565,000,000
Hotel	Various	Hotel	Prestige Hotels and Resorts, Inc.	<u>450,000,000</u>
				<b><u>P 3,470,723,633</u></b>

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.
3. With respect to item 3, we noted that the planned application of the Offering proceeds is in agreement with the amended Reinvestment Plan as approved by the Company's BOD on February 28, 2022.
4. With respect to item 4, we traced the utilization of the Offering proceeds for the quarter ended June 30, 2022 to supporting progress billings, invoices, official receipts, bank statements and approval documents.



We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

<u>Disbursing Entity</u>	<u>Project Name</u>	<u>Township or Location</u>	<u>Amount</u>
Eastwood Cyber One Corporation	Eastwood City Projects	Eastwood City	P 350,000,000
Arcovia Properties, Inc.	ArcoVia City Projects	ArcoVia City	350,000,000
Megaworld Bacolod Properties, Inc.	No. 1 Upper East Avenue	The Upper East	175,000,000
Megaworld Bacolod Properties, Inc.	Commercial - Bacolod	The Upper East	350,000,000
Megaworld Bacolod Properties, Inc.	Commercial 2 - Bacolod	Northhill Gateway	350,000,000
Global-Estate Resorts, Inc.	Boracay Newcoast Projects	Boracay Newcoast	167,000,000
Global-Estate Resorts, Inc.	Arden Botanical Estate Projects	Arden Botanical Estate	125,000,000
Twin Lakes Corporation	Twin Lakes Projects	Twin Lakes	565,000,000
Prestige Hotels and Resorts, Inc.	Hotel	Various	<u>450,000,000</u>
			<b><u>P 2,882,000,000</u></b>

We traced the cash advances granted by the Company to supporting official receipts issued by the entities and bank statements. Moreover, we matched the amounts to the accounting records of the Company.

We also traced the amounts disbursed by the Company for the following projects to supporting progress billings, invoices, official receipts, bank statements and approval documents:

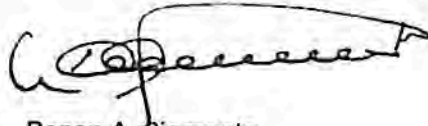
<u>Project name</u>	<u>Amount</u>
Office – Taguig	P 567,092,939
Office / Commercial – Cavite	<u>21,630,694</u>
	<b><u>P 588,723,633</u></b>

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of Offering Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

**PUNONGBAYAN & ARAULLO**



By: Renan A. Piamonte  
Partner

CPA Reg. No. 0107805

TIN 221-843-037

PTR No. 8852342, January 3, 2022, Makati City

SEC Group A Accreditation

Partner - No. 107805-SEC (until Dec. 31, 2023)

Firm - No. 0002 (until Dec. 31, 2024)

BIR AN 08-002511-037-2019 (until Sept. 4, 2022)

Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

July 14, 2022

**SUBSCRIBED AND SWORN** to before me on 14 July 2022 at Makati City, the above-mentioned affiant, Renan A. Piamonte, with PRC ID No. 0107805, valid until September 19, 2022.

IN WITNESS WHEREOF, I set unto my hand and seal on the date and place above written.



  
ATTY. MARK EBENEZER A. BERNARDO  
Notary Public for Makati City Until December 31, 2022  
Notarial Commission No. M-02  
Roll No. 74096

IBP Number 169485 01/03/2022, PPLM  
PTR No. 8851839 01/03/2022, Makati City  
MCLE Compliance No. VII-0011480 valid until April 14, 2025

Doc. No. 109;  
Page No. 23;  
Book No. 2;  
Series of 2022.



MEGAWORLD CORPORATION

25/F Alliance Global Tower, 36th Street cor. 11th Avenue Uptown Bonifacio, Taguig City 1634  
Trunkline: (632) 905-2900 • (632) 905-2800  
www.megaworldcorp.com • E-mail: infodesk@megaworldcorp.com

October 14, 2022

THE PHILIPPINE STOCK EXCHANGE  
Philippine Stock Exchange Plaza  
6th Floor, PSE Tower  
Bonifacio Global City, Taguig

Attention: Alexandra D. Tom-Wong  
Officer-In-Charge, Disclosure Department

Subject: Final Report on the Use of Proceeds from the Initial Public Offering ("IPO") of  
MREIT, Inc.

Dear Ms. Tom-Wong,

We are please to submit our Final Report on the Use of Proceeds from the Initial Public Offering ("IPO") of MREIT, Inc., duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On October 1, 2021, Megaworld Corporation ("MEG") received net proceeds from the IPO of MREIT amounting to Fourteen Billion Seven Hundred Ninety Million Five Hundred Thirty-Six Thousand One Hundred Ninety-three pesos and twenty centavos (14,790,536,193.20).

Please be advised that as of September 30, 2022, MEG already disbursed the total net proceeds amounting to Fourteen Billion Seven Hundred Ninety Million Five Hundred Thirty Six Thousand One Hundred Ninety-three pesos and twenty centavos (14,790,536,193.20) in accordance with its reinvestment plan.

The details of the disbursements are as follows:

Gross Proceeds from the IPO	15,292,383,750.00
less:	
Underwriters and IPO related fees deducted from proceeds	(267,616,715.63)
Disbursement for transaction costs	(234,230,841.17)
Net Proceeds received	14,790,536,193.20
less:	
Disbursements from Oct 1 to Dec 31, 2021	(1,554,182,362.90)
Disbursements from Jan 1 to Mar 31, 2022	(3,336,183,047.51)
Disbursements from April 1 to Jun 30, 2022	(3,470,723,632.79)
Disbursements from Jul 1 to Sep 30, 2022	(6,429,447,150.00)
Net Balance of IPO proceeds as of September 30, 2022	0.00

Thank you.

Respectfully yours,

  
FRANCISCO C. CANUTO  
MEG Treasurer

  
ENGLEBERT G. TEH  
MREIT, Inc. CFO





ANNEX A: Disbursements from the IPO Proceeds for the period covering July 1 to September 30, 2022

PROJECT NAME	TOWNSHIP/LOCATION	INVESTMENT TYPE	PRODUCT	3Q Disbursements	DISBURSING ENTITY
No. 1 Upper East Avenue	The Upper East	Investment in Building	Office / Retail	289,287,843.48	Megaworld Bacolod Properties, Inc.
Enterprise One	Iloilo Business Park	Investment in Building	Office / Retail	758,239,142.72	Megaworld Corporation
Office - Iloilo	Iloilo Business Park	Investment in Building	Office / Retail	761,998,334.30	Megaworld Corporation
Office - Taguig	Taguig	Investment in Building	Office / Retail	462,606,660.25	Megaworld Corporation
Office / Commercial - Cavite	Maple Grove	Investment in Building	Office / Retail	1,330,603,012.73	Megaworld Corporation
Commercial - Bacolod	The Upper East	Investment in Building	Mall	350,000,000.00	Megaworld Bacolod Properties, Inc.
Commercial 2 - Bacolod	Northhill Gateway	Investment in Building	Mall	317,712,156.52	Megaworld Bacolod Properties, Inc.
Hotel	Various	Investment in Building	Hotel	370,000,000.00	Prestige Hotels and Resorts, Inc.
Eastwood City Projects	Eastwood City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	300,000,000.00	Eastwood Cyber One Corporation
ArcoVia City Projects	ArcoVia City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	350,000,000.00	ArcoVia Properties, Inc.
Boracay Newcoast Projects	Boracay Newcoast	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	183,000,000.00	Global Estate Resorts, Inc.
Arden Botanical Estate Projects	Arden Botanical Estate	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	305,000,000.00	Global Estate Resorts, Inc.
Twin Lakes Projects	Twin Lakes	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	651,000,000.00	Twin Lakes Corporation

6,429,447,150.00

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)  
\_\_\_\_\_, METRO MANILA) SS

**Makati City**

At **Makati City** Metro Manila, on this \_\_\_\_\_ day of **OCT 14 2022**, 20\_\_\_\_, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
For and on behalf of MEGAWORLD CORPORATION:  FRANCISCO C. CANUTO		
For and on behalf of MREIT INC.:  ENGLEBERT G. TEH		

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Doc. No. 10 ;  
Page No. 03 ;  
Book No. 144 ;  
Series of 2022

NOTARY PUBLIC



**BUENAVENTURA U. MENDOZA**  
NOTARY PUBLIC  
Until December 31, 2022  
PN No. 898978 Makati City-02/04/22  
IBP No. 23139 04-04-2022, Roll No. 31206  
MCLE Compliance No. II-0021653  
508-A Madrigal Bldg. Ayala Ave., Makati City  
Extended until December 31, 2022 per B.M No. 3795

## Report of Independent Auditors on Factual Findings

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

T +63 2 8988 2288

### The Board of Directors and Stockholders Megaworld Corporation

30th Floor, Alliance Global Tower  
36th Street cor. 11th Avenue  
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Final Report (the Report) as of September 30, 2022 on the application of proceeds from the secondary offer received by Megaworld Corporation (the Company) from the Initial Public Offering of MREIT, Inc. (MREIT) on October 1, 2021 (the Offering). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*, applicable to agreed-upon procedures engagements.

### Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
  - a) The Report;
  - b) Schedule of planned application of proceeds from the Offering; and,
  - c) Detailed schedule of utilization of proceeds as of September 30, 2022.
2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.

3. Compared the schedule of planned application of the Offering proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.
4. Traced to and examined supporting documents such as progress billings, invoices, official receipts, bank statements and approval documents, of a sample of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

#### Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

We present below the summary of the application of the proceeds from the Offering as of September 30, 2022, based on the information we obtained from the Company.

<u>Project Name</u>	<u>Township or Location</u>	<u>Products</u>	<u>Disbursing Entity</u>	<u>Amount</u>
Enterprise One	Iloilo Business Park	Office / Retail	Megaworld Corporation	P 1,000,000,000
Office – Iloilo	Iloilo Business Park	Office / Retail	Megaworld Corporation	900,000,000
Office – Taguig	Taguig City	Office / Retail	Megaworld Corporation	1,735,913,288
Office / Commercial – Cavite	Maple Grove	Office / Retail	Megaworld Corporation	1,430,000,000
No. 1 Upper East Avenue	The Upper East	Office / Retail	Megaworld Bacolod Properties, Inc.	580,000,000
Commercial – Bacolod	The Upper East	Mall	Megaworld Bacolod Properties, Inc.	747,553,284
Commercial 2 – Bacolod	Northhill Gateway	Mall	Megaworld Bacolod Properties, Inc.	676,507,157
Hotel	Eastwood City	Hotel	Prestige Hotels and Resorts, Inc.	<u>1,021,238,247</u>
Balance carried forward				<u>P 8,091,211,976</u>



<u>Project Name</u>	<u>Township or Location</u>	<u>Products</u>	<u>Disbursing Entity</u>	<u>Amount</u>
Balance brought forward				P 8,091,211,976
Eastwood City Projects	Eastwood City	Malls, Offices Land Developments, and Other Developments	Eastwood Cyber One Corporation	1,000,000,000
Arcovia City Projects	ArcoVia City	Malls, Offices Land Developments, and Other Developments	Arcovia Properties, Inc.	1,000,000,000
Boracay Newcoast Projects	Boracay Newcoast	Malls, Offices Land Developments, and Other Developments	Global Estate Resorts, Inc.	570,000,000
Arden Botanical Estate Projects	Arden Botanical Estate	Malls, Offices Land Developments, and Other Developments	Global Estate Resorts, Inc.	430,000,000
Office / Commercial – Pampanga	Pampanga		Megaworld Capital Town, Inc.	1,050,536,193
One LeGrand Tower	McKinley West		Megaworld Corporation	5,185,242
One Paseo	ArcoVia City		Megaworld Corporation	35,072,167
Worldwide Plaza	Uptown Bonifacio		Megaworld Corporation	724,583,571
International Finance Center	Uptown Bonifacio		Megaworld Corporation	110,947,044
Twin Lakes Projects	Twin Lakes	Malls, Offices Land Developments, and Other Developments	Global Estate Resorts, Inc.	<u>1,773,000,000</u>
				<b><u>P 14,790,536,193</u></b>

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.
3. With respect to item 3, we noted that the planned application of the Offering proceeds is in agreement with the amended Reinvestment Plan as approved by the Company's BOD on February 28, 2022.

4. With respect to item 4, we traced the utilization of the Offering proceeds as of September 30, 2022 to supporting progress billings, invoices, official receipts, bank statements and approval documents.

We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

<u>Disbursing Entity</u>	<u>Project Name</u>	<u>Township or Location</u>	<u>Amount</u>
Global Estate Resorts, Inc.	Twin Lakes Projects	Twin Lakes	P 1,773,000,000
Prestige Hotels and Resorts, Inc.	Hotel	Eastwood City	1,021,238,247
Megaworld Capital Town, Inc.	Office / Commercial Pampanga	Pampanga	1,050,536,193
Eastwood Cyber One Corporation	Eastwood City Projects	Eastwood City	1,000,000,000
Arcovia Properties, Inc.	ArcoVia City Projects	ArcoVia City	1,000,000,000
Global-Estate Resorts, Inc.	Boracay Newcoast Projects	Boracay Newcoast	570,000,000
Global-Estate Resorts, Inc.	Arden Botanical Estate Projects	Arden Botanical Estate	430,000,000
Megaworld Bacolod Properties, Inc.	Commercial - Bacolod	The Upper East	747,553,284
Megaworld Bacolod Properties, Inc.	Commercial 2 - Bacolod	Northill Gateway	676,507,157
Megaworld Bacolod Properties, Inc.	No. 1 Upper East Avenue	The Upper East	<u>580,000,000</u>
			<b><u>P 8,848,834,881</u></b>

We traced the cash advances granted by the Company to supporting official receipts issued by the entities and bank statements. Moreover, we agreed the amounts to the accounting records of the Company.

We also traced the amounts disbursed by the Company for the following projects to supporting progress billings, invoices, official receipts, bank statements and approval documents:

<u>Project name</u>	<u>Amount</u>
Office – Taguig	P 1,735,913,288
Office / Commercial – Cavite	1,430,000,000
Enterprise One	1,000,000,000
Office – Iloilo	900,000,000
Worldwide Plaza	724,583,571
International Finance Center	110,947,044
One Paseo	35,072,167
One LeGrand Tower	<u>5,185,242</u>
	<b><u>P 5,941,701,312</u></b>

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of Offering Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

**PUNONGBAYAN & ARAULLO**



By: **Renan A. Piamonte**  
Partner

CPA Reg. No. 0107805  
TIN 221-843-037  
PTR No. 8852342, January 3, 2022, Makati City  
SEC Group A Accreditation  
Partner - No. 107805-SEC (until Dec. 31, 2023)  
Firm - No. 0002 (until Dec. 31, 2024)  
BIR AN 08-002511-037-2022 (until Aug. 10, 2025)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)


October 13, 2022



**SUBSCRIBED AND SWORN** to before me, in the City of Makati, on 14 October 2022, the affiant, **Renan A. Piamonte**, exhibiting his Professional Regulatory Commission (PRC) License ID registration no. 0107805 valid until September 19, 2025.

IN WITNESS WHEREOF, I set unto my hand and seal on the date and place above written.



  
**ATTY. MARK EBENEZER A. BERNARDO**  
Notary Public for Makati City  
Until December 31, 2022  
Notarial Commission No. M-02  
Roll No. 74096  
IBP Number: 169485 01/03/2022, PPLM  
PTR No. 8851839 01/03/2022, Makati City  
MCLE Compliance No. VII-0011480 valid until April 14, 2025

Doc. No. 155;  
Page No. 32;  
Book No. II;  
Series of 2022.