



31/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City 1226
Telephone Number: (632) 7750-6974

PRELIMINARY PROSPECTUS

**Up to [P2.75 Billion] principal amount of Fixed-Rate Bonds
to be issued from a new shelf registration of up to P50.0 Billion Securities
Program rendered effective on [●] ("Base Offer")
with an Oversubscription Option of up to [P2.75 Billion]
to be issued from the shelf registration rendered effective on April 22, 2019
("Oversubscription Option") Due 2031**

Issue Price: 100% of Face Value
Interest Rate: [●]% p.a.

To be listed and traded through the Philippine Dealing & Exchange Corp.

Joint Lead Underwriters and Bookrunners



Co-Lead Underwriter



Trustee

Philippine National Bank – Trust Banking Group

The date of this Preliminary Prospectus is September 20, 2021.

A REGISTRATION STATEMENT RELATING TO THE BASE OFFER HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PRELIMINARY PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

A REGISTRATION STATEMENT RELATING TO THE OVERSUBSCRIPTION OPTION WAS FILED WITH THE SEC AND WAS RENDERED EFFECTIVE COVERING P50.0 BILLION OF SECURITIES. OF SUCH AMOUNT, P8.0 BILLION OF SECURITIES WERE ISSUED ON MAY 06, 2019, P3.0 BILLION OF SECURITIES WERE ISSUED ON SEPTEMBER 30, 2019, P10.0 BILLION OF SECURITIES WERE ISSUED ON NOVEMBER 06, 2019, P10.0 BILLION OF SECURITIES WERE ISSUED ON JUNE 26, 2020, P6.25 BILLION OF SECURITIES WERE ISSUED ON SEPTEMBER 29, 2020, AND P10.0 BILLION OF SECURITIES WERE ISSUED ON MAY 4, 2021.

THE SEC HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PRELIMINARY PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

This Prospectus (the “**Prospectus**”) relates to Ayala Land, Inc.’s (“**ALI**,” “**Ayala Land**,” the “**Issuer**” or the “**Company**”) offering and sale of fixed-rate bonds in the principal amount of up to [P2.75 billion] (the “**Base Offer**”) to be issued from a new shelf registration for the offering and sale of debt and other securities as provided by applicable Securities and Exchange Commission (“**SEC**”) rules and regulations effective at the time of issuance of [up to P50,000,000,000] (“**2021 Securities Program**”) with an oversubscription option of up to [P2.75 Billion] (the “**Oversubscription Option**,” together with the Base Offer, the “**Offer**” or the “**Bonds**”), which if exercised, will be issued from the remaining P2.75 billion under the Company’s shelf registration rendered effective on April 22, 2019 (“**2019 Securities Program**”). A registration statement covering the 2021 Securities Program was filed by the Issuer with the SEC on August 10, 2021 and an application for the listing of the Bonds was filed with the Philippine Dealing & Exchange Corp. (“**PDEX**”) on September 15, 2021. The 2021 Securities Program shall be issued in one or more tranches (each a “**Tranche**”) as authorized by a resolution of the Board of Directors dated February 23, 2021.

For the first Tranche of the 2019 Securities Program with a principal amount of P8.0 billion, a certificate of permit to offer securities for sale (“**SEC Permit**”) of such bonds was issued on April 22, 2019. The 2019 SEC Permit covering the second Tranche of the Securities Program with a principal amount of P3.0 billion was issued on September 13, 2019. The SEC Permit covering the third Tranche of the 2019 Securities Program with a principal amount of P10.0 billion was issued on October 18, 2019. The SEC Permit covering the fourth Tranche of the 2019 Securities Program with a principal amount of P10.0 billion was issued on June 11, 2020. The SEC Permit covering the fifth Tranche of the 2019 Securities Program with a principal amount of P6.25 billion was issued on September 15, 2020. The SEC Permit covering the sixth Tranche of the 2019 Securities Program with a principal amount of P10.0 billion was issued on April 19, 2021. The principal amount of the Bonds of up to [P2.75 billion] will be the first Tranche of the 2021 Securities Program while the Oversubscription Option of up to [P2.75 billion] will constitute the seventh Tranche of the 2019 Securities Program.

The Bonds shall be issued on [October 7, 2021], or such other date as may be agreed upon by the Issuer, and the Joint Lead Underwriters and Bookrunners (“**Issue Date**”) and shall have a term ending ten (10) years from the Issue Date or on [October 7, 2031] (“**Maturity Date**”) with a fixed interest rate of [•]% per annum, and with a repricing on the fifth year and optional redemption on the seventh, eighth, or ninth year. Interest on the Bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrear. Other securities shall be issued as provided by applicable SEC rules and regulations effective at the time of issuance.

Subject to the consequences of default as contained in the Trust Indenture, and unless otherwise redeemed prior to the Maturity Date, the Bonds will be redeemed at par (or 100% of face value) on its Maturity Date.

The Bonds shall constitute the direct, unconditional, and unsecured obligations of Ayala Land and shall at all times rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured obligations of Ayala Land, other than obligations preferred by law. The Bonds shall effectively be subordinated in right of payment to, among others, all of Ayala Land’s secured debts to the extent of the value of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines without a waiver of preference or priority.

The Bonds have been rated PRS Aaa with a Stable Outlook by Philippine Rating Services Corporation (“**PhilRatings**”). Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor’s capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings. A Stable Outlook is assigned when a rating is likely to be maintained or to remain unchanged in the next 12 months. The rating is not a recommendation to buy, sell, or hold the Securities, and may be subject to revision, suspension, or withdrawal at any time by PhilRatings.

The Bonds shall be offered to the public at face value through the Joint Lead Underwriters and Bookrunners and Co-Lead Underwriter (collectively, the “**Underwriters**”), with the Philippine Depository & Trust Corp. (“**PDTC**”) as the Registrar of the Bonds. It is intended that upon issuance, the Bonds shall be issued in scripless form, with PDTC maintaining the scripless Register of Bondholders, and listed in

the PDEX. The Bonds shall be issued in denominations of ₱50,000.00 each, as a minimum, and in multiples of ₱10,000.00 thereafter, and traded in denominations of ₱10,000.00 in the secondary market.

ALI expects to raise gross proceeds of ₱[2.75] billion from the Base Offer and up to a maximum of ₱[5.50] billion assuming full exercise of the Oversubscription Option. The net proceeds from the Base Offer are estimated to be ₱[2.71] billion after deducting fees, commissions, and expenses relating to the issuance. Assuming the Oversubscription Option is fully exercised, the net proceeds are estimated to be approximately ₱[5.43] billion after deducting fees, commissions, and expenses relating to the issuance. Proceeds of the Offer are intended to be used for refinancing and capital expenditures (see *“Use of Proceeds”*). The Joint Lead Underwriters and Bookrunners shall receive a fee of up to 0.375% on the final aggregate nominal principal amount of the Bonds, which includes the fees to be paid to the Co-Lead Underwriter and other participating underwriters or selling agents, if any.

Within three (3) years after the 2021 Securities Program is rendered effective by the SEC, the Company may, at its sole discretion, offer any or all of the remaining balance of the aggregate principal amount of Securities covered by such registration statement, in one or more subsequent Tranches under Rule 8.1.2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code. The shelf registration provides the Company with the ability to take advantage of opportunities in a volatile debt capital market, as these occur. However, there can be no assurance in respect of: (i) whether Ayala Land would issue such Bonds at all; (ii) the size or timing of any individual issuance or the total issuance of such Bonds; or (iii) the specific terms and conditions of any such issuance. Any decision by Ayala Land to offer the Bonds will depend on a number of factors at the relevant time, many of which are not within Ayala Land's control, including but not limited to: prevailing interest rates, the financing requirements of Ayala Land's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

The Offer is being conducted exclusively in the Philippines and pursuant to requirements under Philippine laws, rules and regulations that may be different from those of other countries and jurisdictions. No action has been or will be taken by the Issuer or any person on behalf of the Issuer to permit an offering of the Bonds in any jurisdiction other than the Philippines, where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, nor may any offering material relating to the Bonds be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

Ayala Land confirms that this Prospectus contains all information relating to the Company, its subsidiaries and affiliates which are, in the context of the issue and offering of the Bonds, material (including all information required by the applicable laws of the Republic of the Philippines). There are no other facts that the omission of which would make any statement in this Prospectus misleading in any material respect. Ayala Land confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants or which is otherwise publicly available for inclusion into this Prospectus. Ayala Land, however, has not independently “verified” any such publicly available information, data or analysis.

Neither the delivery of this Prospectus nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the information contained or referred to in this Prospectus are accurate as of any time subsequent to the date hereof. The Underwriters have exercised the diligence required by regulations in ascertaining that all material representations contained in the Prospectus are true and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading.

The contents of this Prospectus are not to be considered as legal, business or tax advice. Each prospective purchaser of the Bonds receiving a copy of this Prospectus acknowledges that he has not relied on the Underwriters in his investigation of the accuracy of such information or in his investment decision. Prospective purchasers should consult their own counsels, accountants or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Bonds. Investing in the Bonds involves certain risks. For a discussion of certain factors to be considered in respect of an investment in the Bonds, see the section on *“Risk Factors and Other Considerations.”*

No dealer, salesman or other person has been authorized by Ayala Land and the Underwriters to give

any information or to make any representation concerning the Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorized by Ayala Land or the Underwriters.

Ayala Land is organized under the laws of the Republic of the Philippines. Its principal office is at the 31st Floor Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City 1226, with telephone number (632) 7750-6974.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN ARE TRUE AND CURRENT.

AYALA LAND, INC.

By:

BERNARD VINCENT O. DY

President and Chief Executive Officer

**REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.**

Before me, a notary public in and for the city named above, personally appeared Bernard Vincent O. Dy known to me and to me known as the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument. With Passport No. [•] valid until [•].

Witness my hand and seal this _____ at Makati City.

Doc No. _____;
Book No. _____;
Page No. _____;
Series of 2021.

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FORWARD-LOOKING STATEMENTS AND PRESENTATION OF FINANCIAL INFORMATION

Forward-Looking Statements

This Prospectus contains certain “forward-looking statements.” These forward-looking generally can be identified by use of statements that include words or phrases such as “aims,” “believes,” “expects,” “anticipates,” “intends,” “plans,” “foresees,” “seeks,” “may,” “might,” “can,” “could,” “will,” “would,” “shall,” “should,” “is/are likely to,” or other words or phrases of similar import. Similarly, statements that describe Ayala Land’s objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that the forward-looking events and circumstances discussed in this Prospectus might not occur. Actual results could differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations of Ayala Land include, among others:

- *General economic and business conditions in the Philippines;*
- *Holding company structure;*
- *Intensive capital requirements of subsidiaries and affiliates of Ayala in the course of business;*
- *Increasing competition in the industries in which Ayala’s subsidiaries and affiliates operate;*
- *Industry risk in the areas in which Ayala’s subsidiaries and affiliates operate;*
- *Changes in laws and regulations that apply to the segments or industries in which Ayala, its subsidiaries and affiliates operate;*
- *Changes in political conditions in the Philippines;*
- *Changes in foreign exchange control regulations in the Philippines; and*
- *Changes in the value of the Philippine Peso.*

For a further discussion of such risks, uncertainties and assumptions, see the “*Risk Factors and Other Considerations*” section of this Prospectus. Prospective purchasers of the Bonds are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements included herein are made only as of the date of this Prospectus and Ayala Land undertakes no obligation to update such forward-looking statements publicly to reflect subsequent events or circumstances.

Presentation of Financial Information

Amounts presented throughout this Prospectus have been subject to rounding adjustments to facilitate their presentation. Accordingly, numbers shown for the same item of information may vary and may not precisely reflect the absolute figures or the arithmetic aggregate of their components due to rounding adjustments.

DEFINITION OF TERMS

As used in this Prospectus, the following terms shall have the meanings ascribed to them:

2019 Securities Program means the ₱50,000,000,000 securities program covered by the registration statement filed by Ayala Land with the SEC, as the same may be amended or supplemented from time to time, and rendered effective on April 22, 2019.

2021 Securities Program means the [up to ₱50,000,000,000] securities program of the Company covered by the registration statement filed by Ayala Land with the SEC on August 10, 2021, as the same may be amended or supplemented from time to time, and rendered effective by the SEC.

“Affiliate” shall mean, with respect to Ayala Land, Inc., any corporation directly or indirectly controlled by it, whether by way of ownership of at least twenty percent (20%) of the total issued and outstanding capital stock of such corporation, or the right to elect at least twenty percent (20%) of the number of directors in such corporation, or the right to control the operation and management of such corporation by reason of management contract or authority granted by said corporation to Ayala Land, Inc.

“Application to Purchase” shall mean the document to be executed by any Person or entity qualified to become a Bondholder for the Bonds.

“Associate” shall mean an entity in which the Ayala Land Group has significant influence which is neither a subsidiary nor a joint venture.

“Ayala Group” refers to Ayala Corporation and its subsidiaries and affiliates.

“Ayala Land” or **“ALI”** or the **“Company”** or the **“Issuer”** refers to Ayala Land, Inc.

“Ayala Land Group” or **“ALI Group”** refers to Ayala Land, Inc. and its subsidiaries and affiliates.

“AyalaLand Logistics Holdings Corp.” or **“ALLHC”** refers to the company formerly known as Prime Orion Philippines, Inc. or “POPI”

“Base Offer” means the public offer of the fixed rate bonds up to [₱2.75 Billion] which will be issued out of the 2021 Securities Program.

“Beneficial Owner” shall mean any person (and “Beneficial Ownership” shall mean ownership by any person) who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting of such security; and/or investment returns or power in respect of any security, which includes the power to dispose of, or to direct the disposition of, such security; provided, however, that, a person shall be deemed to have an indirect beneficial ownership interest in any security which is:

- i. held by members of his immediate family sharing the same household;
- ii. held by a partnership in which he is a general partner;
- iii. held by a corporation of which he is a controlling shareholder; or
- iv. subject to any contract, arrangement or understanding which gives him voting power or investment power with respect to such securities; provided, however, that, the following persons or institutions shall not be deemed to be beneficial owners of securities held by them for the benefit of third parties or in customer or fiduciary accounts in the ordinary course of business, so long as such securities were acquired by such persons or institutions without the purpose or effect of changing or influencing control of the issuer:
 - a. A broker dealer;
 - b. An investment house registered under the Investment Houses Law;
 - c. A bank authorized to operate as such by the BSP;
 - d. An insurance company subject to the supervision of the Office of the Insurance Commission;
 - e. An investment company registered under the Investment Company Act;

- f. A pension plan subject to regulation and supervision by the BIR and/or the Office of the Insurance Commission or relevant authority; and
- g. A group in which all of the members are persons specified above.

“BDO Capital” shall refer to BDO Capital & Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 33rd Floor, BDO Towers Valero, 8741 Paseo de Roxas, Salcedo Village, Makati City.

“BIR” shall mean Bureau of Internal Revenue.

“Board” or **“Board of Directors”** shall mean the board of directors of Ayala Land.

“Bond Agreements” shall mean, collectively, the Trust Indenture, the Terms and Conditions, the Master Certificate of Indebtedness, the Registry and Paying Agency Agreement, the Underwriting Agreement, and any other document, certificate or writing contemplated thereby.

“Bondholders” shall mean the holders of the Bonds.

“Bonds” shall refer to the fixed-rate bonds in the aggregate principal amount of up to [₱2.75 billion] with an Oversubscription Option of up to [₱2.75 billion] to be issued by Ayala Land on the Issue Date.

“BPI Capital” shall refer to BPI Capital Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 11th Floor, Ayala North Exchange (Tower 1), 6796 Ayala Avenue corner Salcedo Street, Makati City.

“BPO” refers to Business Process Outsourcing.

“BSP” refers to Bangko Sentral ng Pilipinas.

“Business Day” shall refer to a day, except Saturday, Sunday, and public holidays, on which commercial banks are not required or are authorized to close in Makati City, Metro Manila and to complete the clearing and settlement of transactions within the Philippine banking system on such day.

“Call Option” means the option granted to Ayala Land under the Terms and Conditions to call and redeem the whole of the Bonds, as the case may be.

“Co-Lead Underwriter” shall refer to RCBC Capital, being the Co-Lead Underwriter appointed by the Issuer under the Underwriting Agreement.

“EBIT Margin” refers to Earnings Before Interest and Taxes Margin and is computed as EBIT / Revenues (EBIT is computed as Net income before income tax + Interest expense & other financing charges and Other expenses - Interest and investment income, while Revenue is computed as real estate sales + interest income from real estate sales + equity in net earnings + interest and investment income + other income).

“EBITDA” refers to Earnings Before Interest, Taxes, Depreciation and Amortization and is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

“GLA” refers to Gross Leasable Area.

“Globe Telecom” refers to Globe Telecom, Inc.

“Interest Payment Date” shall mean [January 7, 2022] for the first Interest Payment Date and [January 7, April 7, July 7, and October 7] of each year for each subsequent Interest Payment Date at which the Bonds are outstanding; and in the event that any of such Interest Payment Dates are not Business Days, such Interest Payment Dates shall be deemed to be the immediately succeeding Business Day without any adjustment to the amount due. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment to the amount due.

“Issue Date” shall mean [October 7, 2021] or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such other date as may be agreed upon between the Issuer and the Joint Lead Underwriters and Bookrunners with advice to the SEC, PDTC, and PDEX.

“Joint Lead Underwriters and Bookrunners” shall refer to BDO Capital and BPI Capital, being the Joint Lead Underwriters and Bookrunners appointed by the Issuer under the Underwriting Agreement.

“Joint Venture” shall mean a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

“Lien” shall mean any mortgage, pledge, lien or encumbrance constituted on any of the Issuer’s properties for the purpose of securing its or its Affiliate’s obligations.

“Majority Bondholders” shall mean Bondholders representing more than fifty percent (50%) of the outstanding principal amount of the Bonds.

“Master Certificate of Indebtedness” means the certificate to be issued by Ayala Land to the Trustee evidencing and covering such amount corresponding to the Bonds.

“Maturity Date” means ten (10) years after Issue Date; provided that, in the event that the Maturity Date falls on a day that is not a Business Day, such Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid.

“Offer” shall mean the offering of Bonds by the Issuer under the Terms and Conditions.

“Offer Period” shall refer to the period commencing at 9:00 a.m. on [September 27, 2021] and ending at 5:00 p.m. on [October 1, 2021], or on such other dates as the Issuer and the Joint Lead Underwriters and Bookrunners may agree upon.

“Oversubscription Option” means the option exercisable by the Joint Lead Underwriters and Bookrunners, with the consent of the Issuer, to increase the Base Offer by up to [₱2.75 Billion], which if exercised, will be issued from the remaining ₱2.75 billion under the Company’s 2019 Securities Program.

“PAS” shall mean Philippine Accounting Standards.

“Paying Agent” shall mean the Philippine Depository & Trust Corp.

“PDEX” shall refer to the Philippine Dealing & Exchange Corp.

“PDTC” shall refer to the Philippine Depository & Trust Corp.

“Person” means an individual, firm, partnership, limited liability company, joint venture, association, trust, corporation, government, committee, department, authority, or any body, incorporated or unincorporated, whether having a distinct legal personality or not.

“Pesos,” “P” and **“Philippine currency”** shall mean the legal currency of the Republic of the Philippines.

“PFRS” shall mean Philippine Financial Reporting Standards.

“Philippines” shall mean the Republic of the Philippines.

“POC” shall mean percentage of completion.

“Prospectus” shall mean this Prospectus and any amendments, supplements and addenda thereto relating to the public offer for sale, distribution, and issuance of the Securities.

“PSE” shall refer to The Philippine Stock Exchange, Inc.

“RCBC Capital” shall refer to RCBC Capital Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 21st Floor Tower 2, RCBC Plaza, 6819 Ayala Avenue, Makati City.

“Record Date” shall refer to the cut-off date in determining Bondholders entitled to receive interest or principal amount due.

“Register of Bondholders” shall mean the electronic records of the Registrar bearing the official information on the names and addresses of the Bondholders and the number of Bonds they respectively hold, including all transfers of the Bonds and the names of subsequent transferee Bondholders, maintained pursuant to and under the Registry and Paying Agency Agreement.

“Registry and Paying Agency Agreement” means the Registry and Paying Agency Agreement dated [●], between Ayala Land and the Registrar and Paying Agent.

“Registrar” shall mean the Philippine Depository & Trust Corp.

“Real Estate Investment Trust” or **“REIT”** means a stock corporation established in accordance with the Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, and the rules and regulations promulgated by the Securities and Exchange Commission principally for the purpose of owning income-generating real estate assets pursuant to the REIT Law, as they may be amended from time to time.

“REIT Act” or **“REIT Law”** shall mean Republic Act No. 9856, or the Real Estate Investment Trust Act of 2009 and its implementing rules and regulations, as they may be amended from time to time.

“SEC” means the Philippine Securities and Exchange Commission or its successor agency/ies.

“SEC Permit” shall mean the certificate of permit to offer securities for sale issued by the SEC in connection with the Offer.

“Securities” shall mean the debt and other securities as provided by applicable SEC rules and regulations effective at the time of issuance under the 2019 Securities Program and 2021 Securities Program, to be issued in one or more Tranches.

“Securities Regulation Code” shall mean the Securities Regulation Code of the Philippines (Republic Act No. 8799) and its implementing rules and regulations, as they may be amended from time to time.

["Selling Agent"] shall refer to [●].]

“sqm” refers to square meters.

“Tax Code” shall mean the National Internal Revenue Code, as amended, and its implementing rules and regulations.

“Taxes” shall mean any present or future taxes including, but not limited to, documentary stamp tax, levies, imposts, filing and other fees or charges imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof including surcharges, penalties and interests on said taxes, but excluding final withholding tax, gross receipts tax, and taxes on the overall income of the Underwriters or of the Bondholders.

“Terms and Conditions” shall mean the terms and conditions of the Bonds as herein contained.

“Tranche” shall mean a tranche of Securities issued under the 2019 Securities Program and 2021 Securities Program.

“Trust Indenture” means the Trust Indenture dated [●], between Ayala Land and the Trustee.

“Trustee” shall refer to Philippine National Bank – Trust Banking Group appointed by the Issuer under the Trust Indenture for the Bonds.

“Underwriters” shall mean the Joint Lead Underwriters and Bookrunners and the Co-Lead Underwriter.

“Underwriting Agreement” means the Underwriting Agreement dated [●] among Ayala Land and the Joint Lead Underwriters and Bookrunners.

Titles of sections, subsections and clauses in this Prospectus are used for convenience of reference only and do not limit or affect the interpretation of the sections, subsections and clauses hereof. In case of conflict between the provisions of this Prospectus and the Bond Agreements, the provisions of the Bond Agreements shall prevail.

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Prospectus carefully, including the section entitled “Risk Factors and Other Considerations,” the unaudited interim condensed consolidated financial statements and the audited consolidated financial statements and the related notes to those statements included in this Prospectus.

COMPANY OVERVIEW

Ayala Land, Inc. (“Ayala Land”, “ALI” or the “Company”) was formerly the real estate division of Ayala Corporation and was incorporated on June 30, 1988 to focus on the development of its existing real estate assets. In July 1991, the Company became publicly-listed through an initial public offering (“IPO”) of its primary and secondary shares on the Makati and Manila Stock Exchanges (predecessors of the PSE). Ayala Corporation’s effective ownership in Ayala Land amounted to 88% as a result of the IPO.

Over the years, several developments further reduced Ayala Corporation’s effective interest in Ayala Land through, among others, the exercise of stock options by respective employees of Ayala Corporation and Ayala Land, the disposal of Ayala Land shares by Ayala Corporation and Ayala Land’s issuance of new shares in relation to its acquisition of interest in companies owning properties in Canlubang, Laguna in 1993, the conversion of a ₱3.0 billion convertible long term commercial paper to Ayala Land Common B Shares publicly issued in December 1994, exchanges under bonds due in 2001, and equity top-up placements conducted through an overnight bookbuilt offering in July 2012, March 2013 and January 2015.

As of June 30, 2021, Ayala Corporation’s effective ownership in Ayala Land is 45.90% while 53.05% is owned by the public. As of June 30, 2021, Ayala Land has 14,711,784,864 outstanding common shares and 13,066,494,759 outstanding voting preferred shares. 14,553,739,790 common shares are listed with the PSE. Foreign equity ownership in Ayala Land is 19.96% composed of 4,936,073,861 common shares and 607,264,635 voting preferred shares as of June 30, 2021. Equity attributable to equity holders of Ayala Land amounted to ₱226.9 billion as of June 30, 2021.

As of June 30, 2021, Ayala Land has a total market capitalization of ₱530.4 billion based on the closing price of ₱36.05 per common share on June 30, 2021, the last trading day of the said month.

Ayala Land is the leading and most diversified real estate conglomerate in the Philippines engaged in the planning and development of large scale, integrated estates having a mix of use for the sale of residential lots and buildings, office buildings and commercial and industrial lots, leasing of commercial and office spaces and the development, operation and management of hotels and resorts. The Company also develops commercial and industrial parks and is also engaged in property management, construction and other businesses like retail and healthcare.

To carry on its business in an organized and efficient manner, Ayala Land structured its operations into key strategic business lines such as Property Development, Commercial Leasing, Services and Strategic Investments.

Property Development

Property Development includes Strategic Landbank Management, Visayas-Mindanao Group and the Residential Business Group and MCT Bhd., Ayala Land’s listed subsidiary in Malaysia.

Strategic Landbank Management handles the acquisition, planning and development of large-scale, mixed-use and sustainable estates, and the development and sale, or lease of its commercial lots in its estates in Metro Manila and the Luzon region.

The Visayas-Mindanao Group handles the acquisition, planning and development of large scale, mixed-use and sustainable estates, and the development and sale, or lease of its commercial lots in its estates in its key cities in the Visayas and Mindanao regions.

The Residential Business Group handles the development and sale of residential and office condominiums and house and lots for the luxury, upscale, middle-income, affordable and socialized housing segments, and the development and sale of commercial lots under the following brands: AyalaLand Premier (“ALP”) for luxury lots, residential and office condominiums, Alveo Land Corp. (“Alveo”) for upscale lots, residential and office condominiums, Avida Land Corp. (“Avida”) for middle-income lots, house and lot packages, and residential and office condominiums, Amaia Land Corp. (“Amaia”) for affordable house and lot packages and residential condominiums, and BellaVita Land Corp. (“BellaVita”) for socialized house and lot packages.

MCT Bhd. (“MCT”) is a publicly-listed developer in Malaysia engaged in land acquisition, planning and development of residential condominiums for sale for middle income segment. MCT has a landbank of 286 acres located in Subang Jaya, Cyberjaya and Petaling Jaya. Ayala Land owns 66.3% in MCT Bhd.

Commercial Leasing

Commercial Leasing includes the development and lease of shopping centers through Ayala Malls and offices through Ayala Land Offices, co-working spaces through the “Clock In” brand, and standard factory buildings and warehouses under the “ALogis” brand, and the development, management, and operation of hotels and resorts through AyalaLand Hotels and Resorts, Inc. and co-living spaces through “The Flats” brand.

Services

Services include construction, property management, retail electricity supply, and airline services.

Construction of Ayala Land and third-party projects and land development is done through Makati Development Corporation (“MDC”). Property Management is done through Ayala Property Management Corporation (“APMC”). Retail electricity supply is done through Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy). Airline service is done through AirSWIFT for Ayala Land’s tourism estates in Lio, Palawan and Sicogon Island resort through its fleet of four (4) modern turbo-prop aircrafts.

Strategic Investments

As of June 30, 2021, Ayala Land’s strategic investments include AREIT, Inc. (50.10%), AyalaLand Logistics Holdings Corp. (71.46%) Cebu Holdings, Inc. (71.13%), MCT Bhd., (66.3%), Mercado Supermarket (50.0%) and OCLP Holdings, Inc. (21.01%)

Distribution Methods of Products

The Company’s residential products are distributed to a wide range of property buyers through various sales groups.

Ayala Land has its own in-house sales team for ALP projects. In addition, it has a wholly-owned subsidiary, Ayala Land Sales, Inc. (“ALSI”), which employs commission-based sales people. Ayala Land uses a sales force of about 15,000 brokers and sales agents guided by a strict Code of Ethics. Separate sales groups have also been formed for Alveo, Avida, Amaia and BellaVita. Ayala Land and its subsidiaries also tap external brokers to complement these sales groups.

Marketing to the Overseas Filipino Workers (“OFW”) market is handled by Ayala Land International Sales, Inc. (“ALISI”). Created in March 2005, ALISI leads the marketing, sales and channel development activities and marketing initiatives of the brands abroad through project websites, permanent sales offices or broker networks, and regular roadshows with strong follow-through marketing support in key cities abroad. ALISI has marketing offices in North America (Milpitas and San Francisco), Hong Kong, Singapore, Dubai and Rome, and London. ALISI likewise assumed operations of AyalaLand International Marketing Inc. in Italy and London, in 2014.

In addition, the Ayala Group also developed “One Ayala,” a program which bundles the products and services of Ayala Land, BPI, and Globe Telecom and gives access to potential Ayala Land clients overseas through BPI’s 17 overseas offices and 81 tie-ups. An Ayala Land-BPI Dream Deals program was also created to generate additional sales from the local market.

Since 2008, all residential sales support transactions are undertaken by the shared services company Amicassa Process Solutions, Inc. (“APSI”) while all transactional accounting processes across the Ayala Land Group are handled by Aprisa Business Solutions, Inc. (“APRISA”) since 2010.

The residential brands maximized digital assets to reach out to buyers. This resulted in 17% of reservation sales originating from online channels in 2020. To adapt to the changing environment, ALP launched new digital initiatives to continue serving its customers. These include 360-degree virtual tours of residences, interactive brochures, and online lifestyle events. In 2020, Alveo completed its full transition to digital selling, rolling out new sales materials and activities including virtual property tours, and 360-degree interactive tours of model units and project amenities. ALVEO increased the number of its digital and mobile transactions, including online reservations and digital bookings and offered the option for virtual turnover to buyers. ALVEO’s website was optimized for both desktop and mobile use, and its social media assets were utilized to provide information on its various projects. Investment and lifestyle webinars were held regularly to cater to the diverse interests of potential buyers. For Avida, the pandemic provided an opportunity to pivot to online operations, facilitating contactless interaction and transactions for the safety and convenience of its customers, employees, and business partners. Key online activities were immediately enforced across all touchpoints, from digital sales, marketing and online appointments, to virtual turnovers.

End-June 2021 Results of Operations

Ayala Land registered consolidated revenues (which include real estate revenue, interest from real estate sales, interest and investment income, equity in net earnings, and other income) of ₱48.96 billion and a net income attributable to equity holders of ALI of ₱6.04 billion in the first half of 2021, an improvement of 19% and 34%, respectively, showing significant improvements in performance compared to the first half of 2020 during the onset of the pandemic. In the second quarter alone, consolidated revenues and net income attributable to equity holders of ALI reached ₱24.32 billion and ₱3.26 billion, a 90% and 16.6x growth, respectively, from the same period last year, coming from the strictest quarantine restriction in 2020.

Real Estate revenues, composed of Property Development, Commercial Leasing, and Services reached ₱43.09 billion, a 19% increase from ₱36.14 billion in the same period in 2020 propelled by continued construction progress and higher bookings from property development while commercial leasing operations were weighed down by renewed restrictions.

Actual capital expenditures amounted to ₱32.13 billion in the first half of 2021, within the full-year budget of ₱88 billion. 50% was spent on residential projects, 21% on estate development, 14% for commercial projects and 12% for land acquisition.

The Company’s balance sheet remains strong to ensure financial sustainability during the crisis with a net debt-to-equity ratio of 0.74:1.

Recent Developments

2021

On January 5, 2021, AREIT, Inc. (“AREIT”), purchased 9.8 hectares of land owned by Technopark Land, Inc., a subsidiary of Ayala Corporation, in Laguna Technopark through a deed of sale for ₱1.1 billion, VAT-inclusive. The purchase is payable in cash upon execution of the deed of sale and on January 21, 2021. The land is composed of four (4) parcels which is being leased by Integrated Micro-Electronics, Inc. (“IMI”), a related party, for its manufacturing operations for the next seven years from January 1, 2021 until December 31, 2027 with annual escalation rate of 5%.

On January 15, 2021, Ayala Land entered into a Deed of Sale with AREIT, Inc. for the disposition of The 30th Commercial Development for ₱5.1 billion (VAT inclusive). Located along Meralco Avenue in

Pasig City, it is a building with a total GLA of 75,000 sqm composed of an office tower and a retail podium.

On February 23, 2021, the Board of Directors of Ayala Land approved the following:

1. The merger of the Company and its listed subsidiary, Cebu Holdings, Inc. ("CHI") as well as its other subsidiaries, Asian I-Office Properties, Inc. ("AiO"), Arca South Commercial Ventures Corp. ("ASCVC") and Central Block Developers Inc. ("CBDI"), with Ayala Land as the surviving entity; Ayala Land has a 71.1% stake in CHI. ASCVC is Ayala Land's wholly-owned subsidiary, while AiO is a wholly-owned subsidiary of CHI. CBDI is 55% owned by CHI and 45% owned by ALI. The merger is an internal restructuring as well as a consolidation of Ayala Land's Cebu portfolio under one listed entity. The merger is expected to result in operational synergies, efficient funds management and simplified reporting to government agencies. The plan of merger was executed on April 5, 2021 and the articles of merger was executed on April 28, 2021.
2. The amendment of Ayala Land's Employee Stock Ownership ("ESOWN") Plan to increase the share allocation for ESOWN grants from 2.5% to 3% of the Company's authorized capital stock; On April 21, 2021, the stockholders approved to increase the covered shares to 3% of the Company's total authorized capital stock.
3. The filing with the SEC of a new three (3)-year shelf registration of up to ₱50 billion of debt securities.
4. The raising of up to ₱41 billion through the issuance of retail bonds and/or corporate notes for listing on the PDEX, and/or bilateral term loans for the purpose of refinancing outstanding loans, and to partially finance the Company's general corporate requirements.
5. The declaration of cash dividends of ₱0.1358 per outstanding common share payable on March 25, 2021 to Ayala Land's stockholders of common shares as of record date March 10, 2021.

On February 26, 2021 Ayala Land completed the sale of the shares of White Knight Holdings, Inc. in Mercado General Hospital, Inc. to Healthway Philippines, Inc.

On March 16, 2021 the Executive Committee of Ayala Land approved the infusion of its identified key commercial properties into AREIT valued at ₱15,464,140,000.00 under a property-for-share swap transaction wherein ALI will subscribe to 483,254,375 primary common shares of AREIT at a price of ₱32.00 per share, as validated by a third-party fairness opinion, subject to the approval of AREIT shareholders at their annual meeting on April 23, 2021 and pertinent regulatory bodies.

On April 21, 2021 the stockholders of Ayala Land at its annual stockholders' meeting approved the following items:

1. The minutes of previous annual stockholders' meeting
2. Annual report for calendar year (CY) 2020 including the consolidated Audited Financial Statements for the CY December 31, 2020
3. The ratification of the acts of the Board of Directors and Officers since the annual stockholders' meeting on April 22, 2020 until April 21, 2021
4. The merger of the Corporation and Cebu Holdings, Inc. and its other subsidiaries
5. The amendment of the Corporation's Employee Stock Ownership Plan
6. Election of the directors (including Independent Directors)
7. Election of SyCip Gorres Velayo & Co. as our external auditor for the year 2021 and fixing of its remuneration

On April 29, 2021, an application for the approval of the merger of Ayala Land, Cebu Holdings, Inc., Asian I-Office Properties, Inc., Arca South Commercial Ventures Corp., and Central Block Developers, Inc. (collectively the "Constituent Corporations") with ALI as the surviving entity was filed by the Constituent Corporations with the SEC.

On April 30, 2021, ALI sold 44,000,000 shares of AREIT at a transaction price of ₱32.00 per share,

equivalent to ₱1.408 billion (exclusive of fees and taxes). This transaction was executed in relation to the property-for-share swap between ALI, and its subsidiaries, Westview Commercial Ventures Corp (Westview), and Glensworth Development, Inc. (Glensworth), and AREIT. As disclosed by AREIT last March 16, 2021, under the property-for-share swap, AREIT will issue 483,254,375 primary common shares of stock (swap shares) to ALI, Westview, and Glensworth, at an issue price of ₱32.00 per share, in exchange for identified ALI properties valued at ₱15,464,140,000.00, in accordance with the Fairness Opinion issued by PwC – Isla Lipana & Co. The swap shares will be issued from AREIT's increased authorized capital stock of ₱29.5 billion. The property-for-share swap is intended to be completed by the end of the year. ALI submitted a Reinvestment Plan detailing the use of proceeds obtained from the share sale transaction. Pursuant to the Placement Agreement between the aforementioned parties, proceeds from the block sale shall be settled on 05 May 2021.

On May 3, 2021, 156 ESOWN grantees subscribed to a total of 11,389,265 common shares at ₱33.29 per share with the subscriptions becoming effective on the same day. The option price is the average price of common shares at the Philippine Stock Exchange over the last five trading days as of February 22, 2021, less a 15% discount. As a result of the subscriptions, ALI outstanding common shares increased to 14,711,784,864.

On May 4, 2021, Ayala Land listed its ₱10 billion fixed rate bonds due 2025 on the PDEX, with a coupon rate of 3.6262% p.a. The 6th tranche of its ₱50 billion securities program, the issuance pioneered the utilization of the e-Securities Issue Portal (e-SIP).

On May 27, 2021, the Board of Directors during its meeting approved the declaration of cash dividends of ₱0.00474786 per outstanding preferred share. The cash dividend was paid on June 25, 2021 to stockholders of preferred shares as of record date June 10, 2021.

On June 8, 2021, ALI, Westview, and Glensworth executed the Deed of Exchange with AREIT on the property-for-share swap transaction. Following the execution of the Deed of Exchange, the involved parties will submit the application for the increase in authorized capital stock, and the property-for-share swap, specifically the request for confirmation of valuation, and exemption from registration, to the SEC. Once approved, the parties shall apply for the Certificate Authorizing Registration with the Bureau of Internal Revenue, and the listing of the additional shares with the Philippine Stock Exchange, within the year.

On June 25, 2021, Ayala Land submitted an amendment to the Reinvestment Plan for the proceeds of AREIT, Inc.'s initial public offering. From the original plan of 16 projects, the revised Plan now covers 31 income-generating projects. Disbursements to 11 of the original projects were reduced by ₱6.8 billion due to changes in development schedules as a result of market conditions. The amount will now instead be disbursed to 17 new identified projects.

On August 17, 2021, the Board of Directors during its meeting approved the raising of an additional ₱9.0 billion in debt capital through the issuance of retail bonds and/or corporate notes for listing on the PDEX, and/or bilateral term loans, bringing Ayala Land's total approval to ₱50 billion primarily for the purpose of refinancing outstanding loans and partially financing the Company's general corporate requirements.

2020

On August 17, 2020, the Board of Directors approved the Company's 2020 stock option program pursuant to the company's Employee Stock Ownership Plan, covering up to 20,989,000 common shares at a subscription price of ₱27.72 per share, which is the average price of its common shares at the Philippine Stock Exchange over the last 15-day trading as of August 14, 2020, less 15% discount.

On September 28, 2020, 169 stock option grantees subscribed to 14,845,498 common shares at ₱27.72 per share and became effective on the same day. As a result of the subscription of the 169 stock option grantees, the number of ALI's outstanding common shares increased to 14,730,395,599.

On September 29, 2020, Ayala Land listed its ₱6.25-billion, 5-year fixed-rate bonds due 2025 with a coupon rate of 3.862% per annum on the PDEX, through a virtually held listing ceremony on September 29, 2020.

White Knight Holdings, Inc., a wholly-owned subsidiary of Ayala Land, entered into a Share Purchase Agreement with Healthway Philippines, Inc., a wholly-owned subsidiary of Ayala Healthcare Holdings, Inc. to sell the former's 39.20% share in the outstanding capital stock of Mercado General Hospital, Inc., the holding company for the QualiMed healthcare network of hospitals and clinics. The Board of Directors of Ayala Land approved the transaction on October 19, 2020.

On October 22, 2020, the Board of Directors of Ayala Land's REIT vehicle, AREIT, at its regular board meeting approved the following items:

- (a) The acquisition of The 30th from Ayala Land, AREIT's sponsor, for a purchase price of ₱5.1 billion, VAT-inclusive, as endorsed by the Related Party Transactions Review Committee.
- (b) The raising of up to ₱6.4 billion, with a tenor of up to ten (10) years, through the issuance of retail bonds and/or corporate notes for listing on the PDEX, and/or bilateral term loans, and/or preferred shares for the purpose of financing asset acquisitions.
- (c) The establishment of credit facilities with banks amounting to ₱12.0 billion.

Likewise, the Board of Directors of Ayala Land ratified and approved the following amendments, as endorsed by the Corporate Governance and Nomination Committee.

- 1. Article VI of the Articles of Incorporation and Section 2 of Article III of the By-Laws to increase the number of directors from seven (7) to eight (8); and
- 2. Various sections of the By-Laws to align with the Revised Corporation Code and with recognized good corporate governance practices, and to digitalize certain governance processes.

Ayala Land's Principal Strengths

Ayala Land's principal strengths are its proven track-record, strong brand reputation and its ability to develop quality real estate products that cater to the different segments in the market.

Proven Track Record

With over eight (8) decades of experience, together with Ayala Corporation, Ayala Land is the largest and most experienced real estate developer in the Philippines. Ayala Land's proven track record includes the development of Makati Central Business District, Ayala Alabang, Cebu Business Park, Bonifacio Global City and Nuvali.

Strong Brand Reputation

The Ayala Land name is synonymous with quality and prestige and is the most widely trusted brand in Philippine real estate. Ayala Land maintains leadership in most of its product lines – residential subdivisions and high-rise, shopping centers, office buildings – and across a broad spectrum of price-points and geographies.

Because of its strong brand reputation, Ayala Land is also the partner of choice for strategic partners and landowners who want to make significant new investments in the country and help prime the Company's strategic growth centers. Added to this, many of the best names in local and international retailing prefer to be located in its shopping centers while top multinationals either set up base in its headquarter-type offices or locate in its BPO facilities.

Anchored on shared values and a long-term orientation, Ayala Land builds strong relationships with its business partners, landowners, tenants, employees, customers, the local government, non-government organizations ("NGO") and communities. This allows the Company to enhance its position as the leading property developer in the Philippines.

Substantial and Strategically Located Landbank

With 12,483 hectares of landbank across strategic locations in the Philippines as of June 30, 2021, Ayala Land is well positioned to take advantage of the growth prospects in the real estate sector in the Philippines. It is currently present across 57 identified growth centers in the country.

Well-Managed, Highly Capable and Professional Organization

Combining leading-edge product innovation with prudent and effective risk management practices, the Company has the ability to manage across a complex portfolio of projects and developments and is able to thrive and prosper through the cyclical nature of the industry. The Company employs a proven and highly-credible management, architectural and engineering talent pool across all levels of the organization, most with experience across multiple business lines. Ayala Land also consistently ranks among the top Philippine companies in terms of corporate governance standards and best practices.

Ayala Land also draws on the competitive advantage provided by its wholly-owned subsidiaries, MDC and APMC, which are the country's largest and most experienced construction and property management companies, respectively.

Sustainable Practices

Over the years, Ayala Land has been intensifying the integration of sustainability principles in every step of its business processes. Ayala Land's entire business process, from acquisition, assessment, planning, design, construction, delivery and property management focus on long-term benefits and shared value for stakeholders while foreseeing and managing risks and protecting all investments. Ayala Land has sustainability and risk management policies in place to protect projects from flooding and other geohazards. Technical due diligence is an integral part of site assessment, while flood and erosion control measures are built into masterplans, through site designs that include retention and detention basins, biodiversity (native vegetation) conservation where applicable. Projects are also designed to serve the needs of the commuting and walking public. Ayala Land also has set greenhouse gas emission intensity reduction targets and monitors energy, water and waste metrics in the properties it continues to manage.

Solid Balance Sheet and Strong Shareholder Base

The Company has a strong balance sheet, supportive strategic shareholders, a variety of available funding sources that strengthens its capability to undertake both pocket-sized and large-scale projects or investments that balance the need for sustained earnings growth and long-term net asset value accretion.

Growth Drivers of the Philippine Economy

The Philippine real estate industry offers rich opportunities across all its sub-sectors. Its bright prospects are anchored on stable fundamentals: a robust economy, rising foreign inflows, particularly from OFWs, increased affordability and the availability of attractive financing from banks, resilient consumption spending in retail, and encouraging long-term prospects for office space in the BPO sector.

A Strong Sense of *Malasakit* (Compassion)

Ayala Land cares enough to go the extra mile. Despite this period of difficulty, Ayala Land remained committed to support its stakeholders. The Company believes that a strong sense of *malasakit* drive its leadership teams and associates to adapt and meaningfully assist its employees, partners, government, and the public-at-large in any and every way it could.

Ayala Land's Business Strategy

Ayala Land will continue to develop large-scale, mixed-use integrated communities while diversifying its revenue base across its wide portfolio of businesses. To achieve this, Ayala Land has identified the following three major pillars in implementing its strategies:

- *Brand.* The company values the trust customers place on its brand and their confidence in the quality of its differentiated and innovative products and services. It continues to evolve its offerings to ensure market relevance and strives to build communities that live up to the Ayala Land brand.
- *Business Model.* The company operates the business with a clear model and strategy for growth, guided by its core values and sustainability principles. By building sustainable mixed-use estates in key growth centers in the Philippines, it creates platforms to expand the reach of its products and services while generating opportunities that consequently improve the quality of life of many Filipinos. It continues to be driven by a deep understanding of the market and a commitment to enhance processes and efficiently use company resources.
- *Bench.* Ayala Land has a committed team focused on achieving company goals. Through regular learning opportunities and enriching work experiences, the company nurtures competent and reliable employees and teams who execute its strategies and transform its vision into action.

In the midst of the pandemic, Ayala Land remains hopeful that the economy will continue to improve as the vaccine rollout continues to gain traction in 2021. The company's business units are carefully adjusting their strategies and practices to strengthen their market position and adapt to the new environment. With its institutional capability and strong balance sheet, Ayala Land is working towards a V-shaped recovery.

Ayala Land's Principal Shareholder

As of June 30, 2021, Ayala Corporation's effective ownership in Ayala Land is 45.90% with the remaining interest owned by the public. Ayala Corporation is one of the Philippines' oldest conglomerates, with businesses in real estate, telecommunications, financial services, telecommunications, water, power, industrial technologies, infrastructure, healthcare and education.

Ayala Land's Principal Executive Offices

Ayala Land's executive offices are located at the 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City 1226. The telephone number at this address is (632) 7908-3100 and the fax number is (632) 7750-7946.

Risk Factors

Prospective investors should consider carefully all of the information set forth in this Prospectus and, in particular, prospective purchasers should evaluate the specific factors set forth under the section "*Risk Factors and Other Considerations*" of this Prospectus for risks involved in the purchase of the Bonds. These factors may be summarized into those that pertain to the business and operations of Ayala Land, in particular, and those that pertain to the overall political, economic, and business environment in the Philippines, in general.

As a real estate developer, Ayala Land competes with other developers and developments to attract purchasers of land and condominiums, retail and office tenants, and clientele for the retail outlets, restaurants and hotels in its commercial centers in terms of reputation, reliability, price, and the quality and location of the community in which the relevant project is located. Ayala Land's successful financial and operating performance as a real estate company will impact on its ability to refinance or repay its debt, including the Bonds. Moreover, the offering of the Bonds should be evaluated in terms of its impact on the consolidated indebtedness of Ayala Land and the operating risks inherent in a further increase in its debt.

Ayala Land is further subject to certain debt covenants for the Bonds issuance and its other existing debt. Ayala Land's failure to comply with these covenants could cause a default, which if not waived, could result in the debt becoming immediately due and payable. If any amount outstanding were to be accelerated, it could potentially trigger a cross-default under substantially all of Ayala Land's debt, in which case Ayala Land may not be able to perform its payment obligations under the Bonds. In such case, the Bonds, being unsecured debt, will be effectively subordinated in right of payment to all secured debt of Ayala Land to the extent of the value of the assets securing such debt and all debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines without a waiver of preference or priority.

External factors affecting Ayala Land's businesses include the impact of current and future Philippine laws and regulations on certain aspects of real estate development, such as environment, health and safety, the effect of natural catastrophes, and political or economic instability in the country, including foreign exchange rate fluctuations which could impact the acquisition cost of certain dollar-denominated construction materials and equipment necessary for Ayala Land's business.

SUMMARY OF FINANCIAL INFORMATION

The following table sets forth financial and operating information on Ayala Land. Prospective purchasers of the Bonds should read the summary financial data below together with the audited consolidated financial statements and the unaudited interim condensed consolidated financial statements, including the notes thereto, presented as Annexes and the *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* section of this Prospectus. The summary financial data in the following tables were derived from Ayala Land's unaudited interim condensed consolidated financial statements as at June 30, 2021 and for the six (6) months ended June 30, 2021 and 2020; and audited consolidated financial statements as at December 31, 2020, 2019, 2018 and 2017, and for each of the four (4) years in the period ended December 31, 2020, including the notes thereto, which are included in this Prospectus. Amounts presented below have been subject to rounding adjustments to facilitate their presentation. Accordingly, numbers shown for the same item of information may vary and may not precisely reflect the absolute figures or the arithmetic aggregate of their components due to rounding adjustments. Ayala Land's unaudited interim condensed consolidated financial statements as at June 30, 2021 and for the six (6) months ended June 30, 2021 and 2020 were prepared in compliance with PAS 34, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic, and reviewed by SGV & Co. in accordance with Philippine Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Ayala Land's audited consolidated financial statements as at December 31, 2020, 2019, 2018 and 2017, and for each of the years in the period ended December 31, 2020 were prepared in compliance with PFRS and audited by SGV & Co. in accordance with Philippine Standards on Auditing.

	Six months ended June 30		For the years ended December 31			
(in million Pesos, except Earnings Per Share (EPS))	2021 ¹ Unaudited	2020 Unaudited	2020 ¹ Audited	2019 ² Audited	2018 ³ Audited	2017 Audited
Income Statement Data						
Revenue						
Real estate Sales	₱43,091	₱36,140	₱85,965	₱157,849	₱155,955	₱133,098
Interest income from real estate sales	3,599	4,227	8,603	7,891	7,042	5,410
Equity in net earnings of associates and joint ventures	531	346	587	966	750	866
	₱47,221	₱40,714	₱95,155	₱166,706	₱163,747	₱139,373
Interest and investment income	116	220	395	930	958	675
Other income	1,619	265	723	1,158	1,541	2,249
	1,736	485	1,118	2,088	2,499	2,924

Executive Summary

	48,957	41,199	96,273	168,794	166,246	142,297
Costs and expenses						
Cost of real estate sales	28,614	22,083	56,673	94,752	101,079	87,921
General and administrative expenses	3,173	3,865	8,012	9,367	9,101	7,275
Interest and other financing charges	5,876	6,857	12,746	12,200	9,594	7,914
Other expenses	1,558	808	3,789	1,645	1,270	1,196
	39,221	33,613	81,219	117,964	121,045	104,306
Income before income tax	9,736	7,586	15,053	50,830	45,201	37,991
Provision for income tax						
Current	2,338	2,015	4,688	12,455	13,391	11,960
Deferred	24	105	(629)	860	(1,406)	(2,135)
	2,362	2,120	4,059	13,315	11,984	9,825
Net Income	₱7,374	₱5,466	₱10,994	₱37,515	₱33,217	₱28,166
Net Income attributable to:						
Equity holders of Ayala, Land Inc.	6,041	4,518	8,727	33,188	29,241	25,305
Non-controlling interests	1,333	948	2,267	4,327	3,976	2,861
Unappropriated retained earnings						
Balance, beginning of year	153,661	148,940	148,940	124,090	101,976	83,799
Effect of adoption of new accounting standards	-	-	-	(617)	359	-
Balances as restated	153,661	148,940	148,940	123,473	102,335	83,799
Cash dividends						
Common share	(2,000)	(3,944)	(3,945)	(7,659)	(7,424)	(7,066)
Preferred share	(62)	(62)	(62)	(62)	(62)	(62)
Net Income attributable to equity holders of Ayala Land, Inc.	6,041	4,518	8,727	33,188	29,241	25,305
Appropriation during the year	-	-	-	-	-	-
Balance at end of period	157,640	149,452	153,661	148,940	124,090	101,976
Basic Earnings per share	₱0.41	₱0.30	₱0.59	₱2.25	₱1.98	₱1.71
Diluted Earnings per share	₱0.41	₱0.30	₱0.59	₱2.25	₱1.98	₱1.71

¹In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements and Note 3 of Ayala Land's unaudited interim condensed consolidated financial statements, which are included as an Annex to this Prospectus.

²Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Amounts presented in the consolidated statements of financial position and consolidated statements of income as at and for the years ended December 31, 2018 and 2017 are based on PAS 17, Leases (superseded by PFRS 16). The comparative financial information for accounts affected by the adoption of PFRS 16 may not be comparable to the information presented for 2019, 2020 and 2021. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus, for the effect of the adoption of PFRS 16.

³Ayala Land adopted PFRS 9, Financial Instruments and PFRS 15, Revenue from Contracts with Customers using modified retrospective approach of adoption with the initial date of application of January 1, 2018. Amounts presented in the consolidated statements of financial position and consolidated statements of income as at and for the year ended December 31, 2017 are based on PAS 39, Financial Instruments: Recognition and Measurement (superseded by PFRS 9) and PAS 18, Revenue, PAS 11, Construction Contracts and related Interpretations (superseded by PFRS 15). The comparative financial information for accounts affected by the adoption of PFRS 9 and PFRS 15 may not be comparable to the information presented for 2018, 2019, 2020 and 2021. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus, for the effect of the adoption of PFRS 9 and PFRS 15.

(in million Pesos)	As at June 30		As at December 31		
	2021 ¹ Unaudited	2020 ¹ Audited	2019 ² Audited	2018 ³ Audited	2017 Audited
Selected Balance Sheet Data					
Cash and cash equivalents and other assets ^{4,5}	₱16,433	₱18,361	₱21,516	₱27,558	₱25,821
Investment properties	226,184	222,685	243,043	225,006	200,240
Total assets	729,896	721,494	713,923	668,820	573,992
Current portion of long term debt	33,173	18,732	17,251	23,265	6,573
Long term debt - net of current portion	164,227	184,087	175,813	149,447	150,169
Total liabilities	463,829	461,315	471,218	448,599	381,729
Equity attributable to equity holders of					
Ayala Land, Inc.	226,883	222,540	211,050	187,300	166,755
Non-controlling interests	39,184	37,639	31,656	32,921	25,509
Total equity	₱266,067	₱260,179	₱242,706	₱220,221	₱192,264

¹In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements and Note 3 of Ayala Land's unaudited interim condensed consolidated financial statements, which are included as an Annex to this Prospectus.

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³Ayala Land adopted PFRS 9, Financial Instruments and PFRS 15, Revenue from Contracts with Customers using modified retrospective approach of adoption with the initial date of application of January 1, 2018. Amounts presented in the consolidated statements of financial position and consolidated statements of income as at and for the year ended December 31, 2017 are based on PAS 39, Financial Instruments: Recognition and Measurement (superseded by PFRS 9) and PAS 18, Revenue, PAS 11, Construction Contracts and related Interpretations (superseded by PFRS 15). The comparative financial information for accounts affected by the adoption of PFRS 9 and PFRS 15 may not be comparable to the information presented for 2018, 2019, 2020 and 2021. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus, for the effect of the adoption of PFRS 9 and PFRS 15.

⁴Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL for 2021, 2020, 2019, and 2018

⁵Includes Cash and Cash Equivalents, Short-term Investments, Investments in UITF classified as FVPL for 2017.

The table below sets forth the comparative performance indicators of the Company and its subsidiaries:

	June 30, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Current ratio ¹	1.50:1	1.62:1	1.30:1	1.26:1	1.30:1
Debt-to-equity ratio ²	0.81:1	0.81:1	0.87:1	0.85:1	0.91:1
Net debt-to-equity ratio ³	0.74:1	0.74:1	0.78:1	0.72:1	0.77:1
Return on assets ⁴	2.03%	1.53%	5.43%	5.35%	5.07%
Return on equity ⁵	5.38%	4.03%	16.66%	16.52%	16.09%
Asset to Equity ⁶	2.74:1	2.77:1	2.94:1	3.04:1	2.99:1
Interest Rate Coverage ⁷	3.60	2.96:1	6.27:1	6.09:1	5.98:1

¹ Current assets / current liabilities

² Total debt / consolidated stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI (Average total stockholders' equity attributable to equity holders of ALI means the average of the amounts from the beginning and end of the same period)

⁶ Total assets / total stockholders' equity

⁷ EBITDA / interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Below is the reconciliation of "Net income" to "EBITDA" then to "Interest Coverage Ratio".

	Six months ended June 30		For the years ended December 31			
	2021 Unaudited	2020 Unaudited	2020 Audited	2019 Audited	2018 Audited	2017 Audited
(in thousand Pesos, except ratios)						
Net income	₱7,373,797	₱5,465,886	₱10,994,238	₱37,515,031	₱33,216,589	₱28,165,659
Add:						
Provision for income tax	2,361,997	2,120,123	4,058,973	13,314,643	11,984,440	9,824,981
Interest and other financing charges	5,875,794	6,856,737	12,745,720	12,199,758	9,594,003	7,914,326
Other charges	1,558,332	808,359	3,788,771	1,644,982	1,270,281	1,196,076
	17,169,920	15,251,105	31,587,702	64,674,414	56,065,313	47,101,042
Less:						
Interest income from real estate sales and interest and investment income	3,715,607	4,447,617	8,997,476	8,821,417	8,000,314	6,084,995
EBIT	13,454,313	10,803,488	22,590,226	55,852,997	48,064,999	41,016,047
Add:						
Depreciation and amortization	4,432,880	4,830,528	9,572,572	9,058,710	6,318,929	5,179,792
EBITDA	17,887,193	15,634,106	32,162,798	64,911,707	54,383,928	46,195,839
Divided by:						
Interest expense on						
Short-term debt	160,128	667,363	1,164,767	1,206,577	1,668,340	337,384
Long-term debt	4,807,117	5,033,576	9,705,852	9,153,067	7,259,118	7,393,070
	4,967,245	5,700,939	10,870,619	10,359,644	8,927,458	7,730,454
Interest rate coverage ratio	3.60:1	2.74:1	2.96:1	6.27:1	6.09:1	5.98:1

Below is the reconciliation of “Debt” to “Debt-to-Equity and Net Debt-to-Equity Ratios”

	Six months ended June 30		For the years ended December 31		
	2021 Unaudited	2020 Audited	2019 Audited	2018 Audited	2017 Audited
(in thousand Pesos, except ratios)					
Short-term debt	₱17,067,727	₱9,131,325	₱18,032,830	₱14,386,717	₱17,644,350
Current portion of long-term debt	33,172,968	18,732,401	17,250,706	23,265,173	6,572,775
Long-term debt – net of current portion	164,227,040	184,087,192	175,813,345	149,446,949	150,168,631
Debt	214,467,735	211,950,918	211,096,881	187,098,839	174,385,756
Equity	266,066,901	260,179,332	242,705,568	220,221,197	192,263,358
Debt-to-equity ratio	0.81	0.81	0.87	0.85	0.91
Debt	214,467,735	211,950,918	211,096,881	187,098,839	174,385,756
Cash and cash equivalents	(14,632,162)	(17,037,347)	(20,413,041)	(23,996,570)	(20,998,089)
Short term investments	(452,544)	(358,120)	(617,149)	(3,085,373)	(4,739,734)
Financial assets at FVPL	(1,348,600)	(965,171)	(485,436)	(476,245)	(540,606)
Net Debt	198,034,429	193,590,280	189,581,255	159,540,651	148,107,327
Equity	266,066,901	260,179,332	242,705,568	220,221,197	192,263,358
Net debt-to-equity ratio	0.74	0.74	0.78	0.72	0.77

OVERVIEW OF THE 2021 SECURITIES PROGRAM

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of the 2021 Securities Program, the applicable terms and conditions contained in the relevant offer supplement. In case of conflict between the terms below and those contained in the offer supplement corresponding to a particular Tranche, the latter shall prevail.

Ayala Land is offering the 2021 Securities Program comprised of debt and other securities as provided by applicable SEC rules and regulations effective at the time of issuance (the “**Securities**”) in the aggregate principal amount of up to Fifty Billion Pesos (₱50,000,000,000.00) to be issued in one or more tranches. The following sections outline the description of the 2021 Securities Program followed by specific indicative terms and conditions applicable to a particular Tranche.

The 2021 Securities Program

Issuer:	Ayala Land, Inc.
Facility:	Fifty Billion Pesos (₱50,000,000,000.00) 2021 Securities Program
Purpose:	The intended use of proceeds for each Tranche of the 2021 Securities Program being offered shall be set in the relevant prospectus and/or offer supplement under the “Use of Proceeds” section.
Availability:	The 2021 Securities Program will be continuously available until the expiration of the shelf registration and the permit to offer securities for sale to be issued by the SEC.
Maturity:	Fixed-rate bonds: to be determined per issuance Other Securities: as provided by applicable SEC rules and regulations at the time of issuance
Method of Issue:	Each of the Securities will be issued on a continuous basis in tranches on different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, interest commencement date, and principal amount of the Tranche, will be similar to the terms of other Tranches of the same Securities) will be set forth in the final prospectus or corresponding offer supplement.
Form of Securities:	Each Tranche of the Securities will be represented by a Master Certificate of Indebtedness to be issued and registered in the name of the Trustee for the Security Holders and by applicable document pursuant to the rules or other relevant regulations as promulgated by the SEC. Legal title to the Securities shall be shown on and recorded in the Register of Security Holders maintained by the Registrar.
Denomination of the tranche Securities to be issued:	Fixed-rate Bonds: minimum of ₱50,000.00 face value and in increments of ₱10,000.00.
Redemption for Taxation Reasons:	If payments under the Securities become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the relevant Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Securities in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days’ prior written notice to the Trustee) at par or 100% face value plus accrued interest.

Final Redemption:	Except when a call option on the fixed-rate bonds is exercised, the Securities will be redeemed at par or 100% face value on the relevant maturity date.
Status of the Securities:	The Securities constitute direct, unconditional and unsecured Peso-denominated obligations of the Issuer and will rank <i>pari passu</i> and ratably without any preference or priority among themselves and at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer, other than obligations mandatorily preferred by law.
Negative Pledge:	The Securities shall have the benefit of a negative pledge on all existing and future assets of the Issuer, subject to certain permitted liens.
Taxation:	<p>Except: (1) tax on a Security Holder's interest income on the Securities which is required to be withheld by the Issuer, and (2) capital gains tax/income tax, documentary stamp tax and other taxes on the transfer of Securities (whether by assignment or donation), if any and as applicable, which are for the account of the Security Holder, all payments of principal and interest will be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines or any political subdivision, agency or instrumentality thereof, including, but not limited to, issue, registration, or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided, however, that the Issuer shall not be liable for, and will not gross-up the payments of interest on the principal amount of the Securities so as to cover any final withholding tax applicable on interest earned on the Securities prescribed under the National Internal Revenue Code of 1997, as amended, and its implementing rules and regulations.</p>

Documentary stamp tax on the original issue of the Securities shall be for the Issuer's account.

A Security Holder who is exempt from or is not subject to final withholding tax on interest income may claim such exemption by submitting to the relevant Joint Lead Underwriter, together with its Application to Purchase:

- (i) a copy of an original (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time) of the current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption or preferential rate, as certified by the Corporate Secretary of the Applicant that: (i.a) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (i.b) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting said certification's validity;
- (ii) a duly notarized undertaking, in prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases the bonds or other deposit substitutes for its account, or (ii.b) the Trust Officer, if the Applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the bonds or other deposit substitutes pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting that the same Bondholder named in the tax exemption certificate described in (i) above, is specifically exempt from the relevant tax or is subject to a preferential tax rate for the relevant tax, undertaking to immediately

notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax; (iii) as required under Revenue Memorandum Order No. 14-2021, prior to the payment of the initial interest due, (a) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, (b) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries in the form acceptable for recognition under Philippine laws, (c) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer and (d) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of its authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, is/are not doing business in the Philippines to support the applicability of a tax treaty relief; and

such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief, as required under BIR Revenue Memorandum Order No. 08-201714-2021; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for Taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar and Paying Agent.

The tax treatment of a Security Holder may vary depending upon such person's particular situation and certain Security Holders may be subject to special rules not discussed above. This summary does not purport to address all the aspects that may be important and/or relevant to a Security Holder. Security Holders are advised to consult their own tax advisers on the ownership and disposition of the Securities, including the applicability and effect of any state, local or foreign tax laws.

Governing Law: Philippine Law

Specific terms related to any tranche of the fixed-rate bonds

Issue Price:	The fixed-rate bonds will be issued at 100% of face value.
Fixed-rate Bonds Interest:	Interest on fixed-rate bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrear.
Optional Redemption:	The applicable final terms will indicate either that the relevant fixed-rate

bonds cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such fixed-rate bonds will be redeemable at the option of the Issuer and/or the fixed-rate bondholders upon giving notice to the bondholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the Joint Lead Underwriters.

Purchase and
Cancellation:

The Issuer may at any time purchase any of the Fixed-rate Bonds in the open market or by tender or by contract at market price without any obligation to purchase (and the bondholders shall not be obliged to sell) Fixed-rate Bonds pro-rata from all bondholders. Any fixed-rate bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the fixed-rate bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

Registrar and Paying
Agent:

Philippine Depository & Trust Corp.

Listing:

Philippine Dealing & Exchange Corp.

SUMMARY OF THE OFFER

This Prospectus and Offer relate to the Bonds with an aggregate principal amount of up to [₱2.75 Billion] with an Oversubscription Option of up to [₱2.75 Billion]. The following summary of the offer does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. The Base Offer will be issued from Ayala Land's 2021 Securities Program (see "Overview of the 2021 Securities Program") and the Oversubscription Option, if exercised, will be issued from Ayala Land's 2019 Securities Program

Fixed-rate Retail Bonds

Issuer:	Ayala Land, Inc.
Issue:	Fixed-rate bonds (the "Bonds") constituting the direct, unconditional, unsecured and general obligations of the Issuer
Issue Amount:	Up to [₱2.75 Billion] in aggregate principal amount (the "Base Offer") with an Oversubscription Option of up to [₱2.75 Billion] (the "Oversubscription Option"). In case the Oversubscription Option is partly exercised or not exercised at all during the Offer Period, the Bonds under the Oversubscription Option that will not be taken up or exercised during the Offer Period will remain under the 2019 Securities Program and may be issued in tranches within the three-year shelf period. The Oversubscription Option is exercisable by the Joint Lead Underwriters and Bookrunners with the consent of the Issuer.
Use of Proceeds:	Net proceeds will be used for refinancing and capital expenditures. (see "Use of Proceeds").
Joint Lead Underwriters and Bookrunners:	BDO Capital & Investment Corporation and BPI Capital Corporation
Co-Lead Underwriter	RCBC Capital Corporation
Trustee	Philippine National Bank – Trust Banking Group
Offer Period:	The Offer shall commence at 9:00 a.m. on [September 27, 2021] and end at 5:00 p.m. on [October 1, 2021], or on such other dates as the Issuer and the Joint Lead Underwriters and Bookrunners may agree upon.
Issue Date:	[October 7, 2021] or such other date as may be agreed upon by the Issuer and the Joint Lead Underwriters and Bookrunners with advice to the SEC, PDTC and PDEX.
Maturity Date:	[October 7, 2031] or ten (10) years from the Issue Date provided that, in the event that such Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid.
Initial Interest Rate:	Fixed interest rate of [●] % per annum from Issue Date until the 5th anniversary of such Issue Date (the "Initial Interest Rate").
Interest Rate Repricing Date	The 5th anniversary from Issue Date
Interest Rate Repricing	On the Interest Rate Repricing Date, the interest rate on the remaining

outstanding Bonds shall adjust to the higher of:

- (a) the Initial Interest Rate; or
- (b) the sum of the simple average of the five (5)-year PHP BVAL reference rate (or if the 5-year BVAL is not available or cannot be determined, any such successor rate as determined by the Bankers Association of the Philippines (“BAP”) or the Bangko Sentral ng Pilipinas (“BSP”), as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider) for the three (3) consecutive Business Days immediately preceding and ending on the Interest Rate Repricing Date plus [●] basis points or [●]%).

Issue Price: Par or 100% of face value

Interest Payment Date: Interest on the Bonds shall be calculated on a 30/360-day count basis and shall be paid quarterly in arrear commencing on [January 7], 2022 for the first Interest Payment Date and [January 7], [April 7], [July 7], and [October 7] of each year for each subsequent Interest Payment Date while the Bonds are outstanding. In the event that any Interest Payment Date is not a Business Day, such Interest Payment Date shall be paid on the immediately succeeding Business Day without any adjustment to the amount due. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment to the amount due.

Call Option The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding Bonds before the Maturity Date on any one of the Interest Payment Dates indicated below (the “Call Option Dates”), or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

Call Option Dates	Call Option Price
20th Interest Payment Date	100.00%
25th Interest Payment Date	102.00%
26th Interest Payment Date	
27th Interest Payment Date	
28th Interest Payment Date	
29th Interest Payment Date	101.50%
30th Interest Payment Date	
31st Interest Payment Date	
32nd Interest Payment Date	
33rd Interest Payment Date	100.50%
34th Interest Payment Date	
35th Interest Payment Date	
36th Interest Payment Date	

The amount payable to the Bondholders in respect of any such redemption shall be calculated as the sum of (i) the Call Option Price applied to the principal amount of the then outstanding Bonds being redeemed and (ii) all accrued interest on the Bonds as of the Call Option Date.

Should the Issuer elect to exercise a Call Option, it shall do so by delivery of an original and three (3) copies of a notice of such exercise to the Trustee, submitted during business hours on a date no earlier than sixty (60) days and no later than thirty (30) days prior to the Call Option Date. Once executed, completed and delivered to the Trustee, a Call Option notice is irrevocable.

Upon receipt of a Call Option notice fully complying with the Terms and Conditions, the Trustee shall transmit the same notice to the Bondholders.

Notwithstanding anything to the contrary, in the event the Issuer has notified the Trustee that it will exercise the Call Option, any interest payment due on the Interest Payment Date immediately preceding the Call Option Date shall be paid on such Call Option Date.

Issue Rating: The Bonds are rated PRS Aaa with a Stable Outlook by PhilRatings.

NET PROCEEDS FROM THE OFFER

The net proceeds from the Base Offer of up to ₱[2.75] Billion Offer is estimated to be ₱[2.71] billion after deducting expenses related to the Offer. Said expenses are as follows:

	Total
Estimated proceeds from the sale of the Bonds	₱[2,750,000,000.00]
Less:	
SEC Registration and Legal Research Fee	[1,262,500.00]
Documentary Stamp Tax	[20,625,000.00]
Underwriting Fee	[10,312,500.00]
Estimated Professional Expenses and Agency fees	[7,300,000.00]
Marketing/Printing/Photocopying Costs and out-of-pocket expenses	[2,000,000.00]
Listing Fee	[100,000.00]
Total Estimated Upfront Expenses	[41,600,000.00]
Estimated net proceeds to Ayala Land	₱[2,708,400,000.00]

The net proceeds from the ₱[5.50] Billion Offer (assuming the Oversubscription Option is fully exercised) is estimated to be ₱[5.43] billion after deducting expenses related to the Offer. Said expenses are as follows:

	Total
Estimated proceeds from the sale of the Bonds	₱[5,500,000,000.00]
Less:	
SEC Registration and Legal Research Fee	[1,956,875.00]
Documentary Stamp Tax	[41,250,000.00]
Underwriting Fee	[20,625,000.00]
Estimated Professional Expenses and Agency fees	[7,300,000.00]
Marketing/Printing/Photocopying Costs and out-of-pocket expenses	[2,000,000.00]
Listing Fee	[100,000.00]
Total Estimated Upfront Expenses	[73,231,875.00]
Estimated net proceeds to Ayala Land	₱[5,426,768,125.00]

A detailed discussion on the proceeds of the Offer appears on the "Use of Proceeds" section of this Prospectus.

RISK FACTORS AND OTHER CONSIDERATIONS

GENERAL RISK WARNING

- The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.
- Past performance is not a guide to future performance.
- An investor deals in a range of investments each of which may carry a different level of risk.

PRUDENCE REQUIRED

The risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake its, his, her, or their own research and study on the trading of securities before commencing any trading activity. Investors may request information on the securities and the Issuer thereof from the SEC which are available to the public.

PROFESSIONAL ADVICE

An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially those classified as high risk securities.

RISK FACTORS

An investment in the Securities described in this Prospectus involves a certain degree of risk. A prospective purchaser of the Securities should carefully consider the following factors, in addition to the other information contained in this Prospectus, in deciding whether to invest in the Securities. This Prospectus contains forward-looking statements that involve risks and uncertainties. Ayala Land adopts what it considers conservative financial and operational controls and policies to manage its business risks. Ayala Land's actual results may differ significantly from the results discussed in the forward-looking statements. See the section on "*Forward-Looking Statements*" in this Prospectus. Factors that might cause such differences, thereby making the offering speculative or risky, may be summarized into those that pertain to the business and operations of Ayala Land, in particular, and those that pertain to the overall political, economic, and business environment, in general. These risk factors and the manner by which these risks shall be managed are presented below in no particular order.

Investors should carefully consider all the information contained in this Prospectus including the risk factors described below, before deciding to invest in the Bonds. The Company's business, financial condition and results of operations could be materially adversely affected by any of these risk factors.

RISKS ASSOCIATED WITH THE COMPANY

Public health epidemics or outbreaks of diseases could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect Ayala Land's business, financial condition and results of operations.

As of September 15, 2021, the Philippine Department of Health reported 2,283,011 total cases of the novel coronavirus ("COVID-19") nationwide with 35,742 deaths attributed to COVID-19. The Philippines continues to add thousands of cases reported per day with 16,989 new cases on September 15, 2021. The Philippines remains vulnerable to exposure and spread of the disease for the following reasons: (a) the considerable number of OFWs globally; (b) the impact of international travel which raises the probability of transmission; and (c) lack of the necessary infrastructure to contain the spread of the disease. In response to the COVID-19 outbreak, the Philippines has imposed community quarantine measures and travel bans on several affected countries, which may have an adverse impact to the Company's ability to operate as efficiently as before COVID-19.

On March 13, 2020, the Office of the President of the Philippines issued a memorandum imposing stringent social distancing measures in the National Capital Region ("NCR" or "Metro Manila") effective March 15, 2020 to contain the spread of COVID-19. Subsequently, Presidential Proclamation No. 929

was issued on March 16, 2020, declaring a State of Calamity throughout the country for a period of six (6) months and at the same time, imposed an enhanced community quarantine (“ECQ”) throughout the island of Luzon until April 12, 2020, unless earlier lifted. The ECQ was extended twice, initially up to April 30, 2020 and then until May 15, 2020 for “high-risk” areas such as NCR, Regions 3 and 4 in Luzon and Region 7 in the Visayas.

On May 12, 2020, the Philippine government announced that it will ease quarantine measures in most areas of the country, but extended lockdowns in Metro Manila and select provinces until May 31, 2020, which the government termed as “modified” enhanced community quarantine (“MECQ”). The MECQ was the most stringent of a then new three-tiered quarantine system wherein areas were placed under general community quarantine (“GCQ”), while others under a lighter “modified” general community quarantine (“MGCQ”). On June 1, 2020, Metro Manila was placed under GCQ status. On August 2, 2020, Metro Manila and the provinces of Laguna, Cavite, Rizal and Bulacan were again placed under MECQ effective August 4, 2020 until August 18, 2020. These areas were transitioned back to GCQ after this period. On October 27, 2020, it was announced that NCR would remain under GCQ until November 30, 2020 while most of the country was already under the lighter MGCQ. Metro Manila and other provinces continued to be placed under GCQ until March 2021.

As the Philippines broke its all-time high of daily COVID-19 infections for the fifth time within one week on March 26, 2021, Metro Manila and nearby provinces of Bulacan, Cavite, Laguna and Rizal (“NCR Plus”) were again placed under ECQ effective March 29, 2021 until April 11, 2021 to address the exponential rise in COVID-19 cases in the country leading to hospital capacity rates reaching critical levels. The Philippine government subsequently downgraded the lockdown level in NCR Plus, and, together with the City of Santiago, Quirino, and Abra, were placed under MECQ effective April 12, 2021 until May 14, 2021. During MECQ, real estate activities limited to leasing is allowed to operate at full on-site capacity, while real estate activities outside of leasing shall be allowed to operate at 50% on-site capacity. From August 6, 2021 to August 20, 2021, NCR Plus was once again placed under ECQ. The Government downgraded Metro Manila to MECQ from August 21, 2021 to September 15, 2021. Starting September 16, 2021 until September 30, 2021, Metro Manila will be placed under GCQ with Alert Level 4.

Government quarantine measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve. In particular, the ECQ could adversely impact (a) the completion of Ayala Land’s projects as construction is not an activity given priority under the government guidelines, and (b) Ayala Land’s ability to collect and generate rental income, which could negatively impact its cash flows. Due to the imposition of an ECQ, foot traffic in malls and occupancies in the Company’s hotels have declined. With respect to the Company’s malls, only tenants providing essential services, such as pharmacies, food-related outlets and supermarkets, which account for approximately 10% of the gross leasable area, were allowed to remain open in 2020. Only such establishments were able to pay rent during such periods in 2020 when ECQ was implemented. With the reimposition of stricter quarantine restrictions from August 06 to 20, 2021, 75% of the Company’s malls gross leasable area will be under under the strictest ECQ classification wherein only essential tenants are allowed to operate. Furthermore, hotels occupancy as of June 30, 2021 was 45%. During the strictest ECQ, these accommodated BPO employees working nearby as well as healthcare professionals. They are also catering to returning overseas Filipinos for quarantine requirements. Nevertheless, the Company anticipates a decline in its sales reservations resulting from the limited mobility of its sales personnel due to the re-imposition of ECQ.

As a consequence of COVID-19, sales velocity in 2020 and in first half of 2021 slowed down resulting in the increased inventory. The Company is already prepared to launch ₱100.0 billion worth of projects this year as velocity improves. However, the Company may decide to reduce the launches if there will be slowdown in demand given the reimposition of stricter quarantine levels. Further, the Company made several adjustments in 2020 to boost productivity in its construction business despite manpower restrictions. The Company started enhancing and intensifying its strategies which improved productivity on several scopes of work from then 60 to 65 % to the current 82 to 85%. Given the reimposition of ECQ, the Company will continue implementing the current restrictive and stringent requirements for the deployment of manpower.

With the worsening threat of the delta variant of COVID-19 and the return to stricter quarantine measures, the Company believes that the impact of COVID-19 situation remains fluid and evolving and

the pace of recovery remains uncertain. The reimposition of stricter forms of quarantine measures due to rising COVID-19 cases may have an adverse effect on economic activity in the Philippines, and could materially and adversely affect Ayala Land's business, financial condition and results of operations.

The Company has taken measures to manage the risks and uncertainties brought about by the outbreak, including adequate support to safeguard the well-being of its employees, ensuring effective work from home set-up such that the organization is able to function through the quarantine period, working alongside other Ayala Group companies towards the rollout of the Ayala Vaccine and Immunization Program for its employees, continued assessment, monitoring and safeguarding of its overall cash and credit position, and close coordination with the vendors for its projects under construction to manage impact of lockdown procedures. The Company allocated ₱6.2 billion and ₱3.4 billion in rent condonation for mall merchants in 2020 and in the first half of 2021, respectively.

Ayala Land has acknowledged the effects of COVID-19 as a prominent source of risk which affected its business in 2020 with spillover effects to 2021. The Company, as early as January 2020, has monitored the situation in Wuhan, China and flagged the virus as a potential emerging risk. With the escalation of the COVID-19 pandemic, the Company mobilized the business units to revisit their respective business continuity plans ("BCP") to mitigate the risk impact to operations. Ayala Land observes national and local government advisories and directives as well as the best practices conveyed by the World Health Organization ("WHO") and the Philippine Department of Health ("DOH"). The Company strictly follows the guidelines set by the national and local government agencies to support its endeavor to stem the spread of the COVID-19 virus. Pandemic events usually have a long gestation and pose a greater risk of exposing personnel and negatively impacting business operations. Each business unit reviewed loss scenarios under their business continuity plans such as: (1) loss of premises or day-to-day workplace; (2) loss of critical people; and (3) loss of critical third-party service providers for an extended period of time.

Ayala Land faces a highly competitive business environment

Ayala Land is subject to significant competition in each of its principal businesses. Competitive pressure is expected to remain as large property developers focus on the value-conscious middle market. Sustained demand growth is not likely to occur without real improvement in employment and real incomes. However, Ayala Land believes that, at present, there is no single property company that has a significant presence in all sectors of the property market.

Ayala Land competes with other developers and developments to attract purchasers of land and residential units, office and retail tenants as well as other construction and property management firms, and hotel operators.

To manage this risk, the Company continues its active land acquisition and development activities in key growth centers and its aggressive build-up of recurring income within tried and tested estates through its integrated mixed-use model versus pocket developments. Particular to the leasing business, one of the major drivers of competition is the Company's ability to attract and retain merchants and tenants – which is generally dependent on the location of the leasing properties, price offerings to the tenants and merchants, as well as the quality of service provided by the Company's property management team. And for this, the Company continues to do the following: (1) active land acquisition in key geographies and partnering with other developers; (2) continue current mixed-use model versus pocket developments; (3) gathering market intelligence and translating information into competitive proposals; and (4) strong push for the timely opening of new properties / developments, among other control activities and procedures.

Land, Residential

With respect to land, condominium and office sales, Ayala Land competes for purchasers primarily on the basis of reputation, reliability, price and the quality and location of the community in which the relevant site is located. With respect to its horizontal residential housing developments, Ayala Land competes for buyers based on quality of projects and reasonable pricing of units.

(a) High-end residential

Ayala Land continues to be the leader in the high-end residential market. It competes with a price premium over other high-end developers but justifies it with superior locations, workmanship quality, and overall reputation in the real estate industry. Through these, it has been able to keep well ahead of other high-end players.

Real estate has always been a major investment vehicle for the affluent. However, in a volatile environment, such as the recent financial crisis and the subsequent global economic downturn, the high-end market tends to “wait and see,” or they simply choose to place their money in other investment instruments. As of June 30, 2021, Ayala Land Premier’s first-half revenues more than triple to ₱10.54 billion from ₱2.80 billion in the same period in 2020 due to the higher incremental POC of Park Central North and South Towers in Makati City, Andacillo in Nuvali, Laguna and Lanewood Hills in Cavite, and higher bookings from Ayala Greenfield Estates in Laguna.

Ayala Land has mitigated the market risks it faces through carefully planned project launches, clear product differentiation, product innovation, and increased market expansion through overseas sales and new segments.

(b) Upscale, residential

In the upscale market segment, Alveo registered revenues of ₱5.08 billion in the first half of 2021, a 62% growth from ₱3.13 billion in the same period in 2020, owing to higher bookings from Hillside Ridge in Cavite and higher incremental POC of Venido in Laguna, The Greenways in Alvia, Pampanga, and Ardia Phase 3 in Verano, Cavite.

(c) Middle-income residential

Avida generated ₱6.58 billion in revenues in the first half of 2021, slightly lower by 3% from ₱6.81 billion in the same period in 2020, attributed to lower bookings from Avida Towers Sola in Vertis North Quezon City, Vireo in Arca South, Taguig, and Riala in Cebu IT Park, Cebu City.

(d) Socialized and Economic Housing

Ayala Land entered the socialized housing segment in 2012 with the launch of Amaia Scapes in Laguna under the Company’s subsidiary, Amaia Land Corp., carrying the brand Amaia. For the first six months ended June 30, 2021, Amaia posted revenues of ₱2.30 billion, a 2% increase from ₱2.25 billion relating to higher bookings from Steps Alabang Helena in Las Pinas, Series Verano S1 in Cavite, Skies Shaw Tower 2 in Mandaluyong City, Steps Pasig Blanca and Scapes Rizal S1.

In terms of economic housing, Ayala Land formally launched its first socialized housing project in 2012 under the BellaVita brand in Cavite from subsidiary, BellaVita Land Corp. Ayala Land, through BellaVita, partnered with the Department of Human Settlements and Urban Development (DHSUD) and various local government units to build housing and community-building projects. In partnership with the Department of Agrarian Reform, BellaVita provided 184 houses for the department’s BALAI Farmers Housing program. The repair and reconstruction of three mosques in Marawi City, destroyed by Daesh-inspired terrorism in 2017, was undertaken with DHSUD. BellaVita recognized revenues of ₱540.49 million in the first half of 2021, double the ₱271.47 million in 2020 because of higher bookings from projects in Naga, Camarines Sur; Tayabas Quezon; Alaminos, Laguna and Lipa, Batangas.

MCT Bhd. contributed ₱1.79 billion in revenues in the first half of 2021, a 40% growth from ₱1.28 billion in the same period in 2020 driven by higher sales and completion from its middle-income brand Market Homes.

Positive factors spurring interest because of their long-term effects in the real estate industry are the:

- Infrastructure, highway and railway projects within Metro Manila and nearby provinces;
- Increasing purchases by the overseas-based Filipino market due to marketing and promotions by various developers;
- Availability of financing from the Home Development Mutual Fund (“Pag-IBIG”); and
- Relatively low mortgage rates and longer maturities.

Office for Sale

With respect to its office rental properties, Ayala Land competes for tenants primarily based on the quality and location of the relevant building, the reputation of the building owner and operator, the quality of support services provided by the property manager, and rental and other charges. Under the current environment, lease rates and occupancy levels are under pressure in the Makati CBD where Ayala Land office buildings are located.

Revenues from the sale of office units rose 53% to ₱1.75 billion in the first half of 2021 from ₱1.14 billion in the same period in 2020, as a result of higher bookings from ALVEO’s Park Triangle and ALP’s One Vertis Plaza projects.

Commercial and Industrial Lots

Revenues from the sale of commercial and industrial decelerated by 34% to ₱1.95 billion in the first half of 2021 from ₱2.95 billion mainly due to the slower take-up at Vermosa, Nuvali and Alviera estates.

Sales reservations by Philippines-based Filipinos increased by 26% and accounted for 77% (valued at ₱37.14 billion) of all reservations, while those by Filipinos based abroad increased by 4%, accounting for 15% (valued at ₱7.02 billion) of the total, as local demand remained strong despite the reimposition of ECQ from March until April.

Commercial Leasing

This segment covers the operation of shopping centers, office buildings, and hotels and resorts. Total revenues from commercial leasing declined by 26% to ₱9.48 billion in the first half of 2021 from ₱12.86 billion in the same period in 2020.

With respect to its retail properties for lease, Ayala Land competes for tenants primarily based upon the ability of the relevant retail center to attract customers, which generally depends on the quality and location of, and mix of tenants in, the relevant retail center and the reputation of the owner and/or operator of the retail center, as well as rental and other charges. Some competing shopping centers are located within relatively close proximity of each of Ayala Land’s commercial centers.

Shopping centers

Revenues from shopping centers dropped 43% to ₱3.43 billion in the first half of 2021 from ₱5.98 billion in the same period in 2020 reflecting limited operations, ongoing rent discounts to support tenants and low foot traffic. The average occupancy rate for all malls is 81% and 86% for stable malls. Total Malls GLA stands at 2.12 million sqm.

Offices

Revenues from office leasing was sustained at ₱4.83 billion in the first half of 2021 from ₱4.80 billion in the same period in 2020, as BPO and headquarter (“HQ”) operations cushioned the impact of cancellations of Philippine Offshore Gaming Operators (POGO). The average occupancy rate for all offices is 82% and 87% for stable offices. Total office leasing GLA is at 1.30 million sqm.

Hotels and Resorts

Revenues from hotels and resorts ended 42% lower to ₱1.22 billion from ₱2.09 billion as resort operations were restricted from the end of March until April due to the reimposition of the ECQ and hotels continue to experience lower average occupancy. The average occupancy for all hotels was 45%

and 48% for stable hotels. Meanwhile, the average occupancy for all resorts stood at 15% and 16% for stable resorts. The hotels and resorts segment ended the first half of 2021 with a total of 4,030 rooms.

The hotels and resorts business manages 660 hotel rooms in its international brand segment – 312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, both of which are in the Ayala Center, Makati CBD.

There are 11 Seda Hotels, operating 2,712 rooms – Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (150); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214). Circuit Corporate Residences operates 255 rooms.

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 132 rooms under its Bed and Breakfast (“B&B”) and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 78 B&B rooms.

Services

This is composed mainly of the construction business represented by Makati Development Corporation (“MDC”), property management through Ayala Property Management Corporation, and businesses engaged in power services such as Direct Power Services, Inc. (“DPSI”), Ecozone Power Management, Inc. (“EPMI”), Philippine Integrated Energy Solutions, Inc. (“PhilEnergy”) and AirSWIFT, the airline for the hotels and resorts in Palawan and Sicogon. Total revenues amounted to ₱3.10 billion in the first half of 2021, 18% higher than ₱2.63 billion in the same period in 2020 due to completion progress of projects with unconsolidated JVs and third parties. This compensated for the lower power consumption of customers and limited operations of AirSWIFT.

Blended EBITDA margins of the Services segment stood at 10%, from 9% in the first half of 2020.

Construction

Ayala Land’s construction business is exposed to any potential sector-wide slowdown in construction activities.

Notwithstanding stiff competition in the industry, Ayala Land intends to maintain and enhance its position as the leading property developer in the Philippines by continuing its over-all business strategy of developing large-scale, mixed-use integrated communities within growth centers that perpetuate its strong market presence while ensuring a steady revenue growth for the Company. Ayala Land further intends to diversify its revenue base by expanding its real estate business into different markets, specifically the economic and socialized housing segments where bulk of consumer “end-user” demand lies, and geographic areas and growth centers across the country where there are significant growth opportunities or where its proposed developments complement its existing businesses.

As the Company continues to expand its footprint all over the country, continuing pressures are felt on the following areas, among others: maintaining developmental costs within competitive levels, getting qualified and reliable contractors and suppliers in the market, and ensuring that quality standards are consistently being enforced across all projects in different geographies.

Standardization and streamlining of processes to achieve increased operating efficiencies, complete partnering agreements on critical materials with suppliers, aggregation, advance buying for critical commodities to avoid delays, and continuous external sourcing are among the major mitigation activities being done by the Company to meet project execution and delivery targets.

On top of these, the Company is continuously improving its self-perform and self-manufacture capabilities for better quality control in its developments.

Net construction revenues totaled ₱1.93 billion in the first half of 2021, more than double the ₱0.88 billion in the first half of 2020.

Property Management and Others

APMC, power services companies and AirSWIFT registered revenues of ₱1.18 billion in the first half of 2021, 33% less than the previous year's ₱1.75 billion.

Industrial Property Business

The prospects are bright for industrial and real estate logistics. Ayala Land through its subsidiary AyalaLand Logistics Holdings Corp. (ALLHC) will aggressively grow this space, expanding warehouses and industrial and logistic hubs in the short term to maintain its leadership in this segment.

Laguna Technopark, a development of Ayala Land's subsidiary, Laguna Technopark, Inc. ("LTI"), remains the preferred location for locators and has been successfully expanding its offerings at a time when industrial parks in the Calabarzon area have been experiencing the effects of an oversupply of manufacturing and processing facilities.

Cavite Technopark is the newest industrial park development located in Naic, Cavite, with an initial area of 118 hectares. Similar to Laguna Technopark, Cavite Technopark will cater to manufacturing locators that specialize in electronics, automotive, consumer products, food processing and pharmaceuticals. At full development, the locator companies of Cavite Technopark are expected to generate employment for over 20,000 employees.

Alviera Industrial Park is an economic zone with first-class facilities that aims to spur economic growth in Central Luzon. Expansion plans for the said industrial park were announced in January 2018 due to strong sales take-up of the industrial lots during the initial phase, growing from 32 to 64 hectares. The industrial park will also now cater to both non-PEZA and PEZA-registered industries. It will feature 16 lots ranging from 1 to 1.4 hectares and 3 clusters of ready-built standard factory buildings. The second phase has 22 one-hectare lots (for a total of 38 locators) that may generate up to 1,500 new jobs, contributing to the ever-growing economy of Pampanga as well as that of Central Luzon.

Both Laguindingan and Pampanga Technoparks were launched in 2019. Laguindingan Technopark in Habini Bay, Misamis Oriental is envisioned to be a new logistics hub in Northern Mindanao while the 192-hectare Pampanga Technopark paves the way in making Mabalacat City a new growth center in Central Luzon.

Ayala Land's business may be affected by the risk posed by an asset price bubble

Inherent to any property market is the risk posed by an asset price bubble. This situation arises when a gross imbalance between demand and supply causes an unusual increase in asset prices and as supply begins to outstrip demand, a drastic drop in prices ensues causing the proverbial bubble to burst.

In the domestic market, the current property boom has been fueled by both business and public confidence which in turn is driven by a number of factors including the robust domestic economy, low interest rates that support both business expansion and domestic consumption underpinned by a young demographic profile, moderate but consistently growing remittances from Overseas Filipino Workers, and the Philippines' success as a choice Business Process Outsourcing destination.

These factors alongside the prudential measures put in place by the Bangko Sentral ng Pilipinas to safeguard the health of the local financial system point to the Philippine property market being adequately protected against a domestic asset price bubble. For its part, the Company has embarked to achieve a balanced portfolio of (i) residential businesses, which thrive on robust economic periods, and (ii) leasing businesses, which have proven to be more resilient across economic cycles thus providing some cushion between periods of economic trough. The Company's expansion of its residential businesses has likewise allowed it to cater to both the economic and socialized housing segments where the country's housing backlog primarily occurs thus tapping into another source of demand for its residential products.

Ayala Land's leverage creates a number of operating risks and might affect its ability to repay the Securities

The increase in debt of Ayala Land could have certain adverse consequences. For example, it could:

- reduce Ayala Land's ability to service its existing debt obligations, including the Securities;
- affect Ayala Land's ability to obtain additional financing for working capital, capital expenditures, debt service and other purposes;
- require Ayala Land to divert a substantial portion of its cash flow from operations to debt service;
- affect Ayala Land's flexibility in reacting to and taking advantage of developments and opportunities in the Philippine economy, the Philippine property development industry and its business; or
- place Ayala Land at a competitive disadvantage to its competitors that have less debt.

As of June 30, 2021, Ayala Land's consolidated short-term and long-term debt amounted to an aggregate of ₱214.47 billion, ₱123.90 billion of which were evidenced by public instruments.

Ayala Land's ability to refinance or repay its debt depends on its successful financial and operating performance, which will be affected by a number of factors, many of which are beyond its control. If Ayala Land is unable to refinance its debt, obtain necessary waivers or obtain new financing under these circumstances, Ayala Land would have to consider other various financing options such as sale of assets, procuring additional capital and other options available to Ayala Land under applicable law. Ayala Land might also have to modify, delay or abandon its development and expansion plans. See discussions under "Management's Discussion and Analysis of Financial Condition" and "Results of Operation" of this Prospectus.

The Company has stringent monitoring mechanisms in place designed to manage its debt levels and to ensure that these are within sustainable limits. The Company also actively tracks its inventory levels, accounts receivables and its contingent liability, all the while ensuring flexibility in its planned launches to adjust to operating and market conditions.

Ayala Land is subject to certain debt covenants

The Bond Agreements and agreements for certain debts of Ayala Land contain covenants that limit its ability to, among other things:

- incur additional long-term debt to the extent that such additional indebtedness results in a breach of a required debt-to-equity ratio;
- materially change its nature of business;
- merge, consolidate, or dispose of substantially all its assets; and
- encumber mortgage or pledge some of its assets.

Complying with these covenants may cause Ayala Land to take actions that it otherwise would not take or not take actions that it otherwise would take. Ayala Land's failure to comply with these covenants would cause a default, which, if not waived, could result in the debt becoming immediately due and payable. In this event, Ayala Land may not be able to repay or refinance such debt on terms that are acceptable to Ayala Land or at all. See discussions under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of the Bonds," of this Prospectus.

Ayala Land has historically taken a prudent stance in managing its debt obligations by ensuring that any corporate act, whether or not performed in the ordinary course of business, does not violate any existing debt covenants. In the event that any significant corporate act or business transaction is seen to potentially affect its debt covenants that would lead to accelerating the payment of existing debt, Ayala Land shall endeavor to obtain the necessary waivers in accordance with relevant debt agreements.

The occurrence of certain events of default under Ayala Land's other debt could affect Ayala Land's ability to repay the Securities

A significant portion of the debt of Ayala Land contains terms which allow a lender to accelerate Ayala Land's debt if any event or change in circumstances occurs which, in the sole opinion of such lender, would materially impair Ayala Land's ability to repay its debt. If any amount outstanding were to be accelerated, it could potentially trigger a cross-default under substantially all of the Company's debt. In which case, it may not be able to perform its payment obligations under the Securities.

Ayala Land has not defaulted in any of its debt obligations and has maintained a rating of PRS Aaa with PhilRatings on its bond issuances since 2012. It intends to continue its strategy of compliance with its debt obligations by adopting the necessary internal controls in financial management and adopting good corporate governance policies that will ensure that transactions do not violate debt covenants.

The Securities may be subordinated to other debt

Under Philippine law, in the event a borrower submits to insolvency or liquidation proceedings in which the borrower's assets are liquidated, unsecured debt evidenced by a public instrument, as provided in Article 2244(14) of the Civil Code of the Philippines will rank ahead of unsecured debt not evidenced by a public instrument. Debt becomes evidenced by a public instrument when it has been acknowledged by the creditor and the debtor before a notary or any person authorized to administer oaths in the Philippines. Although the position is not clear under Philippine law, it is possible that a *jurat* (a statement by one party of the circumstances in which an affidavit was made) may also be sufficient to make a document a public instrument. Accordingly, it may be possible for debt to become evidenced by a public instrument through the unilateral action of a creditor without the knowledge of the borrower.

Any such debt may, by mandatory provision of law, rank ahead of the Securities in the event of the insolvency or liquidation of Ayala Land. Ayala Land has secured the waiver by the creditors of such preference in their respective debt instruments. However, should any bank or bondholder hereinafter have a preference or priority over the Securities as a result of notarization, then Ayala Land shall at its option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the Securities as may be practicable.

Notwithstanding the foregoing, investors are assured of Ayala Land's continuing track record of prudent financial management which has allowed it to be in a net debt-to-equity ratio of 0.74:1 as of June 30, 2021. Thus, in the unlikely event that Ayala Land is dissolved, there will be sufficient assets for disposition that will meet all its debt obligations, whether secured or unsecured.

Ayala Land from time to time considers business combination alternatives

Although Ayala Land's loan covenants contain certain restrictions on business combinations, Ayala Land will be able to engage in certain types of combinations. Business combinations involve financial and operational risks and could result in significant changes to Ayala Land's operations, management and financial condition. These changes could adversely affect Ayala Land's ability to fulfill its obligations under the Securities and reduce the value of the Securities.

Ayala Land takes into consideration its existing debt obligations and concomitant debt covenants in making any major business investments or acquisitions. Any financial commitments under such business combinations are evaluated in terms of the inflow of revenues of such projects and their ability to service their own financial requirements once fully operational.

Republic Act No. 10667, the Philippine Competition Act ("PCA") authorizes the PCC to review mergers and acquisitions to ensure compliance with the PCA. The PCA, its Implementing Rules and Regulations, as amended, and the Rules on Merger Procedure (collectively "Merger Rules") provides for mandatory notification to the PCC of any merger or acquisition within thirty (30) days of signing any definitive agreement relating to the transaction, where the value of such transaction exceeds ₱2.2 billion, and where the size of the ultimate parent entity of either party ₱5.6 billion. The parties may not consummate the transaction prior to receiving PCC approval or the lapse of the period stated in the Merger Rules. A merger or acquisition that meets the thresholds under the Merger Rules but was not notified to the PCC, or notified but consummated, in whole or in part, prior to the expiration of the waiting period, is

considered void and will subject the parties, and will subject the parties to a fine between one percent (1.00%) to five percent (5.00%) of the value of the transaction. Criminal penalties for entities that enter into anti-competitive agreements, as defined, include: (a) a fine of not less than ₱50 million but not more than ₱250 million; and (b) imprisonment for two to seven years for directors and management personnel who knowingly and willfully participate in such criminal offenses. Administrative fines of ₱100 million to ₱250 million may be imposed on entities found violating prohibitions against anti-competitive agreements and abuse of dominant position. Treble damages may be imposed by the PCC or the courts, as the case may be, where the violation involves the trade or movement of basic necessities and prime commodities.

Pursuant to Bayanihan 2 Act, which was signed into law on September 11, 2020, all mergers and acquisitions with transaction values below ₱50 billion shall be exempt from compulsory notification under the PCA if entered into within a period of two (2) years from the effectivity of Bayanihan 2 Act. Further, such mergers and acquisitions shall also be exempt from the PCC's power to review mergers and acquisitions motu proprio for a period of one (1) year from the effectivity of the Bayanihan 2 Act. However, transactions entered into prior to the effectivity of the Bayanihan 2 Act which has not yet been reviewed by the PCC; and transactions pending review by the PCC prior to the effectivity of the Bayanihan 2 Act shall not be covered by the exemption from the PCC's power to review transactions motu proprio. Further, mergers and acquisitions entered into during the effectivity of the Bayanihan 2 Act may still be reviewed by the PCC motu proprio after one year from the effectivity of the law.

Given the usual volume of the Issuer's transactions, mergers or acquisitions undertaken by the Issuer would likely meet the notification threshold under the PCA and its Implementing Rules and Regulations ("IRR"). The Issuer will comply with the requirements of the PCA and its IRR.

Successful development of Ayala Land's projects is dependent on various factors

There is no certainty that Ayala Land's current and future projects will be implemented as planned and within the projected timetable. Real estate developments are subject to risks such as delays in obtaining financing and/or finalizing project plans and/or obtaining approvals, increases in construction costs, natural calamities and/or market downturns hereinafter described. Ayala Land's future financial performance may be significantly affected by factors that limit its ability to finance and complete its current and future projects in a timely and cost-effective manner and to market them successfully.

Ayala Land continually looks for growth opportunities in different market segments and geographic areas in order that any negative impact on a particular market segment or geographic area by reason of political, economic or other factors will allow it to pursue its projects or other developments not affected thereby, thus, providing it with a steady revenue base.

Ayala Land's business is affected by regulation in the Philippines

Ayala Land operates a material part of its businesses in a regulated environment. Ayala Land is subject to numerous environmental laws and regulations relating to the protection of the environment and human health and safety. These include laws and regulations governing air emissions, water and waste water discharges, odor emissions and the management and disposal of, and exposure to, hazardous materials.

Ayala Land cannot predict what environmental or health and safety legislation or regulations will be amended or enacted in the future; how existing or future laws or regulations will be enforced, administered or interpreted; or the amount of future expenditures that may be required to comply with these environmental or health and safety laws or regulations or to respond to environmental claims.

The Housing and Land Use Regulatory Board ("HLURB") Resolution No. 926 series of 2015, or the "Revised Implementing Rules and Regulations to Govern the Time of Completion of Subdivision and Condominium Projects under P.D. No. 957" ("Resolution 926"), was promulgated to narrow the grounds to grant additional time to complete a given project. Ayala Land endeavors to complete its projects within the time granted by HLURB, now DHSUD in the Licenses to Sell of the projects.

DHSUD issued Department Order (DO) No. 10-2020, which grants a one-time one-year extension for all projects with original completion date of March 2020 onwards.

Ayala Land, through its construction and property management arms, aims to keep itself abreast of the latest technologies that enable it to implement existing sanitation, environment and safety laws and regulations at cost-efficient means, a strategy which has earned Ayala Land awards from several local and international organizations.

Moreover, through its wholly-owned MDC, Ayala Land is able to rely upon forty-three (43) years of experience in engineering, and an array of construction-related services including construction management, procurement and construction equipment management for the timely delivery of its various projects in accordance with safety and quality specifications.

Operational and Physical Risk Factors in Ayala Land's Business

Just like any other business, Ayala Land is not exempt from the various risks associated with property development and operational management. It is however cognizant of the fact that a thorough understanding of risks, its complexities and continuous improvement in design and business operations is key to better abatement of risks and ensuring leadership in the industry.

Since the inception of the Company's risk management program, the Management has consistently emphasized the need for a higher level of safety and security awareness and diligence to ensure customers have pleasant experiences in our shopping centers and other managed properties and estates.

The importance of adequate and effective maintenance practices and procedures is always advocated to prevent serious and unscheduled operational losses such as equipment breakdown and to maintain quality standards in our owned and managed properties. In 2020, MDC and three of its subsidiaries successfully passed their respective surveillance audits for ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management), and ISO 45001:2018 (Occupational Health and Safety). Meanwhile, APMC was recertified for ISO 9001:2015 (Quality) and ISO 14001:2015 (Environmental) and successfully migrated its OHS management system from OHSAS 18001:2007 to ISO 45001:2018, without any exception during the external certification audit. APMC implemented an eight-point program to effectively manage its properties and communities. Called APMC SAFE 8, the program focuses on protecting the property, preparing the workforce, protecting frontliners, contactless access control, social distancing, reduction of touch points, communication, and working with partners and customers.

Product and service quality and safety risks are also relatively high in ongoing construction projects from safety-related incidents up to quality or workmanship issues. In 2020, the Company achieved a 0.1 Total Disabling Injury Rate (TDIR) covering 77 million total man-hours worked through continuing emphasis on safety. For 2021, MDC is targeting to achieve a TDIR of 2 for every 1 million man hours, better than the US Bureau of Labor Statistics rate of 3. Likewise, it has attained a 92% Safety Maturity & Engagement, a rating that is higher than global norms, based on Employee Health and Safety survey conducted by Towers Watson. By year-end, 73 projects had achieved at least 1 million safe man-hours each. Property management and operations achieved zero disabling injuries and an additional 1 million safe man-hours. This is made possible through the strengthened controls and mitigation activities being employed by the Company.

Among such controls are (1) adequate supervision and safety inspections for all critical and hazardous activities (2) ensuring that workers are provided with pre-activity trainings on safety before any construction work can commence (3) empowering the Safety Officers to declare work stoppage and to override project managers if they see that things are not being done in accordance with the Company's safety standards and practices (4) stricter monitoring of all EHS permits and licenses for all projects and (5) engagement of MDC for project supervision even for projects that are sub-contracted to third parties.

On May 31, 2013, an explosion occurred inside a residential unit in Section B, Two Serendra. Two Serendra is a district of Serendra, a condominium development of Serendra, Inc., a subsidiary of Ayala Land. It is located at the Bonifacio Global City in Taguig City. The incident claimed the lives of four persons, including the occupant of the unit in Section B. Initial reports indicate that the explosion may have resulted from an improper accumulation of gas inside the unit. A government inter agency task force investigated the incident and its findings, that the explosion was caused by an accumulation of gas inside the unit due to the lack of care by the unit renovation contractor, and the parties possibly

responsible, is pending review by the Department of Justice.

Ayala Land's subsidiary, Ayala Property Management Corporation, as the property manager of Serendra, provided support and assistance to the Serendra Condominium Corporation, the affected parties and the investigating units of government.

Natural catastrophes may affect Ayala Land's businesses adversely

The Philippines has experienced a number of major natural catastrophes in recent years, including typhoons, volcanic eruptions, earthquakes, mudslides, and droughts. Natural catastrophes may disrupt the Company's ability to deliver its services and impair the economic conditions in the affected areas, as well as the overall Philippine economy. Furthermore, there is growing political and scientific consensus that emissions of greenhouse gases continue to alter the global atmosphere in ways that are affecting the global climate. These effects may include changes in temperature levels which may in turn bring about changes in weather patterns (including storm frequency and intensities, drought and rainfall levels), and ultimately, changes that may negatively affect global water and food security. Climate change and geohazards also remain as threats as evidenced by the heavy floods brought about by three major typhoons and the eruption of Taal Volcano in 2020. Ayala Land continues to take climate adaptation practices, such as environmental hazards screening, due diligence, management of carbon sinks and site resilient features, into high consideration. Climate mitigation actions such as shifting to renewable energy and investing in resource efficiency programs, are continually undertaken to hasten the company's transition to low-carbon operations.

To mitigate the risk of changing environmental and site conditions, and as part of a more thorough due diligence process, all land acquisitions and project launches undergo a thorough technical due diligence process and environmental scanning to identify all other potential risks that the Company may be exposed to. These technical due diligence reports include, but are not limited to, environmental studies not just for the specific land parcels but for adjacent areas, as well. The Company has established 24/7 Operation Centers all throughout the country that continuously monitor and track weather situations to facilitate early mitigation and quick response during typhoons, flood incidents, earthquakes and other natural or manmade disasters.

To protect the company assets and to ensure cost recovery for property damages other losses during these disasters, the Company maintains comprehensive insurance against catastrophic perils including but not limited to earthquake, typhoon and flood to cover its various developments against physical damage and business interruption based on declared values in each location and on probable maximum loss scenarios. Despite the series of natural disasters that befell the country in 2014 and 2013, including super typhoon Yolanda which caused massive destruction in the Visayan provinces as well as the Bohol earthquake in 2013, there have been no significant impact to the Company's business as proper mitigating measures have been put in place, such as but not limited to, engineering interventions and insurance.

In 2016, a major review of the Company's major business lines was conducted to identify the most critical business activities and the potential business impact on the business unit should these activities be interrupted over varying timeframes. This information is critical in helping the Company determine the timeframes within which critical business activities must be resumed following a disruption, as well as the resources required for business continuity.

The prospects of Ayala Land may be influenced by political and economic factors in the Philippines

The growth and profitability of Ayala Land will be influenced by the general political situation in, and the state of the economy of, the Philippines. Any political or economic instability in the future may have a negative effect on the financial results of Ayala Land and the level of dividends paid and distributions made by Ayala Land's subsidiaries.

Currently, the Company continues to enjoy healthy national and local government relationships in both Metro Manila and provincial growth centers. Maintaining positive and supportive relations with government entities and regulators as well as sound corporate governance practices and strict

compliance to internal policies and procedures, enabled the company to manage this risk at acceptable levels.

As we expand to new growth areas, there is an increased need to cultivate relationships with local government entities within these areas and one way to gauge positive relationship with local government is the processing of critical permits. At present, we are well within our acceptable thresholds and timelines however, the Company aims to take further steps in making permit-related improvements such as (1) more rigorous monitoring of permit renewals and deadlines to avoid payment delays and penalties and (2) the continuous review of permit processes to ensure permits are processed and released within acceptable time frame thereby helping in preventing serious project delays.

Ayala Land's business operations may be affected by any political and military instability in the Philippines

The Philippines has from time to time experienced political and military instability. The Philippine Constitution provides that in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately owned public utility or business.

In addition, the Company may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that could impact the Company's business.

No assurance can be given that any changes in such regulations or policies imposed by the Government from time to time or the future political environment in the Philippines will be stable or that current or future administrations will adopt economic policies conducive to sustaining economic growth. Political instability in the future could reduce consumer demand for retail and consumer goods to the Company's disadvantage, or result in inconsistent or sudden changes in regulations and policies that affect the Company's business operations, which could have a material adverse impact on the results of operations and financial condition of the Company.

Any economic slowdown or deterioration in economic conditions in the Philippines may adversely affect Ayala Land's business and operations in the Philippines

In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine currency, imposition of exchange controls, debt restructuring and electricity shortages and blackouts.

The regional Asian financial crisis in 1997 resulted in, among others, the depreciation of the Philippine peso, higher interest rates, slower growth and a reduction in the country's credit ratings. Since the Asian financial crisis, the country experienced a ballooning budget deficit, volatile exchange rates and a relatively weak banking sector.

The government instituted several reform measures in the fiscal and banking sectors, among others, that strengthened the country's economic fundamentals, resulting in improved investor confidence and increased economic activities. In 2019, the Philippines' long-term foreign currency-denominated debt was upgraded by S&P Global ("S&P"), to BBB+ with stable outlook, while Fitch Ratings ("Fitch"), and Moody's Investors Service ("Moody's"), affirmed the Philippines' long-term foreign currency-denominated debt to the investment-grade rating of BBB and Baa2, respectively, with a stable outlook. On February 28, 2020, Fitch revised its rating of Philippines long-term foreign currency-denominated debt to BBB, with a positive outlook, following its expectation that sound macroeconomic management will continue to support high growth rates with stable inflation while ongoing tax reforms were expected to improve fiscal finances. In May 2020, S&P and Moody's affirmed its rating of BBB+ and Baa2, with stable outlook, respectively, for the Philippines' long-term foreign currency-denominated debt. On May 7, 2020, Fitch affirmed its rating of Philippines long-term foreign currency-denominated debt to BBB, but revised the outlook to stable, to reflect the deterioration in the Philippines' near term macroeconomic and fiscal outlook as a result of the impact of the COVID-19 pandemic and domestic lockdown to contain the spread of the virus. On July 12, 2021, Fitch affirmed its rating of Philippines' long-term foreign currency-denominated debt to BBB, but revised the outlook to negative, to reflect the increasing risks to the credit profile from the impact of the COVID-19 pandemic and its aftermath on policy-making

However, there is no assurance that Fitch, S&P, Moody's or any other international credit rating agency will not in the future, downgrade the credit ratings of the Philippines, which will affect Philippine companies including our Company. Additionally, there can be no assurance that the Philippines will maintain strong economic fundamentals in the future. Unforeseen economic shifts could lead to economic downturns, which may have an adverse effect on our business or our results of operations.

To mitigate the abovementioned risks, Ayala Land shall continue to adopt what it considers conservative financial and operational controls and policies within the context of the prevailing business, economic, and political environments taking into consideration the interests of its customers, stakeholders and creditors.

Ayala Land may be affected by the Comprehensive Tax Reform Program and other tax regulations

On December 19, 2017, the President of the Philippines signed into law the Tax Reform for Acceleration and Inclusion or Republic Act No. 10963 ("TRAIN Law") which took effect on January 1, 2018. The TRAIN Law amends certain provisions of the Tax Code and is the first package of the Comprehensive Tax Reform Program ("CTRP") of the Duterte administration. The relevant changes of the TRAIN Law are incorporated in the section titled "Philippine Taxation" of this Prospectus.

Package 2 under the CTRP is Republic Act No. 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprise Act (previously the CITIRA bill or the TRABAHO bill) ("CREATE Act"). The CREATE Act intends to incentivize businesses by reducing corporate income tax, among others. The CREATE Act was signed by the President on March 26, 2021 and became effective on April 11, 2021.

Upon the effectivity of the CREATE Act, the following amendments introduced by the CREATE Act to the Tax Code that will have a material impact on Ayala Land include the following:

- a. For domestic corporations with net taxable income of more than ₱5 Million and total assets (excluding land on which the corporation's office, plant, and equipment are situated) of more than ₱100 Million shall be subject to a reduced corporate income tax rate of 25% effective July 1, 2020. Domestic corporations with net taxable income of more than ₱5 Million and total assets (excluding land on which the corporation's office, plant, and equipment are situated) not exceeding ₱100 Million shall be imposed with a corporate income tax of 20% effective July 1, 2020. Prior to the CREATE Law, domestic corporations are subject to a 30% regular corporate income tax rate.
- b. Foreign sourced dividends shall only be exempt from taxation if (1) the funds from such dividends actually received or remitted into the Philippines are reinvested in the business operations of the domestic corporation within the next taxable year from the time the foreign-sourced dividends were received and shall be limited to funding the working capital requirements, capital expenditures, dividend payments, investment in domestic subsidiaries, and infrastructure projects; provided that the said domestic corporation holds directly at least 20% of the outstanding shares of the foreign corporation and has held the shares for at least two (2) years at the time of the dividend declaration;
- c. Minimum corporate income tax shall be imposed on domestic and resident foreign corporations at a rate of (i) 1% of gross income effective July 1, 2020 until June 30, 2023, and (ii) 2% thereafter;

Under package 4 of the CTRP, the Department of Finance reportedly proposes to lower the rate of transaction taxes on land, including DST, transfer tax and registration fees, centralize and rationalize valuation of properties, increase valuation of properties closer to market prices, review property valuations every three (3) years and adjust accordingly. While package 4 aims to lower the rate of transaction taxes on land, the increase in valuation could lead to an increase in the taxes to be paid by Ayala Land.

The expiration, non-renewal, revocation or repeal of these tax exemptions and tax incentives, the enactment of any new laws, and any associated impact on Ayala Land, could have an effect on the Ayala Land's business, financial condition and results of operations.

RISKS RELATING TO THE SECURITIES

An active or liquid trading market for the Securities may not develop

The Philippine securities markets are substantially smaller, less liquid and more concentrated than major securities markets. The Company cannot guarantee that the market for the Securities will always be active or liquid. Even if the Securities are listed on the PDEX, trading in securities such as the Securities may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets, and the overall market for debt securities among other factors. There is no assurance that the Securities may be easily disposed at prices and volumes at instances best deemed appropriate by their holders.

Holders of the Securities may be unable to reinvest the proceeds of their Securities following redemption by the Issuer.

The Issuer may have the option, but not the obligation, to redeem in whole (and not in part), the outstanding Securities prior to the relevant maturity dates of certain tranches of the Securities. Prior to the Maturity Date, the Issuer has the option, but not the obligation, to redeem in whole (and not in part) the outstanding Bonds on the relevant Call Option Dates (see "Description of the Bonds – Call Option" on page 58 of this Prospectus). In the event that the Company exercises this call option, the relevant series of the Securities, such as the Bonds will be redeemed and the Company will pay the amounts to which holders would be entitled. The date on which the Issuer elects to redeem the Securities may not accord with the preference of individual holders of the Securities. This may be disadvantageous to them in light of market conditions or their individual circumstances. Following such redemption and payment, there can be no assurance that investors in the redeemed Bonds will be able to re-invest such amounts in securities that would offer a comparative or better yield or terms, at such time.

The secondary market and the market value of the Securities may be affected by any interest rate repricing.

Under the terms of the relevant Securities, the interest rate may be subject of adjustment. The interest rate on the remaining outstanding Bonds will adjust to the higher of the Initial Interest Rate or the sum of the simple average of the five (5)-year PHP BVAL reference rate (or if the 5-year BVAL is not available or cannot be determined, any such successor rate as determined by the Bankers Association of the Philippines ("BAP") or the Bangko Sentral ng Pilipinas ("BSP"), as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider) for the three (3) consecutive Business Days immediately preceding and ending on the Interest Rate Repricing Date plus [●] basis points or [●]%).

Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Securities since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts such interest rate in such circumstances, the spread on the Securities may be less favourable than then prevailing spreads on comparable securities tied to the same reference rate. In addition, the new rate at any time may be lower than the rates on other bonds. With respect to the Bonds, however, the interest rate shall be adjusted to the higher of the Initial Interest Rate or the adjusted Interest Rate.

Holders of the Securities may face possible gain or loss if the Securities are sold at the secondary market.

As with all fixed income securities, the Securities' market values move (either up or down) depending on the change in interest rates. The Securities when sold in the secondary market are worth more if interest rates decrease since the Securities have a higher interest rate relative to the market. Likewise, if the prevailing interest rate increases, the Securities are worth less when sold in the secondary market. Therefore, holders may either make a gain or incur a loss when they decide to sell the Securities.

The Securities may not be able to retain its credit rating

There is no assurance that the rating of the Securities will be retained throughout the life of the Securities. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

The Securities have no Preference under Article 2244(14) of the Civil Code

No other loan or other debt facility currently or to be entered into by the Issuer shall have preference of priority over the Securities as accorded to public instruments under Article 2244(14) of the Civil Code of the Philippines, and all banks and lenders under any such loans or facilities that are notarized have waived the right to the benefit of any such preference or priority. However, should any bank or security holder hereinafter have a preference or priority over the Securities as a result of notarization, then the Issuer shall at the Issuer's option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the Securities as may be practicable.

USE OF PROCEEDS

Following the offer and sale of the Bonds in the aggregate principal amount of up to ₱[2.75] billion with an Oversubscription Option of up to ₱[2.75] billion, ALI expects that the net proceeds of the Offer shall amount to approximately ₱[2.71] billion for a ₱2.75 billion issue size or ₱[5.43] billion for a ₱[5.50] billion issue size, assuming full exercise of the Oversubscription Option, and after deducting fees, commissions and expenses.

Based on an issue size of ₱2,750,000,000.00:

	Total
Estimated proceeds from the sale of the Bonds	₱[2,750,000,000.00]
Less:	
SEC Registration and Legal Research Fee	₱[1,262,500.00]
Documentary Stamp Tax	[20,625,000.00]
Underwriting Fee	[10,312,500.00]
Estimated Professional Expenses and Agency fees	[7,300,000.00]
Marketing/Printing/Photocopying Costs and out-of-pocket Expenses	[2,000,000.00]
Listing Fee	[100,000.00]
Total Estimated Upfront Expenses	[41,600,000.00]
Estimated net proceeds to Ayala Land	₱[2,708,400,000.00]

Based on an issue size of ₱5,500,000,000.00:

	Total
Estimated proceeds from the sale of the Bonds	₱[5,500,000,000.00]
Less:	
SEC Registration and Legal Research Fee	[1,956,875.00]
Documentary Stamp Tax	[41,250,000.00]
Underwriting Fee	[20,625,000.00]
Estimated Professional Expenses and Agency fees	[7,300,000.00]
Marketing/Printing/Photocopying Costs and out-of-pocket Expenses	[2,000,000.00]
Listing Fee	[100,000.00]
Total Estimated Upfront Expenses	[72,231,875.00]
Estimated net proceeds to Ayala Land	₱[5,426,768,125.00]

Aside from the fees enumerated above, the Company will be paying the following estimated annual fees related to the Bonds:

1. PDEX and PDTC annual listing and registry paying agency maintenance fee of ₱400,000.00
2. Annual Rating Monitoring and Agency fees of ₱250,000.00 plus VAT; and
3. Annual Trustee fee of ₱240,000.00.

Expenses incurred in connection with the offering of the Bonds, including documentary stamp tax, fees of the Trustee, and the Registrar and Paying Agent will be for the account of the Issuer.

Out of the ₱[2.71] billion net proceeds from the Base Offer, the Company plans to use approximately ₱[1.71] billion to partially refinance the short-term loans that will be drawn to finance the early redemption of the Company's 7.0239% per annum ₱8.00 billion fixed-rate bonds due 2023 issued in 2018 scheduled on October 5, 2021 (the "7.0239% p.a. 2018 Bonds"), and approximately ₱1.00 billion to fund capital expenditures including but not limited to the following:

(in billion Pesos)

Land Property	Company	Total Investment	2018	2019	2020	1H2021	Total Spent To-Date	Balance as at June 30, 2021	Remaining Planned Use in 2021	Brief Description
Batangas Property	Alveo Land, Corp.	₱0.6	₱0.1	₱0.3	₱-	₱-	₱0.4	₱0.2	₱0.2	Residential Dev't
Laguna Property	Alveo Land, Corp.	0.7	0.2	0.1	0.1	0.1	0.4	0.3	0.3	Residential Dev't
Bulacan Property	Ayala Land, Inc.	0.4	-	-	-	-	-	0.4	0.4	Estate Dev't.
Laguna Property	Amaia Land, Corp.	0.1	-	-	-	-	-	0.1	0.1	Expansion of current Scapes
Total		₱1.8	₱0.3	₱0.4	₱0.1	₱0.1	₱0.8	₱1.0	₱1.0	

If the Oversubscription Option is fully exercised, approximately ₱[4.43] billion out of the net proceeds of ₱[5.43] billion will be used to partially refinance the short-term loans that will be drawn to finance the early redemption of the Company's 7.0239% p.a. 2018 Bonds while approximately ₱1.00 billion will be used to fund the above-mentioned capital expenditures.

To the extent that the net proceeds exceed the total above and there are changes in capital expenditures, such excess will be used for the Issuer's general corporate purposes. Correspondingly, if net proceeds are less than the above total, the Issuer shall satisfy the balance of the above from internally generated funds and/or other credit facilities which may include bank borrowings, as the Issuer may consider commercially favorable at the relevant time.

Pending the above use of proceeds, the Company shall invest the net proceeds from the Offer in short-term liquid investments including but not limited to short-term government securities, bank deposits, and money market placements which are expected to earn at prevailing market rates.

No amount of proceeds shall be used to reimburse any officer, director, employee, or stockholder for services rendered, assets previously transferred, money loaned or advanced, or otherwise. Except for the underwriting fees and expenses related to the Bonds, no amount of the proceeds will be utilized to pay any outstanding financial obligation to the Underwriters.

Adjustments in the Use of Proceeds

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event there is any change in the Company's current plans, including force majeure, market conditions and other circumstances, the Company will carefully evaluate the situation and may reallocate the proceeds at the discretion of the Company's management. In the event of any material deviation, reallocation or adjustment in the planned use of proceeds, the Company shall inform the SEC and issue all appropriate disclosures within thirty (30) days prior to its implementation. Any material or substantial adjustment to the use of proceeds, as indicated above, shall be approved by the Board and shall be publicly disclosed through the SEC, PSE, and PDEX.

CAPITALIZATION

The following tables set forth the unaudited consolidated short-term and long-term debt and capitalization of ALI as of June 30, 2021. These tables should be read in conjunction with the more detailed information and unaudited interim condensed consolidated financial statements, including notes thereto, found in this Prospectus.

(in ₱ Millions)	As of June 30, 2021 (Unaudited)	Adjustment	Notes	As adjusted for Issue Amount of ₱[2.75] billion (Upon issuance of the Bonds)
Current Liabilities				
Short-term Debt	₱17,068			₱17,068
Accounts and other payables	144,264			144,264
Income tax payable	662			662
Current portion of lease liabilities	393			393
Current portion of long-term debt	33,173			33,173
Deposits and other current liabilities	21,962			21,962
Total Current Liabilities	217,522			217,522
Non-current Liabilities				
Long-term debt – net of current portion	164,227	[2,750]	1	166,977
Pension liabilities	2,948			2,948
Lease liabilities – net of Current Portion	17,276			17,276
Deferred tax liabilities – net	6,876			6,876
Deposits and other non-current liabilities	54,981			54,981
Total Non-current Liabilities	246,308	[2,750]	1	249,058
Total Liabilities	463,829	[2,750]	1	466,579
Equity				
Equity attributable to equity holders of Ayala Land, Inc.				
Paid-up capital	63,236			63,236
Retained earnings	165,640			165,640
Remeasurement loss on defined benefit plans	(842)			(842)
Fair value reserve of financial assets at FVOCI	(607)			(607)
Cumulative translations adjustments	143			143
Equity reserves	1,562			1,562
Treasury Stock	(2,249)			(2,249)
Non-controlling interests	39,184			39,184

Total Equity	266,067			266,067
Total Capitalization	729,896		2	732,646

Notes:

1. Reflects Bond Issue Amount of ₱[2.75] billion
2. Total Capitalization is the sum of Total Liabilities and Total Equity

The following table sets forth the unaudited consolidated short-term and long-term debt and capitalization of ALI as of June 30, 2021, assuming the full exercise of the Oversubscription Option.

(in ₱ Millions)	As of June 30, 2021 (Unaudited)	Adjustment	Notes	As adjusted for Issue Amount of ₱[5.50] billion (Upon issuance of the Bonds)
Current Liabilities				
Short-term Debt	₱17,068			₱17,068
Accounts and other payables	144,264			144,264
Income tax payable	662			662
Current portion of lease liabilities	393			393
Current portion of long-term debt	33,173			33,173
Deposits and other current liabilities	21,962			21,962
Total Current Liabilities	217,522			217,522
Non-current Liabilities				
Long-term debt – net of current portion	164,227	[5,500]	1	169,727
Pension liabilities	2,948			2,948
Lease liabilities – net of Current Portion	17,276			17,276
Deferred tax liabilities – net	6,876			6,876
Deposits and other non-current liabilities	54,981			54,981
Total Non-current Liabilities	246,308	[5,500]	1	251,808
Total Liabilities	463,829	[5,500]	1	469,329
Equity				
Equity attributable to equity holders of Ayala Land, Inc.				
Paid-up capital	63,236			63,236
Retained earnings	165,640			165,640
Remeasurement loss on defined benefit plans	(842)			(842)
Fair value reserve of financial assets at FVOCI	(607)			(607)
Cumulative translations adjustments	143			143

Capitalization

Equity reserves	1,562			1,562
Treasury Stock	(2,249)			(2,249)
Non-controlling interests	39,184			39,184
Total Equity	266,067			266,067
Total Capitalization	729,896		2	735,396

Notes:

3. Reflects Bond Issue Amount of ₱[5.50] billion
4. Total Capitalization is the sum of Total Liabilities and Total Equity

DETERMINATION OF OFFERING PRICE

The Bonds shall be issued on a fully-paid basis and at an issue price that is at par.

The Initial Interest Rate of the Bonds shall be based on the 3-day simple average of the 5-year PHP BVAL Reference Rate, as published on the relevant page of Bloomberg at approximately 5:00 p.m. (Philippine Standard Time), plus the final spread per annum to be determined via a bookbuilding process.

PLAN OF DISTRIBUTION OF THE BONDS

The detailed plan of distribution and underwriting arrangement for each succeeding Tranche shall be set out in the relevant offer supplement.

THE OFFER AND SECURITIES PROGRAM SHELF REGISTRATION

On April 22, 2019, the SEC issued an Order rendering effective the Registration Statement of the Company in connection with the offer and sale to the public of Securities under the 2019 Securities Program to be issued in one or more tranches within a three-year period from its effectivity. On April 22, 2019, the SEC Permit for the first Tranche of the 2019 Securities Program with a principal amount of ₱8.0 billion was issued. The SEC Permit for the second Tranche of the 2019 Securities Program with a principal amount of ₱3.0 billion was issued on September 13, 2019. The SEC Permit for the third Tranche of the 2019 Securities Program with a principal amount of ₱10.0 billion was issued on October 18, 2019. The SEC Permit for the fourth Tranche of the 2019 Securities Program with a principal amount of ₱10.0 billion was issued on June 11, 2020. The SEC Permit covering the fifth Tranche of the 2019 Securities Program with a principal amount of ₱6.25 billion was issued on September 15, 2020. The SEC Permit covering the sixth Tranche of the 2019 Securities Program with a principal amount of ₱10.0 billion was issued on April 19, 2021.

On August 10, 2021, Ayala Land filed a Registration Statement with the SEC in connection with the offer and sale to the public and such other manner of offering of fixed-rate bonds as may be applicable under the rules and regulations therefor as promulgated by the SEC of up to an aggregate principal amount of ₱50,000,000,000, to be issued in one or more tranches ("**2021 Securities Program**").

The Bonds will be issued with an aggregate principal amount of up to ₱[2.75] Billion with an Oversubscription Option of up to ₱[2.75] billion. The Base Offer will be issued from the 2021 Securities Program and will constitute the first Tranche thereof while the Oversubscription Option will be issued from the remaining ₱2.75 Billion Securities under the 2019 Securities Program. The Oversubscription Option is exercisable by the Joint Lead Underwriters and Bookrunners with the consent of the Issuer. In the event the Oversubscription Option is partly exercised or not exercised at all during the Offer Period, such portion of the Bonds under the Oversubscription Option which have not been taken up or exercised in the Offer shall remain under the 2019 Securities Program and shall form part of the remaining bonds in the shelf available for issuance within the three-year shelf period.

SHELF REGISTRATION OF SECURITIES NOT COVERED BY THE OFFER

After the close of the Offer and within three (3) years following the effectivity date of the Registration Statement filed for the 2021 Securities Program and the 2019 Securities Program, Ayala Land may, at its sole discretion, offer any or all of the remaining balance of the aggregate principal amount of Securities covered by such registration statement, in one or more subsequent Tranches under Rule 8.1.2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code. Such a shelf registration provides Ayala Land with the ability to conduct such an offering within a comparatively short period of time. Ayala Land believes that this provides it with the increased ability to take advantage of opportunities in a volatile debt capital market, as these occur. Any subsequent offering under such rule requires the submission by Ayala Land of the relevant updates and amendments to the registration statement and the issuance of the corresponding SEC Permit by the SEC. As a listed company, Ayala Land regularly disseminates such updates and information in its disclosures to the SEC and PSE.

At any time, which may include periods shortly following the completion of the Offer, Ayala Land may initiate subsequent offers of other Securities in various Tranches from the balance of the aggregate principal amount of Securities that will remain unissued from the 2021 Securities Program and the 2019 Securities Program, if the Oversubscription Option is not fully exercised. Such subsequent offers may be conducted on different terms and tenors involving different issue managers, underwriters or other transaction parties. Ayala Land regularly considers prevailing market conditions and opportunities in relation to such offers that are permitted within the three (3) year effectivity of the 2021 Securities Program and 2019 Securities Program.

However, there can be no assurance in respect of: (i) whether Ayala Land will issue any such Securities at all; (ii) the size or timing of any individual issuance or the total issuance of such Securities; or (iii) the

tenor, interest rate or other specific terms and conditions of any such issuance. Any decision by Ayala Land to offer such Securities will depend on a number of factors at the relevant time, many of which are not within Ayala Land's control, including but not limited to: prevailing interest rates, the financing requirements of Ayala Land's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

THE UNDERWRITERS FOR THE OFFER

BDO Capital, BPI Capital and RCBC Capital, pursuant to an Underwriting Agreement with Ayala Land dated [●] 2021, (the "Underwriting Agreement"), have agreed to act as the Underwriters for the Offer and as such, distribute and sell the Bonds at the Issue Price, and have also committed jointly, and not solidarily, to underwrite in total ₱[2,750,000,000] of the Offer on a firm basis, in either case subject to the satisfaction of certain conditions and in consideration for certain fees and expenses.

For the Offer, the Joint Lead Underwriters and Bookrunners will receive a fee of up to 0.375% on the underwritten principal amount of the Bonds issued. Such fee shall be inclusive of underwriting and participation commissions to be paid to the Co-Lead Underwriter and other participating underwriters or selling agents, if any. The amount of the firm commitments of the Underwriters are as follows:

Underwriters	Commitment
BDO Capital	₱ [1,125,000,000.00]
BPI Capital	₱ [1,125,000,000.00]
RCBC Capital	₱ [500,000,000.00]
Total	₱ [2,750,000,000.00]

The Oversubscription Option, once exercised during the Offer Period, shall be deemed firmly underwritten by the Underwriters, in addition to the amounts above.

There is no arrangement for the Underwriters to return any unsold Bonds to Ayala Land. The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to Ayala Land of the net proceeds of the Bonds.

The Underwriters, are each duly licensed by the SEC to engage in underwriting or distribution of the Bonds. The Underwriters may, from time to time, engage in transactions with and perform services in the ordinary course of its business for Ayala Land or other members of the Ayala Group of which Ayala Land forms a part.

BDO Capital is the wholly owned investment banking subsidiary of BDO Unibank, Inc., which, in turn, is an associate of the SM Group. BDO Capital is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital commenced operations in March 1999. It obtained its license to operate as an investment house in 1998 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of December 31, 2020, it had ₱4.40 billion and ₱4.10 billion in assets and capital, respectively. It has an authorized capital stock of ₱1.10 billion, of which approximately ₱1.00 billion represents its paid-up capital.

BPI Capital is a corporation organized in the Philippines as a wholly owned subsidiary of the Bank of the Philippine Islands ("BPI"). It obtained its license to operate as an investment house in 1994 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of June 30, 2021, its total assets amounted to ₱4.24 billion and its capital base amounted to ₱4.07 billion.

RCBC Capital is a licensed investment house providing a complete range of capital-raising and financial advisory services. Established in 1974, RCBC Capital has over 47 years of experience in the underwriting of equity, quasi-equity and debt securities, as well as in managing and arranging the syndication of loans, and in financial advisory. RCBC Capital is a wholly owned subsidiary of the Rizal Commercial Banking Corporation and a part of the Yuchengco Group of Companies, one of the country's largest fully integrated financial services conglomerates. As of June 30, 2021, RCBC Capital's total assets were ₱3.79 billion while total capital was ₱3.43 billion. According to RCBC Capital, it holds approximately 714,000 common shares of ALI amounting to approximately 0.00257% of its outstanding

capital stock as of June 30, 2021 under PCD Nominee Corporation.

Except for BPI Capital, none of the Underwriters have any direct relations with Ayala Land in terms of material ownership by either of their respective major stockholder/s. Ayala Land and BPI, the major shareholder of BPI Capital, are affiliated companies, each with Ayala Corporation as a major shareholder.

SALE AND DISTRIBUTION

The distribution and sale of the Bonds shall be undertaken by the Underwriters who shall sell and distribute the Bonds to third party buyers/investors. Nothing herein shall limit the rights of the Underwriters from purchasing the Bonds for their own respective accounts should there be any unsold Bonds after the Offer Period. The distribution and sale of the Bonds by the Co-Lead Underwriter [and the Selling Agent] will be strictly limited to their respective proprietary accounts only, which shall include their own retail customer base, trust department (if any), subsidiaries, and affiliates.

The obligations of each of the Underwriters will be several, and not solidary, and nothing in the Underwriting Agreement shall be deemed to create a partnership or joint venture between and among any of the Underwriters. Unless otherwise expressly provided in the Underwriting Agreement, the failure by an Underwriter to carry out its obligations thereunder shall neither relieve the other Underwriters of their obligations under the same Underwriting Agreement, nor shall any Underwriter be responsible for the obligation of another Underwriter.

OFFER PERIOD

The Offer Period shall commence at 9:00 a.m. on [September 27], 2021 and end at 5:00 p.m. on [October 1], 2021, or on such other dates as the Issuer and the Joint Lead Underwriters and the Bookrunners may agree upon.

APPLICATION TO PURCHASE

Applicants may purchase the Bonds during the Offer Period by submitting to the Underwriters properly completed Applications to Purchase, whether originally signed or electronically submitted (through the e-Securities Issue Portal ("E-SIP") upon and subject to the E-SIP's approval by the SEC), together with all applicable supporting documentation in the prescribed form and submitted in the prescribed manner, with full payment of the purchase price of the Bonds in the manner provided therein. Corporate and institutional applicants may also be required to submit, in addition to the foregoing:

- an original notarized certificate of the corporate secretary or an equivalent officer of the Applicant setting forth resolutions of the board of directors, partners or equivalent body (i) authorizing the purchase of the Bonds indicated in the Application to Purchase and (ii) designating the signatories, with their specimen signatures, for the said purpose;
- copies of its Articles of Incorporation and By-Laws (or the Articles of Partnership, in case of a partnership) and latest amendments thereof, together with the Certificate of Incorporation issued by the SEC or other organizational documents issued by an equivalent government institution, stamped and signed as certified true copies by the SEC or the equivalent government institution, or by the corporate secretary, or by an equivalent officer(s) of the Applicant who is/are authorized signatory(ies);
- two (2) duly accomplished signature cards containing the specimen signatures of the authorized signatories of the Applicant, validated by its corporate secretary or by an equivalent officer(s) who is/are authorized signatory(ies);
- validly issued tax identification number issued by the BIR;
- identification document(s) of the authorized signatories of the Applicant, as specified in item (a) of the immediately succeeding paragraph below; and
- such other documents as may be reasonably required by any of the Underwriters or the Registrar in the implementation of its internal policies regarding "know your customer" and anti-money laundering.

Individual applicants may also be required to submit, in addition to the accomplished Applications to Purchase and its required attachments:

- identification document ("ID") of the Applicant which shall consist of any one of the following valid identification documents bearing a recent photo, and which is not expired: Passport, Driver's License, Professional Regulation Commission ID, National Bureau of Investigation Clearance, Police Clearance, Postal ID, Voter's ID, Barangay Certification, Government Service Insurance System e-Card, Social Security System Card, Senior Citizen Card, Overseas Workers Welfare Administration ID, OFW ID, Seaman's Book, Alien Certification of Registration/Immigrant Certificate of Registration, Government Office and government-owned and controlled corporation ID, e.g., Armed Forces of the Philippines, Home Development Mutual Fund, Certification from the National Council for the Welfare of Disabled Persons, Department of Social Welfare and Development Certification, Integrated Bar of the Philippines ID, company IDs issued by private entities or institutions registered with or supervised or regulated either by the BSP, the SEC or the Insurance Commission, or school ID duly signed by the principal or head of the school (for students who are beneficiaries of remittances/fund transfers who are not yet of voting age);
- two (2) duly accomplished signature cards containing the specimen signature of the Applicant;
- validly issued tax identification number issued by the BIR; and
- such other documents as may be reasonably required by any of the Underwriters or the Registrar in implementation of its internal policies regarding "know your customer" and anti-money laundering.

An Applicant claiming exemption from any applicable tax, or is subject to a preferential withholding tax rate shall, in addition to the requirements set forth above, be required to submit the following requirements, subject to acceptance by the Issuer, as being sufficient in form and substance:

- a current and valid original of BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the Corporate Secretary of the Bondholder that: (a) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (b) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting the said certification's validity;
- with respect to tax treaty relief, (a) prior to the payment of the initial interest due, (i) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, as required under Revenue Memorandum Order No. 14-2021, (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; and (b) prior to the payment of subsequent interests due, (i) three (3) originals of the submitted new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than the 1st day of the month when such initial or subsequent interest

payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;

- a duly notarized undertaking executed by (1) the corporate secretary or any authorized representative of such applicant or Bondholder, who has personal knowledge of the exemption based on his official functions, if the applicant purchases, or the Bondholder holds, the Bonds for its account, or (2) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and the Paying Agent of any suspension or revocation of the tax exemption certificate, certificate, ruling or opinion issued by the BIR, executed using the prescribed form, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent, and the Underwriters free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax; and
- such other documentary requirements as may be required by the Issuer and the Registrar and Paying Agent, or as required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

Completed Applications to Purchase and corresponding payments must reach the Underwriters prior to the end of the Offer Period, or such earlier date as may be specified by the Underwriters. Acceptance by the Underwriters of the completed Application to Purchase shall be subject to the availability of the Bonds and the acceptance by Ayala Land. In the event that any check payment is returned by the drawee bank for any reason whatsoever, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase is deemed revoked.

MINIMUM PURCHASE

A minimum purchase of ₱50,000.00 shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of ₱10,000.00.

ALLOTMENT OF THE BONDS

If the Bonds are insufficient to satisfy all Applications to Purchase, the available Bonds shall be allotted at the discretion of the Joint Lead Underwriters and Bookrunners, in consultation with the Issuer and subject to Ayala Land's right of rejection.

In view of Ayala Land's exercise of its call option applicable to the ALI fixed rate bonds due 2023 with a coupon rate of 7.0239% per annum ("**ALI 2023 Bonds**"), Ayala Land intends to provide a priority in allotment and allocation of the Bonds to the holders of the ALI 2023 Bonds that elect to invest in the Bonds. This is intended solely to provide a ready reinvestment opportunity for investors that purchased the ALI 2023 Bonds following their redemption. For clarity, there is no obligation on the holders of the ALI 2023 Bonds to purchase or invest in the Bonds or any other securities of Ayala Land.

REFUNDS

If any application is rejected or accepted in part only, the corresponding payment or the appropriate portion thereof shall be returned without interest to such applicant through the Underwriters from whom such application to purchase the Bonds was made.

UNCLAIMED PAYMENTS

Any payment of interest on, or the principal of the Bonds which remain unclaimed after the same shall have become due and payable, shall be held in trust by the Paying Agent for the Bondholders at the latter's risk.

PURCHASE AND CANCELLATION

The Issuer may at any time purchase any of the Bonds in the open market or by tender or by contract at market price, without any obligation to purchase (and the Bondholders shall not be obliged to sell) the Bonds pro-rata from all Bondholders. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

SECONDARY MARKET

Ayala Land intends to list the Bonds in the PDEX. Ayala Land may purchase the Bonds at any time in the PDEX trading system without any obligation to make pro-rata purchases of Bonds from all Bondholders. The Bonds shall be traded in denominations of ₱10,000 in the secondary market.

REGISTER OF BONDHOLDERS

The Bonds shall be issued in scripless form. A Master Certificate of Indebtedness representing the Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Beneficial title to the Bonds shall be shown in the Register of Bondholders to be maintained by the designated registrar for the Bonds. Initial placement of the Bonds and subsequent transfers of interests in the Bonds shall be subject to applicable Philippine selling restrictions prevailing from time to time. The Issuer will cause the Register of Bondholders to be kept at the specified office of the Registrar. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered in the Register of Bondholders.

DESCRIPTION OF THE BONDS

The following is a description of certain terms and conditions of the Bonds. This description of the terms and conditions of the Bonds set forth herein does not purport to be complete and is qualified in its entirety by reference to the agreements relating to the Bonds, copies of which are available for inspection at the offices of the Trustee. The terms and conditions set out in this section will, subject to amendment, be set out in the Trust Indenture between the Issuer and the Trustee.

Pursuant to the confirmation and certificate of permit to offer securities for sale to be issued by the SEC, the Company will issue fixed-rate bonds with a principal amount of up to [Two Billion Seven Hundred Fifty Million Pesos (₱2,750,000,000.00)] due 2031 (the “**Base Offer**”) with an oversubscription option, exercisable by the Joint Lead Underwriters and Bookrunners with consent of the Issuer, of up to [Two Billion Seven Hundred Fifty Million Pesos (₱2,750,000,000.00)] (the “**Oversubscription Option**”, and together with the Base Offer, the “**Offer**” or the “**Bonds**”) for public offer and sale in the Philippines under the prospectus dated [●], 2021 (the “**Prospectus**”). The Base Offer will constitute the first tranche under the 2021 Securities Program and the Oversubscription Option, if exercised, shall constitute the seventh tranche of the 2019 Securities Program.

2021 Securities Program

A registration statement covering the 2021 Securities Program was filed by the Issuer with the SEC on August 10, 2021 and was rendered effective by the SEC by its order dated [●]. The Base Offer amounting to up to ₱[2.75] billion shall constitute the first Tranche of the 2021 Securities Program.

2019 Securities Program

A registration statement filed by the Issuer covering the 2019 Securities Program was rendered effective by the SEC by its order dated April 22, 2019. The first Tranche of the 2019 Securities Program with a principal amount of ₱8.0 billion of fixed-rate bonds was issued on May 6, 2019 under a prospectus dated April 16, 2019. The second Tranche of the 2019 Securities Program with a principal amount of ₱3.0 billion of fixed-rate bonds was issued on September 30, 2019 under a prospectus dated September 12, 2019 and an offer supplement dated September 12, 2019. The third Tranche of the 2019 Securities Program with a principal amount of ₱10.0 billion of fixed-rate bonds was issued on November 6, 2019 under the prospectus dated September 12, 2019 and offer supplement dated October 17, 2019. The fourth Tranche of the 2019 Securities Program with a principal amount of ₱10.0 billion of fixed-rate bonds was issued on June 26, 2020 under the prospectus dated September 12, 2019 and offer supplement dated June 10, 2020. The fifth Tranche of the 2019 Securities Program with a principal amount of ₱6.25 billion of fixed-rate bonds was issued on September 29, 2020 under the prospectus dated September 12, 2019 and offer supplement dated September 14, 2020. The sixth Tranche of the 2019 Securities Program, which will be in the form of fixed-rate bonds, will be issued with an aggregate principal amount of ₱10.0 billion under the prospectus dated September 12, 2019 and the offer supplement dated April 14, 2021. The Oversubscription Option, once exercised, shall constitute the seventh Tranche of the 2019 Securities Program.

The Bonds are constituted by a Trust Indenture executed on [●] (the “**Trust Indenture**”) between the Issuer and Philippine National Bank – Trust Banking Group (the “**Trustee**”, which term shall, wherever the context permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Indenture). The description of the terms and conditions of the Bonds set out below (“**Terms and Conditions**”) includes summaries of, and is subject to, the detailed provisions of the Trust Indenture and the Registry and Paying Agency Agreement executed on [●] (the “**Registry and Paying Agency Agreement**”) between the Issuer, and the Registrar and Paying Agent.

Philippine Depository & Trust Corp. (“**PDTC**”) has no interest in or relation to Ayala Land which may conflict with its roles as Registrar and Paying Agent for the Offer. Philippine National Bank – Trust Banking Group has no interest in or relation to Ayala Land which may conflict with its role as Trustee for the Offer.

Copies of the Trust Indenture and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee and the Registrar. The

holders of the Bonds (the “**Bondholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Indenture and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

1. Form, Denomination and Title

(a) Form and Denomination

The Bonds are in scripless form, and shall be issued, in denominations of Fifty Thousand Pesos (₱50,000) each, as a minimum, and in multiples of Ten Thousand Pesos (₱10,000) thereafter and traded in denominations of Ten Thousand Pesos (₱10,000) in the secondary market.

(b) Title

The beneficial interest to the Bonds shall be shown on and recorded in the Register of Bondholders maintained by the Registrar. A notice confirming the principal amount of the Bonds purchased by each applicant in the Offer shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the Bonds shall pass by recording the transfer from a transferor to the transferee in the Register of Bondholders maintained by the Registrar. Settlement in respect of such transfer or change of title to the Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder.

(c) Fixed-rate Bond Rating

The Bonds have been rated PRS Aaa with a Stable Outlook by Philippine Rating Services Corporation (“**PhilRatings**”) on August 6, 2021. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. A Stable Outlook is assigned when a rating is likely to be maintained or to remain unchanged in the next 12 months. In coming up with the rating, PhilRatings considered the following factors: (1) a well-diversified portfolio, with a sizable and strategic land bank for future expansion, complemented by solid brand equity; (2) a highly experienced management team and synergies with the strong Ayala Group; (3) relatively tempered recovery given challenges caused by the continuing pandemic; and (4) ample capital structure and liquidity buffers to weather the ongoing pandemic.

PhilRatings shall continuously monitor developments relating to Ayala Land and may change the ratings at any time, should circumstances warrant a change. The rating is subject to annual review, or more frequently as market developments may dictate, for as long as the relevant Bonds are outstanding. After Issue Date, the Trustee shall monitor the compliance of the Bonds with the regular annual reviews.

2. Transfer of the Bonds

(a) Register of Bondholders

The Issuer shall cause the Register of Bondholders to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered into the Register of Bondholders. As required by Circular No. 428, Series of 2004 issued by the *Bangko Sentral ng Pilipinas*, the Registrar shall send each Bondholder a written statement of registry holdings at least quarterly (at the cost of the Issuer) and a written advice confirming every receipt or transfer of the Bonds that is effected in the Registrar’s system (at the cost of the Issuer). Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfers of the Bonds may be made during the period commencing on a Record Date as defined in the

section on “*Interest Payment Date*.”

(b) Transfers; Tax Status

Transfers across Tax Categories shall not be allowed except on Interest Payment Dates that fall on a Business Day, provided however that transfers from a tax-exempt category to a taxable tax category on a non-Interest Payment Date shall be allowed using the applicable tax on the PDEX Trading System, ensuring the computations are based on the final withholding tax rate of the taxable party to the trade. Should this transaction occur, the tax-exempt entity shall be treated as being of the same Tax Category as its taxable counterpart for the interest period within which such transfer occurred. For purposes hereof, “Tax Categories” refer to the three (3) final withholding tax categories covering, particularly, tax-exempt entities, 20% tax-withheld entities and 25% tax-withheld entities. This restriction shall be in force until a non-restricted trading & settlement environment for corporate securities is implemented. Transfers taking place in the Register of Bondholders after the Bonds are listed in PDEX may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when allowed under and are in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC. Transfers to or from Bondholders claiming the benefit of any tax treaty which subjects the interest income to a final withholding tax rate other than the final withholding tax categories indicated above shall only be allowed on Interest Payment Dates that fall on a Business Day.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under Registry and Paying Agency Agreement upon submission of Account Opening Documents to the Registrar.

(c) Registrar

For transfers and record updates, notices and communication with the Registrar may be made through the following:

Philippine Depository & Trust Corp.
29th Floor BDO Equitable Tower
Paseo de Roxas, Makati City, Metro Manila

Telephone no: (632) 8884-4425
Fax no: (632) 8230-3346
E-mail: baby_delacruz@pds.com.ph
Attention: Josephine Dela Cruz, Director – Securities Services

(d) Secondary Trading of the Bonds

The Issuer intends to list the Bonds in PDEX for secondary market trading. The Bonds will be traded in a minimum board lot size of Ten Thousand Pesos (₱10,000) as a minimum, and in multiples of Ten Thousand Pesos (₱10,000) in excess thereof for as long as any of the Bonds are listed on PDEX. Secondary market trading in PDEX shall follow the applicable PDEX rules, conventions, and guidelines governing trading and settlement between Bondholders of different tax status and shall be subject to the relevant fees of PDEX and PDTC, all of which shall be for the account of the relevant Bondholder.

3. Ranking

The Bonds constitute direct, unconditional, and unsecured Peso-denominated obligations of the Issuer and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, other than obligations preferred by the law.

4. Interest

(a) Interest Payment Dates

The Bonds bear interest on its principal amount from and including the Issue Date at the fixed rate of [●]% per annum ("**Initial Interest Rate**") from the Issue Date until the 5th anniversary of the Issue Date ("**Interest Rate Repricing Date**"). Thereafter, the interest rate shall be adjusted on the Interest Rate Repricing Date to the higher of:

- i. the Initial Interest Rate; or
- ii. the sum of the simple average of the five (5)-year PHP BVAL reference rate (or if the 5-year BVAL is not available or cannot be determined, any such successor rate as determined by the Bankers Association of the Philippines ("BAP") or the Bangko Sentral ng Pilipinas ("BSP"), as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider) for the three (3) consecutive Business Days immediately preceding and ending on the Interest Rate Repricing Date plus [●] basis points or [●]%.

The adjusted Interest Rate shall apply to all interest payments during the remaining term of the Bonds.

The Bonds are payable quarterly in arrear on [January 7], [April 7], [July 7], and [October 7] of each year while the Bonds are outstanding (each of which, for purposes of this section is an "**Interest Payment Date**") commencing on [January 7, 2022]. In the event that any of such Interest Payment Dates are not Business Days, such Interest Payment Dates shall be deemed to be the immediately succeeding Business Day without any adjustment to the amount due. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment to the amount due.

The cut-off date in determining the existing Bondholders entitled to receive interest or principal amount due shall be the day two (2) Business Days prior to the relevant Interest Payment Date (the "**Record Date**"), which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal or any other amount due under the Bonds. No transfers of the Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date.

(b) Interest Accrual

Each Bond shall cease to bear interest, net of applicable withholding taxes, from and including the Maturity Date, as defined in the discussion on "*Final Redemption*", unless, upon due presentation, payment of the principal in respect of the Bonds then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see "*Penalty Interest*") shall apply.

(c) Determination of Interest Amount

The interest shall be calculated on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of thirty (30) days.

5. Call Option

(a) Call Option

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding Bonds before the Maturity Date on any one of the Interest Payment Dates indicated below (the "**Call Option Dates**"), or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

Call Option Dates	Call Option Price
20th Interest Payment Date	100.00%
25th Interest Payment Date	102.00%
26th Interest Payment Date	
27th Interest Payment Date	
28th Interest Payment Date	
29th Interest Payment Date	101.50%
30th Interest Payment Date	
31st Interest Payment Date	
32nd Interest Payment Date	
33rd Interest Payment Date	100.50%
34th Interest Payment Date	
35th Interest Payment Date	
36th Interest Payment Date	

The amount payable to the Bondholders in respect of any such redemption shall be calculated as the sum of (i) the Call Option Price applied to the principal amount of the then outstanding Bonds being redeemed and (ii) all accrued interest on the Bonds as of the Call Option Date.

(b) Exercise of a Call Option

Should the Issuer elect to exercise a Call Option, it shall do so by delivery of an original and three (3) copies of a notice of such exercise to the Trustee, submitted during business hours on a date no earlier than sixty (60) days and no later than thirty (30) days prior to the Call Option Date. Once executed, completed and delivered to the Trustee, a Call Option notice is irrevocable.

Upon receipt of a Call Option notice fully complying with these Terms and Conditions, the Trustee shall transmit the same notice to the Bondholders.

Notwithstanding anything to the contrary, in the event the Issuer has notified the Trustee that it will exercise the Call Option, any interest payment due on the Interest Payment Date immediately preceding the Call Option Date shall be paid on such Call Option Date.

6. Redemption and Purchase

(a) Final Redemption

Unless previously purchased and cancelled, the Bonds shall be redeemed at par or One Hundred percent (100%) of face value on the Maturity Date. However, payment of all amounts due on such date may be made by the Issuer through the Paying Agent, without adjustment to the amount of interest and principal to be paid, on the immediately succeeding Business Day if the Maturity Date is not a Business Day.

(b) Redemption for Taxation Reasons

If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days' prior written notice to the Trustee) at par plus accrued interest, net of applicable withholding taxes.

Upon receipt by the Trustee of a redemption notice from the Issuer hereunder, the Trustee shall transmit the same notice to the Bondholders.

(c) Purchase and Cancellation

The Issuer may at any time purchase any of the Bonds in the open market or by tender or by

contract at market price, in accordance with PDEX Rules without any obligation to purchase (and the Bondholders shall not be obliged to sell) Bonds pro-rata from all Bondholders. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

(d) Change in Law or Circumstance

The following events shall be considered as changes in law or circumstances ("Change in Law or Circumstance") as it refers to the obligations of the Issuer and to the rights and interests of the Bondholders under the Trust Indenture and the Bonds:

- (i) Any government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Indenture or the Bonds shall be modified in a manner which, in the reasonable opinion of the Trustee, shall materially and adversely affect the ability of the Issuer to comply with such obligations, or shall be withdrawn or withheld.
- (ii) Any provision of the Trust Indenture or any of the related documents is or shall become, for any reason, invalid, illegal or unenforceable to the extent that shall become for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Indenture or any of the related documents in whole or in part, or any law shall be introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Indenture or any other related documents.
- (iii) Any concessions, permits, rights, franchise or privileges required for the conduct of the business and operations of the Issuer shall be revoked, canceled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in such manner as to materially and adversely affect the financial condition or operations of the Issuer.
- (iv) The Republic of the Philippines or any competent authority thereof takes any action to suspend the whole or a substantial portion of the operations of the Issuer and to condemn, seize, nationalize or appropriate (either with or without compensation) the Issuer or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by the Issuer.

If any one or more of the events enumerated as a Change of Law or Circumstance shall occur and be continuing for a period of thirty (30) days, the Majority Bondholders, by notice in writing delivered to the Issuer through the Trustee, after the lapse of the said thirty (30) day period, may declare the principal of the Bonds, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, without any prepayment penalty, anything contained in the Trust Indenture or in the Bonds to the contrary notwithstanding, subject to the notice requirements under the discussion on "*Notice of Default.*"

7. Payments

The principal or interest on and all other amounts payable on the Bonds shall be paid to the Bondholders by crediting of the cash settlement accounts designated by each of the Bondholders. The principal of, and interest on, the Bonds shall be payable in Philippine Pesos.

The Issuer shall ensure that so long as any of the Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the Bonds and the Issuer or the Paying Agent may only terminate the appointment of the Paying Agent as provided in the Registry and Paying Agency Agreement. In the event the appointed office of any institution shall be unable or unwilling to continue to act as the Paying Agent, the Issuer shall appoint the Makati City office

of such other leading institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

8. Payment of Additional Amounts; Taxation

Interest income on the Bonds is subject to a final withholding tax at rates of between ten percent (10%) and twenty-five percent (25%) depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such final withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:

- (a) The applicable final withholding tax applicable on interest earned on the Bonds prescribed under the National Internal Revenue Code of 1997, as amended and its implementing rules and regulations promulgated by the BIR as may be in effect from time to time (the "Tax Code"). An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance:

- (i) a copy of an original (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time) of the current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption or preferential rate, and certified by the Corporate Secretary of the Bondholder that: (a) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same, and (b) Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change of any circumstance affecting said certification's validity;

- (ii) a duly notarized undertaking, in prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases the bonds or other deposit substitutes for its account, or (ii.b) the Trust Officer, if the Applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the bonds or other deposit substitutes pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting that the same Bondholder named in the tax exemption certificate described in (i) above, is specifically exempt from the relevant tax or is subject to a preferential tax rate for the relevant tax, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax; (iii) as required under Revenue Memorandum Order No. 14-2021, prior to the payment of the initial interest due, (a) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, (b) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries in the form acceptable for recognition under Philippine laws, (c) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer and (d) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of its authorized

representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, is/are not doing business in the Philippines to support the applicability of a tax treaty relief; and

(iii) such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief, as required under BIR Revenue Memorandum Order No. 08-201714-2021; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for Taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar and Paying Agent.

- (b) Gross Receipts Tax under Section 121 of the Tax Code;
- (c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and
- (d) Value-added Tax ("**VAT**") under Sections 106 to 108 of the Tax Code, as amended by Republic Act No. 9337 and Republic Act No. 10963.

Documentary stamp tax for the primary issue of the Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.

9. Financial Ratios

The Issuer shall maintain, for as long as any of the Bonds remain outstanding, a Debt to Equity Ratio of not more than 3.0:1.0.

10. Negative Pledge

For as long as any of the Bonds remain outstanding, the Issuer covenants that it shall not, without the prior written consent of the Majority Bondholders, permit any indebtedness for borrowed money to be secured by or to benefit from any mortgage, pledge, lien or encumbrance constituted on any of the Issuer's properties for the purpose of securing its or its Affiliate's obligation (a "**Security**") in favor of any creditor or class of creditors without providing the Bondholders with a Security, the benefit of which is extended equally and ratably among them to secure the Bonds; provided however that, this restriction shall not prohibit "Permitted Securities," which are:

- a. Any Security over any asset, including, but not limited to assets purchased, leased, or developed in the ordinary course of business, to secure: (i) the payment of the purchase price or cost of leasehold rights of such asset; or (ii) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (iii) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset.
- b. Any Security constituted for any obligation or credit facility incurred for the purpose of pursuing any infrastructure project or investment therein, whether such infrastructure project is undertaken by the Issuer itself, by its Affiliates, and/or by the Issuer or its Affiliates with third parties, and whether the same is carried on separately from or integrated with any of the real estate development of the Issuer, or any Security constituted by the Issuer on its right to receive income or revenues (whether in the form of dividends or otherwise) from infrastructure projects or related investments therein.

- c. Any Security created for the purpose of paying current taxes, assessments or other governmental charges which are not delinquent or remain payable without any penalty; or the validity of which is contested in good faith in appropriate proceedings upon stay of execution of the enforcement thereof and adequate reserves having been provided for the payment thereof.
- d. Any Security to secure, in the normal course of the business of the Issuer or its Affiliates: (i) statutory or regulatory obligations; (ii) surety or appeal bonds; (iii) bonds for release of attachment, stay of execution or injunction; or (iv) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases.
- e. Any Security: (i) imposed by law, such as carrier's, warehousemen's, mechanics' liens and other similar liens arising in the ordinary course of business and not material in amount; (ii) arising out of pledge or deposits under the workmen's compensation laws, unemployment insurance, old age pensions or other social security or retirement benefits or similar legislation; and (iii) arising out of set-off provisions in the normal course of its financing arrangements; provided that, the Bondholders hereunder shall also have to the extent permitted by applicable law, and upon notice to the Issuer, a similar right of set-off.
- f. Any Security in favor of banks, insurance companies, other financial institutions and Philippine government agencies, departments, authorities, corporations or other juridical entities, which secure a preferential financing obtained by the Issuer under a governmental program, and which cover assets of the Issuer which have an aggregate appraised value, determined in accordance with generally accepted appraisal principles and practices consistently applied not exceeding Five Billion Pesos (₱5,000,000,000).
- g. Any Security existing on the date of the Trust Indenture which is disclosed in writing by the Issuer to the Trustee prior to the execution of the Trust Indenture.
- h. Any Security established in favor of insurance companies and other financial institutions in compliance with the applicable requirements of the Office of the Insurance Commission on admitted assets or the requirements of the BSP on loans and financial accommodations extended to directors, officers, stockholders and related interests ("**DOSRI**").
- i. Any Security constituted for the purpose of guaranteeing an Affiliate's obligation in connection with any contract or agreement that has been assigned to such Affiliate by the Issuer.
- j. The assignment, transfer or conveyance of the Issuer's right to receive any of its income or revenues from receivables arising out of the sale of property held for sale by the Issuer in the ordinary course of business (the "**Project Receivables**").
- k. The assignment, transfer or conveyance of the right of the Issuer to receive any income or revenues other than from Project Receivables; provided that, the constitution by the Issuer of such Security shall not cause the Issuer to exceed the ratio of the amount of indebtedness of the Issuer secured by any lien constituted pursuant to this subparagraph (k) to the noncurrent assets of the Issuer (as computed in accordance with Philippine Financial Reporting Standards and based on the most recent audited financial statements of the Issuer) which ratio shall not be more than 0.5:1.0.
- l. Any Security to be constituted on the assets of the Issuer after the date of the Trust Indenture which is disclosed in writing by the Issuer to the Trustee prior to the execution of the Trust Indenture or any Security for an aggregate loan accommodation not exceeding the equivalent of ten percent (10%) of the market value of the consolidated assets of the Issuer as reflected in the latest appraisal report submitted by an independent and reputable appraiser.

- m. Any Security constituted over the investment of the Issuer in any of its Affiliates, whether such investment is in the form of shares, deposits or advances, to guarantee or secure the obligations of the said Affiliates.
- n. Any Security constituted for the purpose of guaranteeing an Affiliate's obligation in connection with any contract or agreement (other than for borrowed money).
- o. Any title transfer or retention of title arrangement entered into by the Issuer in the normal course of its trading activities on the counterparty's standard or usual terms.
- p. Any Security created over (i) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos ("foreign currency"); or (ii) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purpose of securing loan facilities denominated in Philippine Pesos granted by the Issuer in an aggregate principal amount not exceeding the amount of the deposit of the face amount (or value) of that financial instrument.
- q. Any Security created over cash deposits or marketable investment securities in favor of a bank or financial institution to secure any borrowed money in connection with a treasury transaction; provided that, the aggregate amount of security does not at any time exceed Thirty Million U.S. Dollars (US\$30,000,000) or its equivalent. For this purpose, a "treasury transaction" means any currency, commodity, or interest rate purchase, cap or collar agreement, forward rate agreement, future or option contract, swap or other similar agreement, in relation to the Issuer's treasury management;
- r. The assignment, transfer or conveyance by way of Security (in any case without recourse) of the Issuer's right to receive any income or revenues from any asset of the Issuer not used in the ordinary course of business; provided that, the constitution by the Issuer of such Security shall not cause the Issuer to breach the Debt to Equity Ratio.

11. Events of Default

The Issuer shall be considered in default under the Bonds and the Trust Indenture in case any of the following events (each an "**Event of Default**") shall occur and is continuing:

(a) Payment Default

The Issuer fails to pay when due and payable any amount which the Issuer is obliged to pay to the Bondholders under the Trust Indenture and the Bonds, and such failure, if due to causes other than the willful misconduct or gross negligence of the Issuer, is not remedied within five (5) Business Days from receipt by the Issuer of written notice of such non-payment from the Trustee; provided, however, that, the amount due for payment during the said five (5) Business Day remedy period shall be subject to the interest specified in the section "*Interest*."

(b) Representation/Warranty Default

Any representation and warranty of the Issuer hereof or any certificate or opinion submitted pursuant hereto proves to have been untrue, incorrect or misleading in any material respect as and when made and the circumstances which cause such representation or warranty to be incorrect or misleading continue for not less than fourteen (14) days (or such longer period as the Majority Bondholders shall approve) after receipt of written notice from the Trustee to that effect.

(c) Other Default

The Issuer fails to perform or violates any other provision or term of the Trust Indenture and the Bonds, and such failure or violation is not remediable or, if remediable, continues to be

unremedied after the applicable grace period, or in the absence of such grace period, after thirty (30) days from the date of occurrence of the said violation with respect to the covenant to maintain the prescribed financial ratio, (particularly a maximum Debt to Equity Ratio of 3.0:1.0) and within ten (10) Business Days from the date of the occurrence of said violation, with respect to any other covenant or obligation; provided that, the Events of Default constituting insolvency initiated by the Issuer or closure default, or a violation of a negative covenant shall not be remediable.

(d) Cross Default

The Issuer violates any material term or condition of any contract executed by the Issuer with any bank, financial institution or other person, corporation or entity for the payment of borrowed money which constitutes an event of default under said contract, or in general, violation of any, law or regulation which violation, if remediable, is not remedied by the Issuer within ten (10) Business Days from receipt of notice by the Trustee to the Issuer, or which violation is otherwise not contested by the Issuer, and the effect of such violation results in the acceleration or declaration of the whole financial obligation to be due and payable prior to the stated normal date of maturity; and which violation shall, further, in the reasonable opinion of the Trustee, adversely and materially affect the performance by the Issuer of its obligations under the Trust Indenture and the Bonds; provided however that, no event of default shall occur under this paragraph unless the aggregate amount of indebtedness in respect of which one or more of the events above mentioned has/have occurred equals or exceeds Five Hundred Million Pesos (₱500,000,000).

(e) Insolvency Default

The Issuer becomes insolvent or unable to pay its debts when due or commits or permits any act of Bankruptcy, which term shall include, but shall not be limited to: (i) filing of a petition in any Bankruptcy, reorganization (other than a labor or management reorganization), winding-up, suspension of payment or liquidation proceeding, or any other proceeding analogous in purpose and effect; (ii) appointment of a trustee or receiver of all or a substantial portion of its properties; (iii) making of an assignment for the benefit of its creditors; (iv) the admission in writing by the Issuer of its inability to pay its debts; or (v) the entry of any order or judgment of any court, tribunal or administrative agency or body confirming the Bankruptcy or insolvency of the Issuer or approving any reorganization (other than a labor or management reorganization), winding-up, liquidation or appointment of trustee or receiver of the Issuer or a substantial portion of its property or assets.

(f) Judgment Default

Any final judgment, decree or arbitral award for the sum of money, damages or for a fine or penalty in excess of Five Hundred Million Pesos (₱500,000,000) or its equivalent in any other currency is entered against the Issuer and the enforcement of which is not stayed, and is not paid, discharged or duly bonded within thirty (30) calendar days after the date when payment of such judgment, decree or award is due under the applicable law or agreement.

(g) Writ and Similar Process Default

Any judgment, writ, warrant of attachment, injunction, stay order, execution or similar process shall be issued or levied against any material part of the Issuer's assets and such judgment, writ, warrant or similar process shall not be released, vacated or fully bonded within thirty (30) calendar days after its issue or levy.

(h) Closure Default

The Issuer voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of thirty (30) calendar days except in the case of strikes or lockouts or when necessary to prevent business losses or when due to fortuitous events or *force majeure*.

12. Notice of Default

The Trustee shall, within thirty (30) days after the occurrence of any Event of Default, give to the Bondholders written notice of such default known to it, unless the same shall have been cured before the giving of such notice; provided that, in the case of Payment Default, as described in "*Payment Default*," the Trustee shall immediately notify the Bondholders upon the occurrence of such Payment Default. The existence of a written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in Metro Manila for two (2) consecutive days (at the expense of Ayala Land) further indicating in the published notice that the Bondholders or their duly authorized representatives may obtain an important notice regarding the Bonds at the principal office of the Trustee upon presentment of sufficient and acceptable identification.

13. Consequences of Default

- (a) If any one or more of the Events of Default shall have occurred and be continuing, either the Trustee, upon the written instruction of the Majority Bondholders, whose written instructions/consents/letters shall be verified by the Registrar against the identification documents or the two-dimensional digital copies thereof in its possession, and by notice in writing delivered to the Issuer, or the Majority Bondholders, by notice in writing delivered to the Issuer and the Trustee, with a copy furnished to the Paying Agent and Registrar, may declare the principal of the Bonds, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, anything contained in the Trust Indenture or in the Bonds to the contrary notwithstanding.
- (b) This provision, however, is subject to the condition that, except in the case of a Writ and Similar Process Default, the Majority Bondholders may, by written notice to the Issuer and the Trustee, during the prescribed curing period, if any, rescind and annul such declaration made by the Trustee pursuant to Condition 13(a), and the consequences of such declaration, upon such terms, conditions and agreement, if any, as they may determine; provided that, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.
- (c) At any time after any Event of Default shall have occurred, the Trustee may:
 - (i) by notice in writing to the Issuer, require the Registrar and Paying Agent to:
 - (aa) act thereafter as agents of the Bondholders represented by the Trustee on the terms provided in the Registry and Paying Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agent and the Registrar shall be limited to amounts for the time being held by the Trustee on the trusts of the Trust Indenture in relation to the Bonds and available to the Trustee for such purpose) and thereafter to hold all sums, documents and records held by them in respect of the Bonds on behalf of the Trustee; and/or
 - (bb) deliver all evidence of the Bonds and all sums, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee shall direct in such notice; provided that, such notice shall be deemed not to apply to any document or record which the Registrar and Paying Agent is not obliged to release by any law or regulation; and
 - (ii) by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the Bonds to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, provision (bb) above and the Issuer's positive covenant to pay principal and interest, net of

applicable withholding taxes, on the Bonds, more particularly set forth in the Trust Indenture, shall cease to have effect.

In case any amount payable by the Issuer under the Bonds, whether for principal, interest or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, net of applicable withholding taxes, and other amounts, pay Penalty Interest on the defaulted amount(s) from the time the amount falls due until it is fully paid.

14. Penalty Interest

In case any amount payable by the Issuer under the Bonds, whether for principal, interest, net of applicable withholding taxes, or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, net of applicable withholding taxes, and other amounts, pay penalty interest on the defaulted amount(s) at the rate of twelve percent (12%) per annum (the "Penalty Interest") from the time the amount falls due until it is fully paid.

15. Payment in the Event of Default

The Issuer covenants that upon the occurrence of any Event of Default, the Issuer shall pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding Bonds with interest at the rate borne by the Bonds on the overdue principal, net of applicable withholding taxes, and with Penalty Interest as described above, and in addition thereto, the Issuer shall pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without negligence or bad faith by the Trustee hereunder.

16. Application of Payments

Any money collected or delivered to the Paying Agent, and any other funds held by it, subject to any other provision of the Trust Indenture and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows: *first*, to the payment to the Trustee, the Registrar and Paying Agent, of the costs, expenses, fees and other charges of collection, including reasonable compensation to them, their agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without negligence or bad faith; *second*, to the payment of the interest, net of applicable withholding taxes, in default, in the order of the maturity of such interest with Penalty Interest, which payment shall be made pro-rata among the Bondholders; *third*, to the payment of the whole amount then due and unpaid upon the Bonds for principal, and interest, net of applicable withholding taxes, with Penalty Interest, which payment shall be made pro-rata among the Bondholders; and *fourth*, the remainder, if any shall be paid to the Issuer, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. For this purpose, the Paying Agent shall deliver to the Trustee a joint certification of the funds to be applied for payment, and a schedule of payments to be made in accordance with the conditions.

17. Prescription

Claims in respect of principal and interest or other sums payable hereunder shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

18. Remedies

All remedies conferred by the Trust Indenture and these Terms and Conditions to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Indenture, subject

to the discussion below on “*Ability to File Suit.*”

No delay or omission by the Trustee or the Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Indenture to the Trustee or the Bondholders may be exercised from time to time and as often as may be necessary or expedient.

19. Ability to File Suit

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Indenture to institute any suit, action or proceeding for the collection of any sum due from the Issuer hereunder on account of principal, interest, net of applicable withholding taxes, and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (i) such Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the Bonds; (ii) the Majority Bondholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in the latter's name; (iii) the Trustee, for sixty (60) days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit or proceeding; and (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the Bondholders, it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholders shall have any right in any manner whatever by virtue of or by availing of any provision of the Trust Indenture to affect, disturb or prejudice the rights of the holders of any other such Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all the Bondholders.

20. Waiver of Default by the Bondholders

The Majority Bondholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or may, on behalf of the Bondholders waive any past default, except the events of default defined as a payment default, breach of representation or warranty default, insolvency default, or closure default, and its consequences. In case of any such waiver, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder; provided however that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the Bonds.

21. Trustee; Notices

(a) Notice to the Trustee

All documents required to be submitted to the Trustee pursuant to the Trust Indenture, this Prospectus, and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee:	Philippine National Bank – Trust Banking Group
Attention:	Joy Jasmin R. Santos First Vice President
	Lilian L. Ruga Manager
Subject:	Ayala Land Bonds due 2031

Address: 3rd Floor, PNB Financial Center, President Diosdado Macapagal Boulevard, Pasay City

Telephone No.: 8573-4649

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

Any requests for documentation or certification and other similar matters must be communicated by the Bondholder to the Trustee in writing and shall be subject to review, acceptance and approval by the Trustee. Upon such acceptance and approval, the Bondholder shall pay to the Trustee upfront a fee of One Thousand Five Hundred Pesos (₱1,500) (the “**Activity Fee**”) plus the costs of legal review, courier and the like. The Activity Fee may be adjusted from time to time, at the discretion of the Trustee.

In the absence of any applicable period stated elsewhere in these Terms and Conditions, written requests shall be reviewed and, if accepted and approved, addressed by the Trustee within ninety (90) days from receipt. This period may be extended should the Trustee be unable to review and address the requests for causes not attributable to the Trustee.

(b) Notice to the Bondholders

The Trustee shall send all Notices to Bondholders to their mailing address as set forth in the Register of Bondholders. Except where a specific mode of notification is provided for herein, notices to Bondholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) surface mail; (iii) by one-time publication in a newspaper of general circulation in the Philippines; or (iv) personal delivery to the address of record in the Register of Bondholders. The Trustee shall rely on the Register of Bondholders in determining the Bondholders entitled to notice. All notices shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing, if transmitted by surface mail; (iii) on date of publication or (iv) on date of delivery, for personal delivery.

The publication in a newspaper of general circulation in the Philippines of a press release or news item about a communication or disclosure made by Ayala Land to the SEC on a matter relating to the Bonds shall be deemed a notice to Bondholders of said matter on the date of the first publication.

(c) Binding and Conclusive Nature

Except as provided in the Trust Indenture, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Indenture, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, and all Bondholders and (in the absence as referred to above) no liability to the Issuer, the Paying Agent or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Indenture.

22. Duties and Responsibilities of the Trustee

- (a) The Trustee is appointed as trustee for and on behalf of the Bondholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Indenture. The Trustee shall, in accordance with the terms and conditions of the Trust Indenture, monitor the compliance or non-compliance by the Issuer with all its representations and warranties, and the observance by the Issuer of all its covenants and performance of all its obligations, under and pursuant to the Trust Indenture. The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Indenture. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible

to the Bondholders, and to whom the Bondholders shall communicate with in respect to any matters that must be taken up with the Issuer.

- (b) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Indenture and in the Terms and Conditions of the Bonds. In case of default, the Trustee shall exercise such rights and powers vested in it by the Trust Indenture, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.
- (c) None of the provisions contained in these Terms and Conditions or this Prospectus shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.
- (d) The Trustee, in the performance of its duties, shall exercise such rights and powers vested in it by the Trust Indenture and in the Terms and Conditions of the Bonds, with the care, prudence and diligence necessary under the circumstances then prevailing that a prudent man, acting in like capacity and familiar with such matters, would exercise in the conduct of an enterprise of like character and with similar aims, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.
- (e) Unless a fixed period is otherwise specified in the Trust Indenture and in the absence of a period specifically agreed to by the Trustee and Ayala Land and in the case of notices required to be sent by the Trustee to Bondholders, the Trustee must act promptly in the sending of such notices but in any case shall have a period of not more than thirty (30) days to complete the sending of all such notices in the manner allowed by the Trust Indenture.
- (f) Notwithstanding the above, the Trustee, on its own discretion, may send notices or disclose to the Bondholders any fact, circumstance or event, which would have the effect of effectively reducing the principal amount of the Bonds outstanding, including changes in Laws.

23. Resignation and Change of Trustee

- (a) The Trustee may at any time resign by giving thirty (30) days' prior written notice to the Issuer and to the Bondholders of such resignation.
- (b) Upon receiving such notice of resignation of the Trustee, the Issuer shall immediately appoint a successor trustee by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the resigning trustee and one copy to the successor trustee. However, notwithstanding the immediately preceding sentence, in cases where an Event of Default shall have occurred and be continuing, it is the Majority Bondholders, not the Issuer, that shall appoint the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Bondholder who has been a bona fide holder for at least six (6) months (the "Bona Fide Bondholder") may, for and in behalf of the Bondholders, petition any such court for the appointment of a successor. Such court may thereupon after notice, if any, as it may deem proper, appoint a successor trustee.
- (c) Subject to Section (f) below, a successor trustee must possess all the qualifications required under pertinent laws.

- (d) In case at any time the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer may within thirty (30) days therefrom remove the Trustee concerned, and appoint a successor trustee, by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee. If the Issuer fails to remove the Trustee concerned and appoint a successor trustee, any Bona Fide Bondholder may petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee.
- (e) The Majority Bondholders may at any time remove the Trustee for cause, and appoint a successor trustee, by the delivery to the Trustee so removed, to the successor trustee and to the Issuer of the required evidence under the provisions on Evidence Supporting the Action of the Bondholders in the Terms and Conditions. Unless removed for cause, the Trustee shall be given ninety (90) days to prepare documents, records or any other instruments necessary to be transferred to the successor trustee.
- (f) Any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any provisions of the Trust Indenture shall become effective upon the earlier of: (i) acceptance of appointment by the successor trustee as provided in the Trust Indenture; or (ii) effectivity of the resignation notice sent by the Trustee under the Trust Indenture (the "Resignation Effective Date"); provided however that, until such successor trustee is qualified and appointed, the outgoing Trustee shall continue to discharge its duties and responsibilities solely as custodian of records for turnover to the successor trustee promptly upon the appointment thereof by the Issuer; provided finally that, such successor trustee possesses all the qualifications as required by pertinent laws.

24. Successor Trustee

- (a) Any successor trustee appointed shall execute, acknowledge and deliver to the Issuer and to its predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as Trustee in the Trust Indenture. The foregoing notwithstanding, on the written request of the Issuer or of the successor trustee, the Trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor trustee, all the rights, powers and duties of the Trustee so ceasing to act as such. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties.
- (b) Upon acceptance of the appointment by a successor trustee, the Issuer shall notify the Bondholders in writing of the succession of such trustee to the trusteeship. If the Issuer fails to notify the Bondholders within ten (10) days after the acceptance of appointment by the successor trustee, the latter shall cause the Bondholders to be notified at the expense of the Issuer.

25. Reports to the Bondholders

- (a) The Trustee shall submit to the Bondholders on or before February 28 of each year from the relevant Issue Date until full payment of the Bonds a brief report dated as of December 31 of the immediately preceding year with respect to:
 - (i) the property and funds, if any, physically in the possession of the Paying Agent

held in trust for the Bondholders on the date of such report; and

- (ii) any action taken by the Trustee in the performance of its duties under the Trust Indenture which it has not previously reported and which in its opinion materially affects the Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.
- (b) The Trustee shall submit to the Bondholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least ten percent (10%) of the aggregate outstanding principal amount of the Bonds at such time.
- (c) The following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:
 - (i) Trust Indenture;
 - (ii) Registry and Paying Agency Agreement;
 - (iii) Articles of Incorporation and By-Laws of the Issuer;
 - (iv) Registration Statement of the Issuer with relating to the 2019 Securities Program;
 - (v) Registration Statement of the Issuer with relating to the 2021 Securities Program; and
 - (vi) Opinions of the legal counsel with respect to the Issuer and the Bonds.

26. Meetings of the Bondholders

A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or in behalf of the Bondholders of any specified aggregate principal amount of Bonds under any other provisions of the Trust Indenture or under the law and such other matters related to the rights and interests of the Bondholders under the Bonds.

(a) Notice of Meetings

The Trustee may at any time call a meeting of the Bondholders, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of Bonds may direct in writing the Trustee to call a meeting of the Bondholders, to take up any allowed action, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Bondholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to the Issuer and to each of the registered Bondholders not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the requested meeting shall be reimbursed by the Issuer within ten (10) days from receipt of the duly supported billing statement.

(b) Failure of the Trustee to Call a Meeting

In case at any time, the Issuer, pursuant to a resolution of its board of directors or executive committee, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of the Bonds shall have requested the Trustee to call a meeting of the Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, in accordance with the notice requirements, the notice of such meeting, then the Issuer or the Bondholders in the amount above specified may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof.

(c) Quorum

The Trustee shall determine and record the presence of the Majority Bondholders, personally or by proxy. The presence of the Majority Bondholders, personally or by proxy, shall be necessary to constitute a quorum to do business at any meeting of the Bondholders.

(d) Procedure for Meetings

- (i) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by the Issuer or by the Bondholders, in which case the Issuer or the Bondholders calling the meeting, as the case may be, shall in like manner move for the election of the chairman and secretary of the meeting.
- (ii) Any meeting of the Bondholders duly called may be adjourned for a period or periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

(e) Voting Rights

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of one or more Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. Bondholders shall be entitled to one (1) vote for every Ten Thousand Pesos (₱10,000) interest. The only persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the persons entitled to vote at such meeting and any representatives of the Issuer and its legal counsel.

(f) Voting Requirement

Except as provided in Condition 29 (Amendments), all matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders present or represented in a meeting at which there is a quorum except as otherwise provided in the Trust Indenture. Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided shall be binding upon all the Bondholders and the Issuer as if the votes were unanimous.

(g) Role of the Trustee in Meetings of the Bondholders

Notwithstanding any other provisions of the Trust Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Bondholders, in regard to proof of ownership of the Bonds, the appointment of proxies by registered holders of the Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

27. Evidence Supporting the Action of the Bondholders

Wherever in the Trust Indenture it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the Bonds may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing, or (ii) the duly authenticated

record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith, or (iii) a combination of such instrument and any such record of meeting of the Bondholders.

28. Non-Reliance

Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that it has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations hereunder, except for its gross negligence or wilful misconduct.

29. Amendments

The Issuer and the Trustee may amend or waive any provisions of the Bond Agreements if such amendment or waiver is of a formal, minor, or technical nature or to correct a manifest error or inconsistency, without prior notice to or the consent of the Bondholders or other parties, provided in all cases that such amendment or waiver does not adversely affect the interests of the Bondholders and provided further that all Bondholders are notified of such amendment or waiver.

The Issuer and the Trustee may amend the Terms and Conditions with notice to every Bondholder following the written consent of the Majority Bondholders (including consents obtained in connection with a tender offer or exchange offer for the Bonds) or a vote of the Majority Bondholders at a meeting called for the purpose. However, without the consent of each Bondholder affected thereby, an amendment may not:

- (a) reduce the percentage of principal amount of Bonds outstanding that must consent to an amendment or waiver;
- (b) reduce the rate of or extend the time for payment of interest on the Bonds;
- (c) reduce the principal of or extend the Maturity Date of the Bonds;
- (d) impair the right of any Bondholder to receive payment of principal of and interest on such Bondholder's Bonds on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such Bondholders;
- (e) reduce the amount payable upon the redemption or repurchase of the Bonds under the Terms and Conditions or change the time at which the Bonds may be redeemed;
- (f) make the Bonds payable in money other than that stated in the Bonds;
- (g) subordinate the Bonds to any other obligation of Ayala Land;
- (h) release any security interest that may have been granted in favor of the Bondholders;
- (i) amend or modify the Payment of Additional Amounts, Taxation, the Events of Default of the Terms and Conditions or the Waiver of Default by the Bondholders; or
- (j) make any change or waiver of this Condition 29.

It shall not be necessary for the consent of the Bondholders under this Condition 29 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. After an amendment under this Condition becomes effective, the Issuer shall send a notice briefly describing such amendment to the Bondholders in the

manner provided in the paragraph entitled “Notice to the Bondholders.”

30. Governing Law

The Bond Agreements are governed by and are construed in accordance with Philippine law.

31. Venue

Any suit, action, or proceeding against the Issuer with respect to the Bonds or the Bond Agreements or on any judgment entered by any court in respect thereof may be brought in any competent court in the City of Makati, and the parties submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment, the Issuer and Bondholders expressly waiving other venue.

32. Waiver of Preference

The obligation created under the Bond Agreements and the Bonds shall not enjoy any priority of preference or special privileges whatsoever over any indebtedness or obligations of the Issuer. Accordingly, whatever priorities or preferences that this instrument may have or any person deriving a right hereunder may have under Article 2244, paragraph 14 of the Civil Code of the Philippines are hereby absolutely and unconditionally waived and renounced. This waiver and renunciation of the priority or preference under Article 2244, paragraph 14 of the Civil Code of the Philippines shall be revoked if it be shown that an indebtedness of the Issuer for borrowed money has a priority or preference under the said provision.

33. Certain Defined Terms

The following sets forth the respective definitions of certain terms used in this Terms and Conditions. Except as otherwise provided and where context indicates otherwise, defined terms in this Terms and Conditions have the meanings ascribed to them in the Trust Indenture.

- (a) **Affiliate** means any corporation, directly or indirectly controlled by the Issuer, whether by way of ownership of at least twenty percent (20%) of the total issued and outstanding capital stock of such corporation, or the right to elect at least twenty percent (20%) of the number of directors in such corporation, or the right to control the operation and management of such corporation by reason of contract or authority granted by said corporation to the Issuer.
- (b) **Bankruptcy** means, with respect to a Person, (a) that such Person has (i) made an assignment for the benefit of creditors; (ii) filed a voluntary petition in bankruptcy; (iii) been adjudged bankrupt, or insolvent; or had entered against such Person an order of relief in any bankruptcy or insolvency proceeding; (iv) filed a petition or an answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or filed an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of such nature; or (v) sought, consented to, or acquiesced in the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties; (b) sixty (60) days have elapsed after the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation and such proceeding has not been dismissed; or (c) sixty (60) days have elapsed since the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties and such appointment has not been vacated or stayed or the appointment is not vacated within sixty (60) days after the expiration of such stay.
- (c) **BIR** refers to the Bureau of Internal Revenue of the Republic of the Philippines.

- (d) **Current Liabilities** means the aggregate (as of the relevant date of calculation) of all liabilities of the Issuer falling due on demand or within one (1) year, including that portion of Long Term Debt which falls due within one (1) year (but excluding the current portion of any provision for estimated liability for land and property development) and such other liabilities as would be determined as such under the Philippine Financial Reporting Standards.
- (e) **Debt to Equity Ratio** means the ratio which Total Liabilities bears to Total Stockholders' Equity net of unrealized gain.
- (f) **Long Term Debt** means the aggregate (as of the relevant date of calculation) of all those component parts of the liabilities of the Issuer which fall due or whose final payment is due on a date more than one (1) year after the relevant date for calculation, exclusive of reserve for land development and deferred credits, i.e., unearned income and/or unrealized gains.
- (g) **Majority Bondholders** means Bondholders representing more than fifty percent (50%) of the outstanding principal amount of the Bonds.
- (h) **Security** means any mortgage, pledge, lien or encumbrance constituted on any of the Issuer's properties, for the purpose of securing its or its Affiliates' obligation.
- (i) **Total Liabilities** means the aggregate (as of the relevant date for calculation) of Current Liabilities and Long-Term Debt.
- (j) **Total Stockholders' Equity** means the aggregate (as of the relevant date for calculation) of the par value of the outstanding common stock, preferred stock, capital surplus, retained earnings appraisal surplus arising from past appraisal and any further appraisal surplus arising from subsequent independent certified appraisal of the property, plant and equipment of the Issuer effected in compliance with the Philippine Financial Reporting Standards, and any reserve for expansion projects, less treasury stocks.

PHILIPPINE TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Securities. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Securities and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Securities under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Securities in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.

The tax treatment of a holder of Securities may vary depending upon such holder's particular situation, and certain holders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a Security Holder.

PROSPECTIVE PURCHASERS OF THE SECURITIES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF A SECURITY, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS.

*The following is a general description of certain Philippine tax aspects of the Bonds. It is based on the present provisions of the National Internal Revenue Code of 1997, as amended by Republic Act No. 10963 (the "**Philippine Tax Code**"), the regulations promulgated thereunder and judicial and ruling authorities in force as of the date of this Prospectus, all of which are subject to changes occurring after such date, which changes could be made on a retroactive basis.*

As used in this section, the term "resident foreign individual" refers to an individual whose residence is within the Philippines and who is not a citizen thereof. A "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines," otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not doing business in the Philippines."

TAXATION OF INTEREST

Interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax. Interest income derived by Philippine citizens, resident foreign individuals, domestic corporations, and resident foreign corporations from the Bonds is subject to final withholding tax rate of 20%. Generally, interest on bonds or other deposit substitutes received by non-resident foreign individuals engaged in trade or business in the Philippines is subject to a 20% final withholding tax while that received by non-resident foreign individuals not engaged in trade or business is taxed at the rate of 25%. Interest income derived by non-resident foreign corporations from the bonds or other deposit substitutes is subject to final withholding tax rate of 20%.

The foregoing rates may be subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident Bondholder. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of 15% in cases where the interest arises in the Philippines and is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment.

On March 31, 2021, the BIR issued Revenue Memorandum Order No. 14-2021 ("RMO 14-2021"). RMO 14-2021 was issued to streamline the procedures and documents for the availment of the tax treaty benefits. Said issuance will apply to the income derived by the nonresident Bondholder on the interest payments from the Bonds. To avail of the tax treaty relief benefits, the following guidelines and procedures will be observed:

- The nonresident income recipient should submit to the withholding agent or income payor the submitted BIR Form No. 0901-I (Interest Income) or Application Form for Treaty Purposes, Tax Residency Certificate duly issued by the foreign tax authority, and the relevant provision of the applicable tax treaty on whether to apply a reduced rate of, or exemption from, withholding at source on the income derived by the nonresident income recipient. The documents should be submitted to each withholding agent or income payor prior to the payment of income for the first time. The failure to provide the said documents when requested may lead to the withholding using the regular withholding rates without the tax treaty benefit rate.
- When the preferential tax rates have been applied by the withholding agent, it shall file with the International Tax Affairs Division ("ITAD") a request for confirmation on the propriety of the withholding tax rates applied by the withholding agent. On the other hand, if the regular withholding rates have been imposed on the income, the nonresident income recipient shall file a tax treaty relief application ("TTRA") with ITAD. In either case, each request for confirmation and TTRA shall be supported by the documentary requirements set out in the issuance.
- The request for confirmation shall be filed by the withholding agent at any time after the payment of withholding tax but shall in no case be later than the last day of the fourth month following the close of each taxable year. On the other hand, the filing of the TTRA may be filed by the nonresident income recipient at any time after the receipt of the income.

If the BIR determines that the withholding tax rate applied is lower than the rate that should have been applied on an item of income pursuant to the treaty, or that the nonresident income recipient is not entitled to treaty benefits, it will issue a BIR Ruling denying the request for confirmation or TTRA. Consequently, the withholding agent shall pay the deficiency tax plus penalties. On the contrary, if the withholding tax rate applied is proper or higher than the rate that should have been applied, the BIR will issue a certificate confirming the nonresident income recipient's entitlement to the treaty benefits. In this case, the nonresident income recipient may apply for a refund of the excess withholding tax.

The original or certified true copy of the following documents, as may be applicable, shall be submitted to the International Tax Affairs Division of the BIR when claiming the tax treaty relief:

A. General Requirements

1. Letter-request
2. Application Form duly signed by the nonresident Bondholder or its/his/her authorized representative
3. Tax Residency Certificate for the relevant period, duly issued by the tax authority of the foreign country in which the Bondholder is a resident
4. Bank documents/certificate of deposit/telegraphic transfer/telex/money transfer evidencing the payment/remittance of income
5. Withholding tax return with Alphabetical List of Payees
6. Proof of payment of withholding tax
7. Notarized Special Power of Attorney issued by the nonresident Bondholder to its/his/her authorized representative(s), which shall expressly state the authority to sign the Application Form as well as to file the tax treaty relief application or request for confirmation

B. Additional general requirements for legal persons and arrangements, and individuals:

1. Authenticated copy of the nonresident legal person or arrangement's Articles/Memorandum of Incorporation/Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language
2. Original copy of the Certificate of Non-Registration of the Bondholder or certified true copy of License to Do Business in the Philippines duly issued by the SEC for legal persons and arrangements, or original copy of the Certificate of Business Registration/Presence duly issued by the Department of Trade and Industry for individuals

C. Additional general requirements for fiscally transparent entities:

1. A copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the foreign fiscally transparent entity;
2. List of owners/beneficiaries of the foreign entity;

3. Proof of ownership of the foreign entity; and
4. Tax Residency Certificate issued by the concerned foreign tax authority to the owners or beneficiaries of the fiscally transparent entity.

The BIR may require additional documents during the course of its evaluation as it may deem necessary. Upon the confirmation of the entitlement to the tax treaty benefit or confirmation of the correctness of the withholding tax rates applied, the BIR will issue a certification to that effect. Any adverse ruling may be appealed to the Department of Finance within thirty (30) days from receipt.

If the income of the nonresident Bondholder has been subjected to regular withholding rates, the Bondholder may file a claim for refund with the BIR independently of, or simultaneously with, the TTRA. Nonetheless, all claims for refund shall be filed within the two-year prescriptive period provided under Section 229 of the National Internal Revenue Code, as amended.

TAX EXEMPT STATUS

Bondholders who are exempt from, are not subject to final withholding tax, or are subject to a lower rate of final withholding tax on interest income may avail of such exemption or preferential withholding tax rate by submitting the necessary documents. Said Bondholder shall submit the following requirements, in form and substance prescribed by the Issuer, to the Registrar or to the Underwriters or selling agents (together with their completed Application to Purchase) who shall then forward the same to the Registrar:

- i. a copy of an original (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time) of the current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption or preferential rate, as certified by the Corporate Secretary of the Applicant that: (i.a) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (i.b) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting said certification's validity;
- ii. a duly notarized undertaking, in prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases the bonds or other deposit substitutes for its account, or (ii.b) the Trust Officer, if the Applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the bonds or other deposit substitutes pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting that the same Bondholder named in the tax exemption certificate described in (i) above, is specifically exempt from the relevant tax or is subject to a preferential tax rate for the relevant tax, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax; and
- iii. as required under Revenue Memorandum Order No. 14-2021, prior to the payment of the initial interest due, (a) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, (b) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries in the form acceptable for recognition under Philippine laws, (c) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer and (d) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of its authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that

- the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, is/are not doing business in the Philippines to support the applicability of a tax treaty relief; and
- iv. such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief, as required under BIR Revenue Memorandum Order No. 14-2021; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for Taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar and Paying Agent.

Transfers taking place in the Register of Bondholders after the Bonds are listed in PDEX may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when allowed under, and are in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC. A selling or purchasing Bondholder claiming tax-exempt status is required to submit the following documents to the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under Registry and Paying Agency Agreement upon submission of Account Opening Documents to the Registrar.

DOCUMENTARY STAMP TAX

A documentary stamp tax is imposed upon the issuance of debentures and certificates of indebtedness issued by Philippine companies, such as bonds, notes and other deposit substitutes, at the rate of ₱1.50 for each ₱200, or fractional part thereof, of the issue price of such debt instruments; provided, that for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be proportionate to the ratio of the debt instrument's term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines, or where the object of the contract is located or used in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for its own account.

No documentary stamp tax is imposed on the subsequent sale or disposition of bonds or other deposit substitutes; trading of bonds or other deposit substitutes in a secondary market or through an exchange as long as such subsequent sale, disposition or trading is not made in the Philippines or there is no change in the maturity date or the material terms and conditions of the relevant bonds or other deposit substitutes.

TAXATION ON SALE OR OTHER DISPOSITION OF BONDS OR OTHER DEPOSIT SUBSTITUTES

Income Tax

Ordinary asset – The gain is included in the computation of taxable income, which is subject to the following graduated tax rates for Philippine citizens or resident foreign individuals, or non-resident alien engaged in trade or business in the Philippines effective January 1, 2018 until December 31, 2022:

Not over ₱250,000	0%
Over ₱250,000 but not over ₱400,000	20% of the excess over ₱250,000
Over ₱400,000 but not over ₱800,000	₱30,000 + 25% of the excess over ₱400,000
Over ₱800,000 but not over ₱2,000,000	₱130,000 + 30% of the excess over ₱800,000
Over ₱2,000,000 but not over ₱8,000,000	₱490,000 + 32% of the excess over ₱2,000,000
Over ₱8,000,000	₱2,410,000 + 35% of the excess over ₱8,000,000

and effective January 2, 2023 and onwards:

Not over ₱250,000	0%
Over ₱250,000 but not over ₱400,000	15% of the excess over ₱250,000
Over ₱400,000 but not over ₱800,000	₱22,500 + 20% of the excess over ₱400,000
Over ₱800,000 but not over ₱2,000,000	₱102,500 + 25% of the excess over ₱800,000
Over ₱2,000,000 but not over ₱8,000,000	₱402,500 + 30% of the excess over ₱2,000,000
Over ₱8,000,000	₱2,202,500 + 35% of the excess over ₱8,000,000

For non-resident alien not engaged in trade or business, the gain shall be subject to the 25% final withholding tax.

Capital asset – Gains shall be subject to the same rates of income tax as if the bonds or other deposit substitutes were held as ordinary assets, except that if the gain is realized by an individual who held the bonds or other deposit substitutes for a period of more than twelve (12) months prior to the sale, only 50% of gain will be recognized and included in the computation of taxable income. If the bonds or other deposit substitutes were held by an individual for a period of twelve (12) months or less, 100% of gain is included.

Gains derived by domestic or resident foreign corporations on the sale or other disposition of the bonds or other deposit substitutes are subject to a 30% income tax. Gross income derived by non-resident foreign corporations on the sale or other disposition of the bonds or other deposit substitutes is subject to a 30% income tax unless a preferential rate is allowed under a tax treaty subject to such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

Any gains realized by non-residents on the sale of the bonds or other deposit substitutes may be exempt from Philippine income tax under an applicable tax treaty subject to such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

Any gains realized from the sale, exchange or retirement of bonds, debentures and other certificate of indebtedness with a maturity of more than five (5) years are not subject to income tax.

Estate and Donor's Tax

Beginning 1 January 2018, the transfer of bonds or other deposit substitutes upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien and regardless of residence, is subject to Philippine taxes at a fixed rate of 6% based on the value of the decedent's net estate.

Beginning 1 January 2018, individual and corporate holders, whether or not citizens or residents of the Philippines, who transfer bonds by way of gift or donation are liable to pay Philippine donors' tax at the fixed rate of 6% based on the total gifts in excess of ₱250,000 exempt gifts made during the calendar year.

The estate tax and the donor's tax, in respect of bonds or other deposit substitutes, shall not be collected (a) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allow a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

Value- Added Tax

Gross receipts derived by dealers in securities from the sale of bonds or other deposit substitutes in the Philippines, equivalent to the gross selling price less the acquisition cost of bonds or other deposit substitutes sold, shall be subject to value-added tax of 12%.

“Dealer in securities” means a merchant of stock or securities, whether an individual partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers, that is, one who as a merchant buys securities and sells them to customers with a view to the gains and profits that may be derived therefrom.

INDEPENDENT AUDITORS AND COUNSEL

LEGAL MATTERS

All legal opinion/matters will be passed upon by Romulo Mabanta Buenaventura Sayoc & de los Angeles ("Romulo") for the Joint Lead Underwriters and Bookrunners and by Co Ferrer Ang-Co & Gonzales Law Offices ("CFA Law") for the Company. Neither Romulo nor CFA Law have any direct interest in the Company.

INDEPENDENT AUDITORS

SyCip Gorres Velayo & Co. ("**SGV & Co.**"), independent auditors and a member firm of Ernst & Young Global Limited reviewed Ayala Land, Inc. and Subsidiaries' unaudited interim condensed consolidated financial statements as at June 30, 2021 and for the six (6) months ended June 30, 2021 and 2020 and audited Ayala Land, Inc. and Subsidiaries' annual consolidated financial statements as at December 31, 2020, 2019, 2018, and 2017, and for each of the four (4) years in the period ended December 31, 2020 as included in this Prospectus.

There is no arrangement that independent auditors will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

a. Audit and Audit-Related Fees

Ayala Land and its subsidiaries paid its independent auditors the following fees in the past two (2) years: (in ₱ million)

Year	Audit & Audit-related Fees	Tax Fees	Other Fees
2020	34.61*	-	13.08**
2019	35.12*	-	17.24**

* Pertains to audit fees.

**SGV & Co. fees for the validation of stockholders' votes during annual stockholders' meetings and other assurance fees

Under paragraph D.3.1 of the Ayala Land Audit and Risk Committee Charter, the Audit Committee (composed of Cesar V. Purisima, Chairman, and Rex Ma. A. Mendoza, and Antonino T. Aquino) recommends to the Board the appointment of the external auditor and the audit fees.

b. Tax Fees

As and when applicable, tax consultancy services are secured from entities other than the appointed independent auditors.

CHANGES IN AND DISAGREEMENTS WITH INDEPENDENT AUDITORS

The Company has not had any changes in or disagreements with its independent auditors on any matter relating to financial or accounting disclosures.

DESCRIPTION OF BUSINESS

This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Prospectus carefully, including the section entitled “Risk Factors and Other Considerations,” the unaudited interim condensed consolidated financial statements, and audited consolidated financial statements and the related notes to those statements included in this Prospectus.

Overview

Ayala Land, Inc. was formerly the real estate division of Ayala Corporation and was incorporated on June 30, 1988 to focus on the development of its existing real estate assets. In July 1991, the Company became publicly-listed through an initial public offering of its primary and secondary shares on the Makati and Manila Stock Exchanges (predecessors of the PSE). Ayala Corporation’s effective ownership in Ayala Land amounted to 88% as a result of the IPO.

Over the years, several developments further reduced Ayala Corporation’s effective interest in Ayala Land; the exercise of stock options by respective employees of Ayala Corporation and Ayala Land, the disposal of Ayala Land shares by Ayala Corporation and Ayala Land’s issuance of new shares in relation to its acquisition of interest in companies owning properties in Canlubang, Laguna in 1993. Furthermore, the conversion of a ₱3.0 billion, convertible, long-term commercial paper to Ayala Land Common B Shares publicly issued in December 1994, exchanges under bonds due in 2001, and equity top-up placements conducted through an overnight book-built offering in July 2012, March 2013 and January 2015. In 2019, bond holders of the US\$300 million exchangeable bonds issued by AYC Finance Limited, a wholly-owned subsidiary of Ayala Corporation, exercised their option to redeem shares of ALI. This decreased the shares directly owned by Ayala Corporation by 2.6%.

As of June 30, 2021, Ayala Corporation’s effective ownership in Ayala Land is 45.90% with the remainder owned by the public. Ayala Land is listed with a total of 14,711,784,860 outstanding common shares and 13,066,494,759 outstanding voting preferred shares. Foreign equity ownership is 19.96% composed of 4,936,073,861 outstanding common shares and 607,264,635 voting preferred shares as of June 30, 2021. As of June 30, 2021, equity attributable to equity holders of Ayala Land amounted to ₱226.9 billion. Ayala Land has a total market capitalization of ₱530.4 billion based on the closing price of ₱36.05 per common share on June 30, 2021, the last trading day of the said month.

Ayala Land’s Businesses

Ayala Land is the largest and most diversified real estate conglomerate in the Philippines. It is engaged in land acquisition, planning, and development of large scale, integrated, mixed-use, and sustainable estates, industrial estates, development and sale of residential and office condominiums, house and lots, and commercial and industrial lots, development and lease of shopping centers and offices, co-working spaces, and standard factory buildings and warehouses, and the development, management, and operation of hotels and resorts and co-living spaces. The Company is also engaged in construction, property management, retail electricity supply and airline services. It also has investments in AyalaLand Logistics Holdings Corp., Cebu Holdings, Inc., Ortigas Land Corp., MCT Bhd., Qualimed and Mercado Supermarket. Ayala Land has 30 estates, is present in 57 growth centers nationwide and has a total land bank of 12,483 hectares as of June 30, 2021.

Property Development

Property Development is composed of the Strategic Landbank Management Group, Visayas-Mindanao Group, Residential Business Group and MCT Bhd. (“MCT”), Ayala Land’s listed subsidiary in Malaysia.

Strategic Land Bank Management handles the acquisition, planning and development large scale, mixed-use, and sustainable estates, and the development and the sale, or lease of its commercial lots in its estates in Metro Manila and the Luzon region.

The Visayas-Mindanao Group handles the acquisition, planning and development of large scale, mixed-use and sustainable estates in its key cities in the Visayas and Mindanao regions.

The Residential Business Group handles the development and sale of residential and office condominiums and house and lots for the luxury, upscale, middle-income, affordable and socialized housing segments, and the development and sale of commercial lots under the following brands: AyalaLand Premier (“ALP”) for luxury lots, residential and office condominiums, Alveo Land Corp. (“Alveo”) for upscale lots, residential and office condominiums, Avida Land Corp. (“Avida”) for middle-income lots, house and lot packages, and residential and office condominiums, Amaia Land Corp. (“Amaia”) for affordable house and lot packages and residential condominiums, and BellaVita Land Corp. (“BellaVita”) for the socialized house and lot packages.

Commercial Leasing

Commercial Leasing involves the development and lease of shopping centers through Ayala Malls, and offices, through Ayala Land Offices, co-working spaces through the “Clock-In” brand, and standard factory buildings and warehouses under the “ALogis” brand, and the development, management, and operation of hotels and resorts through AyalaLand Hotels and Resorts, Inc. and co-living spaces through “The Flats” brand.

Services

Services include construction, property management, retail electricity supply and airline services.

Construction of Ayala Land and third-party projects and land development is done through Makati Development Corporation. Property Management is done through Ayala Property Management Corporation. Retail electricity supply is done through Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy). Airline service is done through AirSWIFT for Ayala Land’s tourism estates in Lio, Palawan and Sicogon Island resort through its fleet of four (4) modern turbo-prop aircrafts.

Strategic Investments

Ayala Land’s strategic investments include AREIT, Inc. (50.10%), AyalaLand Logistics Holdings Corp. (71.46%) Cebu Holdings, Inc. (71.13%), MCT Bhd., (66.3%), Mercado Supermarket (50.0%) and OCLP Holdings, Inc. (21.01%).

Vision

Ayala Land’s vision and mission is to enhance its standing and reputation as the Philippines’ leading real estate developer, and to be a strong partner in nation building. By developing integrated, masterplanned and sustainable mixed-use communities in vibrant growth centers all over the country, it strives to continually elevate the quality of life for all of its customers.

Ayala Land shall be a responsible corporate citizen, and act with integrity, foresight and prudence. It shall empower its employees to deliver products that exceed its customers’ expectations and build long-term value for its shareholders.

In 2015, Ayala Land aligned its four sustainability focus areas to the United Nations Sustainable Development Goals (UN SDGs) introduced that year.

Overall, the company’s vision of enhancing land and enriching lives for more people aligns with SDG 11 on sustainable cities and communities, aiming to “make cities and human settlements inclusive, safe, resilient and sustainable.” Our integrated, mixed-use estates provide a safe and secure environment with maintained access to essential goods and services, factors that have become all the more relevant in light of the COVID-19 pandemic.

As a champion of SDG 11, Ayala Land contributes to the Ayala Sustainability Blueprint, the Ayala group’s master plan to provide meaningful contribution to the UN SDGs. Aside from SDG 11, each of the focus areas is mapped according to relevant SDGs.

Competitive Strengths

Proven Track Record. With over eight (8) decades of experience together with Ayala Corporation, Ayala Land is the largest and most experienced real estate developer in the Philippines. Combining leading-edge product innovation with prudent and effective risk management practices, the Company has the ability to manage across a complex portfolio of projects and developments and is able to thrive and prosper through the cyclical nature of the industry. Ayala Land's proven track record includes the development of Makati as the country's premier CBD and Ayala Alabang as a prestigious suburban residential community. It is replicating these successes in areas such as BGC, Cebu, and NUVALLI in Canlubang as well as recently launched estates in Abreeza Davao, Centrio Cagayan de Oro, Arca South Taguig, Circuit Makati and Vertis North Quezon City.

Strong Brand Reputation. The Ayala Land name is synonymous with quality and prestige and is the most widely trusted brand in Philippine real estate. Ayala Land maintains leadership in most of its product lines – residential subdivision and high-rise residential condominiums, shopping centers, office buildings, hotels and resorts – and across a broad spectrum of price-points and geographies.

Because of its strong brand reputation, Ayala Land is also the partner of choice for strategic partners and landowners who want to make significant new investments in the country and help prime the Company's strategic growth centers. Added to this, many of the best names in local and international retailing prefer to be located in its shopping centers while top multinationals either set up base in its headquarter-type offices or locate in its BPO facilities.

Anchored on shared values and a long-term orientation, Ayala Land builds strong relationships with its business partners, landowners, tenants, employees, customers, the local government, non-government organizations ("NGO") and communities. This allows the Company to enhance its position as the leading property developer in the Philippines.

Substantial and Strategically Located Landbank. With control of 12,483 hectares of land across various strategic locations in the Philippines, Ayala Land is a primary beneficiary of the country's asset reflation story. Ayala Land is well positioned to take advantage of the growth prospects in the real estate sector in the Philippines. It is currently present across 57 identified growth centers in the country.

Well-Managed, Highly Capable and Professional Organization. Combining leading-edge product innovation with prudent and effective risk management practices, the Company has the ability to manage across a complex portfolio of projects and developments and is able to thrive and prosper through the cyclical nature of the industry. The Company employs a proven and highly-credible management, architectural and engineering talent pool across all levels of the organization, most with experience across multiple business lines. Ayala Land also consistently ranks among the top Philippine companies in terms of corporate governance standards and best practices.

Ayala Land also draws on the competitive advantage provided by its wholly-owned subsidiaries, MDC and APMC, which are the country's largest and most experienced construction and property management companies, respectively.

Sustainable Practices. Over the years, Ayala Land has been intensifying the integration of sustainability principles in every step of its business processes. ALI's entire business process, from acquisition, assessment, planning, design, construction, delivery and property management focus on long-term benefits and shared value for stakeholders while foreseeing and managing risks and protecting all investments. Ayala Land has sustainability and risk management policies in place to protect projects from flooding and other geohazards. Technical due diligence is an integral part of site assessment, while flood and erosion control measures are built into masterplans, through site designs that include retention and detention basins, biodiversity (native vegetation) conservation where applicable. Projects are also designed to serve the needs of the commuting and walking public. Ayala Land also has set greenhouse gas emission intensity reduction targets and monitors energy, water and waste metrics in the properties it continues to manage.

Solid Balance Sheet and Strong Shareholder Base. The Company has a strong balance sheet, supportive strategic shareholders, a variety of available funding sources that strengthens its capability to undertake both pocket-sized and large-scale projects or investments that balance the need for sustained earnings growth and long-term net asset value accretion.

Growth Drivers of the Philippine Economy. The Philippine real estate industry offers rich opportunities across all its sub-sectors. Its bright prospects are anchored on stable fundamentals: a robust economy, rising foreign inflows, particularly from OFWs, increased affordability and the availability of attractive financing from banks, resilient consumption spending in retail, and encouraging long-term prospects for office space in the BPO sector.

A Strong Sense of Malasakit (Compassion). Ayala Land cares enough to go the extra mile. Despite this period of difficulty, Ayala Land remained committed to support its stakeholders. The Company believes that a strong sense of malasakit drive its leadership teams and associates to adapt and meaningfully assist its employees, partners, government, and the public-at-large in any and every way it could.

Strategy

Ayala Land has long enjoyed leadership in the traditional markets it serves, leveraging on long term relationships with customers, landowners, tenants, its employees, the local government and NGO communities, and providers of capital. Ayala Land shares values and a common long-term orientation that allows all parties concerned to prosper over time. Many of the best names in local and international retailing anchor its shopping centers while top multinationals either set up base in its HQ-type offices or locate in its BPO facilities. Ayala Land is also the partner of choice for strategic new partners, such as the Shangri-La and Holiday Inn groups, which want to make significant new investments in the country and help prime the Company's strategic growth centers.

Ayala Land will continue to develop large-scale, mixed-use integrated communities while diversifying its revenue base across its wide portfolio of businesses. Ayala Land has identified the following three major pillars in implementing its strategies:

- **Brand.** The company values the trust customers place on its brand and their confidence in the quality of its differentiated and innovative products and services. It continues to evolve its offerings to ensure market relevance and strives to build communities that live up to the Ayala Land brand.
- **Business Model.** The company operates the business with a clear model and strategy for growth, guided by its core values and sustainability principles. By building sustainable mixed-use estates in key growth centers in the Philippines, it creates platforms to expand the reach of its products and services while generating opportunities that consequently improve the quality of life of many Filipinos. It continues to be driven by a deep understanding of the market and a commitment to enhance processes and efficiently use company resources.
- **Bench.** Ayala Land has a committed team focused on achieving company goals. Through regular learning opportunities and enriching work experiences, the company nurtures competent and reliable employees and teams who execute its strategies and transform its vision into action.

COVID-19 caused massive disruptions to businesses across the country and throughout the world. When countries started to go into lockdown and the pandemic's far-reaching effects were becoming apparent, Ayala Land's management team effectively concluded its 2020-40 plan, which had set an aggressive ₱40-billion net income goal by 2020. Up until then, the company was on track to achieving this target.

Ayala Land shifted to addressing the impacts of the pandemic, and drew up a five-point action plan to ensure the survival of the company, assist its stakeholders in coping with numerous challenges, and prepare the organization for recovery.

Anchoring the plan is financial sustainability to ensure that the company had ample liquidity to weather the crisis no matter how long it took. This was achieved through tight liquidity management, squaring of operating cashflows, and strengthening the balance sheet.

Second, protecting the workforce. A task force was created to implement health and safety protocols across the organization. Employees were given access to healthcare services and working from home was enabled through digital platforms.

Third, continue serving our customers. Critical platforms across the various business lines were set up for customers through Aprisa and Amicassa. All the business units have also maximized the use of digital platforms to ensure continued service and engagement. Commercial leasing assets were kept open. Malls provided access to essential products and services, offices and warehouses continued operations, and hotels provided housing to BPO employees. A total of 5,000 APMC personnel also ensured that 253 managed properties were kept safe throughout the pandemic.

Fourth, helping the community. Financial support was provided to medical institutions and organizations. In addition, MDC constructed COVID-19 facilities and swabbing booths in key locations.

Lastly, after successfully assuring financial sustainability and caring for its stakeholders, Ayala Land is now preparing for a V-shaped recovery—it is expected that it would take two to three years to bring profitability back to 2019 levels. To reach this goal, the organization is preparing plans and strategies to strengthen its brand positioning and reinvent some business models to adapt to the new environment. It will take advantage of the prospects created by the crisis, and focus on business continuity, stabilization, and growth opportunities.

For estates, the pandemic highlighted the benefits of living in integrated communities. Ayala Land will continue to develop more estates across the nation to accelerate growth and provide more Filipinos with the option of living in such a sustainable environment.

For property development, the strategy is to continue to launch various products under the five residential brands and ensure sufficient inventory to address all market segments.

For malls, operations remain clearly challenged given quarantine restrictions. The priority at present is to continue stabilizing occupancy and rent—recovery of this segment is expected to take some time. And recognizing changing consumer behavior, the company is carefully studying its current tenant mix. Appropriate changes and innovations addressing the needs of consumers and shoppers under this new normal will be implemented.

For offices, growth is keeping pace with demand, which is expected to remain resilient even as headwinds from the POGO sector are anticipated.

The pandemic has heavily affected the hotels and resorts business. In the short term, the goal is to achieve cash flow break-even to sustain operations and facilities.

Meanwhile, the prospects are bright for industrial and real estate logistics. Ayala Land through its subsidiary ALLHC will aggressively grow this space, expanding warehouses and industrial and logistic hubs in the short term to maintain its leadership in this segment.

Lastly, given the capacity and operational constraints faced by the construction business due to quarantine restrictions, MDC is pursuing industrialization for better safety, quality, and timely delivery by expanding its prefabricated, prefinished, and volumetric production to make up for manpower challenges.

Products / Business and Recent Updates

To carry on its business in an organized and efficient manner, Ayala Land structured its operations into key strategic business lines such as Property Development, Commercial Leasing, Services and Strategic Investments. Currently, ALI has 171 projects pending, domestically and internationally.

PROPERTY DEVELOPMENT

Residential Development

The Residential Business Group handles the development and sale of residential and office condominiums and house and lots for luxury, upscale, middle-income, affordable, and socialized housing segments, and the development and sale of commercial lots. It caters to domestic and overseas Filipino markets across the high-end, middle-income and affordable segments.

In recent years, overall growth of the residential market has been strong largely as a result of a huge housing backlog of 3.9 million units and affordable mortgage loans. On the international front, the continued growth of OFW remittances has injected new demand into the residential market. In response to these opportunities, Ayala Land will continue to grow its residential business line, which accounted for 60.8%, 55.0%, 58.3%, and 62.0% of consolidated revenues (which includes real estate sales, interest income from real estate sales, equity in net earnings, interest and investment income and other income) as of December 2018, December 2019, December 31, 2020, and June 30, 2021, respectively. A robust project pipeline will enable the Company to expand its product offerings in existing areas and accelerate geographic expansion, aided by strategic landbanking and mixed-use development and project management projects.

The Company will strengthen and provide clear differentiation across its five residential brands, each targeting a distinct segment of the market: ALP for the high-end segment, Alveo for the upscale market; Avida for the middle-income housing segment; Amaia for the affordable housing segment; and BellaVita for the socialized housing segment.

To be more competitive, the Company will continue to enhance margins by leveraging its brand and track record to maximize pricing power where possible, along with managing construction costs and streamlining the project delivery process.

The Company's ongoing residential projects under the ALP brand include Parklinks, One Vertis Plaza, Park Central Towers North & South, and West Gallery Place. These projects are currently under construction and are in various stages of completion ranging from 20% to 85%. Under the Alveo brand, key ongoing projects include Broadfield, Travertine at Portico, Olean Place T1 & T2, and Evo Commercial Lots. These projects are currently under construction and are in various stages of completion ranging from 35% to 95%. Under the Avida brands, key ongoing projects include AT Sola T2, AT Cloverleaf T2, AT Makati Southpoint T1, and AT Verge T1 & T2. These projects are currently under construction and are in various stages of completion ranging from 40% to 90%. Under the Amaia brand, key ongoing projects include Skies Shaw T2, Skies Avenida T2, and Series Vermosa S1. These projects are currently under construction and are in various stages of completion ranging from 35% to 65%. Under the Bellavita brand, key ongoing projects include BV Cabanatuan 2 and BV Naga. These projects are currently under construction and are in various stages of completion ranging from 45% to 75%.

International Sales accounted for 23% of total sales for the six months ended June 30, 2021.

Aside from the expansion of sales efforts into other US states, Ayala Land is also looking at increasing its penetration in other markets such as Europe, the Middle East, and other fast growing markets like Singapore, China and Australia.

Strategic Landbank Management

SLMG is involved in the acquisition and development of large, mixed-use, masterplanned communities and serves as platform for all of the Company's developments – residences, malls, offices, and all the services that make up a vibrant and sustainable community.

With a long-term horizon, SLMG views its key landbank areas as launching pads for decades of development. Its approach to landbanking is oriented towards value creation and realization. SLMG applies financial discipline with a focus on yields, cashflows, and the judicious buying and selling of lots at the opportune time. The group develops, updates and refines masterplans, providing clear framework for decision making. It also engages community-based stakeholders such as local government units

and other government entities to assure that vital infrastructure is in place to support the long-term development plans. Embedded in all these, and central to value creation and retention over time, is the concept of sustainability.

As of June 30, 2021, Ayala Land's land bank portfolio of 12,483 hectares is composed of 274 hectares in Metro Manila, 10,063 hectares in other areas in Luzon and 2,146 hectares in Visayas and Mindanao.

COMMERCIAL LEASING

Shopping Centers

AMG is involved in the development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities and carparks in these shopping centers; and management and operations of malls which are co-owned with partners.

Ayala Land operates movie theater complexes with more than 50 screens situated in its shopping centers. The movie theaters are operated primarily as a means of attracting customers to its shopping centers. The theaters are managed by Ayala Theaters Management, Inc. and Five Star Cinema, Inc., wholly-owned subsidiaries of Ayala Land.

Leases for retail space within the shopping centers are generally short-term, ranging from one to five years for the initial lease, renewable annually. Land leases, on the other hand, have longer terms, usually up to 50 years in the case of hotel tenants. In general, rental rates for retail space equal the higher of (i) a basic rent plus a percentage of the tenant's gross sales, or (ii) a specified minimum amount. Rental rates for leases on hotel and department store sites are generally based on a percentage of gross sales.

Ayala Land's large-scale mixed-use developments that feature a retail component are greatly enhanced by the quality and distinctiveness of the retail concepts conceived and implemented by AMG. At the BGC, for instance, Serendra, BHS and BHS Central are priming the development in its City Center. Serendra's retail zone complements the suburban lifestyle of the residential development with authentic and unique restaurants and shops.

Recognizing the impact of COVID-19 on its merchants, Ayala Malls provided rent condonation and subsidy for the duration of the various community quarantines. In 2020, the total support extended amounted to ₱6.2 billion. Health and safety measures were strictly implemented in accordance with government protocols to protect mall patrons.

Ayala Malls also focused on various digital initiatives in response to the new operating landscape. Z!ng, its digital concierge and loyalty app, was further enhanced to include a virtual mall with 61 merchants and an eGift Marketplace. It also rolled out the AyalaMalls Neighborhood Assistant (ANA), a personal shopper service for mall patrons. Other initiatives introduced were Live Online Shopping at Pasyal TV and DriveBuy, a curbside pick-up facility for callers and online shoppers.

Offices Group

Ayala Land Offices Group is involved in the development and lease or sale of office buildings and fee-based management and operations of office buildings.

Ayala Land aims to be the leading provider of office space for BPOs and significantly built up its BPO portfolio from end-2007 levels of 35,803 sqm of GLA. The build-up involved a variety of offerings - in very choice locations - covering stand-alone, build-to-suit office buildings, integrated nodes within large-mixed used developments such as Glorietta 5, Glorietta 1 & 2, and Vertex One in San Lazaro, and entire self-contained BPO and IT campuses like the UP-Ayala Land TechnoHub, One and Two Evotech Buildings in NUVALI, and the AyalaLand Baguio TechnoHub, to name a few.

While Makati has been well established as the country's premier CBD for decades, the prospects are bright for BGC to mirror Makati's success in the future. Large corporates have purchased land and have chosen to build or relocate their offices in BGC.

The office leasing business remained resilient on the back of sustained BPO and headquarter-type operations. Despite restrictions on construction, Ayala Land Offices (ALO) added two new office buildings to its portfolio, with BGC Corporate Center 2 with 27,000 sq. meters and Central Block Corporate Center 2 in Cebu with 39,000 sq. meters of GLA.

All office properties adhered to IATF health and safety guidelines. Service personnel were housed on-site at the height of the pandemic to protect their health and safety as well as assure the continued operations of all buildings. To support BPO tenants, accommodations at Seda Hotels were arranged for their employees

Hotels and Resorts

Ayala Land is also involved in the development, operation and management of branded and boutique/businessman's hotels and eco-resorts.

In 2010, Ayala Land successfully ventured into eco-tourism via the partnership with the Ten Knots Group for a 60% stake in the world-famous El Nido Resorts in Palawan. As of end of 2016, there are 213 island resort rooms available from Miniloc, Lagen, Apulit (previously Club Noah), and Pangulasian Islands in the province of Palawan.

In 2012, the Hotels and Resorts Group consolidated its ownership by completing the acquisition of the remaining 80% stake in Fairmont Hotels and Raffles Suites and Residences from Kingdom Hotels, Inc.

In 2013, the Hotels and Resorts Group signed an agreement with Asian Conservation Company to acquire its 40% stake in El Nido Resorts.

In response to the new business landscape, the hotels group offered lodging for quarantine requirements of returning overseas Filipinos. It also launched "Food-To-Go," a food take-out service for ala carte, food trays, and volume orders. Meanwhile, the resorts group, in close coordination with the Department of Tourism and the local government of El Nido, Palawan, launched travel bubbles for local tourists.

The hotels and resorts group received notable citations amidst the pandemic. These include the 2020 World Travel Award's leading hotel group in the Philippines, for Seda Hotels, for the seventh consecutive year; top hotel in the Philippines and among the top 20 hotels in Asia, for Raffles Makati; and top resorts in Asia for Apulit, Lagen, and Pangulasian, from the Condé Nast Traveler Readers' Choice Awards.

Emerging Leasing Formats

Co-Living Space (The Flats)

The Flats, launched its Safe Co-Living campaign showcasing its different safety measures, including frequent sanitation of common areas, UV disinfection, free sanitation kits, and monitored resident access. It offered flexible and affordable accommodation packages to help address the needs of the workforce seeking safe lodging during this time.

The Flats currently has two branches located in the Makati CBD and BGC, with a total bed count of 2,044 as of end-2020. More branches are being planned for opening in the next few years to offer affordable residential leasing arrangements for professionals in city centers.

Co-Working Space (Clock In)

Clock In provides flexible, co-working and serviced office facilities to start-ups, small, and mid-sized enterprises. With eight facilities located in the Makati CBD, BGC, Quezon City, Pasig City, Alabang, and Lio Palawan. Clock In offers a total of 1,413 seats as of end-2020. Standard Factory Buildings and Warehouses (ALogis) Listed subsidiary AyalaLand Logistics Holdings Corp. (ALLHC) established the ALogis brand for its industrial leasing business. It has standard factory buildings that cater to locators that need ready-built industrial facilities. ALogis added 32,000 sq. meters of warehouse GLA in Laguna Technopark and Alvierra Industrial Park, expanding its total GLA to 207,000 sq. meters.

SERVICES

Its support businesses include construction of Ayala Land and third-party projects, hotels development and management, property management, chilled water supply and retail of electricity.

Construction

A wholly-owned subsidiary of Ayala Land, MDC is engaged in engineering, design and construction of vertical and horizontal developments including roads, bridges and utilities. MDC is responsible for horizontal construction works at Ayala Land's land developments and is likewise engaged in private industrial and government infrastructure projects. MDC also developed residential condominium buildings and mall projects. It continued to service site development requirements of Ayala-related projects while it provided services to third-parties in both private and public sectors. MDC collaborated with First Balfour, Inc. to build the state-of-the-art 600-bed St. Luke's Medical Center at BGC, which was completed in November 2009 and was opened to the public in January 2010.

MDC's outstanding workmanship was demonstrated by the Leadership in Energy and Environmental Design (LEED) Gold Certification by the U.S. Green Building Council for the design and construction of the US Embassy expansion project in Manila – the first for a non-American contractor.

MDC Build Plus was likewise formed, a 100% subsidiary of MDC, which caters primarily to projects focusing on the lower end of the base of the pyramid, particularly the residential brands Amaia and BellaVita.

Property Management

APMC, a wholly-owned subsidiary of Ayala Land, is engaged in property management, principally for Ayala Land and its subsidiaries. It also provided its services to third-party clients.

APMC guarantees worry-free ownership and helps property owners over the long haul in such areas as water, power and telecommunications, security, sustainable design and best practices aligned with green buildings, and assistance in managing the properties of owners living elsewhere. It offers a full suite of services not only to Ayala property owners and lessees but also to third party clients, including a centralized 24/7 concierge service as well as manages third party-carparks and is considered one of the largest third-party carpark operators in the country today. Among its key third-party clients are the Makati Medical Center, Philippine Heart Center, Exim 2, Dusit Carpark and ABS-CBN.

Power Distribution

Power distribution subsidiaries provided uninterrupted service to the commercial leasing assets and industrial park locators during the quarantine. Direct Power Services, Inc. (DPSI), Ecozone Power Management Inc. (EPMI), and Philippine Integrated Energy Solution Inc. (PhilEnergy) altogether served 105 customers in 2020 and delivered 772.1 gigawatts (GW) of electricity, achieving net revenues of ₱1.5 billion. DPSI served 56 clients and delivered 336.4 GW; EPMI, 44 clients and 397.5 GW; and PhilEnergy, five clients and 38.2 GW.

AirSWIFT

AirSWIFT primarily serves the aircraft transportation requirements of El Nido Resorts. At the onset of the pandemic, it immediately implemented health and safety protocols which are constantly updated to align with national and local government guidelines. The airline took on a crucial role of transporting tourists who were in a number of island resorts when hard lockdowns were implemented in the country. In cooperation with the Department of Tourism and various embassies, AirSWIFT launched 75 sweeper flights ferrying 4,113 stranded tourists to Manila and Clark. AirSWIFT was the first domestic airline to mandate the use of face masks and face shields by all passengers and crew members. It was also the first domestic airline to set up seat barriers approved by the Civil Aviation Authority of the Philippines.

To this day, passengers and crew members are required to undergo RT-PCR testing before boarding any AirSWIFT flight.

STRATEGIC INVESTMENTS

Ayala Land's strategic investments provide new growth channels and expansion opportunities.

AREIT

Listed on the Philippine Stock Exchange on August 13, 2020, Ayala Land-sponsored AREIT, Inc. is the country's first real estate investment trust (REIT) following the enactment of the REIT Law in 2009. AREIT's successful launch generated net proceeds of ₱12.3 billion, introducing a new asset class that will further develop and deepen the domestic capital market.

AREIT debuted with three prime Makati-based commercial assets, namely Solaris One, Ayala North Exchange, and McKinley Exchange. AREIT used a tenth of the IPO proceeds to purchase its fourth office asset, Teleperformance Cebu, in September.

In 2020, AREIT recorded revenues of ₱2.0 billion and EBITDA of ₱1.6 billion, 3% and 4% higher than its REIT plan, respectively. The company's full-year net income ended at ₱1.2 billion on account of stable operations during the pandemic. It ended the year with a total GLA of 170,848 sq. meters. Demonstrating its commitment to deliver value to its shareholders, AREIT declared full-year dividends of ₱1.32 per share, slightly higher than its REIT plan projection during its IPO. To further grow its portfolio, it acquired two more assets in January 2021, The 30th in Pasig City and industrial lots in Laguna Technopark leased by Integrated Micro-Electronics, Inc. The AREIT IPO has been recognized by various award-giving bodies after it garnered the Best IPO in the Philippines at The Asset 2020 Country Awards, Equity Market Deal of the Year at the 5th Annual ALB Philippine Law Awards 2020, and Equity Deal of the Year at the Annual International Finance Law Review (IFLR) Awards.

ALLHC

AyalaLand Logistics Holdings Corporation (ALLHC) posted consolidated revenues of ₱3.7 billion and net income after taxes of ₱702 million, 30% lower and 10% higher than year-ago levels, respectively. Primary drivers of earnings were sales of industrial lots, stable operations of warehouses and offices, and disposal of non-core assets.

Despite the restrictions arising from community lockdowns, ALLHC added 32,000 sq. meters to its warehouse GLA ending the year with 207,000 sq. meters, an 18% growth from the previous year's 175,000 sq. meters. The additional GLA came from ALogis Biñan at the Laguna Technopark (20,000 sq. meters) and ALogis Porac at the Alviera Industrial Park (12,000 sq. meters). Commercial leasing GLA grew by 7% to 90,000 sq. meters from 84,000 sq. meters. Embracing digitalization, ALLHC also launched a number of online platforms, namely virtual tours for prospective locators, and TutuBuy and ANA South Park Personal Shopper for retail customers. ALLHC extended assistance to its affected stakeholders and communities. It granted rent reprieve to mall merchants and provided assistance to its employees and frontliners throughout the year. Aside from pledging donations to ALI Pays It Forward campaign and raising funds for Project Ugnayan, ALLHC also assisted in the procurement of medical equipment and supplies for designated COVID-19 referral hospitals.

Earlier in the year 2020, ALLHC supported relief operations for victims of the eruption of Taal Volcano, distributing relief packages in Batangas to over 1,000 affected families. Additionally, in celebration of its 30th anniversary in November, ALLHC subsidiary Laguna Technopark, Inc. (LTI) donated grocery packs to households in communities surrounding its properties—Barangay Tabun in Mabalacat, Pampanga; Barangay Sabang in Naic, Cavite; and Barangays Moog and Tubajon in Laguindingan, Misamis Oriental. Meanwhile, in partnership with the City of Manila and other Ayala group companies, ALLHC constructed and donated public convenience facilities in the Kartilya ng Katipunan Shrine for the benefit of the local community. ALLHC also provides monthly in-kind support to the Missionaries of Charity Home for the Sick Children in Tondo, Manila.

Cebu Holdings, Inc.

Total revenues of Cebu Holdings, Inc. (CHI) primarily driven by commercial lot sales and BPO leasing declined by 39% in 2020 to ₱2.9 billion. Commercial center leasing, though heavily affected by community lockdowns, contributed ₱696 million to revenues. At Central Bloc, a two-hectare "superblock" at the Cebu I.T. Park developed in partnership with parent Ayala Land, CHI opened a 214-

room Seda Hotel in February and in December completed Central Bloc Corporate Tower 2, which offers 39,000-sq. meters of GLA. CHI, with Ayala Land and SM Prime Holdings Inc., broke ground on a 26.3-hectare development at the South Road Properties in January. Called South Coast City, the waterside mixed-use estate will open up more opportunities in the southern section of Cebu.

MCT Bhd

MCT Berhad (Malaysia) ended 2020 with ₱4.9 billion in consolidated revenues, driven by sales contributed by existing projects, primarily Market Homes under the affordable market segment. This is lower than the previous year's revenues, due to the depletion of inventory and with limited project launches due to the pandemic.

MCT generated sales of ₱4.1 billion (RM339 million) from 637 units with the launch of the three projects. It also turned over four projects—Lakefront Residence 2, Prima Homes, Casa Bluebell, and Casa Wood—with a total of 3,053 units, a record high for the company, within the prescribed delivery schedule.

Merkado

Merkado, Ayala Land's 50-50 joint venture with Puregold, recorded average daily sales of ₱1.7 million, 31% higher than the previous year, across its two operating branches in Vertis North and UP Town Center, both in Quezon City.

Ortigas

Ortigas Land Corp. (OLC) ended the year with a net income of ₱810 million from ₱2.3 billion in the previous year due to the effects of the pandemic.

The Residences at The Galleon, the second tower of The Galleon mixed-use development located on ADB Avenue at the Ortigas Center in Pasig City, was launched in February. It registered sales of ₱5 billion or 30% of its total sales value on launch date.

With other project launches put on hold, OLC focused on selling existing inventory in its premier residential towers, such as Empress and Maven at Capitol Commons and Maple at Verdant Towers in Ortigas East, and office-for-sale projects, The Glaston Tower in Ortigas East and Offices at The Galleon, all in Pasig City.

OLC continued to expand its office leasing portfolio with the opening of Estancia West Wing in the fourth quarter of 2020. Ortigas Malls continued to improve its tenant mix and offerings with new concepts and sign-ups. Foot traffic across its malls continues to improve as consumer confidence is gradually restored through the implementation of safety and sanitation protocols and sustained omni-channel marketing.

Occupancy and lease-out rates remained at stable levels across all OLC developments.

To help stakeholders cope with the effects of the pandemic, OLC launched various initiatives to provide financial and in-kind assistance to its employees, service providers, tenants, healthcare workers, and the communities where it operates.

Other Revenue

In addition to the above business lines, Ayala Land also derives income from its investment activities and sale of non-core assets.

Contributions to Revenue

The table below illustrates the amounts of revenue, profitability, and identifiable assets attributable to domestic and foreign operations for the six (6) months ended June 30, 2021, and for the years ended December 31, 2020, 2019, and 2018:

	June 2021		Dec 2020		Dec 2019		Dec 2018	
	In ₱'000	In %	In ₱'000	In %	In ₱'000	In %	In ₱'000	In %
Revenues								
<i>Domestic</i>	45,436,937	96.2%	90,342,858	94.9%	160,143,686	96.1%	156,142,062	95.4%

Description of Business

<i>Foreign</i>	1,784,166	3.8%	4,811,872	5.1%	6,561,646	3.9%	7,604,756	4.6%
Total	47,221,103	100.0%	95,154,730	100.0%	166,705,332	100.0%	163,746,818	100.0%
Net operating income								
<i>Domestic</i>	15,354,596	99.5%	30,342,384	99.6%	61,357,618	98.0%	52,436,826	97.9%
<i>Foreign</i>	79,540	0.5%	127,350	0.4%	1,228,417	2.0%	1,129,534	2.1%
Total	15,434,136	100.0%	30,469,734	100.0%	62,586,035	100.0%	53,566,360	100.0%
Net Income Attributable to Equity Holders of ALI								
<i>Domestic</i>	6,108,313	101.1%	9,112,272	104.4%	32,321,166	97.4%	28,283,472	96.7%
<i>Foreign</i>	(67,077)	(1.1%)	(385,117)	(4.4%)	867,233	2.6%	957,408	3.3%
Total	6,041,236	100.0%	8,727,155	100.0%	33,188,399	100.0%	29,240,880	100.0%
Total Assets								
<i>Domestic</i>	695,986,768	95.4%	685,707,254	95.0%	678,162,085	95.0%	636,521,219	95.2%
<i>Foreign</i>	33,909,484	4.6%	35,787,120	5.0%	35,761,193	5.0%	32,299,263	4.8%
Total	729,896,252	100.0%	721,494,374	100.0%	713,923,278	100.0%	668,820,482	100.0%

Material Reclassification, Merger, Consolidation, or Purchase or Sale of a Significant Amount of Assets over the past three years

2021:

On January 5, 2021, AREIT purchased 9.8 hectares of land owned by Technopark Land, Inc., a subsidiary of Ayala Corporation, in Laguna Technopark through a deed of sale for ₱1.1 billion, VAT-inclusive. The purchase is payable in cash upon execution of the deed of sale and on January 21, 2021. The land is composed of four (4) parcels which is being leased by Integrated Micro-Electronics, Inc. ("IMI"), a related party, for its manufacturing operations for the next seven years from January 1, 2021 until December 31, 2027 with annual escalation rate of 5%.

On January 15, 2021, Ayala Land entered into a Deed of Sale with AREIT, Inc. for the disposition of The 30th Commercial Development for ₱5.1 billion (VAT inclusive). Located along Meralco Avenue in Pasig City, it is a building with a total GLA of 75,000 sqm composed of an office tower and a retail podium.

On February 23, 2021, the Board of Directors of Ayala Land approved the merger of the Company and its listed subsidiary, CHI as well as its other subsidiaries, AiO, ASCVC and CBDI, with Ayala Land as the surviving entity. Ayala Land has a 71.1% stake in CHI. ASCVC is Ayala Land's wholly-owned subsidiary, while AiO is a wholly-owned subsidiary of CHI. CBDI is 55% owned by CHI and 45% owned by ALI. The merger is an internal restructuring as well as a consolidation of Ayala Land's Cebu portfolio under one listed entity. The merger is expected to result in operational synergies, efficient funds management and simplified reporting to government agencies. The plan of merger was executed on April 5, 2021, and the articles of merger was executed on April 28, 2021..

On February 26, 2021 Ayala Land completed the sale of the shares of White Knight Holdings, Inc. in Mercado General Hospital, Inc. to Healthway Philippines, Inc. White Knight Holdings, Inc., a wholly-owned subsidiary of Ayala Land, entered into a Share Purchase Agreement with Healthway Philippines, Inc., a wholly-owned subsidiary of Ayala Healthcare Holdings, Inc. to sell the former's 39.20% share in the outstanding capital stock of Mercado General Hospital, Inc., the holding company for the QualiMed healthcare network of hospitals and clinics.

On April 30, 2021, ALI sold 44,000,000 shares of AREIT at a transaction price of ₱32.00 per share,

equivalent to ₱1.408 billion (exclusive of fees and taxes). This transaction was executed in relation to the property-for-share swap between ALI, and its subsidiaries, Westview Commercial Ventures Corp (Westview), and Glensworth Development, Inc. (Glensworth), and AREIT. As disclosed by AREIT last March 16, 2021, under the property-for-share swap, AREIT will issue 483,254,375 primary common shares of stock (swap shares) to ALI, Westview, and Glensworth, at an issue price of ₱32.00 per share, in exchange for identified ALI properties valued at ₱15,464,140,000.00, in accordance with the Fairness Opinion issued by PwC – Isla Lipana & Co. The swap shares will be issued from AREIT's increased authorized capital stock of ₱29.5 billion. On June 8, 2021, ALI, Westview, and Glensworth executed the Deed of Exchange with AREIT on the property-for-share swap transaction. The property-for-share swap is intended to be completed by the end of the year.

2020:

AREIT (formerly One Dela Rosa Property Development, Inc.) was incorporated in September 4, 2006 and was listed in the PSE on August 13, 2020. Effectively, ALI's effective ownership is now at 54.43%. The company was organized primarily as a real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations and other applicable laws.

Swift Aerodrome Services, Inc. was incorporated in January 20, 2020 and is 100% owned by ALI Capital Corporation (ALICAP), a wholly owned subsidiary of ALI. The company was organized primarily to manage and operate airports owned by ALI.

Altaraza Development Corporation was incorporated on May 27, 2020 and is 51% owned by ALI and 49% owned by Gregorio Araneta, Inc. and Araza Resources, Inc. ("Araneta Group"). The company was organized primarily to acquire and develop or hold land for investments in Altaraza Estate in Bulacan.

2019:

Central Bloc Hotel Ventures, Inc. was incorporated in October 28, 2019 and is 100% owned by Central Block Developers, Inc., a 45% owned by ALI and 55% owned by Cebu Holdings, Inc. (CHI). The company was organized to operate Seda Hotel Central Block in Cebu City.

2018:

In December 2018, ALI acquired 8,051 common shares of LTI for ₱800.0 million increasing its ownership to 95%.

On December 17, 2018, Asiatown Hotel Ventures, Inc., a domestic corporation registered with the Securities and Exchange Commission. The Company is wholly owned subsidiary of AyalaLand Hotels and Resorts Corp. (AHRC) and was organized primarily for the development of Seda Cebu IT Park.

On November 15, 2018, AMC Japan Concepts, Inc. was incorporated. It is 75% owned by ALI Commercial Center, Inc. and 25% owned by MC Commercial Property Holdings, Inc. The company is organized primarily to manage the Glorietta Roofdeck – Japan Town.

On November 6, 2018, SEC approved the merger between CHI and CPVDC with CHI as the surviving entity. ALI acquired additional 59,631,200 common shares of CHI totaling to ₱352.8 million. Further, an additional 77,742,516 shares were acquired as a result of swap of CPVDC shares for a total consideration of ₱229.3 million which brings Parent Company's ownership to 70.4%.

On September 12, 2018, One Makati Residential Ventures, Inc., a wholly owned subsidiary of AyalaLand Hotels and Resorts Corp. (AHRC) was registered with the Securities and Exchange Commission. The company was organized primarily for the development of One Ayala Residences.

Other than as described above, there are no other contracts that the Issuer considers material.

Distribution Methods of Products

The Company's residential products are distributed to a wide range of clients through various sales groups.

Ayala Land (parent company) has its own in-house sales team. In addition, it has a wholly-owned subsidiary, ALSI, which employs mission-based sales people. Ayala Land uses a sales force of about 15,000 brokers and sales agents guided by a strict Code of Ethics.

The OFW market is being pursued through award-winning websites, permanent sales offices or broker networks, and regular roadshows with strong follow-through marketing support in key cities abroad. ALISI, created in March 2005, leads the marketing, sales and channel development activities and marketing initiatives of the three residential brands abroad. ALISI has established Marketing Offices in Northern California, specifically in Milpitas in 2012, its first branch, and in San Francisco in March 2014. Marketing Offices were also set up in Singapore in September 2013, Hong Kong in February 2014, and a Representative office in Dubai in 2013. ALISI also assumed the operations of AyalaLand International Marketing, Inc. in Italy and London. In addition, One Ayala program, which bundles the products and services of Ayala Land, BPI and Globe Telecom, gives access to potential Ayala Land clients overseas, i.e. through BPI's 17 overseas offices and 81 tie-ups. In addition, the Ayala Land-BPI Dream Deals program aims to generate additional sales from local market.

Separate sales groups have also been formed for certain subsidiaries which cater to different market segments under Amaia (economic housing), Avida (affordable housing), Alveo (middle-income housing) and BellaVita (socialized housing). To complement these sales groups, Ayala Land and its subsidiaries also tap external brokers.

Effective second half of 2008, residential sales support transactions of ALP, Alveo, and Avida is being undertaken by the shared services company APSI put up by the Company. In 2010, APRISA completed its full roll-out to handle transactional accounting processes across the Ayala Land Group.

The residential brands maximized digital assets to reach out to buyers. This resulted in 17% of reservation sales originating from online channels in 2020. To adapt to the changing environment, ALP launched new digital initiatives to continue serving its customers. These include 360-degree virtual tours of residences, interactive brochures, and online lifestyle events. In 2020, Alveo completed its full transition to digital selling, rolling out new sales materials and activities including virtual property tours, and 360-degree interactive tours of model units and project amenities. ALVEO increased the number of its digital and mobile transactions, including online reservations and digital bookings and offered the option for virtual turnover to buyers. ALVEO's website was optimized for both desktop and mobile use, and its social media assets were utilized to provide information on its various projects. Investment and lifestyle webinars were held regularly to cater to the diverse interests of potential buyers. For Avida, the pandemic provided an opportunity to pivot to online operations, facilitating contactless interaction and transactions for the safety and convenience of its customers, employees, and business partners. Key online activities were immediately enforced across all touchpoints, from digital sales, marketing and online appointments, to virtual turnovers.

Competition

Ayala Land is the only full-line real estate developer in the Philippines with a major presence in almost all sectors of the industry. Ayala Land believes that, at present, there is no other single property company that has a significant presence in all sectors of the property market. Ayala Land has different competitors in each of its principal business lines.

With respect to its mall business, Ayala Land's main competitor is SM Prime Holdings, Inc. whose focus on mall operations gives SM Prime Holdings, Inc. some edge over the Company in this line of business. Nevertheless, Ayala Land is able to effectively compete for tenants primarily based on its ability to attract customers -- which generally depends on the quality and location of its shopping centers, mix of tenants, reputation as a developer, rental rates and other charges.

For office rental properties, Ayala Land sees competition in smaller developers such as Kuok Properties (developer of Enterprise Building), Robinsons Land (developer of Robinsons Summit Center) and non-

traditional developers such as the AIG Group (developer of Philam Towers) and RCBC (developer of RCBC towers). For BPO office buildings, Ayala Land competes with the likes of Megaworld and Robinsons Land. Ayala Land is able to effectively compete for tenants primarily based upon the quality and location of its buildings, reputation as a building owner, and quality of support services provided by its property manager, rental and other charges.

With respect to residential lot and condominium sales, Ayala Land competes with developers such as Megaworld, DMCI Homes, Robinsons Land, and SM Development Corporation. Ayala Land is able to effectively compete for purchasers primarily on the basis of reputation, price, reliability, and the quality and location of the community in which the relevant site is located.

For the middle-income/affordable housing business, Ayala Land sees the likes of SM Development Corp, Megaworld, Filinvest Land and DMCI Homes as key competitors. Alveo and Avida are able to effectively compete for buyers based on quality and location of the project and availability of attractive in-house financing terms.

For the economic housing segment, Amaia competes with Camella Homes, DMCI Homes, Filinvest, Robinsons Land and SM Development Corporation.

BellaVita, a relatively new player in the socialized housing market, will continue to aggressively expand its geographical footprint with product launches primarily located in provincial areas.

Capital Expenditures (Consolidated)

For the year 2021, Ayala Land's consolidated budget for project and capital expenditures was ₱88 billion, of which ₱32.13 billion has been disbursed as of June 30, 2021 mainly to support residential projects, estate development, commercial projects, and land acquisition.

Subsidiaries, Associates and Joint Ventures

As of June 30, 2021, there are several companies which are either subsidiaries or associates and joint ventures of Ayala Land. Certain details and the percentage of ownership held by Ayala Land of each of these companies are described below:

Subsidiaries

	Date of Incorporation	Effective Ownership (%)*
Real Estate:		
Alveo Land Corporation (Alveo)	September 29, 1995	100
Serendra, Inc.	June 7, 1994	39
Solinea, Inc. (Solinea)	April 2, 2007	65
BGSouth Properties, Inc. (BGS)	August 10, 2011	50
Portico Land Corp. (Portico)	October 2, 2013	60
Serendra, Inc.	June 7, 1994	28
Amorsedia Development Corporation (ADC)	March 6, 1996	100
OLC Development Corporation and Subsidiary	June 28, 1996	100
HLC Development Corporation	June 28, 1996	100
Allysonia International Ltd.	February 18, 2000	100
Avida Land Corporation (Avida)	October 30, 1990	100
Buklod Bahayan Realty and Development Corp.	November 5, 1996	100
Avida Sales Corp. and Subsidiaries	December 22, 2004	100
Amicassa Process Solutions, Inc.	June 2, 2008	100
Avencosouth Corp. (Avencosouth)	April 26, 2012	70
BGNorth Properties, Inc. (BGN)	August 5, 2011	50
Amaia Land Co. (Amaia)	May 29, 2000	100
Amaia Southern Properties, Inc. (ASPI)	February 12, 2013	65
AyalaLand Premier, Inc.	July 7, 2017	100

Description of Business

Ayala Land International Sales, Inc. (ALISI)	March 29, 2005	100
Ayala Land International Marketing, Inc. (AIMI)	February 28, 2012	100
Ayala Land International (Singapore) Pte. Ltd	July 4, 2013	100
Ayala Land International Marketing (Hong Kong) Ltd	November 20, 2013	100
Ayala Land International Marketing, SRL	April 9, 2014	100
Ayala Land International Marketing, London	December 10, 2014	100
Ayala Land Sales, Inc.	March 6, 2002	100
Southportal Properties, Inc. (Southportal)	December 1, 2014	65
Buendia Landholdings, Inc.	October 27, 1995	100
Crans Montana Holdings, Inc.	December 28, 2004	100
Crimson Field Enterprises, Inc.	October 26, 1995	100
Ecoholdings Company, Inc. (ECI)	September 25, 2008	100
NorthBeacon Commercial Corporation (NBCC)	August 13, 1970	100
Red Creek Properties, Inc.	October 17, 1994	100
Regent Time International, Limited (Regent Time) (British Virgin Islands)	March 28, 2003	100
North Eastern Commercial Corp. (formerly Asterion Technopod, Incorporated (ATI))	July 8, 2008	100
Westview Commercial Ventures Corp. (formerly Crestview E-Office Corporation) (Westview)	July 8, 2008	100
North Ventures Commercial Corp. (formerly Fairview Prime Commercial Corp.) (formerly Gisborne Property Holdings, Inc.)	August 24, 2007	100
Hillsford Property Corporation (HPC)	August 24, 2007	100
Primavera Towncentre, Inc. (PTI)	December 18, 2009	100
Summerhill E-Office Corporation (Summerhill)	July 7, 2008	100
Sunnyfield E-Office Corporation (Sunnyfield)	July 7, 2008	100
Subic Bay Town Centre, Inc.	March 9, 2010	100
Regent Wise Investments Limited (Regent Wise) (Hongkong Company)	May 12, 2010	100
AyalaLand Real Estate Investments, Inc.	February 4, 2013	100
AyalaLand Advisory Broadway, Inc.	February 4, 2013	100
AyalaLand Development (Canada), Inc.	February 15, 2013	100
AyalaLand OpenAsia Holdings PTE, Limited	July 6, 2012	100
Blue Horizons Holdings PTE, Limited	September 20, 2013	100
Modular Construction Technology (MCT) Bhd.	April 6, 2015	66
AREIT, Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	September 30, 2010	100
Arvo Commercial Corporation (Arvo)	June 23, 2011	100
BellaVita Land Corporation (BellaVita)	March 21, 1995	100
Nuevo Centro, Inc. (Nuevo Centro)	April 15, 2011	54
Alviera Country Club, Inc. (Alviera)	July 9, 2014	50
Cavite Commercial Town Center, Inc.	July 31, 2009	100
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)	September 4, 2006	50
AyalaLand Offices, Inc. (ALO) (formerly ALI Property Partners Corp. (APPCo))	July 26, 2006	100
First Gateway Real Estate Corp.	September 4, 2006	100
Glensworth Development, Inc. (Glensworth)	August 23, 2007	100
UP North Property Holdings, Inc.	March 26, 2007	100
ALO Prime Realty Corporation	April 23, 2008	100
Makati Cornerstone Leasing Corp. (MCLC)	June 5, 2017	100
Arca South Commercial Ventures Corp.	November 16, 2017	100
Capitol Central Commercial Ventures Corp.	December 4, 2017	100
Bay City Commercial Venture Corp. (BCCVC)	November 3, 2017	100
Aurora Properties Incorporated	December 3, 1992	81
Soltea Commercial Corp.	June 13, 2013	16
Vesta Property Holdings, Inc.	October 22, 1993	78

Description of Business

Altaraza Prime Realty Corporation	March 9, 2016	100
Altaraza Development Corporation	May 27, 2020	51
Prow Holdings, Inc.	May 24, 2013	55
Station Square East Commercial Corporation (SSECC)	March 17, 1989	69
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.)	May 4, 2015	100
Accendo Commercial Corp. (Accendo)	December 17, 2007	67
Avencosouth Corp.	April 26, 2012	20
Aviana Development Corporation	September 17, 2013	7
Aviana Development Corporation	September 17, 2013	50
Cagayan de Oro Gateway Corp. (CDOGC)	March 3, 2010	70
Ceci Realty, Inc. (Ceci)	August 22, 1974	60
Soltea Commercial Corp.	June 13, 2013	12
Soltea Commercial Corp.	June 13, 2013	60
CMPI Holdings, Inc.	May 30, 1997	60
CMPI Land, Inc.	March 27, 1998	36
ALI-CII Development Corporation (ALI-CII)	August 6, 1997	50
Roxas Land Corporation (RLC)	March 18, 1996	50
Adauge Commercial Corporation (Adauge)	September 5, 2012	60
Ayalaland Estates, Inc. (formerly Southgateway Development Corp. (SDC))	October 19, 2012	100
Ayalaland MetroNorth, Inc. (AMNI)	November 29, 2012	100
Verde Golf Development Corporation	August 8, 2013	100
North Triangle Depot Commercial Corporation (NTDCC)	March 20, 2001	73
BGWest Properties, Inc. (BGW)	August 5, 2011	50
Lagdigan Land Corp. (Lagdigan)	March 17, 2014	60
Central Block Developers, Inc. (CBDI)	July 28, 2015	45
Central Bloc Hotel Ventures, Inc.	October 28, 2019	45
Cebu Holdings, Inc. (CHI)	December 9, 1988	71
Cebu Leisure Company, Inc.	January 31, 1994	71
CBP Theatre Management, Inc.	February 1, 1994	71
Taft Punta Engaño Property, Inc. (TPEPI)	September 8, 2011	39
Cebu Insular Hotel Company, Inc. (CIHCI)	April 6, 1995	26
Solinea, Inc.	April 2, 2007	25
Amaia Southern Properties, Inc. (ASPI)	February 12, 2013	25
Southportal Properties, Inc. (Southportal)	December 1, 2014	25
Central Block Developers, Inc. (CBDI)	July 28, 2015	39
Central Block Hotel Ventures	October 28, 2019	39
Asian I-Office Properties, Inc. (AIOPI)	September 24, 2007	71
Alabang Commercial Corporation (ACC)	June 28, 1978	50
South Innovative Theater Management (SITMI)	February 2, 2001	50
ALI Commercial Center, Inc.	October 13, 2014	100
AMC Japan Concepts, Inc.	November 15, 2018	75
AyalaLand Logistics Holdings Corp. (formerly Prime Orion Philippines Inc.)	May 19, 1989	71
FLT Prime Insurance Corporation	February 22, 1977	56
Orion Solutions, Inc.	October 12, 1994	71
Orion I Holdings Philippines, Inc.	March 9, 1993	71
OE Holdings, Inc.	August 6, 1993	71
Orion Land, Inc.	April 22, 1996	71
Lepanto Ceramics, Inc.	March 26, 1990	71
Laguna Technopark, Inc. (LTI)	November 15, 1990	71
Ecozone Power Management, Inc.	August 20, 2010	71
Unity Realty & Development Corp.	April 11, 1997	71
Ayalaland Malls Synergies, Inc.	June 1, 2016	100
Ayalaland Malls, Inc. (formerly Solerte, Inc.)	February 19, 2013	100

Description of Business

Ayalaland Malls Vismin, Inc.	October 15, 2015	100
Ayalaland Malls Northeast, Inc.	October 15, 2015	100
Construction:		
Makati Development Corporation (MDC)	August 15, 1974	100
MDC Subic, Inc.	June 28, 2010	100
MDC Build Plus, Inc.	October 17, 2011	100
MDC Concrete, Inc. (MCI)	August 12, 2013	100
MDC Equipment Solutions, Inc. (MESI)	September 16, 2013	100
MDBI Construction Corp. (formerly MDC Triangle, Inc.)	March 1, 2017	67
Hotels		
Ayala Hotels, Inc. (AHI)	April 11, 1991	50
AyalaLand Hotels and Resorts Corporation (AHRC) and Subsidiaries	September 21, 2010	100
ALI Makati Hotels & Residences, Inc. (formerly KHI-ALI Manila, Inc.)	January 30, 2007	80
ALI Makati Hotel Property, Inc. (formerly KHI Manila Property, Inc.)	August 13, 2007	80
Asian Conservation Company Limited and Subsidiary	March 22, 2001	100
Enjay Hotels, Inc. (Enjay)	July 12, 1990	100
Greenhaven Property Ventures, Inc. (GPVI)	July 9, 2008	100
Cebu Insular Hotel Company, Inc. (CIHCI)	April 6, 1995	63
Bonifacio Hotel Ventures, Inc.	October 13, 2010	100
Southcrest Hotel Ventures, Inc.	October 18, 2010	67
Northgate Hotel Ventures, Inc.	October 18, 2010	70
North Triangle Hotel Ventures, Inc.	October 18, 2010	100
Ecosouth Hotel Ventures, Inc.	May 19, 2011	100
Sentera Hotel Ventures, Inc.	June 19, 2014	100
Econorth Resorts Ventures, Inc.	October 8, 2014	100
ALI Triangle Hotel Ventures, Inc.	March 4, 2014	100
Circuit Makati Hotel Ventures, Inc.	October 20, 2014	100
Capitol Central Hotel Ventures, Inc.	October 20, 2014	100
Arcasouth Hotel Ventures, Inc.	October 17, 2014	100
Sicogon Town Hotel, Inc.	September 29, 2015	100
Bay Area Hotel Ventures, Inc.	September 6, 2017	100
Makati North Hotel Ventures, Inc. (MNHVI)	October 10, 2017	100
One Makati Hotel Ventures, Inc. (OMHVI)	September 28, 2017	100
Sicogon Island Tourism Estate, Corp.	July 8, 2015	100
Asiatown Hotel Ventures, Inc.	December 17, 2018	100
One Makati Residential Ventures, Inc.	September 12, 2018	100
ALI Makati Hotels & Residences, Inc. (formerly KHI-ALI Manila, Inc.)	January 30, 2007	20
ALI Makati Hotel Property, Inc. (formerly KHI Manila Property, Inc.)	August 13, 2007	20
Ten Knots Phils., Inc. (TKPI)	November 22, 1979	60
Bacuit Bay Development Corporation	April 28, 1997	60
Lio Resort Ventures, Inc.	October 27, 2015	60
North Liberty Resort Ventures, Inc.	October 27, 2015	60
Paragua Eco-Resort Ventures, Inc.	October 27, 2015	60
Lio Tourism Estate Management Corp.	October 10, 2016	60
Ten Knots Development Corp. (TKDC)	August 22, 1992	60
Chirica Resorts Corp.	September 25, 2009	60
Kingfisher Capital Resources Corp.	August 20, 2002	60
Pangulasian Island Resort Corporation	September 18, 2015	60
Integrated Eco-resort Inc.	May 27, 2015	100

Description of Business

Property Management:		
Ayala Property Management Corporation (APMC)	July 25, 1951 (Extended for another term of 50 years as approved on October 13, 2003)	100
Prime Support Services, Inc.	October 14, 2015	100
Ayala Theatres Management, Inc. and Subsidiaries	August 10, 1984	100
DirectPower Services, Inc. (DirectPower)	September 14, 2011	100
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	September 21, 2010	100
Entertainment:		
Five Star Cinema, Inc.	December 18, 2000	100
Leisure and Allied Industries Philippines, Inc. (LAIP)	October 10, 1997	50
Others		
ALInet.com, Inc. (ALInet)	May 5, 2000	100
First Longfield Investments Limited (First Longfield)	October 23, 2006	100
Green Horizons Holdings Limited	October 25, 2006	100
Horizon Wealth Holding Ltd.	March 28, 2018	100
Aprisa Business Process Solutions, Inc. (Aprisa)	September 21, 2010	100
AyalaLand Club Management, Inc.	December 26, 2011	100
ALI Capital Corp. (formerly Varejo Corp.)	June 25, 2012	100
Airswift Transport Inc. (formerly Island Transvoyager, Inc.)	October 2, 2002	100
Swift Aerodrome Services, Inc.	January 20, 2020	100
Arca South Integrated Terminal, Inc.	November 27, 2015	100
Whiteknight Holdings, Inc. (WHI)	May 14, 2013	100
Ayalaland Medical Facilities Leasing Inc.	April 13, 2015	100
Anvaya Cove Beach and Nature Club, Inc. (Anvaya Cove Beach)**	March 28, 2005	73
Anvaya Cove Golf and Sports Club, Inc. (Anvaya Cove Golf)**	September 21, 2010	76

* Includes Ayala Land and its subsidiaries' percentage and effective ownership

** Includes CPVD interest in CBDI

Joint Ventures

	Date of Incorporation	Effective Ownership (%) *
Emerging City Holdings, Inc. (ECHI)	September 29, 1995	50
ALI-ETON Property Development Corporation (ALI ETON)	March 13, 2016	50
AKL Properties, Inc. (AKL)	May 28, 2018	50
Berkshires Holdings, Inc. (BHI)	December 4, 2002	50
Cebu District Property Enterprise, Inc. (CDPEI)	February 20, 2014	35
Alveo-Federal Land Communities, Inc.	June 16, 2015	50
AyaGold Retailers, Inc. (AyaGold)	October 2, 2013	50
BYMCW, Inc.	August 2, 2017	30
SIAL Specialty Retailers, Inc. (SIAL Specialty)	September 27, 2012	50

* Includes Ayala Land and its subsidiaries' related percentages of ownership

Associates

	Date of Incorporation	Effective Ownership (%)*
OCLP Holdings, Inc.(OHI)	September 29, 1995	21
Bonifacio Land Corp. (BLC)	October 20, 1994	10
Rize-Ayalaland (Kingsway) GP, Inc. (Rize-Ayalaland)	January 25, 2013	49
Tianjin Eco-City Ayala Land Development Co., Ltd (Tianjin Eco-City)	November 17, 2010	40
Lagoon Development Corporation	August 27, 1996	30

Suppliers

The Company has a broad base of suppliers, both local and foreign. The Company is not dependent on one or a limited number of suppliers.

Customers

Ayala Land has a broad market base including local and foreign individual and institutional clients. The Company does not have a customer that will account for twenty percent (20%) or more of its revenues.

Research and Development

While the Company engages in research and development activities, the expenses incurred in connection with these activities are not material.

Employees

Ayala Land had a total workforce of 307 regular employees as of June 30, 2021.

The breakdown of ALI's employees according to category is as follows:

Senior Management	28
Middle Management	208
Staff	71
Total	307

Ayala Land anticipates that it will have a total workforce of 308 regular employees by the end of June 2022.

Employees take pride in being an ALI employee because of the Company's long history of bringing high quality developments to the Philippines. With the growth of the business, career advancement opportunities are created for employees. These attributes positively affect employee engagement and retention.

The Company aims that its leadership development program and other learning interventions reinforce ALI's operating principles and provide participants with a set of tools and frameworks to help them develop skills and desired qualities of an effective leader. The programs are also venues to build positive relations and manage networks within the ALI Group.

ALI has a healthy relation with its employees' union. Both parties openly discuss employee concerns without necessity of activating the formal grievance procedure.

Further, employees are able to report fraud, violations of laws, rules and regulations, or misconduct in the organization through reporting channels under the ALI Business Integrity Program.

ALI's Rank & File employees form the collective bargaining unit. ALI's current collective bargaining agreement covers the period January 1, 2020 to December 31, 2021. There have been no strikes in the last three (3) years.

Intellectual Property

Intellectual Property

The Company has a License Agreement with its parent holding company, Ayala Corporation, whereby it was granted the license to use the composite marks “Ayala Land” and “AyalaLand”. However, except for certain cases as stated in the License Agreement, the Company cannot use the mark “Ayala” without the prior written consent of Ayala Corporation.

Ayala Land (by itself or through its subsidiaries) has secured trademark registrations for its major residential brands Ayala Land Premier, Alveo, Avida, Amaia, BellaVita, and its commercial business group, including major brands in its Ayala Malls group, Hotels and Resorts, AyalaLand Logistics, and AREIT. As part of its brand management, the Company and its subsidiaries also apply for, obtain and maintain trademark registrations for its various developments, projects and developments.

Licenses

Phenix Building System, a 50%-50% joint venture between Maison Individuelles, S.A. (“MISA”) of France and Avida was organized in June 1998 and subsequently registered with the SEC as Laguna Phenix Structures Corporation (“LPSC”) in July 1999.

LPSC is primarily engaged in the business of manufacturing, installation, erection and construction, marketing and promotion, and wholesaling of buildings, houses and other structures and accessories using the “Phenix” technology (for which a patent has been registered and issued in the Philippines under RP Patent No. 29862). Both MISA and Avida assigned their respective license rights to LPSC since the latter’s incorporation.

Regulation

Presidential Decree No. 957, as amended, Republic Act No. 4726, as amended, Batas Pambansa Bilang 220 (“BP 220”), RA 4726 and RA 7279, as amended, are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. Presidential Decree No. 957 covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes, and condominium projects for residential or commercial purposes.

On February 14, 2019, Republic Act No. 11201, also known as the “Department of Human Settlements and Urban Development,” which consolidated the Housing and Urban Development Coordinating Council (HUDCC) and HLURB. The following functions of the HLURB were transferred to the DHSUD:

- (a) The land use planning and monitoring function, including the imposition of penalties for noncompliance to ensure that LGUs follow the planning guidelines and implement their Comprehensive Land Use Plan (CLUP) and zoning ordinances;
- (b) The regulatory function, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums and similar real estate developments are hereby transferred to the Department; and
- (c) The adjudicatory mandate is hereby transferred to the Commission.

The DHSUD, being the primary national government entity responsible for the management of housing, human settlement and urban development is the administrative agency of the Government which enforces this decree and has jurisdiction to regulate the real estate trade and business.

In this regard, all subdivision plans and condominium project plans of ALI are required to be filed with and approved by the DHSUD and the relevant LGU of the area where the project is situated. Approval of such plans is conditional on, among other things, ALI’s financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant local government unit. ALI, as owner of and dealer in real estate projects, is required to obtain licenses to sell (“LTS”) before making sales or other dispositions of lots or real estate projects.

Subdivision or condominium units may be sold or offered for sale only after an LTS has been issued by the DHSUD. As a requisite for the issuance of an LTS by the DHSUD, developers are required to file with the DHSUD security (in the form of a surety bond, mortgage, or any other form of security) to guarantee the completion of the development and compliance with the applicable laws, rules and regulations:

Dealers, brokers and salesmen of real estate projects of ALI are also required to register with the Philippine Regulatory Commission. Project permits and licenses to sell may be suspended, cancelled or revoked by the DHSUD by itself or upon complaint from an interested party. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the DHSUD's rules of procedure and other applicable laws. ALI has been able to maintain these permits and licenses.

Under current regulations, ALI as developer of subdivision projects having an area of one hectare or more is required to reserve at least 30% of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. ALI, as a developer of subdivision projects with twenty (20) lots and below per hectare, is required to reserve at least 3.5% of the gross project area for parks or playgrounds. ALI has been compliant with these requirements.

Under the agrarian reform law and the regulations issued thereunder by the Department of Agrarian Reform ("DAR"), land classified for agricultural purposes as of or after June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR. Republic Act No. 9700, the law extending the term of the comprehensive agrarian reform program for another five (5) years, was signed by President Arroyo on August 7, 2009, and expired on June 30, 2014. Prior to undertaking any development of agricultural lands, ALI obtains the necessary permits from the relevant government agencies.

While the 1987 Philippine Constitution prohibits foreigners from owning land, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40%. To the extent of the foregoing, ALI's foreign market for real estate projects is limited.

Republic Act No. 7279 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same city or municipality, whenever feasible, and in accordance with the standards set by the HLURB, now DHSUD. ALI has been compliant with this requirement in accordance with the rules and regulations implementing Republic Act No. 7279.

On June 29, 2021, Republic Act No. 11521, otherwise known as the "Anti-Money Laundering Act of 2021," was passed into law, which included real estate developers and brokers as covered persons. Thus, Ayala Land, and its relevant subsidiaries engaged in development of land for sale and/or lease became covered persons under the AMLA. Covered persons are required to register with the Anti-Money Laundering Council (AMLC), and report single cash transaction involving an amount in excess of Seven Million Five Hundred Thousand Pesos (₱7,500,000) and suspicious transactions. ALI and its relevant subsidiaries have been taking steps to ensure compliance with AMLC rules.

Construction

The construction industry in the Philippines is subject to regulation by the Government as described below.

Licenses. A regular contractor's license is required to be obtained from the Philippine Contractors Accreditation Board ("PCAB"). In granting such license, the PCAB takes into consideration the applicant-contractor's qualifications and compliance with certain minimum requirements in the following criteria: (i) financial capacity, (ii) equipment capacity, (iii) experience of firm, and (iv) experience of technical personnel. Philippine laws also require a contractor to secure construction permits and environmental clearances from appropriate Government agencies prior to actually undertaking each project. MDC is duly accredited by the PCAB as a licensed contractor and maintains all required qualifications in compliance with the PCAB's requirements.

Minimum Philippine Ownership Requirement. Under Philippine law, in order to bid on publicly funded Government contracts, a contractor must be at least 75%-owned by Philippine nationals. In this connection, Ayala Land has maintained at least 60% ownership by Philippine nationals. As of June 30, 2021, Ayala Land's foreign ownership is at 19.96%.

Real Estate Sales on Installments

The provisions of Republic Act No. 6552, or the Maceda Law apply to all transactions or contracts involving the sale or financing of real estate on instalment payments (including residential condominium units but excluding industrial lots and commercial buildings and sales to tenants under Republic Act 3844). Under the provisions of the Maceda Law, where a buyer of real estate has paid at least two years of instalments, the buyer is entitled to the following rights in case of a default in the payment of succeeding instalments:

- To pay, without additional interest, the unpaid instalments due within the total grace period earned by him, which is fixed at the rate of one month for every one year of instalment payments made. However, this right may be exercised by the buyer only once every five years during the term of the contract and its extensions, if any.
- If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to 50.0% of the total payments made, and in cases where five years of instalments have been paid, an additional 5.0% every year (but with a total not to exceed 90.0% of the total payments). However, the actual cancellation of the contract shall take place after thirty days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act and upon full payment of the cash surrender value to the buyer.

In the event that the buyer has paid less than two years of installments, the seller shall give the buyer a grace period of not less than 60 days from the date the installment became due. If the buyer fails to pay the installments due at the expiration of the grace period, the seller may cancel the contract after 30 days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act.

Shopping Malls

Shopping mall centers are regulated by the LGU of the city or municipality where the establishment is located. In line with this, mall operators must secure the required mayor's permit or municipal license before operating. In addition, no mall shall be made operational without complying first with the provisions of RA 9514, otherwise known as the "Fire Code" and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a sanitary permit from the Department of Health. It is also compulsory for shopping malls discharging commercial wastewater to apply for a wastewater discharge permit from the DENR and to pay the fee incidental to the permit.

Property Laws

Land Registration

The Philippines has adopted a system of land registration which conclusively confirms land ownership which is binding on all persons, including the Government. Once registered, title to registered land can no longer be challenged except with respect to claims annotated on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription.

Unregistered land may be brought under the system via administrative or judicial proceeding. For judicial proceedings, proper surveying, application, publication, service of notice and hearing, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment within 15 days to the Court of Appeals. After the lapse of the period of appeal, the Registry of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration.

Any subsequent transfer or encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and issuance of a new title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

In accordance with the said system of land registration, ALI ensures that all properties held or developed are properly covered by valid and subsisting certificates of title.

Zoning

Land use may be limited by zoning ordinances enacted by provinces, cities or municipalities. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. All developments of ALI comply with the applicable zoning classification.

Subdivisions and Condominiums

All subdivision lots and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the local government unit in which the project is situated. The development of subdivision lots and condominium projects can commence only after the local government unit has issued the development permit.

Subdivision lots or condominium units may be sold or offered for sale only after a license to sell has been issued by the DHSUD. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision lot or condominium project and compliance with applicable laws and regulations. All documents evidencing conveyances of subdivision and condominium units should be registered with the relevant Registry of Deeds.

Title to the subdivision lot or condominium unit must be delivered to the purchaser upon full payment of the purchase price.

The foregoing permits, licenses and approvals are secured by ALI for its subdivision and condominium developments.

Special Economic Zone

The Fiscal Incentives and Review Board (FIRB) exercises policy making and oversight functions on all Registered Business Enterprises (RBE) and Investment Promotion Agencies (IPA). One of such IPA is the Philippine Economic Zone Authority (PEZA). PEZA operates, administers and manages Ecozones around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the Government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA-registered enterprises located in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays (ITH), special corporate income tax rate (SCIT) of 5%, Enhanced Deductions (ED), and duty free importation of equipment, machinery and raw materials.

Enterprises offering IT services (such as call centers and other BPO firms using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and

the DENR.

Certain of ALI's properties are registered with PEZA, and this provides significant benefits to ALI's tenants. PEZA registration provides significant tax incentives to those of ALI's customers that are PEZA-registered (they can, for example, avail themselves of income tax incentives such as ITH, 5% SCIT or ED under the CREATE Law), thereby making tenancy in ALI's PEZA-registered buildings potentially more attractive to them.

Property Taxation

Real property taxes are payable annually based on the property's assessed value. Assessed values are determined by applying the assessment levels (set by ordinances of the concerned Sanggunian) against the fair market values of real property. The assessed value of property and improvements vary depending on the location, use and the nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas.

A province or city, or a municipality within Metro Manila may also levy and collect an annual tax of one percent (1%) on the assessed value of real property which shall be in addition to the basic real property tax to accrue exclusively to the Special Education Fund of the local government unit where the property is located. ALI promptly pays the real estate taxes and assessments on the properties it owns.

Environmental Laws

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate ("ECC") prior to commencement. As a requisite for the issuance of an ECC, an environmentally critical project must prepare an Environmental Impact Statement ("EIS"), while a project in an environmentally critical area must prepare an Initial Environmental Examination ("IEE"), without prejudice to the power of the DENR to require a more detailed EIS. In case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum, it contains all relevant information regarding the project's environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("EGF") when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment. The EGF is intended to answer for damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("EMF") when an ECC is eventually issued. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

In addition to the requirement for the issuance of an ECC, all public and private proponents of subdivision development projects, housing projects and other land development and infrastructure projects are required to undertake an Engineering Geological and Geohazard Assessment ("EGGA"). The EGGA is undertaken in order that project proponents can adequately and comprehensively address and mitigate the possible effects/impacts of geologic hazards. To comply with this requirement, the proponent causes the preparation of an Engineering Geological and Geohazard Assessment Report ("EGGAR") including the conduct of all site specific specialized Technical Due Diligence studies that are applicable in order to validate all identified geologic and hydrologic hazards in EGGAR, as prescribed by the DENR- Mines and Geosciences Bureau ("MGB"). The EGGAR shall be subject to review/verification by DENR-MGB and for appropriate transmittal or endorsement to the DENR-EMB and other concerned government Agencies. The EGGAR is used as an institutional planning tool to safeguard development projects from the hazards caused by geological phenomena. ALI undertakes the EGGA and secures ECCs prior to commencement of its real estate projects and exerts best efforts to comply with the conditions specified therein. Real Estate projects are also required to secure relevant local permits and abide by requirements specific to local zoning ordinances, and, if applicable, protected area guidelines. ALI secures the necessary permits and keeps track of national and local regulatory developments.

In general, there have been no materially significant or extraordinary costs incurred by ALI and its subsidiaries, taken as a whole, in respect of environmental compliance. ALI and its subsidiaries' costs of compliance with applicable environmental laws and regulations vary from project to project depending on various factors, especially local conditions. However, none of such costs have been material in respect of their finances as a whole.

Anti-Trust Laws

The Philippine Competition Act

The law authorizes the PCC to review mergers and acquisitions to ensure compliance with the PCA. The Merger Rules provides for mandatory notification to the PCC of any merger or acquisition within thirty (30) days of signing any definitive agreement relating to the transaction.

As per PCC Commission Resolution No. 02-2020 dated 11 February 2020, effective 01 March 2020, notification shall be required if the value of such transaction exceeds Two Billion Four Hundred Million Pesos (₱2,400,000,000.00), and where the size of the ultimate parent entity of either party exceeds Six Billion Pesos (₱6,000,000,000.00). The parties may not consummate the transaction prior to receiving PCC approval or the lapse of the period stated in the Merger Rules. A merger or acquisition that meets the thresholds under the Merger Rules but was not notified to the PCC, or notified but consummated, in whole or in part, prior to the expiration of the waiting period, is considered void and will subject the parties, and will subject the parties to a fine between one percent (1.00%) to five percent (5.00%) of the value of the transaction.

Pursuant to Bayanihan 2 Act, which was signed into law on September 11, 2020, all mergers and acquisitions with transaction values below ₱50 billion shall be exempt from compulsory notification under the PCA if entered into within a period of two (2) years from the effectivity of Bayanihan 2 Act on 15 September 2020. Further, such mergers and acquisitions shall also be exempt from the PCC's power to review mergers and acquisitions motu proprio for a period of one (1) year from the effectivity of the Bayanihan 2 Act. However, transactions entered into prior to the effectivity of the Bayanihan 2 Act which has not yet been reviewed by the PCC; and transactions pending review by the PCC prior to the effectivity of the Bayanihan 2 Act shall not be covered by the exemption from the PCC's power to review transactions motu proprio. Further, mergers and acquisitions entered into during the effectivity of the Bayanihan 2 Act may still be reviewed by the PCC motu proprio after one year from the effectivity of the law.

Given the usual volume of the Issuer's transactions, mergers or acquisitions undertaken by the Issuer would likely meet the notification threshold under the PCA and its IRR. The Issuer will comply with the requirements of the PCA and its IRR.

Data Privacy Laws

Data Privacy Act

RA No. 10173, otherwise known as the Data Privacy Act of 2012 (“Data Privacy Act”), was signed into law on August 15, 2012, to govern the processing of all types of personal information (i.e., personal, sensitive, and privileged information) in the hands of the government or private natural or juridical person through the use of Information and Communications System (“ICT”), which refers to a system for generating, sending, receiving, storing or otherwise processing electronic data messages or electronic documents and includes the computer system or other similar device by or which data is recorded, transmitted or stored and any procedure related to the recording, transmission or storage of electronic data, electronic message, or electronic document. While the law expressly provides that it does not apply to certain types of information, including those necessary for banks and other financial institutions under the jurisdiction of BSP to comply with the AMLA and other applicable laws, the said law applies to all other personal information obtained by banks for other purposes.

It mandated the creation of a National Privacy Commission, which shall administer and implement the provisions of the Data Privacy Act and ensure compliance of the Philippines with international standards set for data protection. The Philippines recognizes the need to protect the fundamental human right of privacy and of communication, while ensuring free flow of information to promote innovation and growth. It also identifies the vital role of information and communications technology in nation building and its inherent obligation to ensure that personal information in ICT in the government and in the private sector are secured and protected.

The Data Privacy Act seeks to protect the confidentiality of “personal information”, which is defined as “any information, whether recorded in material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual.” The law provides for certain rights of a data subject or an individual whose personal information is being processed. The law imposes certain obligations on “personal information controllers” and “personal information processors”. It also provides for penal and monetary sanctions for violations of its provisions.

DESCRIPTION OF PROPERTIES

LAND BANK / PROPERTIES WITH MORTGAGE OF LIEN

The following table provides summary information on ALI Group's land bank (areas shown in hectares ("Ha.")) as of June 30, 2021. Properties included are either wholly owned or part of a joint venture and free of lien unless noted.

In Estates	Location	Ha.	Outside Estates	Ha.
Metro Manila		168	Metro Manila	106
Makati CBD	Makati City	46	Las Pinas	86
BGC	Taguig City	27	QC	11
Arca South	Taguig City	21	Pasig	4
Parklinks	Quezon City - Pasig City	18	Paranaque	3
Ayala Alabang	Muntinlupa City	18	Makati	2
Circuit Makati	Makati City	17	Mandaluyong	0.6
Cloverleaf	Quezon City	9	Manila	0.3
Vertis North	Quezon City	7	Pasay	0.3
The Junction Place	Quezon City	4		
Southpark District	Muntinlupa City	2		
Luzon		5,041	Luzon	5,022
Nuvali	Sta. Rosa, Laguna	1,429	Cavite	2,526
Alviera	Porac, Pampanga	1,173	Batangas	988
Altaraza	San Jose Del Monte, Bulacan	864	Laguna	755
Lio	El Nido, Palawan	767	Bulacan	236
Vermosa	Imus, Cavite	340	Bataan	220
Cresendo	Tarlac City, Tarlac	276	Pampanga	197
Evo City	Kawit, Cavite	160	Quezon	46
Broadfield	Binan, Laguna	32	Camarines Sur	26
			Rizal	15
			Nueva Ecija	6
			Tarlac	6
			Cagayan	-
			Tuguegarao	2
Visayas		899	Visayas	316
Sicogon Island Resort	Iloilo	810	Cebu	172
North Point	Talisay, Negros Occidental	23	Negros Occidental	87
Cebu Park District	Cebu City, Cebu	22	Iloilo	58
Gatewalk Central	Mandaue, Cebu	13		
Seagrove	Mactan Island, Cebu	11		
Southcoast City	Cebu City, Cebu	11		
Atria Park District	Mandurriao, Iloilo	8		
Capitol Central	Talisay, Negros Occidental	0.4		
Mindanao		274	Mindanao	657
	Laguindingan, Misamis Oriental	242	Davao del Sur	430
Habini Bay	Davao City, Davao del Sur	22	Misamis Oriental	227
Azuela Cove	Davao City, Davao del Sur	6		
Abreeza	Cagayan de Oro, Misamis Oriental	3		
Centrio				
June 30 2021 Land Bank:		6,381		6,102
12,483				

LEASED PROPERTIES

The Company has an existing contract with the Bases Conversion and Development Authority (“BCDA”) to develop, under a lease agreement a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounts to ₱106.5 million while the variable rent ranges from 5% to 20% of gross revenues. Subsequently, the Company transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity.

On January 28, 2011, a notice was given to the Company for the ₱4.0 billion development of a 7.4-hectare lot at the University of the Philippines’ Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. The Company signed a 25-year lease contract for the property on June 22, 2011, with an option to renew 58,000 sqm for another 25 years by mutual agreement. The project involves the construction of a retail establishment with 63,000 sqm of available gross leasable area and a combination of headquarter-and-BPO- type buildings with an estimated 8,000 sqm of office space.

RENTAL PROPERTIES

The Company’s properties for lease are largely shopping centers, office buildings and hotels and resorts. As of June 30, 2021, rental revenues from these properties amounted to ₱9.48 billion. As of December 31, 2020, rental revenues from these properties amounted to ₱21.9 billion equivalent to 23% of consolidated revenues. This is 44% lower than ₱39.3 billion recorded in 2019. Lease terms vary depending on the type of property and tenant.

PROPERTY ACQUISITIONS

With 12,483 hectares in its land bank as of June 30, 2021, Ayala Land believes that it has sufficient properties for development in the next 25 years.

Nevertheless, the Company continues to seek new opportunities for additional, large-scale, master-planned developments in order to replenish its inventory and provide investors with an entry point into attractive long-term value propositions. The focus is on acquiring key sites in the Mega Manila area and other geographies with progressive economies that offer attractive potential and where projected value appreciation will be fastest.

MORTGAGE, LIEN OR ENCUMBRANCE OVER PROPERTIES

The Company has certain properties in Makati City that are mortgaged with BPI in compliance with BSP rules on directors, officers, stockholders and related interests, and affiliates.

CERTAIN LEGAL PROCEEDINGS

This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. Prospective investors should read the entire Prospectus carefully, including the section entitled “Risk Factors and Other Considerations”, the reviewed unaudited interim condensed consolidated financial statements, and the audited consolidated financial statements and the related notes to those statements included in this Prospectus.

As of June 30, 2021, ALI, its subsidiaries, and its affiliates, are not involved in any litigation regarding an event which occurred during the past five (5) years that they consider material.

However, there are certain litigations ALI is involved in which it considers material, and though the events giving rise to the said litigation occurred beyond the five (5) year period, the same are still unresolved, as follows:

Las Piñas Property

Certain individuals and entities have claimed an interest in certain of ALI’s properties located in Las Piñas, Metro Manila.

Prior to purchasing the aforesaid properties, ALI conducted an investigation of titles to the properties and had no notice of any title or claim that was superior to the titles purchased by ALI. ALI traced its titles to their original certificates of title and ALI believes that it has established its superior ownership position over the said parcels of land. ALI has assessed these adverse claims and believes that its titles are in general superior to the purported titles or other evidence of alleged ownership of these claimants. On this basis, beginning October 1993, ALI filed petitions in the RTC of Makati and Las Piñas for quieting of title to nullify the purported titles or claims of these adverse claimants. These cases are at various stages of trial and appeal. Some of these cases have been decided by the Supreme Court (“SC”). These include decisions affirming the title of ALI to some of these properties, which have been developed and offered for sale to the public as Sonera, Ayala Southvale. The SC issued a decision adverse to ALI’s title over these properties dated 26 July 2017 and denied ALI’s motions for reconsideration.

The land constitutes less than 1% of ALI’s landbank and will not materially affect ALI’s business, operations and financials.

Ayala Property Management Corp.

As a result of the explosion which occurred on October 19, 2007 at the basement of the Makati Supermarket Building, the Philippine National Police has filed a complaint with the Department of Justice (“DOJ”) and recommended the prosecution of certain officers/employees of Makati Supermarket Corporation, the owner of the building, as well as some employees of ALI’s subsidiary, APMC, among other individuals, for criminal negligence. In a Joint Resolution dated April 23, 2008, the DOJ special panel of prosecutors ruled that there was no probable cause to prosecute the APMC employees for criminal negligence. This was affirmed by the DOJ Secretary in a Resolution dated November 17, 2008. A Motion for Reconsideration was filed by the Philippine National Police which remains pending with the DOJ. To date, no civil case has been filed by any of the victims of the incident.

Cebu Holdings, Inc.

A subsidiary of Ayala Land, Cebu Holdings, Inc., is a respondent to a case for Declaratory Relief with Prayer for Temporary Restraining Order and Writ of Preliminary Injunction, filed by the petitioner, former Cebu City Mayor Tomas R. Osmena, seeking among others, to nullify City of Cebu’s sale of certain lots located in South Road Properties, Cebu City to various buyers. This includes the parcel of land purchased by the consortium of Ayala Land, Inc., Cebu Holdings, Inc. and SM Prime Holdings, Inc. from the City of Cebu. In an Order dated January 13, 2021, the Regional Trial Court ordered the dismissal of the case and on 10 June 2021 denied the motion for reconsideration of Osmena. Osmena appealed to the Court of Appeals where the case is presently pending.

Cebu Holdings, Inc., as successor of Cebu Property Ventures Development Corporation ("CPVDC"), is also involved as an appellant in a Petition for Declaration of Nullity of Contract before the Court of Appeals arising as a result of a breach by a locator at CPVDC's Cebu I.T. Park of the Deed of Restrictions applicable to the locator. To avoid the consequence of nullification of the sale, the locator entered into a Memorandum of Agreement ("MOA") with CPVDC that provided for the locator to pay fines, pending the rectification of the cited violation, with an obligation to still rectify the violation. Two years after the MOA was executed and honored by both parties, the locator has sought its nullification through the filing of the Petition of Declaration of Nullity of Contract. The case remains pending. On June 17 2013 the RTC rendered a Decision declaring the MOA void (which will entail return of payments). CPVDC's motion for reconsideration was denied by the RTC. CPVDC appealed to the Court of Appeals where the case is pending.

MARKET PRICE OF AND DIVIDENDS ON AYALA LAND'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. Prospective investors should read the entire Prospectus carefully, including the section entitled "Risk Factors and Other Considerations," the unaudited interim condensed consolidated financial statements, and the audited consolidated financial statements and the related notes to those statements included in this Prospectus.

Ayala Land was incorporated in June 1988 and was listed on the PSE in July 1991.

Market Information

Ayala Land common shares are listed in the PSE.

Stock Prices (in ₱/share)

	High					Low					Close				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
First Quarter	42.00	45.30	45.75	47.50	37.95	33.80	19.44	40.60	39.75	31.25	34.35	30.20	44.90	41.10	33.05
Second Quarter	38.35	38.30	52.50	43.35	42.40	31.00	28.20	44.40	36.05	33.15	36.05	33.80	50.80	37.90	39.75
Third Quarter	N/A	37.70	53.85	45.00	46.10	N/A	26.50	46.30	36.55	39.10	N/A	29.70	49.45	40.05	43.50
Fourth Quarter	N/A	42.10	49.90	43.20	46.00	N/A	29.00	42.55	38.00	41.00	N/A	40.90	45.50	40.60	44.60

The market capitalization of ALI as of end second quarter 2021, based on the closing price of ₱36.05/share on June 30, 2021 (the last trading day of the said month), was ₱530.4 billion.

Stockholders

The following are the top 20 direct holders of the common and preferred shares of the Company:

Common Shares: *There are approximately 8,969 registered holders of common shares of the Company as of June 30, 2021:*

	Stockholder Name	No. of Common Shares	Percentage (of common shares)
1.	Ayala Corporation	6,753,266,579	45.9037%
2.	PCD Nominee Corporation (Non-Filipino)	4,928,467,190	33.5001%
3.	PCD Nominee Corporation (Filipino)	2,725,903,758	18.5287%
4.	ESOWN Administrator 2020	14,843,825	0.1008%
5.	ESOWN Administrator 2012	13,502,417	0.0917%
6.	ESOWN Administrator 2015	12,451,763	0.0846%
7.	Antonino T. Aquino	12,007,140	0.0816%
8.	ESOWN Administrator 2016	11,658,893	0.0792%
9.	ESOWN Administrator 2021	11,389,265	0.0774%
10.	ESOWN Administrator 2013	10,641,665	0.0723%
11.	ESOWN Administrator 2019	10,046,009	0.0682%
12.	ESOWN Administrator 2011	9,752,370	0.0662%
13.	ESOWN Administrator 2017	9,741,800	0.0662%
14.	ESOWN Administrator 2014	9,428,468	0.0640%
15.	ESOWN Administrator 2018	8,247,901	0.0560%
16.	Emilio Lolito J. Tumbocon	7,340,134	0.0498%
17.	Vincent Y. Tan	5,969,832	0.0405%
18.	Estrellita B. Yulo	5,732,823	0.0389%
19.	Jose Luis Gerardo Yulo	5,062,624	0.0344%

Market Price of and Dividends on Ayala Land's Common Equity and Related Stockholder Matters

20.	Ma. Angela Y. La'o	3,728,620	0.0253%
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Voting Preferred Shares:

There are approximately 2,862 registered holders of voting preferred shares of the Company as of June 30, 2021:

	Stockholder Name	No. of Preferred Shares	Percentage (of voting preferred shares)
1.	Ayala Corporation	12,163,180,640	93.0868%
2.	HSBC Manila OBO A/C 000-171512-554	512,777,000	3.9244%
3.	Government Service Insurance System	156,350,871	1.1966%
4.	HSBC Manila OBO A/C 000-171512-571	15,051,000	0.1152%
5.	DB MLA OBO SSBTC Fund HG16	15,000,000	0.1148%
6.	Wealth Securities, Inc.	14,825,373	0.1135%
7.	Deutsche Bank AG Manila OBO SSBTC Fund OD67 AC 12087020417	13,670,744	0.1046%
8.	Samuel Villes Santos and/or Luzviminda Lat Santos	12,001,800	0.0919%
9.	DB MLA OBO SSBTC Fund C021	8,497,223	0.0650%
10.	Investors Securities, Inc.	6,251,770	0.0478%
11.	First Metro Securities Brokerage Corp.	5,103,853	0.0391%
12.	Deutsche Regis Partners, Inc.	3,961,757	0.0303%
13.	DB MLA OBO SSBTC FUND FA20	3,951,800	0.0302%
14.	Papa Securities Corporation	3,536,538	0.0271%
15.	DB MLA OBO SSBTC Fund FA2N	3,534,608	0.0271%
16.	Ansaldo, Godinez & Co. Inc.	3,388,848	0.0259%
17.	Belson Securities, Inc.	2,800,874	0.0214%
18.	CBNA FAO 6002079572 CITIMNIFOR	2,725,700	0.0209%
19.	Deutsche Bank AG Manila OBO Swedbank Robour	2,700,000	0.0206%
20.	Maybank ATR Kim Eng Securities, Inc.	2,666,714	0.0204%

Dividends

STOCK DIVIDEND (Per Share)			
PERCENT	DECLARATION DATE	RECORD DATE	PAYMENT DATE
20%	February 1, 2007	May 22, 2007	June 18, 2007

CASH DIVIDEND (Per Common Share)			
PESO AMOUNT	DECLARATION DATE	RECORD DATE	PAYMENT DATE
0.2400	Feb. 20, 2017	March 6, 2017	March 22, 2017
0.2400	Aug. 18, 2017	Sept. 5, 2017	Sept. 15, 2017
0.2520	Feb. 20, 2018	March 12, 2018	April 3, 2018
0.2520	Aug. 17, 2018	Sept. 6, 2018	Oct. 2, 2018
0.2600	Feb. 27, 2019	March 13, 2019	March 29, 2019
0.2600	Oct. 31, 2019	Nov. 15, 2019	Nov. 29, 2019
0.2680	Feb. 20, 2020	March 06, 2020	March 20, 2020
0.1358	Feb. 23, 2021	March 10, 2021	March 25, 2021

CASH DIVIDEND (Per Voting Preferred Share)			
PESO AMOUNT	DECLARATION DATE	RECORD DATE	PAYMENT DATE
0.00474786	Feb. 26, 2016	June 15, 2016	June 29, 2016

0.00474786	Feb. 20, 2017	June 15, 2017	June 29, 2017
0.00474786	Feb. 20, 2018	June 15, 2018	June 29, 2018
0.00474786	May 27, 2019	June 7, 2019	June 21, 2019
0.00474786	May 26, 2020	June 9, 2020	June 25, 2020
0.00474786	May 27, 2021	June 10, 2021	June 25, 2021

Dividend policy

Dividends declared by the Company on its shares of stocks are payable in cash or in additional shares of stock. The payment of dividends in the future will depend upon the earnings, cash flow and financial condition of the Company and other factors. The same applies to the declaration of dividends by the Company's subsidiaries and affiliates.

Special cash dividends are declared depending on the availability of cash, taking into account the Company's capital expenditures and project requirements and the progress of its ongoing asset rationalization program.

Cash dividends are subject to approval by the Company's Board but no stockholder approval is required. Property dividends which may come in the form of additional shares of stock are subject to approval by both the Company's Board of Directors and the Company's stockholders. In addition, the payment of stock dividends is likewise subject to the approval of the SEC and PSE.

Recent Sale of Securities

For the past three (3) years, common shares were issued representing the exercise of stock options by the Company's executives under the Executive Stock Option Plan ("ESOP") and the subscription to the common shares under the ESOWN as follows:

Year	No. of Shares	
	ESOP** (exercised)	ESOWN (subscribed)
2018		9.9 Million
2019		10.5 Million
2020		14.8 Million
2021		11.4 Million

***Not offered starting 2015*

The aforesaid issuance of shares was covered by the Commission's approval of the Company's Stock Option Plan on July 1991 and subsequently on March 2006.

On March 12, 2013, Ayala Corporation executed the placement of, and subscription to the Company's 399,528,229 common shares at ₱30.50 per share or an aggregate of ₱12.2 billion. The placement price of ₱30.50 per share was at a 3.6% discount on the 5-day volume-weighted average price of the Company's stock and was the agreed clearing price among the purchasers of the shares and the placement agent, UBS Investment Bank.

On January 12, 2015, Ayala Corporation executed the placement of, and subscription to the Company's 484,848,500 common shares at ₱33.00 per share or an aggregate of ₱16 billion. The placement price of ₱33.00 per share was at a 3.9% discount on the 5-day volume-weighted average price of the Company's stock and was the agreed clearing price among the purchasers of the shares and the placement agent, UBS AG.

The Company filed Notices of Exemption with the SEC for the issuance of the 680,000,000, 399,528,229 and 484,848,500 common shares under the following provisions of the SRC:

SRC Subsection 10.1 (e), the sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly in connection with the sale of such capital stock.

SRC Subsection 10.1 (h), "Broker's transaction, executed upon customer's orders, on any registered Exchange or other trading market."

SRC Subsection 10.1 (k), "The sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any twelve-month period."

SRC Subsection 10.1 (l), "The sale of securities to banks, insurance companies, and investment companies."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Plan of Operations

Ayala Land's performance will continue to hinge on the overall economic performance of the country. Interest rate movements may affect the performance of the real estate industry, including the Company.

Principles of Consolidation

The unaudited interim condensed consolidated financial statements represent the consolidation of the financial statements of Ayala Land and its Subsidiaries as at and for the six month period ended June 30, 2021. See the section on "*Description of Business—Subsidiaries, Associates and Joint Ventures—Subsidiaries*" in this Prospectus.

Review of 1H 2021 operations vs 1H 2020 operations

Ayala Land registered consolidated revenues (which include real estate revenue, interest from real estate sales, interest and investment income, equity in net earnings, and other income) of ₱48.96 billion and a net income attributable to equity holders of ALI of ₱6.04 billion, an improvement of 19% and 34%, respectively, showing significant improvements in performance compared to the first half of 2020 during the onset of the pandemic. In the second quarter alone, consolidated revenues and net income attributable to equity holders of ALI reached ₱24.32 billion and ₱3.26 billion, a 90% and 16.6x growth, respectively, from the same period last year, coming from the strictest quarantine restriction in 2020.

Real Estate revenues, composed of Property Development, Commercial Leasing, and Services reached ₱43.09 billion, a 19% increase from ₱36.14 billion in the same period in 2020 propelled by continued construction progress and higher bookings from property development while commercial leasing operations were weighed down by renewed restrictions.

Capital expenditures for the first six months of 2021 amounted to ₱32.13 billion.

The balance sheet remains strong with a net debt to equity ratio of 0.74:1.

Business Segments

The details of the individual performance of each business segment are discussed as follows:

Property Development. This includes the sale of residential lots and units, office spaces, and commercial and industrial lots, and operations of MCT Bhd, Ayala Land's consolidated subsidiary based in Malaysia. Revenues from Property Development registered a 48% jump to ₱30.51 billion from ₱20.64 billion, propelled by construction progress and higher bookings.

Residential. Revenues from the sale of residential lots and units and MCT Bhd's operations recorded a 62% uplift to ₱26.81 billion from ₱16.55 billion owing to higher bookings and completion of projects.

AyalaLand Premier recorded revenues of ₱10.54 billion, more than triple the ₱2.80 billion from last year, due to higher incremental POC of Park Central North and South Towers in Makati City, Andacillo in Nuvali, Laguna and Lanewood Hills in Cavite, and higher bookings from Ayala Greenfield Estates in Laguna.

ALVEO posted revenues of ₱5.08 billion, a 62% growth from ₱3.13 billion, owing to higher bookings from Hillside Ridge in Cavite and higher incremental POC of Venido in Laguna, The Greenways in Alvia, Pampanga, and Ardia Phase 3 in Veramosa, Cavite.

Avida totaled ₱6.58 billion in revenues, slightly lower by 3% from ₱6.81 billion, attributed to lower bookings from Avida Towers Sola in Vertis North Quezon City, Vireo in Arca South, Taguig, and Riala in Cebu IT Park, Cebu City.

Amaia meanwhile posted ₱2.30 billion in revenues, a 2% increase from ₱2.25 billion due to higher bookings from Steps Alabang Helena in Las Pinas, Series Vermosa S1 in Cavite, Skies Shaw Tower 2 in Mandaluyong City, Steps Pasig Blanca and Scapes Rizal S1.

BellaVita recognized revenues of ₱540.49 million, double the ₱271.47 million generated last year driven by higher bookings from projects in Naga, Camarines Sur; Tayabas Quezon; Alaminos, Laguna and Lipa, Batangas.

MCT Bhd contributed revenues of ₱1.79 billion, a 40% growth from ₱1.28 billion, driven by higher sales and completion from its middle-income brand Market Homes.

Office for Sale. Revenues from the sale of office units rose 53% to ₱1.75 billion from ₱1.14 billion as a result of higher bookings from ALVEO's Park Triangle and ALP's One Vertis Plaza projects. The average GP margin ended lower at 35% from 40% attributed to the same factors that affected vertical residential projects.

Commercial and Industrial Lots. Revenues from the sale of commercial and industrial decelerated by 34% to ₱1.95 billion from ₱2.95 billion on slower take-up at Vermosa, Nuvali and Alviera estates. The average GP margin improved by 60 basis points to 75% from 69%, due to higher industrial lot prices at Pampanga Technopark and commercial lot prices at Evo City and Altaraza.

Sales Reservations. Sales reservations in the second quarter totaled ₱19.69 billion, a substantial growth of 45% from the same period last year as local demand remained strong despite the reimposition of ECQ from March until April. This brought first half sales reservations to ₱48.24 billion, up 26% from last year. Local and overseas Filipinos accounted for 92% of the total sales with the balance of 8% from other nationalities. Sales from local Filipinos which comprise 77% amounted to ₱37.14 billion, 42% higher than the same period last year while sales from overseas Filipinos which represented 15%, amounted to ₱7.02 billion, 4% higher year-on-year. Meanwhile, sales to other nationalities amounted to ₱4.08 billion, a 24% drop, primarily as sales to mainland Chinese buyers, which comprise 18%, decreased by 63% to only ₱0.74 billion.

Project Launches. In the second quarter of 2021, Ayala Land launched eight (8) projects worth ₱25.25 billion, bringing the total to 14 projects launched in the first half, worth ₱44.27 billion. These include: ALP's Anvaya Cove S3 in Morong, Bataan; ALVEO's Bayview Heights in Cagayan de Oro, Misamis Oriental; Avida's Averdeen Estates Phase 1 and Southdale Settings both in Nuvali, Laguna, Makati Southpoint Tower 2, and Astrea Tower 2 in Quezon City; and Amaia's Steps The Junction Place Clara and Skies Cubao Tower 2 both in Quezon City. The company has budgeted ₱100 billion-worth of launches in 2021.

Commercial Leasing. This includes the operation of Shopping Centers, Office Buildings and Hotels and Resorts. Total revenues from commercial leasing declined 26% to ₱9.48 billion from ₱12.86 billion in the same period last year as operations were weighed down by renewed restrictions from ECQ in the second quarter.

Shopping Centers. Revenues from shopping centers dipped 43% to ₱3.43 billion from ₱5.98 billion reflecting limited operations, ongoing rent discounts to support tenants and low foot traffic. The average occupancy rate for all malls is 81% and 86% for stable malls. Total Malls GLA stands at 2.12 million square meters.

Offices. Revenues from office leasing totaled ₱4.83 billion, a very slight improvement from ₱4.80 billion last year as BPO and HQ operations cushioned the impact of cancellations of POGO. The average occupancy rate for all offices is 82% and 87% for stable offices. Total office leasing GLA is at 1.30 million square meters.

Hotels and Resorts. Revenues from hotels and resorts ended 42% lower to ₱1.22 billion from ₱2.09 billion as resort operations were restricted from the end of March until April due to the reimposition of the ECQ and hotels continue to experience lower average occupancy. The

average occupancy for all hotels was 45% and 48% for stable hotels. Meanwhile, the average occupancy for all resorts stood at 15% and 16% for stable resorts. The hotels and resorts segment ended the first half of 2021 with a total of 4,030 rooms.

The hotels and resorts business manages 660 hotel rooms in its international brand segment—312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, both of which are in the Ayala Center, Makati CBD.

There are 11 Seda Hotels, operating 2,712 rooms—Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (150); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214). The hotels group also includes Circuit Corporate Residences which has 255 rooms. El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 132 rooms under its Bed and Breakfast (B&B) and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 78 B&B rooms.

Services. This is composed mainly of the Company's construction business through MDC, property management, through APMC, and other companies engaged in power services such as DPSI, EPMI, and PhilEnergy and airline for the hotels and resorts business, AirSWIFT. Total revenues amounted to ₱3.10 billion, 18% higher than ₱2.63 billion due to completion progress of projects with unconsolidated JVs and third parties. This compensated for the lower power consumption of customers and limited operations of AirSWIFT.

Construction. Net construction revenues totaled ₱1.93 billion, more than double the ₱0.88 billion last year.

Property Management and Others. APMC, power services companies and AirSWIFT registered revenues of ₱1.18 billion, 33% less than ₱1.75 billion.

Equity in Net Earnings of Investees, Interest, Fees, Investment and Other Income

Equity in net earnings of associates and JVs rose 53% to ₱530.95 million from ₱346.36 million on higher contributions from Ortigas Land's projects The Galleon and Empress, and the ALVEO-Federal Land joint venture projects, Aveia and Venido.

Interest income from real estate sales declined 15% to ₱3.60 billion from ₱4.23 billion due to lower accretion income recognized. Meanwhile, interest and investment income amounted to ₱116.37 million, a 47% drop from ₱220.33 million, owing to lower interest income and lower yields on cash and short-term investments.

Other income, composed mainly of marketing and management fees from joint ventures, among others, increased more than six-fold to ₱1.62 billion from ₱0.26 billion, recording a ₱1.32 billion gain from the sale of Ayala Land's 39.2% economic interest in Qualimed and its hospital buildings last February.

Expenses

Total expenses stood at ₱39.22 billion, 17% higher than ₱33.61 billion last year, driven by a hike in real estate expenses which rose 30% to ₱28.61 billion as operations ramped up this year. General and administrative expenses declined 18% to ₱3.17 billion from ₱3.86 billion owing to reduced corporate operations and cost saving initiatives. This resulted to a GAE ratio of 6.5% and an EBIT margin of 29.7%.

Interest expense, financing and other charges, which includes interest expense related to PFRS 16 (Leases) totaled ₱7.43 billion, 3% lower from ₱7.67 billion due to a lower average interest rate and average debt balance. The average cost of debt improved to 4.6% from 4.7% at the end of 2020. Of the total debt, 91% is locked-in with fixed rates, while 92% is contracted on a long-term basis.

Capital Expenditures

Capital expenditures reached ₱32.13 billion in the first half of 2021, mainly for residential projects, the development of estates and commercial leasing assets. 50% was spent on residential projects, 21% on estate development, 14% for commercial projects and 12% for land acquisition. The full year capex budget is ₱88 billion.

Financial Condition

The Company's balance sheet remains strong to ensure financial sustainability during the crisis.

Cash and cash equivalents, including short-term investments and UITF investments classified as FVPL, stood at ₱16.43 billion resulting in a current ratio of 1.50:1.

Total borrowings registered at ₱214.47 billion which translated to a debt-to-equity ratio of 0.81:1 and a net debt-to-equity ratio of 0.74:1.

Return on equity was at 5.38% as of June 30, 2021.

	End-June 2021	End-December 2020
Current ratio ¹	1.50:1	1.62:1
Debt-to-equity ratio ²	0.81:1	0.81:1
Net debt-to-equity ratio ³	0.74:1	0.74:1
Profitability Ratios:		
Return on assets ⁴	2.03%	1.53%
Return on equity ⁵	5.38%	4.03%
Asset to Equity ratio ⁶	2.74:1	2.77:1
Interest Rate Coverage Ratio ⁷	3.60:1	2.96:1

1 Current assets / current liabilities

2 Total debt / consolidated stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

3 Net debt / consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

4 Annualized net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

5 Annualized net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI (Average total stockholders' equity attributable to equity holders of ALI means the average of the amounts from the beginning and end of the same period)

6 Total Assets / Total stockholders' equity

7 EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization

There are no events that will trigger direct or contingent financial obligations that are material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created in the first half of 2021.

Causes for any material changes (+/- 5% or more) in the financial statements

Income Statement items – Period ending June 30, 2021 versus June 30, 2020

Real estate and hotel revenues improved by 19% driven by higher sales bookings and incremental project completion, and construction service revenues.

Interest income from real estate sales decreased by 15% due to lower accretion income from trade receivables.

Equity in net earnings increased by 53% coming from higher net income contribution of associates and joint ventures.

Interest and investment income decreased by 47% due to lower yield and lower short-term investments and cash in bank, and lower other income from interest and penalties.

Other Income increased by 512% as a result of recognition of one-time gain from the sale of investment in stocks in Mercado General Hospital, Inc. (MGHI) and sale of QualiMed hospital buildings, and project management fees.

Real estate costs increased by 30% driven by sales bookings and incremental project completion, construction revenues, and other service costs.

General administrative expenses declined by 18% due to lower overhead cost, and taxes and licenses.

Provision for income tax increased by 11% due to higher income before tax.

Balance Sheet items – as of June 30, 2021 (Unaudited) versus December 31, 2020 (Audited)

Cash and cash equivalents decreased by 14% mainly due to payment for capital expenditures, interest expense and other financing charges, and cash dividends; partially offset by sales collections and loan availments.

Short-term investments increased by 26% due to temporary placements of excess USD cash deposits.

Financial asset at fair value through profit and loss increased by 40% resulting from additional investments in UITF and unrealized investment gains in ARCH fund.

Other current assets increased by 13% due to increase in advances to contractors, creditable withholding taxes, and deferred expenses from real estate sales.

Financial assets at fair value through other comprehensive income decreased by 5% due to unrealized loss from fair value of investment in stocks.

Investment in associates and joint ventures increased by 6% as result of additional investment and equity in net earnings for the current period.

Short-term debt grew by 87% due to additional loan availments.

Income tax payable declined by 55% due to lower income tax rate in the current year and retroactive adjustment effect of CREATE law.

Lease liability – current decreased by 16% due to lease payments during the period.

Current portion of long-term debt increased by 77% due to maturing loans in the next 12 months.

Deposit and other current liabilities decreased by 13% mainly due to realized revenues from incremental project completion.

Long-term debt – net of current portion decreased by 11% as a result of payments and reclassification of current portion to current liabilities.

Deposit and other noncurrent liabilities increased by 10% increase in unrealized revenues and deferred credits from property sales, and security deposits from office leasing.

Fair value reserve of financial assets at FVOCI increased by 19% coming from the unrealized gain from interest rate swap contract of MCT Berhad.

Cumulative translation adjustments decreased by 14% mainly due to unrealized loss from translation of financial statements of MCT Berhad.

Equity reserves increased by 167% as a result of gain on sale of shares in AREIT and gain on purchase of additional equity in LTI by ALLHC.

Treasury shares increased by 78% as result of buy-back of shares.

Material Changes in Liquidity and Cash Reserves of Registrant

ALI Group sustained a net cash outflow of ₱2.36 billion for the six months ended June 30, 2021 mainly from net cash outflow from investing activities, payments of cash dividends and treasury shares; partially funded by net cash inflow from operating activities, net debt availments, and proceeds from sale of noncontrolling interest in AREIT, Inc. and exercise of stock options.

Operating activities for the period ended at ₱0.89 billion net cash inflow from ₱28.86 billion net outflow in the same period last year due to lower changes in working capital, and lower net interest expense and income taxes.

Investing activities used ₱10.07 billion cash during the period versus a positive contribution of ₱2.23 billion in the same period last year mainly from investments and higher noncurrent accounts and notes receivables.

Financing activities provided ₱6.82 billion net cash inflow from ₱22.89 billion net cash inflow in the same period last year due to lower net loan availments, lower increase in deposits and other noncurrent liabilities, and higher purchase of treasury shares; partially offset by increase in noncontrolling interest in consolidated subsidiaries and equity reserves as a result of sale of noncontrolling interest in AREIT, Inc., exercise of stock options, and lower payments of cash dividends to equity holders.

Net decrease in Cash and cash equivalents as of June 30, 2021 resulted to ₱2.36 billion which is ₱1.38 billion lower than ₱3.74 billion as at June 30, 2020.

Review of December 2020 operations vs December 2019 operations

Ayala Land endured the severe impact of COVID-19 in 2020 recording a 43% decline in consolidated revenues (which include real estate revenue, interest from real estate sales, interest and investment income, equity in net earnings, and other income) to ₱96.27 billion from ₱168.79 billion and a 74% drop in net income attributable to equity holders of ALI to ₱8.73 billion from ₱33.19 billion. Key indicators improved steadily from the third quarter to the fourth quarter reflecting a 49% growth in total revenues to ₱32.95 billion and a 28% jump in net income to ₱2.36 billion, sustaining the momentum for recovery.

Real Estate revenues, composed of Property Development, Commercial Leasing, and Services registered at ₱85.97 billion, a 46% decline from ₱157.85 billion due to construction restrictions, lower bookings and restrained mall and hotel operations.

Actual capital expenditures amounted to ₱63.67 billion, within the revised full-year budget of ₱69.82 billion, as financial sustainability initiatives strengthened the balance sheet with the net debt-to-equity ratio improving to 0.74:1 from 0.78:1 in FY 2019.

BUSINESS SEGMENTS

Property Development. This includes the sale of residential lots and units, office spaces, and commercial and industrial lots, and operations of MCT Bhd., Ayala Land's consolidated subsidiary based in Malaysia. The Property Development business generated revenues of ₱57.86 billion, a 47% dip from ₱109.69 billion due to construction restrictions and lower bookings.

Residential. Revenues from the sale of residential lots and units and MCT Bhd.'s operations

declined 44% to ₱47.79 billion from ₱86.09 billion, however, in the fourth quarter, this amounted to ₱21.6 billion, a 54% improvement from the third quarter.

AyalaLand Premier posted revenues of ₱15.01 billion, 39% lower than ₱24.45 billion, due to lower incremental percentage of completion (POC) of West Gallery Place in BGC, Park Central South Tower and Garden Tower 2 in Makati CBD and Arbor Lanes in Arca South and lower bookings and POC of The Alcoves in Cebu and Cerilo in Nuvali.

ALVEO recorded revenues of ₱8.05 billion, a decline of 58% from ₱19.00 billion owing to lower POC of High Park 2 in Vertis North and Park Triangle Residences in BGC, lower bookings from Orian Place 1 & 2 in Vertis North, The Residences at Evo City 1, Venido in Biñan Laguna, and combined lower bookings and POC of Travertine in Portico.

Avida meanwhile registered revenues of ₱14.42 billion, a 47% decrease from ₱27.36 billion, attributed to lower bookings of The Montane in BGC, Avida Towers Asten 3 in Makati, Avida Towers Sola 1 and 2 in Vertis North, Avida Northdale Settings in Nuvali, Avida Towers Vireo 1 in Arca South and Avida Towers Prime Taft 3 in Manila.

Amaia reached ₱4.69 billion in revenues, a 36% reduction from ₱7.37 billion relating to lower bookings from Skies Cubao Tower 2, Shaw Tower 1, Skies Sta. Mesa and Skies Avenida Tower 1.

BellaVita meanwhile recognized revenues of ₱790.65 million, 34% less than ₱1.20 billion because of lower bookings of projects in Cagayan de Oro, Batangas and Laguna.

MCT Bhd. contributed ₱4.85 billion in revenues, a 28% decline from ₱6.71 billion as the inventory of projects in Lakefront and Cybersouth are almost sold-out and construction activities in the second quarter and fourth quarter were limited under Malaysia's movement control order (MCO). These factors offset the contribution from projects under Market Homes, its affordable housing segment.

Office for Sale. Revenues from the sale of office units dropped by 72% to ₱3.51 billion from ₱12.34 billion, owing to limited inventory and lower incremental completion of remaining projects such as Alveo Financial Tower in Makati CBD, Park Triangle Corporate Plaza, Park Triangle Tower and High Street Corporate Plaza 2, all in BGC.

Commercial and Industrial Lots. Revenues from the sale of commercial and industrial decelerated by 42% to ₱6.56 billion from ₱11.27 billion mainly due to slower take-up of inventory in Broadfield and limited inventory in Altaraza, Evo City and Nuvali.

Sales Reservations. Despite limited mobility, sales reservations registered at ₱81.90 billion, 56% of the level in 2019. This translates to an average of ₱6.82 billion in monthly sales. Fourth quarter sales reservations reached 55-75% of pre-COVID levels due to sustained property demand, totaling ₱21.08 billion, equivalent to an average of ₱7.03 billion in monthly sales.

Local and overseas Filipinos accounted for 89% of total sales with the balance of 11% from other nationalities. Sales from local Filipinos which comprise 74% amounted to ₱60.41 billion, 42% lower year-on-year, while sales from overseas Filipinos which represented 15% of the total, amounted to ₱12.61 billion, a decline 35% year-on-year. Meanwhile, sales to other nationalities amounted to ₱8.87 billion, a 60% drop, primarily as sales to mainland Chinese buyers, which comprise 28% decreased by 70% to only at ₱2.52 billion.

Project Launches. A total of 13 projects totaling ₱10.59 billion were launched in 2020. In the first quarter, Ayala Land was able to launch five (5) projects with a total value of ₱4.99 billion. These are Avida Greendale Settings at Alviera in Pampanga, Amaia Steps at The Junction Place in Quezon City, Amaia Scapes Cabuyao Series 3 Area 2, and Bellavita Alaminos 2, both in Laguna. No new residential projects were launched in the second quarter of 2020. However, with improving demand in the third quarter, three (3) sequel projects were launched amounting to ₱2.19 billion. These are Andacillo Phase 3A in Nuvali, Laguna, Amaia Scapes Series 4A in Sta. Maria, Bulacan and Bellavita Alaminos 2. Meanwhile, five (5) sequel projects amounting

to ₱3.41 billion were launched in the fourth quarter. These are Andacillo Phase 4 in Nuvali, Laguna, Amaia Scapes Gen. Trias S3 and S4 in Cavite, and two tranches of additional units in Bellavita Alaminos 2 in Laguna.

Commercial Leasing. This includes the operation of Shopping Centers, Office Buildings and Hotels and Resorts. Total revenues from commercial leasing declined by 44% to ₱21.86 billion from ₱39.31 billion.

Shopping Centers. Revenues from shopping centers dropped 59% to ₱9.06 billion from ₱22.02 billion. Operating GLA and foot traffic as a percentage of pre-COVID levels improved towards the end of 2020. In the fourth quarter, operating GLA reached 64% from 62% in the third quarter. Likewise, foot traffic reached 35-45% in the fourth quarter from 30-35% in the third quarter as the less strict general community quarantine restriction was maintained, boosted by the holiday season. These improvements resulted in ₱1.69 billion in mall revenues in the fourth quarter, a 10% recovery from the third quarter of 2020. Average tenant sales also improved quarter-on-quarter reaching 53% in the fourth quarter from 41% in the third quarter. The average occupancy rate for all malls is 85% and 90% for stable malls. Total Malls GLA stands at 2.12 million sqm.

Offices. Revenues from office leasing was sustained at ₱9.41 billion from ₱9.67 billion on account of continuing BPO and HQ office operations. The average occupancy rate for all offices is 88% and 94% for stable offices. Total office leasing GLA increased to 1.23 million sqm with the completion of BGC Corporate Center 2 and Central Bloc Corporate Center 2 in October and December, respectively.

Hotels and Resorts. Revenues from hotels and resorts ended 56% lower to ₱3.39 billion from ₱7.62 billion. The average occupancy for all hotels was 41% and was 44% for stable hotels. Meanwhile, the average occupancy for all and stable resorts stood at 16%. In the fourth quarter, El Nido Resorts and the Lio Estate were able to host more travel bubbles to the public, in close coordination with the Department of Tourism and the local government. From only four (4) in the third quarter, a total of 37 travel bubbles were launched in the fourth quarter, driving a 52% increase in revenues to ₱786.74 million from the third quarter. The hotels and resorts segment ended 2020 with a total of 4,030 rooms in its portfolio with the completion of 345 rooms in the first half as it opened Seda Central Bloc in Cebu and additional rooms in Seda Residences Ayala North Exchange and Seda BGC.

The hotels and resorts business manages 660 hotel rooms in its international brand segment—312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, both of which are in the Ayala Center, Makati CBD.

There are 11 Seda Hotels, operating 2,712 rooms – Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (150); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214). Circuit Corporate Residences operates 255 rooms.

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 132 rooms under its Bed and Breakfast ("B&B") and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 78 B&B rooms.

Services. This is composed mainly of the Company's construction business through Makati Development Corporation ("MDC"), property management, through Ayala Property Management Corporation ("APMC"), and businesses engaged in power services such as Direct Power Services, Inc. ("DPSI"), Ecozone Power Management, Inc. ("EPMI"), and Philippine Integrated Energy Solutions, Inc. ("PhilEnergy") and AirSWIFT, the airline for the hotels and resorts in Palawan and Sicogon. Total revenues amounted to ₱6.25 billion, 29% lower than ₱8.85 billion due to restricted construction activity of MDC, lower power consumption of power subsidiary customers during the lock down, and very operations of AirSWIFT.

Construction. Net construction revenues totaled ₱3.28 billion lower than ₱3.40 billion in 2019.

Property Management and Others. APMC, power services companies and AirSWIFT registered revenues of ₱2.97 billion, 46% less than ₱5.45 billion.

Blended EBITDA margins of the Services segment stood at 7%, lower than 10% in 2019 owing to COVID-19 related expenses.

Equity in Net Earnings of Investees, Interest, Fees, Investment and Other Income

Equity in net earnings of associates and JV companies, particularly Ortigas and FBDC companies, declined 39% to ₱586.50 million from ₱965.79 million.

Interest income from real estate sales increased 9% to ₱8.60 billion from ₱7.89 billion in 2019 driven by increased sale of real estate receivables. Meanwhile, Interest and investment income registered a 58% drop to ₱394.70 million from ₱930.45 million owing to lower balances and yields from short term investments.

Other income (composed mainly of marketing and management fees from joint ventures, among others) decreased 38% to ₱723.27 million from ₱1,157.94 million. This decline was largely due to the higher base in 2019 given the gain recognized from the sale of Vertex One office building in Santa Cruz, Manila to Manila Jockey Club, Inc.

Expenses

Total expenses stood at ₱81.22 billion, 31% lower than ₱117.96 billion as real estate expenses decreased by 40% to ₱56.67 billion from ₱94.75 billion.

General and Administrative Expenses ("GAE") declined 14% to ₱8.01 billion from ₱9.37 billion, on account of lower topline. This resulted in a GAE ratio of 8.3% and an EBIT Margin of 25.9%.

Interest expense, financing and other charges, which includes interest expense related to PFRS 16 (Leases) totaled ₱16.53 billion. This was a 19% increase from ₱13.84 billion due to the higher discounting cost related to the sale of accounts receivables, interest expense from the higher average loan balance and bank charges related to loan prepayments. The average cost of debt registered at 4.7%, lower than 5.2% at the end of December 2019. Of the total debt, 95% is locked in fixed rates, while 96% is contracted for a long-term basis.

Capital Expenditures

Capital expenditures reached ₱63.67 billion in 2020, mainly for residential developments, followed by commercial leasing assets. 45% was spent on residential projects, 23% on commercial projects, 15% for land acquisition, 14% for the development of estates and 3% for other investments. The full year capex estimate was reduced to ₱69.82 billion from the original estimate of ₱110.00 billion.

Financial Condition

Financial stability initiatives strengthened the balance sheet with the net debt-to-equity ratio improving to 0.74:1 from 0.78:1 in FY 2019. Total borrowings registered at ₱211.95 billion which translated to a debt-to-equity ratio of 0.81:1 from 0.87:1.

Cash and cash equivalents, including short-term investments and financial assets at fair value through profit or loss stood at ₱18.36 billion resulting in a current ratio of 1.62:1.

Return on equity was at 4.03% as of December 31, 2020.

	<i>End-December 2020</i>	<i>End-December 2019</i>
Current ratio ¹	1.62:1	1.30:1
Debt-to-equity ratio ²	0.81:1	0.87:1

Net debt-to-equity ratio ³	0.74:1	0.78:1
Profitability Ratios:		
Return on assets ⁴	1.53%	5.43%
Return on equity ⁵	4.03%	16.66%
Asset to Equity ratio ⁶	2.77:1	2.94:1
Interest Rate Coverage Ratio ⁷	2.96:1	6.27:1

1 Current assets / current liabilities

2 Total debt / consolidated stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

3 Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

4 Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

5 Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI (Average total stockholders' equity attributable to equity holders of ALI means the average of the amounts from the beginning and end of the same period)

6 Total Assets / Total stockholders' equity

7 EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization

There are no events that will trigger direct or contingent financial obligations that are material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created in FY 2020.

Causes for any material changes (+/- 5% or more) in the financial statements

Income Statement items – For the year ended December 31, 2020 and 2019

Real estate and hotel revenues decreased by 46% due to construction restrictions, lower bookings, and restrained mall and hotel operations.

Equity in net earnings decreased by 39% mainly due to lower income contributions from Ortigas Land Corporation (OLC) and Fort Bonifacio Development Corp. (FBDC).

Interest income from real estate sales increased by 9% owing to higher sale of real estate receivables.

Interest and investment income decreased by 58% driven by lower balance and lower yield from short-term investments.

Other Income decreased by 38% due to higher gain recognized in 2019 from the sale of Vertex One building in Santa Cruz, Manila.

Cost of real estate sales decreased by 40% due to lower real estate and hotel revenues.

General administrative expenses decreased by 14% mainly from manpower costs including security and janitorial, rent and dues and fees, transportation and travel, and other overhead expenses.

Interest, other financing charges and other expenses increased by 19% due to higher discounting cost related to sale of trade receivables, interest expense from higher average loan balance, and bank charges related to loan repayments.

Provision for income tax decreased by 70% due to lower taxable income.

Balance Sheet items – As at December 2020 versus December 2019

Cash and cash equivalents – decreased by 17% mainly due to lower collection from customers, payments of capital expenditures, interest expense from borrowings, and cash dividends, partially offset by proceeds from initial public offering of AREIT, Inc., sale of trade receivables, and loan availments.

Short-term investments decreased by 42% due to reallocation to investments with higher yield.

Financial asset at fair value through profit and loss increased by 99% attributable to increase in investments in UITF and treasury bills.

Real Estate Inventories increased by 22% driven by land acquisitions, incremental POC, reclassification from investment property, partially offset by lower real estate sales.

Other current assets increased by 19% mainly due to payment of advances to contractors and suppliers, payment of CWT, and building classified as held for sale.

Investments in associates and joint ventures increased by 5% owing to the increase in investments in joint ventures, and equity in net earnings for the period net of dividends received.

Investment properties decreased by 8% due to reclassification of land to inventory, and depreciation expense for the period.

Deferred tax assets increased by 5% coming from accrued expenses, allowances for probable losses, and NOLCO.

Other noncurrent assets decreased by 9% mainly from recoupment of advances to contractors and suppliers, partially offset by increase in deferred input VAT.

Short-term debt decreased by 49% due to various payments during the year.

Account and other payables decreased by 11% due to payments of accounts payable and accrued operating expenses, lower taxes payables and interest payable, and other accrued expenses.

Income tax payable decreased by 31% due to lower taxable income.

Current portion of lease liabilities decreased by 36% due to payments to lessors.

Current portion of long-term debt increased by 9% attributable to maturing bonds and bank loans within 12 months.

Long-term debt – net of current portion increased by 5% due to increase in bond issuances and bank loans.

Pension liabilities increased by 52% mainly due to increase in benefit obligation and remeasurement loss for the current period.

Deferred tax liabilities increased by 17% mainly due to the timing difference between tax and book basis of accounting for real estate transactions and right-of-use assets.

Deposit and other noncurrent liabilities increased by 14% mainly coming from unrealized revenues from collected receivables and security deposits from tenants, partially offset by payment for contractors payable, purchased land and collected output VAT.

Stock options outstanding decreased by 49% attributable to exercise of stock options.

Remeasurement loss on defined benefit plans increased by 143% due to actuarial loss from change in pension liability assumptions.

Fair value reserve of financial assets at FVOCI increased by 64% attributable to unrealized fair value

loss from cash flow hedging of loans bearing interest at floating rate.

Cumulative translation adjustments decreased by 33% mainly due to translation loss on financial statements of MCT Bhd.

Equity reserves increased by 108% attributable to gain on sale ownership in AREIT, Inc. to Non-controlling Interest (NCI).

Treasury Stock increased by 14% as a result of share buy-backs during the year.

Non-controlling interests increased by 19% as a result of public listing of AREIT, Inc.

Material Changes in Liquidity and Cash Reserves– December 2020 versus December 2019

ALI Group ended a net decrease in Cash and cash equivalents of ₱3.05 billion for the year ended December 31, 2020 mainly due to net cash used by operating activities, investing activities, and payment of cash dividends; partially offset by net cash provided by financing activities mainly from sale of noncontrolling interest in AREIT, Inc. and increase in deposits and other noncurrent liabilities.

Net cash used by operating activities ended at ₱12.51 billion during the period versus net cash inflow of ₱36.01 billion last year mainly due to lower operating income before changes in working capital and increase in working capital. This is partially offset by lower income tax payment during the period.

Investing activities used ₱3.22 billion cash during the period which is significantly lower than last year at ₱42.57 billion net cash outflow mainly due to lower net expenditures in investment properties, property and equipment, and decrease in noncurrent accounts and notes receivables accounts and notes receivable – nontrade and other noncurrent assets.

Financing activities ended at ₱12.67 billion net cash inflow during the year; significantly higher than ₱3.75 billion net cash inflow last year primarily due to sale of noncontrolling interest in AREIT, Inc. during initial public offering and decrease in acquisition of noncontrolling interests, increase in deposits and other noncurrent liabilities, and lower payment of cash dividends and treasury shares. This is partially offset by lower net avancement of short and long-term debt during the period.

Review of December 2019 operations vs December 2018 operations

ALI's net income after tax (attributable to equity holders of ALI) rose 13.5% to ₱33.19 billion from ₱29.24 billion in 2018. While total revenues (which include real estate revenue, interest income and investment income, equity in net earnings, and other income) increased by 2% to ₱168.79 billion from ₱166.25 billion in 2018, mainly driven by real estate revenues which grew by 1% to ₱157.85 billion from ₱155.95 billion in 2018. Revenues were also supported by office and commercial and industrial lot sales and higher contribution of new leasing assets.

The company introduced three (3) new estates and successfully launched ₱158.96-billion worth of projects, surpassing its initial estimate of ₱130 billion. Its leasing portfolio continued to expand to 2.1 million and 1.2 million sqm of gross leasing area for malls and offices, respectively, and to 3,705 rooms for hotels and resorts.

Capital expenditures reached ₱108.72 billion to support residential and leasing asset buildup.

BUSINESS SEGMENTS

Property Development. This includes the sale of residential lots and units, office spaces, and commercial and industrial lots, and the operations of MCT Bhd., Ayala Land's consolidated subsidiary based in Malaysia.

Revenues from Property Development amounted to ₱109.69 billion, a 3% dip from 2018's ₱113.36 billion.

Residential. Revenues from the sale of residential lots and units and MCT Bhd.'s operations reached a total of ₱86.09 billion, 9% lower than the previous period. The decline was due to the lower contribution of AyalaLand Premier (13% drop from ₱28.00 billion in 2018 to ₱24.45 billion in 2019) and ALVEO (28% decrease from ₱26.28 billion in 2018 to ₱19.00 billion in 2018). Most of their vertical projects recognized in 2019 were booked in previous periods and are now nearing completion.

Contributions from new **AyalaLand Premier** projects and higher completion progress of Park Central South Tower in Makati City, One Vertis Plaza in Vertis North, Quezon City and West Gallery Place in Bonifacio Global City were offset by lower incremental POC from East Gallery Place and The Suites in BGC and Garden Towers in Makati City as they near completion.

ALVEO's revenues were primarily affected by lower incremental POC of Verve Residences 1 and 2 in BGC and Ardia Phase 3 in Veramosa, Cavite.

On the other hand, **Avida's** revenues grew by 13% to ₱27.36 billion in 2019 from 2018's ₱24.22 billion, with completion progress of Avida Towers Sola 2 in Vertis North, Quezon City and new bookings and incremental POC of Avida Verra Settings Veramosa Phase 1 in Veramosa, Cavite and Avida Towers Vireo Tower 1 in Arca South, Taguig City.

Amaia's revenues remained flat, at ₱7.37 billion from 2018's ₱7.36 billion with lower bookings and higher incremental POC of Amaia Steps Alabang Delicia in Muntinlupa City; Amaia Steps Capitol Central South in Bacolod City, Negros Occidental; and Amaia Steps Nuvali Parkway in Sta. Rosa, Laguna. Meanwhile, **BellaVita's** revenues rose by 4% to ₱1.20 billion from ₱1.15 billion in 2018, due to bookings from projects in Alaminos and Pila, both in Laguna, and in Iloilo.

MCT Bhd. recognized revenues of ₱6.71 billion in 2019, 12% lower than 2018's ₱7.60 billion, due to the sellout of projects in CyberSouth in Klang Valley, Malaysia.

The average gross profit margin of horizontal residential projects slightly rose to 45% from 44%. Meanwhile, vertical projects improved to 39% from 34% due to ALP's Park Central South Tower, Garden Towers 2, and East Gallery Place; ALVEO's Olean Place Tower 1, Celadon, and Travertine; and Avida Towers Sola Tower 2.

Office for Sale. Revenues from the sale of office spaces grew by 12% to ₱12.34 billion from ₱11.0 billion in 2018 due to completion progress and new bookings from ALVEO High Street South Corporate Plaza, Park Triangle Corporate Plaza, and ALVEO Financial Tower. Improved margins of ALVEO High Street South Corporate Plaza, ALVEO Park Triangle Towers, and ALVEO Financial Tower significantly improved the average gross profit of offices for sale to 43%.

Commercial and Industrial Lots. Revenues from the sale of commercial and industrial lots increased by 46% to ₱11.27 billion from ₱7.73 billion, due to lot sales from Altaraza, Veramosa, Nuvali, and Broadfield. Gross profit margins of commercial and industrial lots substantially increased to 62% from 50%, due to higher margins of commercial lots sold in Nuvali, Arca South, Altaraza, and Broadfield.

Total sales reservations grew by 3% to ₱145.9 billion from ₱141.9 billion in 2018. ALVEO and Avida fueled the growth, even as ALP tempered the same with few launches during the period. Sales reservations by Philippines-based Filipinos also grew by 3% and accounted for 71% (valued at ₱104.2 billion) of all reservations, while those by Filipinos based abroad grew by 24%, accounting for 13% (valued at ₱19.4 billion) of the total. Sales to other nationals, accounting for 16%, dipped by 10% to ₱22.2 billion from 2018's ₱24.8 billion. Participation of mainland Chinese buyers, who dominate sales to non-Filipinos, declined by 22% to ₱8.3 billion from ₱10.7 billion in 2018, resulting in a drop in their share in sales to other nationals to 38% from 2018's 49%. ALI launched ₱158.96-billion worth of property development projects in 2019, surpassing the initial estimate of ₱130 billion.

Commercial Leasing. This involves the operation of shopping centers, office buildings, hotels and resorts, and other leasing formats. Total revenues from commercial leasing increased by 13% to ₱39.31 billion from ₱34.91 billion in 2018, driven by the higher contribution of new leasing assets.

Shopping Centers. Revenues grew by 11% to ₱22.02 billion from ₱19.91 billion, supported by same-mall revenue growth of 8%, with increased contribution of new malls such as Ayala Malls Feliz, Capitol Central, and Circuit Makati. EBITDA (earnings before interest, taxes, depreciation, and amortization) margin was sustained at 66%. The average occupancy rate of all malls was 88%, with the occupancy rate of stable malls at 93%. The GLA of all malls now stands at 2.12 million sqm with the addition of 213,000 sqm from the opening of Ayala North Exchange Retail, Ayala Malls Manila Bay, and Ayala Malls Central Bloc Cebu.

Offices. Revenues from office leasing increased by 12% to ₱9.67 billion from 2018's ₱8.61 billion, with the new offices in Ayala North Exchange, Vertis North, and Circuit Makati improving the segment's performance. It registered a slightly lower EBITDA margin of 90% from 91% in 2018. The average occupancy rate of all offices was 96%, with the occupancy rate of stable offices at 97%. Total office leasing GLA is now 1.17 million sqm, with 70,000 sqm added by the completion of Ayala North Exchange BPO, Manila Bay BPO Tower, and Central Bloc Corporate Center Tower 1 in Cebu.

Hotels and Resorts. Revenues from hotels and resorts grew by 19% to ₱7.62 billion from ₱6.39 billion in 2018 on strong patronage of Seda Ayala Center Cebu and Seda Lio. Higher occupancy and revenues per available room ("REVPAR") at these two (2) hotels were also responsible for increasing the overall EBITDA margin of hotels and resorts by 32% from 2018's 29%.

The average occupancy rate remains at healthy levels – 70% for all hotels, 63% for all resorts, 78% for stable hotels, and 63% for stable resorts. The addition of 129 rooms—57 from SEDA BGC and 72 from SEDA Residences Ayala North Exchange—brings the total to 3,705 rooms.

The hotels and resorts business manages 660 hotel rooms in its international brand segment—312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, both of which are in the Ayala Center, Makati CBD.

There are 11 Seda Hotels, operating 2,712 rooms – Atria, Iloilo (152 rooms); BGC, Taguig (468); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (150); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (215). Circuit Corporate Residences operates 255 rooms. El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 152 rooms under its Bed and Breakfast and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 78 B&B rooms.

Services. This segment consists of ALL's construction business through Makati Development Corporation; property management through Ayala Property Management Corporation; and other companies engaged in power services (Direct Power Services, Inc.; Ecozone Power Management, Inc.; and Philippine Integrated Energy Solutions, Inc.) and airline services for the hotels and resorts business (AirSWIFT). Total revenues from the services business amounted to ₱8.85 billion, 15% higher than 2018's ₱7.69 billion.

Construction. Net construction revenues reached ₱3.40 billion, 42% higher than 2018's ₱2.39 billion, gained from higher revenues from external contracts.

Property Management and Others. APMC and the power services companies posted revenues of ₱5.45 billion, 3% higher than previous year's ₱5.30 billion.

Blended EBITDA margins of the services business stayed relatively flat to 10% from 9% in 2018.

Equity in Net Earnings of Investees, Interest, Fees, Investment, and Other Income

Equity in net earnings of associates and JVs contributed ₱965.79 million, 29% higher than the ₱749.92 million posted in 2018. Fort Bonifacio Development Corporation companies more than doubled their revenues due to commercial lot sales and to leasing assets in BGC (One Bonifacio High Street and

ALVEO High Street South Corporate Plaza Retail). Meanwhile, Ortigas Holdings grew its revenues from property sales and leasing by 29%.

Interest and investment income, consisting of interest income on real estate sales and accretion, amounted to ₱8.82 billion, 10% higher than in 2018's ₱8.00 billion, despite lower interest income from short-term investments.

Meanwhile, other income (composed mainly of marketing and management fees from joint ventures, among others) amounted to ₱1.16 billion, 25% lower than 2018's ₱1.54 billion which included the one-time sale transaction of assets by MCT Bhd.

Expenses

Total expenses were lower by 3% at ₱117.96 billion from 2018's ₱121.04 billion, as real estate expenses decreased by 6% to ₱94.75 billion from ₱101.08 billion in 2018.

General and Administrative Expenses ("GAE") totaled ₱9.37 billion, 3% higher than 2018's ₱9.10 billion as overhead costs rose in line with inflation. This resulted in a GAE ratio of 5.5% and improved EBIT Margin to 34.25% from 30.37% in 2018.

Interest expense, financing and other charges rose by 27% increase to ₱13.84 billion from ₱10.86 billion in 2018 as a result of higher interest expense on a higher average daily loan balance.

Capital Expenditures

ALI's capital expenditure amounted to ₱108.72 billion in 2019, mainly in support of the buildup of residential and leasing projects. Forty percent (40%) of the amount was spent on residential projects, 25% on commercial leasing, 16% on land acquisition, 14% on estate development, and 5% on other investments.

Financial Condition

As in previous years, the Company's balance sheet is solidly positioned to support its growth plans. Cash and Cash Equivalents including short term investments and financial assets classified as FVPL, stood at ₱21.52 billion resulting in a current ratio of 1.30:1.

Total borrowings registered at ₱211.10 billion, translating to a debt-to-equity ratio of 0.87:1 and a net debt-to-equity ratio of 0.78:1. Return on Equity was at 16.66% as of December 31, 2019.

	End-December 2019	End-December 2018
Current ratio ¹	1.30:1	1.26:1
Debt-to-equity ratio ²	0.87:1	0.85:1
Net debt-to-equity ratio ³	0.78:1	0.72:1
Profitability Ratios:		
Return on assets ⁴	5.43%	5.35%
Return on equity ⁵	16.66%	16.52%
Asset to Equity ratio ⁶	2.94:1	3.04:1
Interest Rate Coverage Ratio ⁷	6.27:1	6.09:1

¹ Current assets / current liabilities

² Total debt / consolidated stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI (Average total stockholders' equity attributable to equity holders of ALI means the

average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created in 2019.

Causes for any material changes (+/- 5% or more) in the financial statements

Income Statement items – December 2019 versus December 2018

Interest income from real estate sales and interest & investment income was higher by 10% due to higher yield from residential business.

Equity in net earnings of associates and joint ventures grew by 29% mainly coming from increased performance of FBDC companies, OHI's property sales, malls and offices, partially offset by negative equity pick-up of Rize Ayala (RWIL).

Other Income was lower by 25% due to recognition of Gain on sale of MCT Bhd.'s subsidiaries (One City Properties SDN BHD and Ecity Hotel SDN BHD) ₱237 million and ₱265 million respectively in 2018, partially offset by Gain on sale of Vertex One Bldg. amounted to ₱177 million.

Cost of real estate sales went down by 6% mainly lower bookings and POC of some Residential Projects.

Interest and other financing charges and other charges grew by 27% mainly due to increase in interest expense due to higher average daily balance and 2019's recognition of Interest expense-PFRS 16.

Provision for income tax increased by 11% due to higher taxable income mainly coming from real estate.

Balance Sheet items – December 2019 versus December 2018

Cash and cash equivalents decreased by 15% due to capital expenditures from Residential, Leasing and Land acquisitions. Decrease in deposit and other noncurrent liabilities, acquisition of NCI, acquisition of treasury shares and dividends paid also contributed to the decrease in cash

Short-term investments went down by 80% due to capital expenditures from Residential, Leasing and Land acquisitions.

Accounts and Notes Receivable-current decreased by 17% primarily due to lower bookings of accounts receivable.

Real estate Inventories increased by 15% mainly from new launches from residential projects.

Other current assets were higher by 10% mostly due to presentation of Advances to Contractors from Accounts and Notes Receivable to Other current assets, and also due to the increase in CWT and Input VAT mainly from residential projects.

Non-current Accounts and Notes Receivable increased by 17% primarily due to higher bookings of accounts receivable.

Investments in associates and jointly controlled entities grew by 8% attributable to additional investments to AKL and ALI Eton.

Right-of-use assets was filled in 2019 due to the adoption of PFRS 16.

Investment properties were up by 8% due to completion of investment properties from leasing and resorts.

Property and equipment improved by 20% mainly coming from the increase in Hotel PPE and MCT Bhd.

Deferred tax assets declined by 12% mainly due to decrease in Provision for Tax.

Other noncurrent assets grew by 22% mainly due increase in bookings of leasehold rights and deposits.

Short-term debt grew by 25% due to increase in borrowing to support property development, mall operations and land acquisitions.

Account and other payables went lower by 5% due to capital expenditures from Residential, Leasing and Land acquisitions.

Income tax payable went down by 18% derived from lower computed income tax payable primarily from real estate.

Current portion of long-term debt was lower by 26% due to the settlement of matured long-term loans.

Deposit and other current liabilities lower by 11% primarily due to the decrease in deposits and reservation fees from various residential projects and offices group's one-year advance rental income from tenants.

Long-term debt was up by 18% mainly from availment of new long-term loans.

Pension liabilities was up by 28% derived from remeasurement changes in net defined benefit liability.

Lease liabilities was filled in 2019 due to the adoption of PFRS 16.

Deposit and other noncurrent liabilities decreased by 14% primarily driven by leasing group's decrease in security deposits, reservations and advance rental deposits.

Equity attributable to equity holders of Ayala Land, Inc. increased by 13% derived from higher income in 2019, partially offset by Remeasurement loss on defined benefit plans, Cumulative translation adjustments and Treasury stock.

Material Changes in Liquidity and Cash Reserves– December 2019 versus December 2018

ALI Group ended a net decrease in Cash and cash equivalents of ₱2.81 billion for the year ended December 31, 2019 mainly due to net cash used for investing activities, payment of cash dividends and treasury shares, decrease in deposits and other noncurrent liabilities, and acquisition of noncontrolling interest. This is partially offset by net cash inflow from operating activities during the period and net proceeds from short and long-term debt.

Net cash provided by operating activities ended at ₱36.01 billion during the period versus ₱11.77 billion net cash inflow last year owing to higher operating income before changes in working capital and net decrease in working capital.

Investing activities used ₱42.57 billion cash during the period versus ₱2.98 billion net cash outflow last year; significantly higher mainly due to the increase in accounts and notes receivable – nontrade, higher expenditures for property and equipment; partially offset by lower investment in associates and jointly

ventures, investment properties, and prior year's net decrease in cash resulting from business combination.

Financing activities ended at ₱3.75 billion net cash inflow during the year versus ₱6.26 billion net cash outflow last year primarily coming from net proceeds from short and long-term debt availments; partially offset by payment of cash dividends and treasury shares, higher acquisition of minority interest, and payments of lease liability.

Cash and cash equivalents as of December 31, 2019 ended at ₱20.41 billion, after unfavorable effect of changes in foreign currency, from ₱24.00 billion as of December 31, 2018.

Review of December 2018 operations vs December 2017 operations

2018 was another year of robust growth for Ayala Land, Inc, posting total consolidated revenues of ₱166.25 billion (which include real estate sales, interest income from real estate sales, equity in net earnings, interest and investment income and other income) and net income attributable to equity holders of Ayala Land, Inc. of ₱29.24 billion, for a solid top line and bottomline growth of 17% and 16%, respectively.

The strong performance of property development and commercial leasing, supported by the full consolidation of Malaysia-based subsidiary MCT Bhd., boosted revenues from Real Estate by 17% to ₱155.95 billion.

EBIT Margin improved by a quarter percentage point, to 30.37% from 30.11% in 2017.

Ayala Land adopted PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* using modified retrospective approach of adoption with the initial date of application of January 1, 2018. Amounts presented in the consolidated statements of financial position and consolidated statement of income as at and for the years ended December 31, 2017 are based on PAS 39, *Financial Instruments: Recognition and Measurement* (superseded by PFRS 9) and PAS 18, *Revenue*, PAS 11, *Construction Contracts* and related Interpretations (superseded by PFRS 15). The comparative financial information for accounts affected by the adoption of PFRS 9 and PFRS 15 may not be comparable to the information presented for 2018, 2019 and 2020. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus, for the effect of the adoption of PFRS 9 and PFRS 15.

BUSINESS SEGMENTS

Property Development. This segment includes the sale of residential lots and units, office spaces, commercial and industrial lots, and the operations of MCT Bhd. Total revenues from Property Development grew by 18%, to ₱113.36 billion from ₱96.39 billion in 2017.

Residential. Driven by new bookings and project completions, revenues from the sale of Ayala Land residential lots and units and from MCT Bhd.'s operations reached ₱94.63 billion, an 18% growth from 2017's ₱79.90 billion.

Revenues generated by **AyalaLand Premier** rose by 6% to ₱28.00 billion from ₱26.50 billion in 2017, due to bookings for The Courtyards in Vermosa, Cavite and The Alcoves in Cebu Business Park and higher completion of The Suites at the Bonifacio Global City, Taguig, Metro Manila.

Alveo posted slightly higher revenues at ₱26.29 billion from 2017's ₱26.17 billion. The increase is attributed to bookings for Orea Place Tower 1 at Vertis North, Quezon City, Metro Manila and Travertine Tower at Portico, Pasig City, Metro Manila, and higher completion at The Residences at Evo City in Kawit, Cavite.

Bookings for Avida Towers Sola Tower 2 at Vertis North; Altura Tower 2 at South Park District, Muntinlupa City, Metro Manila; Asten Tower 3 at Makati City; and higher completion of Sola Tower 1 at Vertis North fueled **Avida's** 16% revenue growth to ₱24.22 billion from 2017's ₱20.84 billion.

Amaia posted a 20% improvement in revenues, to ₱7.36 billion from ₱5.74 billion, as a result of bookings and higher completion for Amaia Skies Shaw Tower 1 in Mandaluyong City, Metro Manila; Amaia Skies Cubao Tower 2 in Quezon City; Amaia Scapes General Trias in Cavite; and Amaia Steps Nuvali, Laguna. Meanwhile, bookings for **BellaVita's** projects in Pililia, Rizal; Cabanatuan East, Nueva Ecija; and Iloilo almost doubled its revenues to ₱1.15 billion from ₱652 million in 2017.

Overall, the average gross profit of Ayala Land's vertical projects improved to 34% from 30% due to higher margins from Alveo's High Park Tower 2, Orea Place Tower 1 and Avida's Sola Tower 2 in Vertis North and Avida's project in Southpark District, Altura Tower 2. On the other hand, the average gross profit of horizontal projects decreased to 44% from 47% due to the lower contribution of higher margin projects.

MCT Bhd. recognized revenues of ₱7.60 billion from sales and completion progress of its projects in Cybersouth, an integrated development in Southern Klang Valley, and Lakefront, a residential project in Cyberjaya.

Office for Sale. Higher bookings for One Vertis Plaza in Vertis North and The Stiles East Enterprise Plaza in Circuit Makati and higher completion progress of Park Triangle Corporate Plaza in BGC and the Alveo Financial Tower in Makati CBD hiked revenues from the sale of office spaces by 16%, to ₱11.00 billion from ₱9.45 billion in 2017. However, the lack of higher margin inventory resulted in a lower gross profit margin of 33% from 37% in 2017.

Commercial and Industrial Lots. Revenues from the sale of commercial and industrial lots grew by 10% to ₱7.73 billion from ₱7.04 billion, driven by commercial lot sales in the Vis-Min estates and in Evo City, Cavite, and industrial lot sales in Alviera, Pampanga and in the Cavite Technopark. The sale of commercial lots in Arca South, Alviera, Evo City and Lio and of industrial lots in Alviera and Cavite Technopark moved the gross profit margin of this segment upwards to 50% from 2017's 40%.

Strong demand from both local and overseas Filipinos fueled a full-year 16% increase in sales reservations, reaching ₱141.9 billion from 2017's ₱121.96 billion. In the fourth quarter alone, reservation sales grew by 21% to ₱33.8 billion. On the other hand, net booked sales reached ₱110.8 billion, a 14% increase from 2017's ₱96.9 billion, with the fourth quarter number growing by 9% to ₱32.7 billion.

In 2018, Ayala Land launched ₱139.4-billion worth of residential and office-for-sale projects.

Commercial Leasing. This segment covers the operation of shopping centers, office buildings, and hotels and resorts. Total revenues from commercial leasing amounted to ₱34.91 billion, 17% higher than ₱29.94 billion posted a year ago.

Shopping Centers. The contribution of Greenbelt and Glorietta in Makati City and the improved performance of newly opened malls in Quezon City, such as UP Town Center, Ayala Malls Cloverleaf and Vertis North, and in Pasig City, namely Ayala Malls Feliz and The 30th boosted the segment's revenues by 13% to ₱19.91 billion from ₱17.66 billion. EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) margin was maintained at 66%.

The average monthly lease rate was at ₱1,073 per sqm, while same mall rental grew by 6%. The average occupancy rate for all malls was 89%, while the occupancy rate of stable malls was higher at 95%.

The Company opened three (3) new malls in 2018—Circuit Mall in Makati with 52,000 sqm of GLA, Capitol Central Mall in Bacolod with 67,000 sqm, and One Bonifacio High Street in Taguig with 23,000 sqm—bringing the shopping centers' year-end GLA to 1.90 million sqm

Offices. Revenues from office leasing rose by 29% to ₱8.61 billion from ₱6.66 billion due to the stabilized occupancy of new offices such as Vertis Corporate Center in Quezon City, Circuit Corporate Center in Makati City, and The 30th Corporate Center in Pasig City. Office leasing EBITDA margin was sustained at 91%.

The monthly lease rate for offices averaged ₱755 per sqm. The average occupancy rate for all offices was 91%, while the occupancy rate of stable offices was 96%. The Company completed four (4) new offices in 2018—Bacolod Capitol Corporate Center with 11,000-sqm GLA, Vertis North Corporate Center 3 with 38,000 sqm, Ayala North Exchange HQ Tower with 20,000 sqm and another 22,000 sqm in its BPO Tower—bringing the offices' year-end GLA to 1.11 million sqm

Hotels and Resorts. Full-year operations of Seda Vertis North, Seda Capitol Central Bacolod and the recently renovated Apulit Island Resort in El Nido, Palawan coupled with the improved performance of our B&B's nudged revenues from our hotels and resorts higher by 14%, to reach ₱6.39 billion from 2017's ₱5.62 billion. REVPAR of all hotels and resorts slightly decreased by 1% to ₱3,531 a night and ₱7,989 a night, respectively. Meanwhile, REVPAR of stable hotels increased by 6% to ₱4,369 a night; that of stable resorts increased by 12% to ₱10,896 a night. EBITDA margin of this segment improved to 29% from 28% in 2017.

The average room rate a night of all hotels was ₱5,020, while that of stable hotels was ₱5,593. Meanwhile, the average room rate a night of all resorts was ₱12,593, while that of stable resorts was ₱17,035. The average occupancy rates of all hotels and resorts were at 70% and 63%, respectively, while those of stable hotels and stable resorts were at 78% and 64%, respectively.

A total of 390 rooms were added to the portfolio—Seda Capitol Central, 108; Seda Lio, 118; Circuit Residences, 80; Lio Dormitel, 42; Huni Sicogon, 19; Drift Hostel Sicogon, 16; and Sicogon Dormitel, 7—bringing the total number of rooms in operation to 2,973 by end-2018.

The hotels and resorts business operates 660 hotel rooms under its international brand segment—312 for Fairmont Hotel and Raffles Residences, and 348 for Holiday Inn & Suites, both locked in Ayala Center, Makati CBD. Our homegrown Seda Hotels operates 1,828 rooms—Atria, Iloilo, 152; BGC, Taguig, 179; Centrio, Cagayan de Oro, 150; Abreeza, Davao, 186; Nuvali, Santa Rosa, Laguna, 150; Vertis North, Quezon City, 438; Capitol Central, Bacolod, 154; Lio, Palawan, 118; and Ayala Center Cebu, 301. El Nido Resorts operates 193 rooms in its four (4) island resorts (Pangulasian, Lagen, Miniloc and Apulit), and Lio Tourism Estate currently has 144 rooms under its Bed and Breakfast category and Dormitel offerings. Lastly, the Sicogon Tourism Estate in Iloilo currently operates 68 B&B rooms.

Services. This segment is composed of the Company's construction business through Makati Development Corporation; property management, through Ayala Property Management Corporation, power services, through Direct Power Services, Inc., Ecozone Power Management, Inc., and Philippine Integrated Energy Solutions, Inc.; and airline services firm AirSWIFT, for the hotels and resorts business. Total revenues of this segment rose by 5% to ₱76.72 billion from ₱72.81 billion in 2017.

Construction. The increased order book of projects from the Ayala Land group resulted in a corresponding increase in construction revenues, reaching ₱71.42 billion, 6% more than 2017's ₱67.40 billion.

Property Management and Others. APMC, the power services companies, and AirSWIFT together posted revenues of ₱5.30 billion, a slight 2% decrease from the year-ago figure of ₱5.41 billion due to decreasing external retail electricity supply contracts.

Blended EBITDA margins of the Services business slightly declined to 9% from 10%.

Equity in Net Earnings of Investees, Interest, Fees, Investment, and Other Income

The full consolidation of MCT Bhd. into Ayala Land resulted in a 13% decrease in equity in net earnings of associates and JVs, to ₱750 million from 2017's ₱866 million. Meanwhile, interest and investment income increased by 31% to ₱8.00 billion from ₱6.08 billion in 2017 due to higher interest income from money market placements and accretion on installment sales. Other income reached ₱1.54 billion, 31% lower year-on-year.

Capital Expenditures

Ayala Land spent ₱110.1 billion in capital expenditures, higher than the ₱91.4 billion spent in 2017, to support the aggressive completion of new projects, 41% of which was spent on residential projects; 23% on commercial projects; 15% on land acquisition; 12% on development of estates; and 9% on investments.

Financial Condition

Ayala Land's balance sheet solidly positions the Company to pursue its growth plans.

Cash and Cash Equivalents including short term investments and Financial Assets at Fair Value through Profit or Loss ("FVPL"), stood at ₱27.56 billion, resulting in a current ratio of 1.26:1.

Total borrowings amounted to ₱187.10 billion, translating to a debt-to-equity ratio of 0.85:1 and a net debt-to-equity ratio of 0.72:1.

Return on equity as of December 31, 2018 was at 16.52%.

	<i>End-December 2018</i>	<i>End-December 2017</i>
Current ratio ¹	1.26:1	1.30:1
Debt-to-equity ratio ²	0.85:1	0.91:1
Net debt-to-equity ratio ³	0.72:1	0.77:1
Profitability Ratios:		
Return on assets ⁴	5.35%	5.07%
Return on equity ⁵	16.52%	16.09%
Asset to Equity ratio ⁶	3.04:1	2.99:1
Interest Rate Coverage Ratio ⁷	6.09:1	5.98:1

¹ Current assets / current liabilities

² Total debt / consolidated stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI (Average total stockholders' equity attributable to equity holders of ALI means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created in 2017.

Causes for any material changes (+/- 5% or more) in the financial statements

Income Statement items – December 2018 versus December 2017

Real estate revenues increased by 17% due to the consistent growth of property development and commercial leasing. Property development grew by 18% driven by new bookings and project completions from residential projects and sales of office spaces, commercial and industrial lots. Commercial leasing was higher by 17% coming from improved performance of newly opened malls.

Interest income from real estate sales and interest & investment income higher by 31% mainly due to higher rate in 2018 from short-term investments.

Equity in net earnings of associates and joint ventures declined by 13% primarily due to consolidation of MCT Bhd. in 2018 from equity pickup treatment in 2017.

Other Income lower by 31% due to inclusion of 2017 reversal of Comtrust impairment in 2017.

Real estate costs increased by 15% primarily driven by higher sales and incremental project completion from residential, leasing and hotels & resorts business groups.

General and administrative expenses higher by 25% due to the consolidation of ALI's investment in MCT Bhd. in 2018.

Interest and other financing charges and other charges grew by 19% due increase in interest expense on banks as a result of higher average loan balance and bank rate in 2018.

Provision for income tax increased by 22% due to higher taxable income driven by higher real estate revenues.

Non-controlling interests higher by 39% as a result of the consolidation of ALI's investment in MCT Bhd. in 2018.

Balance Sheet items – December 2018 versus December 2017

Cash and cash equivalents up by 14% primarily due to the consolidation of ALI's investment in MCT Bhd in 2018. The increase in cash is also caused by cash generated from operations, sale/disposition of assets, decrease in receivables and loan availments offset by loan payments.

Short-term investments went down by 35% mainly due to matured money market placements from Ayala Hotels Inc., BG West Properties, Inc., and Roxas Land Corp.

Financial assets at fair value through profit or loss lower by 12% due to the maturity of some investments in ARCH Capital Funds.

Real estate inventories higher by 15% primarily due to the impact of PIC Q&A No. 2018-11 on the classification of land by real estate developer.

Other current assets lower by 8% mainly due to the decrease in input VAT, partly offset by increase in CWT mostly from residential projects.

Non-current accounts and notes receivable went down by 13% due to the restatement of 2018 balances as Contract asset was reverted to receivable account-

Investments in associates and joint ventures lower by 13% driven by the consolidation of ALI's investment in MCT Bhd. in 2018 from equity pickup treatment in 2017.

Investment properties up by 12% primarily due to the impact of PIC Q&A No. 2018-11 on the classification of land by real estate developer.

Property and equipment increased by 25% mainly coming from inclusion of ALI's investment in MCT Bhd. in 2018.

Deferred tax assets higher by 22% due to additional DTA from PAS Straight-line recognition of revenue (Accounting Standard vs BIR) of leasing group.

Other noncurrent assets grew by 36% due to the increase in bookings of pre-operating expenses, deferred input VAT and deferred charges.

Account and other payables up by 25% mostly due to the consolidation of ALI's investment in MCT Bhd. 2018.

Short-term debt dropped by 18% due to conversion to long term debt from short term debt.

Income tax payable up by 165% due to higher taxable income primarily from real estate revenues.

Current portion of long-term debt increased by 254% due to incremental debt (bonds and loans) of Ayala Land Inc., Amorsedia Development Corp., and Alveo Land Corp., and inclusion of ALI's investment in MCT Bhd. in 2018.

Deposit and other current liabilities increased by 31% due to the restatement of 2018 balances as contract liability was reverted to deposit account.

Deferred tax liabilities higher by 66% primarily coming from the recognition of deferred tax liability for the uncollected receivables from residential development.

Total equity attributable to equity holders of Ayala Land, Inc. grew by 12% due to the increase in equity reserve as a result of the consolidation of ALI's investment in MCT Bhd. in 2018.

Non-controlling interests up by 29% largely due to Net income after Tax share of subsidiaries and consolidation of ALI's investment in MCT Bhd. in 2018.

Material Changes in Liquidity and Cash Reserves– December 2018 versus December 2017

ALI Group ended a net decrease in Cash and cash equivalents of ₱2.53 billion for the year ended December 31, 2018 mainly due to net cash used by investing activities, payment of cash dividends and treasury shares, increase in deposits and other noncurrent liabilities, and acquisition of noncontrolling interest. This is partially offset by net cash inflow from operating activities during the period and net proceeds from short and long-term debt.

Net cash provided by operating activities ended at ₱11.77 billion during the period versus ₱24.23 billion net cash inflow last year mainly due to the net increase in working capital partially offset by higher operating income before changes in working capital.

Investing activities used ₱2.98 billion cash during the period versus ₱33.91 billion net cash outflow last year; significantly lower mainly due to the decrease in accounts and notes receivable – nontrade and proceeds from disposal of property and equipment and investment properties and short-term investments; partially offset by the increase in other noncurrent assets, higher investment in associates and joint ventures, and net decrease in cash from business combination.

Financing activities ended at ₱6.26 billion cash outflow during the year versus ₱9.80 billion net cash inflow last year primarily coming from the decrease in short and long-term debt net availments, and decrease in deposits and other noncurrent liabilities. Payments for cash dividends and acquisition of noncontrolling interest almost at par with last year.

Cash and cash equivalents as of December 31, 2018 ended at ₱24.00 billion, after favorable effect of foreign currency changes, from ₱21.00 billion as of December 31, 2017.

CHANGES IN ACCOUNTING AND FINANCIAL DISCLOSURE

Adoption of New and Amended Accounting Standards and Interpretations

Changes in Accounting Policies

The accounting policies adopted in the preparation of the ALI Group's consolidated financial statements are consistent with those of the previous financial year except for the adoption of the following new and amended PFRSs which became effective January 1, 2021.

The nature and impact of each new standard and amendment are described below:

New Standards, Interpretations and Amendments

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year except for the adoption of the following new accounting pronouncements which became effective January 1, 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

- The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and must be applied retrospectively.

- PIC Q&A 2018-14, *Accounting for Cancellation of Real Estate Sales* (as amended by PIC Q&A 2020-05)

On June 27, 2018, PIC Q&A 2018-14 was issued providing guidance on accounting for cancellation of real estate sales. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-14 was deferred until December 31, 2020. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-14 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

On November 11, 2020, PIC Q&A 2020-05 was issued which supersedes PIC Q&A 2018-14. This PIC Q&A adds a new approach where the cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable). Under this approach, revenues and related costs previously recognized shall be reversed in the period of cancellation and the inventory shall be reinstated at cost. PIC Q&A 2020-05 will have to be applied prospectively from approval date of the Financial Reporting Standards Council which was November 11, 2020. The Group availed of the SEC relief to defer of adoption of this PIC Q&A until December 31, 2020.

Currently, the Group records the repossessed inventory at cost. The Group has opted to implement approach 3 in its accounting for sales cancellation.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- Annual Improvements to PFRSs 2018-2020 Cycle

- Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent,

based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2023

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted.

The new standard is not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred Effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The Group is currently assessing the impact of adopting these amendments.

- Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

A summary of the PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

	Deferral Period
a. Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023
b. Treatment of land in the determination of the POC discussed in PIC Q&A 2018-12-E	Until December 31, 2023

The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

- a. The accounting policies applied.
- b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
- c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
- d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

In November 2020, the PIC issued the following Q&As which provide additional guidance on the real estate industry issues covered by the above SEC deferrals:

- PIC Q&A 2020-04, which provides additional guidance on determining whether the transaction price includes a significant financing component
- PIC Q&A 2020-02, which provides additional guidance on determining which uninstalled materials should not be included in calculating the POC

After the deferral period, real estate companies have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021.

The Group availed of the SEC reliefs to defer the above specific provisions of PIC Q&A No. 2018-12. Had these provisions been adopted, the Group assessed that the impact would have been as follows:

- a. The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, provision for deferred income tax, deferred tax asset or liability for all years presented, and the opening balance of retained earnings. The Group believes that the mismatch for its contract to sell does not constitute a significant financing component based on the examples provided in the PIC letter dated November 11, 2020.
- b. The exclusion of land in the determination of POC would have reduced the percentage of completion of real estate projects. Adoption of this guidance would have reduced revenue from real estate sales, cost of sales and installment contracts receivable; increased real estate inventories and would have impacted deferred tax asset or liability and provision for deferred income tax for all years presented, and the opening balance of retained earnings. The group believes that impact is not significant after excluding the land component and replacing it by other pre-construction activities allowed by the standard.

The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented.

DIRECTORS, EXECUTIVE OFFICERS AND CONTROL PERSONS

As of June 30, 2021

The Directors shall hold office for one (1) year and until their successors are elected and qualified in accordance with the Corporation's By-Laws. The write-ups below include positions currently held by the directors and executive officers, as well as positions held during the past five years.

Board of Directors

Fernando Zobel de Ayala
Jaime Augusto Zobel de Ayala
Bernard Vincent O. Dy
Antonino T. Aquino
Arturo G. Corpuz

Cesar V. Purisima
Sherisa P. Nuesa
Rizalina G. Mantaring*
Rex Ma. A. Mendoza

**Lead Independent Director effective April 22, 2020*

Fernando Zobel de Ayala, Filipino, 60, has served as Chairman of the Board of ALI since April 1999. He has been a director of ALI for 33 years from June 1988 to present. He holds the following positions in publicly listed companies: President and Chief Operating Officer of Ayala Corporation; Chairman of Manila Water Company, Inc. and AC Energy Corporation (formerly AC Energy Philippines, Inc.); Director of Bank of the Philippine Islands, Globe Telecom, Inc. and Integrated Micro-Electronics, Inc.; and Independent Director of Pilipinas Shell Petroleum Corporation. He is the Chairman of AC International Finance Ltd., Lontide Holdings, Inc., AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.), Ayala Healthcare Holdings, Inc., Automobile Central Enterprise, Inc., Alabang Commercial Corporation, Accendo Commercial Corp. and Hero Foundation, Inc.; Co-Chairman of Ayala Foundation, Inc. and Ayala Group Club, Inc.; Vice-Chairman of AC Industrial Technology Holdings, Inc., ALI Eton Property Development Corporation, Ceci Realty Inc., Fort Bonifacio Development Corporation, Bonifacio Land Corporation, Emerging City Holdings, Inc., Columbus Holdings, Inc., Berkshires Holdings, Inc. AKL Properties, Inc., AC Ventures Holdings Corp., and Bonifacio Art Foundation, Inc.; Director of Livelt Investments, Ltd., AG Holdings Ltd., AC Infrastructure Holdings Corporation, Altaraza Development, Corporation, Asiacom Philippines, Inc., Ayala Retirement Fund Holdings, Inc., Honda Cars Philippines, Inc., Isuzu Philippines Corporation, and Manila Peninsula; Member of the Board of INSEAD Business School and Georgetown University; Member of the International Advisory Board of Tikehau Capital and of the Hispanic Society Museum & Library International Advisory Council; Vice Chairman of the Philippine-Singapore Business Council, member of the World Presidents' Organization and Chief Executives Organization; Chairman of Habitat for Humanity International's Asia-Pacific Capital Campaign Steering Committee; and Member of the Board of Trustees of Caritas Manila, Pilipinas Shell Foundation, and the National Museum. He graduated with B.A. Liberal Arts at Harvard College in 1982 and holds a CIM from INSEAD, France.

Jaime Augusto Zobel de Ayala, Filipino, 61, Director of Ayala Corporation for 33 years from June 1988 to present. He is the Chairman and CEO of Ayala Corporation since April 2006. He holds the following positions in publicly listed companies: Chairman of Globe Telecom, Inc., Integrated Micro-Electronics, Inc. and Bank of the Philippine Islands; and Vice Chairman of Ayala Land, Inc., Manila Water Company, Inc. and AC Energy Corporation (formerly AC Energy Philippines, Inc.). He is also the Chairman of Ayala Retirement Fund Holdings, Inc., AC Industrial Technology Holdings, Inc., AC Ventures Holding Corp., AC Infrastructure Holdings Corporation, and Asiacom Philippines, Inc.; Co-Chairman of Ayala Foundation, Inc. and Ayala Group Club, Inc.; Director of Alabang Commercial Corporation, Ayala International Pte. Ltd., AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.), Ayala Healthcare Holdings, Inc., Light Rail Manila Holdings, Inc. and AG Holdings Ltd. Outside the Ayala group, he is a member of various business and socio-civic organizations in the Philippines and abroad, including the JP Morgan International Council, JP Morgan Asia Pacific Council, and Mitsubishi Corporation International Advisory Council. He sits on the board of the Singapore Management University and on various advisory boards of Harvard University, including the Global

Advisory Council, HBS Board of Dean's Advisors, and HBS Asia-Pacific Advisory Board, which he chairs. He is Chairman Emeritus of the Asia Business Council, a member of the Global Board of Adviser of the Council on Foreign Relations, and Co-Vice Chairman of the Makati Business Club, Chairman of Endeavor Philippines, and a board member of Eisenhower Fellowships. He was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with rank of Grand Commander in 2010, and the Order of Mabini with rank of Commander in 2015 by the President of the Philippines in recognition of his outstanding public service. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer by the UN Global Compact for his work in sustainable business strategy and operations and was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business. He graduated with B.A. in Economics (Cum Laude) from Harvard College in 1981 and obtained an MBA from the Harvard Graduate School of Business in 1987.

Bernard Vincent O. Dy, Filipino, 57, has led Ayala Land, Inc. as President and Chief Executive Officer for seven (7) years from April 7, 2014 to present. Prior to this post, he was the Head of Residential Business, Commercial Business and Corporate Marketing and Sales. He is also the Chairman of Ayala Property Management Corporation; Makati Development Corporation; Alveo Land Corporation; Amaia Land Corporation; Bellavita Land Corporation; Ayagold Retailers, Inc.; Station Square East Commercial Corporation; Aviana Development Corp.; Cagayan De Oro Gateway Corp.; BGSouth Properties, Inc.; BGNorth Properties, Inc.; BGWest Properties, Inc.; Portico Land Corporation.; Philippine Integrated Energy Solutions, Inc.; Avencosouth Corp.; Nuevocentro, Inc. and Cebu Holdings, Inc. Mr. Dy also serves as Vice Chairman of Ayala Greenfield Development Corporation and Alviera Country Club, Inc. He is also President of President of Bonifacio Land Corporation; Emerging City Holdings, Inc.; Columbus Holdings, Inc.; Berkshires Holdings, Inc.; Fort Bonifacio Development Corporation; Aurora Properties Incorporated; Vesta Property Holdings, Inc.; Ceci Realty Inc.; Alabang Commercial Corporation; and Accendo Commercial Corporation. Mr. Dy also serves as Director of AyalaLand Logistics Holdings Corp.; MCT Bhd of Malaysia; Avida Land Corporation; Amicassa Process Solutions, Inc.; Whiteknight Holdings, Inc.; AyalaLand Medical Facilities Leasing, Inc.; Serendra, Inc.; Alveo-Federal Land Communities, Inc.; ALI Eton Property Development Corporation; and AKL Properties, Inc. Mr. Dy is the President of Hero Foundation Inc. and Bonifacio Art Foundation, Inc. He is also a member of Ayala Foundation, Inc. and Ayala Group Club, Inc. He has also been a Director of the Junior Golf Foundation of the Philippines since 2010 and has served as Vice Chairman since 2017. He earned a Bachelor's Degree in Business Administration from the University of Notre Dame in 1985, He received his MBA in 1989 and MA International Relations in 1997, both from the University of Chicago.

Antonino T. Aquino, Filipino, 73, has served as Director of ALI for twelve (12) years from April 2009 to present. He is also a Director of Manila Water Company, Inc. (MWC), another publicly listed company, since 1998. He was the President of ALI from April 2009 to April 2014, MWC from April 1999 to April 2009, and Ayala Property Management Corporation from 1989 to 1999. He has served the Ayala group in various capacities for 38 years. Currently, he is a Board member of Nuevocentro, Inc., Anvaya Beach & Nature Club and Mano Amiga Academy, Inc. He is also a private sector representative in the Multi Sectoral Advisory Board of the Philippine Army and the Multi Sector Governance Council of the Armed Forces of the Philippines. He was named "Co-Management Man of the Year 2009" by the Management Association of the Philippines for his leadership role in a very successful waterworks privatization and public-private sector partnership. In 2015, Mr. Aquino was elected as Director of The Philippine American Life and General Insurance Company (Philam). He earned a degree in BS Management and completed academic requirements for Masters in Business from the Ateneo de Manila University in 1968 and 1975, respectively.

Arturo G. Corpuz, Filipino, 64, has served as a Director of ALI for five (5) years from April 2016 to present. He was a member of the Management Committee of ALI from 2008 to December 31, 2016. He is also a member of the Board of Ceci Realty, Inc. Aurora Properties, Inc., Vesta Properties Holdings, Inc., Nuevocentro, Inc., Next Urban Alliance Development Corp. and Alviera Country Club, Inc. He is a former President of the Philippine Economic Society and a Fellow of the Foundation for Economic Freedom and the Philippine Institute of Environmental Planning. Mr. Corpuz received his baccalaureate degree in Architecture from the University of the Philippines in 1977 and his masteral and doctoral degrees in urban and regional planning from Cornell University in 1984 and 1989.

Rizalina G. Mantaring, Filipino, 61, has served as an Independent Director of ALI for seven (7) years

from April 2014 to present and has been its Lead Independent Director since April 2020. Concurrently, she also holds the following positions: Director, Sun Life Grepa Financial, Inc.; and Independent Director of First Philippine Holdings Corp. Inc., PHINMA Corp. inc., FEU Alabang, East Asia Computer Center Inc., Roosevelt College Inc., and Microventures Foundation Inc. She is also a member of the Boards of Trustees of the Makati Business Club, and Philippine Business for Education. A recipient of the Asia Talent Management Award in the Asia Business Leaders Award organized by the global business news network CNBC. She has also been recognized by the International Association of Business Communicators (Philippines) with the CEO Excel award. She was named by Moneysense Magazine as one of the 12 Most Influential in Personal Finance, was selected as one of the 100 Most Outstanding Alumni of the past century by the University of the Philippines College of Engineering, and was 2019 PAX awardee of St. Scholastica's College Manila, the highest award given by the school to outstanding alumni. She holds a BS Electrical Engineering degree from the University of the Philippines where she graduated with honors in 1982. She obtained her MS degree in Computer Science from the State University of New York at Albany in 1993.

Cesar V. Purisima, Filipino, 60, has been an Independent Director of ALI for three (3) year from April 18, 2018 to present. He is an Asia Fellow at the Milken Institute, a global non-profit, non-partisan think tank. He is a founding partner at IKLAS Capital, a pan-ASEAN private equity platform. He is a member of the board of AIA Group Limited, Word Wildlife Fund-Philippines, Inc. and De La Salle University. He is an Independent Director of Universal Robina Corporation, a publicly listed company. He is a Member of the Global Advisory Council of Sumitomo Mitsui Banking Corporation and of the International Advisory Council in the Philippines of Singapore Management University; He served the Philippine Government as a Secretary of Finance and the Chair of Economic Development Cluster of the President's Cabinet from July 2010 to June 2016. He briefly served as Finance Secretary in 2005 and Trade and Industry Secretary from 2004 to 2005. Additionally, he was a member of the Monetary Board of the Philippines Central Bank, and the Governor for the Philippines at the Asian Development Bank and the World Bank. He served as Alternate Governor for the Philippines at the International Monetary Fund and Chairman of the Land Bank of the Philippines. Under his leadership, the Philippines received its first investment-grade ratings. He was named Finance Minister of the Year seven times in six (6) consecutive years by a number of publications, a first for the Philippines. Prior to his stints in the government service, he was the Chairman & Country Managing Partner of the Philippines' largest professional services firm SGV & Co., and was a member of the Global Executive Board and Global Practice Council of Ernst & Young. He was conferred the Chevalier dans l'Ordre national de la Légion d'Honneur (Knight of the National Order of the Legion of Honour) by the President of the French Republic in 2017, the Order of Lakandula, Rank of Grand Cross (Bayani) by the President of the Philippines in 2016 and the Chevalier de l'Ordre national du Mérite (Knight of the National Order of Merit) by the President of the French Republic in 2001. He is a certified public accountant and has extensive experience in public accounting both in the Philippines and abroad. He obtained his Bachelor of Science degree in Commerce Major in Accounting and Financial Institutions from De La Salle University in 1979. He earned his Master of Business Administration degree from Kellogg School of Management, Northwestern University, Illinois in 1983 and Doctor of Humanities honoris causa degree from Angeles University Foundation of the Philippines in 2012.

Sherisa P. Nuesa, Filipino, 66, has served as an Independent Director of Ayala Land, Inc. for more than a year from April 22, 2020 to present. She is the President and Director of the ALFM Mutual Funds Group. She is also an Independent Director of Integrated Micro-electronics, Inc., Manila Water Company, Inc., AC Energy Corporation (formerly AC Energy Philippines, Inc.) and Far Eastern University. She is also an Independent Director of East Asia Computer Center, Inc. and FERN Realty Corporation. She is a member of the Boards of Trustees of the Institute of Corporate Directors (Vice Chair), the Judicial Reform Initiative (Chairperson), and the Financial Executives (FINEX) Foundation. She is a Senior Adviser to the Boards of Metro Retail Stores Group, Inc. and Vicsal Development Corporation. She retired as a Managing Director of Ayala Corporation in 2011, and held various senior positions in finance and management operations. She was the Chief Finance Officer and concurrently, Chief Administration Officer of IMI from 2009 to 2010. She was the Chief Finance Officer of Manila Water Company, Inc. from 2000 to 2008. She also served in Ayala Land, Inc. from 1989 to 1999 as Vice President/Controller, then as the Group Head of its Commercial Centers Group. She was awarded the ING-FINEX CFO of the Year for 2008. She received a Master in Business Administration degree from the Ateneo Graduate School of Business in Manila. She also attended post-graduate courses in Harvard Business School and in Stanford University. She graduated summa cum laude with a degree of Bachelor of Science in Commerce from the Far Eastern University in 1974. She

is a Certified Public Accountant.

Rex Ma. A. Mendoza, Filipino, 58, has served as an Independent Director of Ayala Land, Inc. for more than a year from April 22, 2020 to present. He is the President and CEO of Rampver Financials, a financial services firm and the leading non-bank mutual funds distributor in the country. He currently serves as an Independent Director of Ayala Land Logistics Holdings Corp., Globe Telecom, Inc., and a Director of Esquire Financing, Inc., TechnoMarine Philippines, Seven Tall Trees Events, Inc., Cullinan Group and Mobile Group, Inc. He was previously the Senior Adviser to the AIA Group CEO for Marketing and Distribution. AIA Group Limited is the leading Pan-Asian insurance company and is the parent firm of the Philippine American Life and General Insurance Company (PhilamLife). Prior to this position, he was the President and Chief Executive Officer of Philam Life, Chairman of The Philam Foundation, Inc. and Vice Chairman of BPI Philam Life Assurance Company. Prior to rejoining Philam Life, he was Senior Vice President and Chief Marketing and Sales Officer of Ayala Land, Inc. He was also Chairman of Ayala Land International Sales, Inc., President of Ayala Land Sales, Inc., and Avida Sales Corporation. He earned his Master's Degree in Business Management with distinction from the Asian Institute of Management in 1986 and was one of the 10 Outstanding Graduates of his batch at the University of the Philippines where he obtained a BSBA degree with a double major in marketing and finance in 1983. He was awarded Most Distinguished Alumnus of the University of the Philippines' Cesar E.A. Virata School of Business last December 2013. He is also a fellow with distinction at the Life Management Institute of Atlanta, Georgia, USA, a Registered Financial Planner and a four-time member of the Million Dollar Round Table. Mr. Mendoza was a professor of Marketing and Computational Finance at the De La Salle University Graduate School of Business. He taught strategic marketing, services marketing and services strategy. He has served as Chairman of the Marketing Department and was awarded as one of the University's most outstanding professors. He is the author of the books "Trailblazing Success" and "Firing on all Cylinders" which are certified national bestsellers.

Board Committees

The Board of Directors is assisted by following eight committees with delegated functions in accordance to the Corporation's By-Laws. Each committee has a board-approved charter that outlines its powers, duties, and responsibilities. The charter states the committee's composition, powers, duties, and responsibilities. The board may delegate some of its powers, duties, and responsibilities to any of the board committees.

Executive Committee

Fernando Zobel de Ayala – Chairman
Jaime Augusto Zobel de Ayala – Member
Antonino T. Aquino – Member
Bernard Vincent O. Dy – Member
Cesar V. Purisima – Member

Corporate Governance and Nomination Committee

Sherisa P. Nuesa - Chairman
Cesar V. Purisima - Member
Rizalina G. Mantaring - Member

Personnel and Compensation Committee

Rex Ma. A. Mendoza – Chairman
Fernando Zobel de Ayala – Member
Cesar V. Purisima – Member

Related Party Transactions Review Committee

Rex Ma. A. Mendoza – Chairman
Sherisa P. Nuesa – Member
Rizalina G. Mantaring - Member

Audit Committee

Cesar V. Purisima – Chairman
Rex Ma. A. Mendoza – Member
Antonino T. Aquino – Member

Sustainability Committee

Arturo G. Corpuz – Chairman
Sherisa P. Nuesa – Member
Bernard Vincent O. Dy – Member

Risk Oversight Committee

Rizalina G. Mantaring – Chairman
Sherisa P. Nuesa – Member
Antonino T. Aquino – Member

Inspector of Proxies and Ballots Committee

Solomon M. Hermosura – Chairman
Annabeth R. Bernardo – Member
Ma. Luisa D. Chiong – Member

Management Committee Members / Key Executive Officers

Bernard Vincent O. Dy ¹	President and Chief Executive Officer
Dante M. Abando	Senior Vice President
Augusto D. Bengzon	Senior Vice President, Chief Finance Officer, Treasurer, & Chief Compliance Officer
Anna Ma. Margarita B. Dy	Senior Vice President
Jose Emmanuel H. Jalandoni	Senior Vice President
Robert S. Lao	Senior Vice President
Laurent P. Lamasuta ^{**}	Senior Vice President
Jaime E. Ysmael [*]	Senior Vice President
Lyle A. Abadia	Vice President
Amelia Ann T. Alipao	Vice President, Chief Information Officer and Data Protection Officer
Aniceto V. Bisnar, Jr.	Vice President
Manuel A. Blas II [*]	Vice President
Ma. Luisa D. Chiong ^{**}	Vice President
Dindo R. Fernando	Vice President
Rufino Hermann S. Gutierrez	Vice President
Javier D. Hernandez	Vice President
Ma. Carmela K. Ignacio [*]	Vice President
Joseph Carmichael Z. Jugo	Vice President
Ma. Divina Y. Lopez ^{**}	Vice President
Michael Alexis C. Legaspi [*]	Vice President
Christopher B. Maglanoc	Vice President
Michael F. Magpusao	Vice President
Ferdie M. Mangali	Vice President
Romeo T. Menpin, Jr.	Vice President
Carol T. Mills	Vice President
June Vee D. Monteclaro-Navarro ^{**}	Vice President
Rodelito J. Ocampo	Vice President
Ginaflor C. Oris	Vice President
Darwin L. Salipsip	Vice President
Angelica L. Salvador [*]	Vice President
Eliezer C. Tanlapco	Vice President
Maria Rowena Victoria M. Tomeldan	Vice President
Jennylle S. Tupaz	Vice President
Annabeth R. Bernardo ^{***}	Chief Audit Executive
Solomon M. Hermosura	Group General Counsel & Corporate Secretary

¹Member of the Board of Directors

^{*}Until December 31, 2020

^{**}Appointed November 26, 2020 effective January 1, 2021

^{***}Appointed November 26, 2020 effective January 2, 2021

Dante M. Abando, Filipino, 56, is a Senior Vice President and Member of the Management Committee of ALI. He is the President and CEO of Makati Development Corporation. He is also the Chairman of MDC BuildPlus, Inc., MDC Concrete, Inc., MDC Equipment Solutions, Inc. and MDBI Construction Corp., a joint venture of Makati Development Corporation and Bouygues Batiment International. He was the past President and now a Board Member of Alveo Land Corporation. He is currently a Board Member of Avida Land Corporation, Serendra, Inc., Ayala Property Management Corporation and Anvaya Cove Golf & Sports Club, Inc. He was the Chairman and President of the Philippine Constructors Association in 2016-2017 and a member of the Board of Trustees of the University of the Philippines Alumni Engineers (UPAE) since 2015-2018. He graduated with a degree in Bachelor of Science in Civil Engineering from the University of the Philippines in 1986 and earned his Master's degree in Business Administration in 1995 from the same university. In 2012, he completed the Executive Program on Real Estate Management at Harvard University Graduate School of Business.

Augusto D. Bengzon, Filipino, 58, joined ALI in December 2004 and currently serves as its Senior Vice President, Chief Finance Officer, Chief Compliance Officer & Treasurer. He is a Director of AREIT,

Inc. and Treasurer of Cebu Holdings Inc. and AyalaLand Logistics Holding Corp., the publicly listed subsidiaries of ALI. His other significant positions include: Chairman of Aprisa Business Process Solutions Inc.; Director, Treasurer & Compliance Officer of Anvaya Cove Golf and Sports Club Inc.; Director and Chief Finance Officer of Altaraza Development Corporation; Director and Treasurer of ALI Eton Property Development Corp., Amaia Land Corp., Aurora Properties Inc., Avida Land Corp., Ayala Property Management Corp., Bellavita Land Corp., BGNorth Properties Inc., BGSouth Properties Inc., BGWest Properties Inc., Ceci Realty Inc., Philippine Integrated Energy Solutions Inc., Serendra Inc. and Vesta Property Holdings Inc.; Director & Assistant Treasurer of Ayala Greenfield Development Corp.; Director of AG Counselors Corporation, Alviera Country Club Inc., Alveo Land Corp., Ayala Land Premier Inc., Makati Development Corp., Nuevocentro Inc., Northgate Hotel Ventures, Inc., Portico Land Corp., Station Square East Commercial Corp. and Southcrest Hotel Ventures, Inc.; Treasurer of Alabang Commercial Corporation, AKL Properties, Inc. and Hero Foundation, Inc.; Assistant Treasurer of Ayala Greenfield Golf & Leisure Club, Inc. and Trustee of the Philippine National Police Foundation, Inc. He received his Bachelor of Science degree in Business Management from the Ateneo de Manila University and is a graduate of the Philippine Trust Institute. He was granted the Andres K. Roxas scholarship at the Asian Institute of Management where he received his Masters in Business Management degree.

Anna Ma. Margarita B. Dy, Filipino, 52, is a Senior Vice President since January 1, 2015 and a member of the Management Committee of ALI since August 2008. She is the Head of the Strategic Landbank Management (SLMG) of ALI. She is also the President of Cebu Holdings, Inc. one of the publicly listed subsidiaries of ALI. Her other significant positions are: Chairman and President of Bonifacio Global City Estate Association and Taft Punta Engano Property, Inc.; Chairman of Adauge Commercial Corporation, Amorsedia Development Corporation, AyalaLand Estates, Inc., Buendia LandHoldings, Inc., Bonifacio Estate Services Corporation, Crimson Field Enterprises, Inc., and Red Creek Properties, Incorporated; Vice Chairman and President of Vesta Properties Holdings, Inc.; Director and Executive Vice President of Bonifacio Land Corporation and Fort Bonifacio Development Corporation; Director and President of Altaraza Development Corporation, ALI Eton Property Development Corporation, Aurora Properties, Inc., Nuevocentro, Inc., and Alviera Country Club, Inc.; Director of Accendo Commercial Corp., Alveo Land Corp., Aviana Development Corp., Avida Land Corp., Ayala Greenfield Development Corporation, Berkshires Holdings, Inc., Cagayan de Oro Gateway Corp., Columbus Holdings, Inc., Emerging City Holdings, Inc., CECI Realty, Inc., Crans Montana Property Holdings Corporation, AyalaLand Medical Facilities Leasing, Inc., and HLC Development Corporation, Next Urban Alliance Development Corp.; Trustee of Alagang Ayala Land Foundation Inc.; and, Trustee and Treasurer of Bonifacio Art Foundation, Inc. Prior to joining ALI, she was a Vice President of Benpres Holdings Corporation. She graduated magna cum laude from Ateneo De Manila University with BS of Arts Degree in Economics Honors Program. She earned her Master's degree in Economics from London School of Economics and Political Science UK 1991 and MBA at Harvard Graduate School of Business Administration in Boston.

Jose Emmanuel H. Jalandoni, Filipino, 53, is a Senior Vice President and a member of the Management Committee of ALI. He is the Group Head of commercial businesses including malls, offices, hotels, resorts and Chairman of ALI Capital Corporation. He is the Chairman of AREIT, Inc., AyalaLand Logistics Holdings Corp. and Director of Cebu Holdings, Inc., publicly listed subsidiaries of ALI. His other significant positions are: Chairman of the Board of ALI Commercial Center, Inc., ALI Makati Hotel and Residences, Inc., ALI Makati Hotel Property, Inc., ALI Triangle Hotel Ventures, Inc., Arca South Hotel Ventures, Inc., AsiaTown Hotel Ventures, Inc., Ayala Hotels, Inc., AyalaLand Hotels and Resorts Corporation, AyalaLand Medical Facilities Leasing, Inc., AyalaLand Offices, Inc., Bacuit Bay Development Corporation, Bay Area Hotel Ventures, Inc., Bonifacio Hotel Ventures, Inc., Capitol Central Hotel Ventures, Inc., Cebu Insular Hotel Company, Inc., Central Bloc Hotel Ventures, Inc. Chirica Resorts Corporation, Circuit Makati Hotel Ventures, Inc., Direct Power Services, Inc., Ecoholdings Company Inc., Econorth Resort Ventures, Inc., EcoSouth Hotel Ventures, Inc., Enjay Hotels, Inc., Greenhaven Property Ventures, Inc., Integrated Eco-Resort, Inc., Lio Resort Ventures, Inc., Lio Tourism Estate Management Corporation, Makati North Hotel Ventures, North Eastern Commercial Corporation, North Liberty Resort Ventures, Inc., North Triangle Hotel Ventures, Inc., Northgate Hotel Ventures, Inc., One Makati Hotel Ventures, Inc., Pangulasian Island Resort Corporation, Paragua Eco-Resort Ventures, Inc., Regent Horizons Conservation Company, Inc., Sentera Hotel Ventures, Inc., Sicogon Island Tourism Sicogon Town Hotel, Inc., Estate Corporation, Soltea Commercial Corporation, Southcrest Hotel Ventures, Inc., Ten Knots Development Corporation, Ten Knots Philippines, Inc., Whiteknight Holdings, Inc. and One Makati Residential Ventures, Inc. He

is also Director of the following companies: Accendo Commercial Corporation, Alabang Commercial Corporation, Arca South Integrated Terminal, Inc., Ayagold Retailers, Inc., Ayala Property Management Corporation, Cagayan de Oro Gateway Corporation, Columbus Holdings, Inc., Fort Bonifacio Development Corporation, Makati Cornerstone Leasing Corporation, Makati Development Corporation, Philippine FamilyMart CVS, Inc., Philippine Integrated Energy Solutions, Inc., Station Square East Commercial Corporation. He joined ALI in 1996 and held various positions in the Company. He graduated with a degree of Bachelor of Science in Legal Management from Ateneo de Manila University. He earned his Master's Degree in Business Administration from Asian Institute of Management. He is a Chartered Financial Analyst.

Laurent P. Lamasuta, Filipino, 55, was designated as Senior Vice President of Ayala Land, Inc. in 2021 and is currently the President and Chief Executive Officer of Ayala Property Management Corporation (APMC) and the Chairman and President of Prime Support Services, Inc. Prior to joining APMC, he was President and CEO of Ten Knots Development Corporation, developer, operator and manager of El Nido Resorts comprising of four eco-tourism island resorts in Palawan. Mr. Lamasuta has had several posts with the international luxury hotel industry with stints in independent top properties like The Ritz in Paris, the Dorchester in London, The Manila Hotel in Manila as well as international brands like Intercontinental Hotels, Ritz-Carlton Hotels and Le Meridien Hotels. Previously he was a Senior Advisor of Ayala Land for member and customer relations of its Residential Business Group. He joined Ayala Land in 2005 to open Ayala Greenfield Golf and Leisure Club, Inc. and Anvaya Cove Beach and Nature Club. He graduated from Collège "La Rostagne," in Antibes, France, and further gained a degree in tourism and hotel management in 1985 with the following qualifications: Certificat d'Aptitude Professionnelle (C.A.P.), Brevet d'Enseignement Professionnel (B.E.P.), and Brevet de Technicien Hôtelier (B.T.H.) from the Lycée d'Hôtellerie et de Tourisme, in Nice, France. He is a recipient of the Hotel and Catering International Management Association (HCIMA) Certificate and License in Hotel Management given by the Westminster College in London, England.

Robert S. Lao, Filipino, 47, has been Senior Vice President of ALI and a member of the Management Committee of Ayala Land, Inc. since April 19, 2017. He is also the Group Head of Ayala Land's Residential Business Group and the Group Head of the Central Land Acquisition Unit. He is concurrently the President of Alveo Land Corp and Amaia Land Corp., BellaVita Land Corporation, AKL Properties Inc., BGSouth Properties, Inc., and President and Chief Operating Officer of Portico Land Corp.; He is the Chairman of the Board of Avida Land Corp. He is also the Chairman of the Board and President of Serendra, Inc. Prior to joining Ayala Land, Inc., he served as a Senior Process Engineer of Fujitsu Computer Products Corporation of the Philippines (FCPP) and Lead Process Engineer of PT. Quantum Electronics in Indonesia. He is a licensed Real Estate Broker. He studied at the University of Santo Tomas (UST) and graduated cum laude in Bachelor of Science in Industrial Engineering in 1995. He completed his Master's in Business Management (MBM) degree in 2001 from the Asian Institute of Management (AIM) and attended the International Student Exchange Program from University of Cologne in Germany.

Jaime E. Ysmael, Filipino, 60, was a Senior Vice President of ALI until December 31, 2020. He was a Managing Director of Ayala Corporation and Chairman, President & Chief Executive Officer of Ortigas Land Corporation (formerly OCLP Holdings, Inc.) and Concrete Aggregates Corporation. He is the Chairman of the Board of Directors of Anvaya Cove Beach and Nature Club, Inc. and Anvaya Golf and Sports Club, Inc. He is also a member of the Board of Directors of various Ayala Land subsidiaries and affiliates. Outside of the company, he is a Trustee of the Shareholders Association of the Philippines, FINEX Research and Development Foundation, Inc. and the CIBI Foundation. He is also a Trustee and President of the Alumni Tree Project. Mr. Ysmael holds a degree in Business Administration, Major in Accounting (Summa Cum Laude) at the University of the East, Manila, Philippines and is a Certified Public Accountant. He earned an MBA, Major in Finance, at The Wharton School and an MA in International Studies at The School of Arts and Sciences of the University of Pennsylvania in Philadelphia, USA, as a fellow of The Joseph H. Lauder Institute of Management and International Studies.

Lyle A. Abadia, Filipino, 63, has served as Vice President of ALI since November 2016. Currently, he is the Head of Special Projects reporting to the Office of the President of ALI. Likewise, he is a Director of ALI's wholly-owned subsidiaries namely, Amicassa Process Solutions, Inc. and BellaVita Land Corporation. Prior to joining Ayala Land, Inc. in 2004, he held various executive positions in two (2) ALI subsidiaries, commencing in 1982 under Ayala Theatres Management, Inc. and moved to join Laguna

Technopark, Inc. in 1991 as one of the pioneering executive officers who crafted the successful transformation of the 650-hectare former sugarcane plantation into what is now known as one of the world-class industrial estates in the country. He likewise set up BellaVita Land Corporation and took the helm as President from 2011 to 2017. Mr. Abadia holds a degree in Bachelor of Science in Commerce, Major in Accounting at the Colegio De San Jose – Recoletos. He completed a Basic Management Program at the Asian Institute of Management and in-house program for Harvard Leadership Acceleration Program.

Amelia Ann T. Alipao, Filipino, 58, is currently Vice President and Chief Information Officer of ALI. She is also the Group Data Protection Officer for ALI Group of Companies and presently a member of the Data Privacy Council for Real Estate of the National Privacy Commission. She sits on the board of APRISA Business Process Solutions, Inc and HCX Technology Partners Inc. She is also Vice President for Ka-uSAP Inc., a non-profit organization for SAP User Group of the Philippines. She is currently a member of the ALI Corporate Bidding Committee. She previously occupied this role in 2009-2011 and acted as Chairperson. Before joining ALI, she took on dual roles in SAP Philippines as Account Manager, handling government accounts, and project manager for SAP Implementation. She served as Assistant Vice President in Coca-Cola Bottlers Philippines, Inc., where she held various IT systems implementation projects. She started her IT career as an IT Instructor in I/Act of SyCip Gorres Velayo & Co. She holds a Bachelor of Arts in Biology and a Bachelor of Science in Business Management from De La Salle University.

Aniceto V. Bisnar, Jr., Filipino, 57, serves as Vice President of ALI since January 2009 and the Senior Vice President & Chief Operating Officer of Ortigas Land Corporation. His other significant positions are: Chairman of Adauge Commercial Corp., Central Block Developers, Inc. and Amaia Southern Properties, Inc.; Chairman and President of North Point Estate Association, Inc., Asian I-Office Properties, Inc., Cebu Leisure Company, Inc., Cebu Business Park Association, Inc. and Asia Town I.T. Park Association, Inc.; and Vice Chairman of Avenco South Corporation. He is the President of Aviana Development Corporation and Lagdigan Land Corporation. He is also the Vice President of Solinea, Inc. He is a Director of Accendo Commercial Corporation, Cebu District Property Enterprise, Inc., Cagayan de Oro Gateway Corp., Taft Punta Engaño Property, Inc., and a Member of the Board of Trustee of Hero Foundation, Inc.

Manuel A. Blas II, Filipino, 65, served as Vice President of Ayala Land Inc. and the Estate Head for Bonifacio Global City and Makati Projects of ALI until December 31, 2020. He also holds positions in Fort Bonifacio Development Corporation Subsidiaries such as President of Bonifacio Estate Services Corporation and Bonifacio Transport Corporation; Director of Bonifacio Global City Estate Association, Bonifacio Water Corporation, and Bonifacio Gas Corporation. He graduated from De La Salle University and has a master's degree in Religious Studies from Maryhill School of Theology.

Ma. Luisa D. Chiong, Filipino, 49, is currently a Vice President and the Controller of Ayala Land, Inc. Prior to this role, she was the Chief Finance Officer and Compliance Officer of Cebu Holdings, Inc., a publicly listed company, and Chief Finance Officer of the Estates Group from 2017 to 2020. Her other significant positions include: Director of Cebu Leisure Company, Inc. and Central Block Developers, Inc.; Director and Treasurer of Asian I-Office Properties, Inc., North Point Estate Association, Inc. and Vertis North Estate Association, Inc.; Director, Treasurer & Chief Finance Officer of Adauge Commercial Corporation; Director & Chief Finance Officer of ALInet.com, Inc.; Treasurer and a member of the Board of Trustees of Lakeside Evozone Association, Inc.; Trustee, Treasurer of Altaraza Town Center Estate Association, Inc. and Arca South Estate Association Inc.; Treasurer and Chief Finance Officer of Accendo Commercial Corp., Cagayan de Oro Gateway Corp. and Taft Punta Engano Property, Inc.; Chief Finance Officer of Aurora Properties Incorporated, Aviana Development Corp., CECI Realty Inc. and Vesta Property Holdings, Inc.; and the Comptroller of Nuevocentro, Inc. She completed the academic requirements for a Master in Business Administration degree from De La Salle University in 1998 and obtained her Bachelor of Science in Commerce Major in Accounting degree from the same university in 1991. She is a Certified Public Accountant, garnering 5th place in the May 1992 CPA Board Examinations and is a member of the Philippine Institute of Certified Public Accountants (PICPA).

Dindo R. Fernando, Filipino, 53, has been Vice President of Ayala Land, Inc. since April 2017. He currently heads the Company's External Affairs Division. Moreover, he is the Treasurer of Anvaya Beach and Nature Club, Corporate Secretary of Santa Rosa (Laguna) Business Club, Board Member of the Calamba City Business Club and Vice President of Avida Towers Makati West Condominium

Corporation. Prior to joining ALI, he was Head of Political Research at the Makati Business Club where he oversaw congressional research, analysis and publication. He graduated with a degree in AB Political Science from the Lyceum of the Philippines in 1989.

Rufino Hermann S. Gutierrez, Filipino, 48, is a Vice President of ALI effective January 1, 2020, and is currently the Chief Operating Officer and Project Development Group Head of Alveo Land Corp. He is concurrently President of Alveo Federal Land Communities, Inc. and Solinea, Inc. Furthermore, he is currently the Vice Chairman of Ayala Land International Sales, Inc. and a Director of Amicassa Process Solutions, Inc. In his more than 17 years in the company, he has handled and led various functions in residential, commercial, office and leisure development, such as project development, business development, sales, marketing and human resources management. He graduated from the De La Salle University with a degree in BS Industrial Engineering with minor in Mechanical Engineering in 1994 and completed his MBA from the Asian Institute of Management in 2000. He completed the Advanced Management Program from the National University of Singapore in 2016. He is also a licensed Real Estate Broker.

Javier D. Hernandez, Filipino, 52, has been Vice President of ALI since April 2017. He is now the Chief Operating Officer of AyalaLand Hotels & Resorts Corporation concurrent to his present role as President of the Ten Knots Group - Ten Knots Philippines, Inc., Bacuit Bay Development Corporation, Ecoholdings Company, Inc., Regent Horizons Conservation Company, Inc., Lio Tourism Estate Management Corp., Ten Knots Development Corp., Chirica Resorts Corporation, Pangulasian Island Resort Corp., Lio Resort Ventures, Inc., North Liberty Resort Ventures, Inc. and Paragua Eco-Resort Ventures, Inc. He is responsible for the overall management of all Seda properties, El Nido Resorts and LIO Estate in El Nido, Palawan. President and Chief Executive Officer of Sicogon Island Tourism Estate Corp.; Director and Treasurer of El Nido Foundation; and Vice President for Operations of Alabang Commercial Corporation. He is a Director in South Innovative Theater Management Inc., North Triangle Depot Commercial Corporation, Primavera Towncentre, Inc., Ayalaland Malls Vismin, Inc. He has worked for Ayala Land for more than 29 years, spending seven (7) years with Mall Operations, four (4) years with the Sales and Marketing Group, thereafter rejoining the Malls group for another 13 years before transferring to AyalaLand Hotels and Resorts mid-2016. He graduated with a Bachelors Degree in Business Administration from the San Francisco State University.

Ma. Carmela K. Ignacio, Filipino, 53, was a Vice President of ALI until December 31, 2020. She is the Estate Development Head of Ayala Land, Inc.'s (ALI) Strategic Landbank Management Group. She concurrently serves as Chairman and President of Altaraza Town Center Estate Association, Inc., Crans Montana Property Holdings Corporation, HLC Development Corporation; Chairman of Altaraza Prime Realty Corporation; Vice Chairman of Ayala Land Estates, Inc.; Director and President of Buendia LandHoldings, Inc.; and, Director of Amorsedia Development Corporation. She has handled various roles in ALI such as the Leasing and Project Development Head of the Offices Group and Customer Relations Head under Marketing and Sales Group. She joined ALI in 1993. She graduated with a Bachelor of Science degree in Management Engineering from Ateneo de Manila University in 1988 and obtained a Master's Degree in Business Management from the Asian Institute of Management in 1993.

Joseph Carmichael Z. Jugo, Filipino, 47, is a Vice President of Ayala Land, Inc. and President of Ayala Land Premier, Inc. He is concurrently Chairman & President of Roxas Land Corp., OLC Development Corp., Southportal Properties, Inc.; Vice Chairman & President of Ayala Hotels, Inc.; Chairman of Ayala Land Sales, Inc., Ayala Land Club Management, Inc., Verde Golf Development Corp.; President & Chief Executive Officer of Ayala Greenfield Development Corp., Ayala Greenfield Golf & Leisure Club, Inc.; President of BGWest Properties, Inc.; Anvaya Cove Golf & Sports Club, Inc. Director of Anvaya Cove Beach & Nature Club, Inc., Amicassa Process Solutions, Inc., Serendra, Inc. and Ayala Center Estate Association. In his more than 18 years in the company, he has been a part of and handled various business lines including business development for the retail and malls group, project development for the residential business group, project development for the leisure group and sales for the local and international markets. He graduated from the Ateneo de Manila with a degree in Management Economics in 1997 and completed his MBM from the Asian Institute of Management (with Distinction) in 2002. He attended the International Graduate Student Exchange Program at the Tuck School of Business, Dartmouth College in 2002 and completed the INSEAD Asian International Executive Programme (AIEP) in 2015.

Michael Alexis C. Legaspi, Filipino, 63, serves as a consultant of ALI. He sits as a board member of

all hotel and resort owning companies while handling the branded hotel line of the company. He also represents ALI in related government and industry networks, including the Philippine Hotel Owners Association where he sits as Vice President and Director. He served as Vice President of ALI until December 31, 2020. He is a graduate of the Philippine Science High School and the University of the Philippines, Diliman.

Ma. Divina Y. Lopez, Filipino, 50, is a Vice President of ALI and Chief Finance Officer of the Estates Group. Prior to this she was Chief Audit Executive of ALI. She is a member of the Institute of Internal Auditors Philippines (IIAP). Prior to this post, she was President of Amicassa Process Solutions, Inc. and Chief Finance Officer of the Residential Business Group of ALI. She holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines and placed 11th in the CPA Board Examinations in 1993. She obtained a Master of Science degree in Computational Finance from De La Salle University in 2002.

Christopher B. Maglanoc, Filipino, 50, is a Vice President of ALI since April 2013 and is currently President of Ayala Malls, Inc starting January 2021. Prior to this he was the President of Avida Land Corporation. He was Chief Operating Officer and Head of Project and Strategic Management in Avida Land before he was elected as President of the Company on January 1, 2012. Prior to his stint in Avida in 2004, he occupied Management positions in various business units in ALI (i.e. Commercial Centers, Corporate Planning, and Alveo Land, Inc.). His other significant positions are Chairman of Avida Sales Corp.; President of Avencosouth Corp.; and Director of AmicaSSA Process Solutions, Inc., BellaVita, Blue Horizons Holdings Pte Ltd., and BGNorth Properties, Inc. He graduated from UP Los Baños with degrees in BA Sociology and BS Economics in 1990 and 1992, respectively. He finished his MBA from the Asian Institute of Management and attended the International Student Exchange Program in Copenhagen Business School in Denmark in 1997.

Michael F. Magpusao, Filipino, 47, was appointed Vice President and Chief Engineer of Ayala Land, Inc. in 2019. He currently serves as the Chief Operating Officer and Corporate Chief Engineer of Ayala Property Management Corporation (APMC) and the President of Philippine Integrated Energy Solutions, Inc. (PhilEnergy). He is also a currently Professor of the Mechanical Engineering Department at the Mapua Institute of Technology, a position he has held since 1996. He is also concurrently APMC's Corporate Safety Officer, Corporate Professional Mechanical Engineer, and Corporate Energy Manager. He is a Professional Mechanical Engineer since 2001, a licensed OSH Consultant as certified by the Department of Labor and Employment, and Certified ASEAN Energy Manager by AEMAS. Mr. Magpusao has over 20 years of industry experience and has held the following positions prior to his appointment: Executive Director and Head of Global Real Estate of JP Morgan Chase & Co.(Philippine Branch) from 2010 to 2016; Vice President and Corporate Realty Services Asset Manager of Citibank, N.A. (Manila Branch) from 2004 to 2010; Property Manager, Technical Support Group Manager and Project Manager of APMC from 1996 to 2004; and Operation Engineer of Procter and Gamble Philippines from 1995 to 1996. He earned his Bachelor of Science Degrees in Mechanical Engineering and Electrical Engineering both from the Mapua Institute of Technology in 1995 and 2001, respectively. He earned his Bachelor of Science Degrees in Mechanical Engineering and Electrical Engineering both from the Mapua Institute of Technology in 1995 and 2001, respectively. He also has a Post Baccalaureate Diploma in Fire Safety Technology from the University of Makati in 2004.

Ferdie M. Mangali, 51, Filipino, is a Vice President of ALI effective January 1, 2020. He has headed the Corporate Resource and Services Group of Makati Development Corporation since May 2013 and concurrently acting as Head of Corporate Labor Relations for the Ayalaland Group. He is a member of the Board of MDC Equipment Solutions Inc. and a member of the Board Trustee of the Philippine Constructors Association. He is the former Head of the Corporate Human Resources, Customer Care and Product delivery Group of Avida Land Corporation, Business Group HR Head of the Ayala Land Commercial and Residential Group, HR Head of Amicassa Process Solutions, Inc., Amaia Land Corp., and BelaVita Land Corp. Prior to ALI, he was Labor Relations Manager of Pfizer Inc., HR Manager of Warner Lambert Inc., Business Group HR Officer of Intel Philippines and Manufacturing Plant HR Officer of Matsushita Electric Philippines Corporation (PANASONIC Philippines). He has a total 29 years of experience in Human Resource Management, Labor Relations and Organizational Development. He graduated from Polytechnic University of the Philippines with a degree in Bachelor in Human Behavior Technology major in Clinical Psychology and finished his Masters Degree in Labor and industrial Relations from the University of the Philippines, Diliman.

Romeo T. Menpin, Jr., Filipino, 51, is a Vice President of ALI since January 2014. He is currently the Head of the Construction Methods and Support Group of Makati Development Corporation (MDC). He is also currently the President of MDC Equipment Solutions, Inc. and MDC Concrete, Inc. He is also a Director of Philippine Integrated Energy Solutions, Inc. (PhilEnergy). Before joining MDC, he was a Director, President and Chief Operating Officer of Ayala Property Management Corporation (APMC) and also the President of PhilEnergy. He joined ALI in May 2008 from Kuok Group of Companies where he was a Vice President and Head of Mall Operations of Shangri-la Plaza Corporation. Prior to this, he also held various management positions from APMC and Laguna Technopark, Inc. He graduated with a degree of Bachelor of Science in Mechanical Engineering from Mapua Institute of Technology and completed units in Masters in Business Administration from De La Salle University in 2001.

Carol T. Mills, Filipino, 48, has served as Vice President of ALI since November 2016. She is the President of Ayala Land Offices, Inc., Director, President and Chief Executive Officer of AREIT, Inc., Chairman and President of various Ayala Land Offices subsidiaries namely UP North Property Holdings, Inc., First Gateway Real Estate Corp., ALO Prime Realty Corp., Glensworth Development Inc., Hillsford Property Corp., and Sunnyfield E-Office Corp.; President of North Eastern Commercial Corp. and Makati Cornerstone Leasing Corp as well as Director of ALI Capital Corp., DirectPower Services, Inc. and Central Block Developers Inc. She joined ALI in 1993 and prior to her current position, she was Deputy Head of Business Development for Ayala Malls from 2008 to 2013, General Manager for Alabang Town Center from 2004 to 2008, and Operations Manager for Glorietta from 2000 to 2004. She graduated Magna Cum Laude from the University of the Philippines in 1993 with a Bachelor of Science degree in Business Administration and earned her Masters in Business Administration from the Amos Tuck School of Business, Dartmouth College in New Hampshire, USA in 1998.

June Vee D. Monteclaro-Navarro, Filipino, 50, is a Vice President, Chief Legal Counsel and Assistant Corporate Secretary of Ayala Land, Inc. Concurrently, she is the Corporate Secretary of Cebu Holdings, Inc. and AyalaLand Logistics Holdings Corp. and the Assistant Corporate Secretary of AREIT, Inc. She is also the Corporate Secretary of Alveo Land Corp., Avida Land Corp., AKL Properties, Inc., ALI Eton Property Development Corporation and Altaraza Development Corporation. She served as Director (management position) and Corporate Secretary of AG Counselors Corporation from 2012 to 2020. Prior to joining AG Counselors in 2012, she was a Legal Officer at Ayala Land, Inc. from 2007 to 2012 and Senior Associate at SyCip Salazar Hernandez & Gatmaitan from 1997 to 2002. She graduated from the University of St. La Salle in Bacolod with a Bachelor of Arts with a Major in Economics and a Bachelor of Science in Commerce Major in Data Processing in 1993. She earned a Bachelor of Laws degree from the University of the Philippines in 1997. She finished the Program on Negotiation at Harvard Law School in 2012 and the Leadership in Corporate Counsel Executive Education at Harvard Law School in 2016.

Rodelito J. Ocampo, Filipino, 58, is a Vice President of ALI since December 2010. He is currently Makati Development Corporation's (MDC's) Head of Construction Operations Group 1 and the President of MDC BuildPlus, Inc. Before his MDC assignment, he served as Technical Services Head of Avida Land Corp. and Alveo Land Corp., wholly-owned subsidiaries of ALI, and Head of the Construction Management of ALI Residential Buildings. Prior to joining ALI, he was employed by a construction firm where he held various engineering and project management positions for a period of 10 years. He is a licensed Civil Engineer. He graduated from Mapua Institute of Technology with a degree in BS Civil Engineering in 1983.

Ginaflor C. Oris, Filipino, 54, is currently a Vice President of ALI and the Chief Finance Officer and Corporate Finance and Procurement Group Head of Makati Development Corporation (MDC). Prior to her assignment to MDC, she was the Managing Director for Corporate Finance and Asset Management of Ayala Corporation (AC). She was concurrently the CFO of Azalea Group, which held AC's various investments in information and communications technology (ICT), business process outsourcing (BPO), venture capital funds and emerging market funds. She brings with her more than 25 years of experience gained from AC and BPI Capital Corporation covering strategic financial management, execution of mergers, acquisitions and divestment transactions, financial reporting, controls, risk management and oversight of some of AC's portfolio investments and other assets. She graduated Honorable Mention from the Ateneo de Manila University with a degree of B.S Mathematics major in Computer Science in 1987. She took up Master in Business Management at the Asian Institute of Management as an Asian Development Bank scholar and graduated in 1992.

Darwin L. Salipsip, Filipino, 49 is a Vice President of ALI and is currently the Head of Construction Operations Group 3 of Makati Development Corporation (MDC). He is concurrently a Vice President and member of the Management Committee of MDC. In his more than 20 years with the Company, he has been part of the various business lines of residential and commercial businesses as Construction Management Manager. Prior to his current role, he served as MDC's Construction Management Group Head and Commercial Group Head. He graduated with honors (cum laude) from the University of the Philippines with a Bachelor's degree in Civil Engineering in 1993 and completed his Masters of Engineering from Massachusetts Institute of Technology in 1997. He is a licensed Civil Engineer, ranked Top 2 when he took the National Licensure Examination for Civil Engineers.

Angelica L. Salvador, Filipino, 58, is a Vice President of ALI, and is the Controller of the Company until December 2020. Her other key functions are as President of Aprisa Business Process Solutions, Inc. and Director of Amaia Land Corp., AmicaSSa Process Solutions, Inc., and North Triangle Depot Commercial Corp. Prior to her current assignment, she was the Chief Finance Officer of the ALI Residential Business Group and of various ALI-owned subsidiaries including Alveo Land Corp., Ayala Property Management Corp., Ayala Land International Sales, Inc., and Laguna Technopark, Inc. Before joining ALI, she was part of the Internal Audit Team of Ayala Corporation. She graduated cum laude from the University of the Philippines Diliman with Bachelor of Science degree in Business Administration and Accountancy, and obtained her Master in Business Management (MBM) degree from the Asian Institute of Management.

Eliezer C. Tanlapco, Filipino, 72, is the Group Head of Human Resources and Public Affairs and member of the Management Committee of ALI. Prior to this role, he was a Human Resources Consultant for Ayala Group Legal and Ayala Corporation from which he retired as Employee Relations and Services Director. He was ALI's Vice President for Human Resources; Vice Chair of Ayala Group HR Council, Ayala Group Corporate Security Council, and Champion of Ayala Group Labor Relations Network. He is a member of the Board of Directors of Ayala Multi-Purpose Cooperative. He has had extensive work experience as Senior Leader in Human Resources and Community Development for multinational companies locally and abroad. He practiced law with a law firm and with the Office of the President of the Philippines. He holds a Bachelor of Arts degree from the University of the Philippines and earned his Law Degree at Ateneo de Manila University. He completed his Management Development Program from the Asian Institute of Management, and Strategic Business Economics Program from the University of Asia and the Pacific, both with distinction.

Maria Rowena Victoria M. Tomeldan, Filipino, 59, is the Vice President and Head of the Real Estate Logistics and Special Investments of ALI. She is the President and Chief Executive of AyalaLand Logistics Holdings Inc., a publicly listed subsidiary of ALI, which developed and manages Laguna Technopark, Cavite Technopark, Laguindingan Technopark, Mabalacat Technopark, Tutuban Center and Southpark Mall. Her other significant positions include: Chairman of the Board of Laguna Technopark, Inc (LTI); Ecozone Power Management, Inc (EPMI); LCI Commercial Ventures, Inc; Unity Realty & Development Corp. Chairman and President of AMSI, Inc., Orion Property Development, Inc.; FLT Prime Insurance Corporation; ESTA Galleria, a wholesale distributor of premium quality tiles. She was a board member of the International Council of Shopping Centers (ICSC), Asia Pacific Advisory Board from 2008 until 2020. She is a 2015 ICSC Trustees Distinguished Service Awardee. She graduated as cum laude of Bachelor of Arts in Economics from the University of the Philippines in 1983 and earned her Masters in Business Administration degree from the same university in 1988. She finished the Executive Development Program at the Aresty Institute of Executive Education in Wharton University, Pennsylvania, USA in 2005.

Jennylle S. Tupaz, Filipino, 48, is Vice President of ALI and Estate Development Head. Prior to this post she was the President of Ayala Land Malls, Inc. Prior to joining the commercial business of ALI in 2018, she was involved in the residential development business for over 21 years. She was president of Alveo Land Corp., ALI's upscale residential brand, where she spent 11 years leading project development. She held earlier positions in Avida and the then Leisure & Lifestyle Communities Group of ALI. She holds a Bachelor of Science degree in Statistics from the University of the Philippines, and a Master's Degree in Business Administration from the University of Chicago Booth School of Business.

Solomon M. Hermosura, Filipino, 59, has served as the Corporate Secretary of the Company since April 2011 and the Group General Counsel of the Company since April 2014. He is a Managing Director of Ayala Corporation and a member of its Management Committee since 2009 and the Ayala Group

Management Committee since 2010. He is the Group Head of Corporate Governance, Chief Legal Officer, Compliance Officer, Corporate Secretary and Data Protection Officer of Ayala Corporation. He is the CEO of Ayala Group Legal. He also serves as Corporate Secretary of Globe Telecom, Inc., Manila Water Company, Inc., Integrated Micro-Electronics, Inc., Ayala Foundation, Inc., AREIT, Inc. and AC Energy Corporation (formerly AC Energy Philippines, Inc.). He also serves as a Corporate Secretary and a member of the Board of Directors of a number of companies in the Ayala group. Mr. Hermosura is currently a member of the faculty of the College of Law of San Beda University. He graduated valedictorian with a Bachelor of Laws degree from San Beda College in 1986 and placed third in the 1986 Bar Examination.

Annabeth R. Bernardo, Filipino, 39, was appointed as Chief Audit Executive of Ayala Land, Inc. (ALI) effective January 2021. Prior to this position she was the Head of Control & Analysis handling management reports and financial analyses of Makati Development Corporation (MDC), a wholly-owned subsidiary of ALI. She also served as its Head of Internal Audit and as Chief Finance Officer of one of MDC's Construction Divisions. She was the Internal Audit Manager of ALI prior to her secondment to MDC. She is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certification in Control Self-Assessment (CCSA) holder, and a member of the Institute of Internal Auditors Philippines (IIAP). She holds a Bachelor of Science degree in Business Administration and Accountancy, Cum Laude, from the University of the Philippines and was awarded with the Certificate of Honor for being part of the Top 25 successful CIA examinees worldwide back in 2007.

Significant Employees

The Company considers its human resources working as a team as a key element for its continued success. Moreover, the Company has no employee and non-executive officer who is expected to make individually on his own a significant contribution to the business.

Family Relationships

Fernando Zobel de Ayala, the Chairman, and Jaime Augusto Zobel de Ayala, the Vice Chairman, are brothers. To the knowledge of the Issuer, there are no other family relationships among Directors and Executive Officers.

Involvement in Certain Legal Proceedings (over the past 5 years)

None of the Directors or Executive Officers is involved in any material pending legal proceedings in any court or administrative agency of the government.

EXECUTIVE COMPENSATION

This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Prospectus carefully, including the section entitled "Risk Factors and Other Considerations," the unaudited interim condensed consolidated financial statements, and the audited consolidated financial statements and the related notes to those statements included in this Prospectus.

Directors. Article IV Section 17 of the Company's By-Laws provides:

"Section 17 – Each director of the Corporation shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as director. The Board of Directors shall have the sole authority to determine the amount, form, and structure of the fees and other compensation of directors. In no case shall the total yearly compensation of directors exceed one percent (1%) of the net income before income tax of the Corporation during the preceding year.

The compensation and remuneration committee of the Board of Directors shall have the responsibility for recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay directors for work required in a Company of the Corporation's size and scope." (As Amended April 13, 2011.)

During the 2011 annual stockholders' meeting, the stockholders ratified the resolution increasing the remuneration of non-executive directors as follows:

	<u>From</u>	<u>To</u>
Retainer Fee:	₱500,000	₱1,000,000
Board Meeting Fee per meeting attended:	₱100,000	₱200,000
Committee Meeting Fee per meeting attended:	₱20,000	₱100,000

None of the directors, in their personal capacity, has been contracted and compensated by the Company for services other than those provided as a director.

The Company has no other arrangement with regard to the remuneration of its directors and officers aside from the compensation received as herein stated.

Officers. The Company adopts a performance-based compensation scheme. The total annual compensation of the President and top four (4) highly compensated executives amounted to ₱238.72 million in 2019 and ₱240.00 million in 2020. The projected total annual compensation for 2021 is ₱277.13 million.

Total compensation paid to all senior personnel from Manager and up amounted to ₱1,076.91 million in 2019, and ₱1,098.88 million in 2020. The projected total annual compensation for the current year is ₱1,132.87 million.

Name and Principal Position	Year	Salary	Other Variable Pay
Bernard Vincent O. Dy* President & CEO			
Dante M. Abando Senior Vice President			
Anna Ma. Margarita B. Dy Senior Vice President			
Jose Emmanuel H. Jalandoni Senior Vice President			

Executive Compensation

Augusto D. Bengzon Senior Vice President			
CEO & Most Highly Compensated Executive Officers	Actual 2018	₱122.95M	₱112.30M
	Actual 2019	₱135.03M	**₱103.69M
	Actual 2020	₱140.30M	**₱99.70M
	Actual 1 st Half 2021	₱102.77M	₱71.6M
	Projected 2021	₱205.53M	**₱71.6M
All other officers*** as a group unnamed	Actual 2018	₱706.05M	₱419.47M
	Actual 2019	₱716.49M	**₱360.42M
	Actual 2020	₱722.28M	**₱376.60M
	Actual 1 st Half 2021	₱468.92M	₱195.1M
	Projected 2021	₱937.82M	**₱195.1M
<p>* Compensation includes full year effect of CEO and market adjustments to selected officers for retention purposes.</p> <p>** Exclusive of Stock Option exercise.</p> <p>*** Managers and up</p>			

The total annual compensation paid to all senior personnel from Manager and up was all paid in cash.

The total annual compensation includes the basic salary and other variable pay (guaranteed bonus and performance bonus).

The Company has no other arrangement with regard to the remuneration of its existing directors and officers aside from the compensation received as herein stated.

Each executive officer executed an employment contract with the Company for an indefinite period (the terms and conditions of which are in accordance with existing laws) and is entitled to receive retirement benefits in accordance with the terms and conditions of the Company's BIR-registered Employees' Retirement Fund. There is no plan or arrangement by which the Executive Officers will receive from the Company any form of compensation in case of a change in control of the Company or change in the officers' responsibilities following such change in control.

Options Outstanding

Since 1998, the Company has offered its officers options to acquire common shares under its ESOP. There were no ESOP shares available as of end-June 2021.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN RECORD AND BENEFICIAL OWNERS

Security Ownership of Certain Record and Beneficial Owners of more than 5% as of June 30, 2021

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (of outstanding shares)
Common	Ayala Corporation ¹ 32F to 35F, Tower One Ayala Triangle Ayala Ave., Makati City	Ayala Corporation ²	Filipino	6,753,266,579	24.3113%
Preferred				12,163,180,640	43.7867%
Common	PCD Nominee Corporation (Non-Filipino) ³ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers ⁴	Various Non-Filipino	4,928,467,190	17.7422%
Common	PCD Nominee Corporation (Filipino) ³ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers	Filipino	2,725,903,758	9.8131%

¹ Ayala Corporation ("AC") is the parent of the Company.

² The AC Board has the power to decide how AC's shares are to be voted.

³ PCD Nominee Corporation is not related to the Company.

⁴ Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The beneficial owner, with certification of ownership of shares from the PCD Participant, has the power to vote either in person or by proxy. Out of the 7,654,370,748 common shares registered in the name of PCD Nominee Corporation, 1,648,527,654 or 5.9346% of the voting stock is for the account of Standard Chartered Bank (SCB). The Company did not receive any report from SCB or any of its customers stating that they beneficially own more than 5% of the Company's common shares.

Security Ownership of Directors and Management (Executive Officers) as of June 30, 2021

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of total outstanding shares)
Directors				
Common	Fernando Zobel de Ayala	(direct & indirect) 183,000	Filipino	0.00066%
Common	Jaime Augusto Zobel de Ayala	(direct) 12,000	Filipino	0.00004%
Common	Bernard Vincent O. Dy*	(direct & indirect) 17,933,945	Filipino	0.06456%
Common	Antonino T. Aquino	(direct & indirect) 20,305,226	Filipino	0.07305%
Common	Arturo G. Corpuz	(direct & indirect) 5,843,711	Filipino	0.02102%
Common	Rizalina G. Mantaring	(direct & indirect)	Filipino	0.00014%

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of total outstanding shares)
		39,401		
Common	Rex Ma. A. Mendoza	(direct & indirect) 3,914,201	Filipino	0.01409%
Common	Sherisa P. Nuesa	(direct & indirect) 3,998,509	Filipino	0.01439%
Common	Cesar V. Purisima	(direct) 1	Filipino	0.00000%
CEO and Most Highly Compensated Executive Officers				
Common	Bernard Vincent O. Dy*	(direct & indirect) 17,993,945	Filipino	0.06456%
Common	Dante M. Abando	(direct & indirect) 6,299,148	Filipino	0.02268%
Common	Augusto D. Bengzon	(indirect) 3,694,552	Filipino	0.01330%
Common	Anna Ma. Margarita B. Dy	(indirect) 7,482,588	Filipino	0.02694%
Common	Jose Emmanuel H. Jalandoni	(direct & indirect) 8,080,674	Filipino	0.02909%
Other Executive Officers				
Common	Lyle A. Abadia	(indirect) 1,050,401	Filipino	0.00378%
Common	Amelia Ann T. Alipao	(indirect) 1,743,268	Filipino	0.00628%
Common	Annabeth R. Bernardo	(indirect) 53,200	Filipino	0.00019%
Common	Aniceto V. Bisnar, Jr.	(indirect) 1,982,004	Filipino	0.007214%
Common	Ma. Luisa D. Chiong	(direct & indirect) 807,276	Filipino	0.00145%
Common	Dindo R. Fernando	(indirect) 1,005,585	Filipino	0.00362%
Common	Rufino Hermann S. Gutierrez	(indirect) 777,768	Filipino	0.00280%
Common	Solomon M. Hermosura	(direct) 480	Filipino	0.00000%
Preferred		(direct) 480		0.00000%
Common	Javier D. Hernandez	(indirect) 629,087	Filipino	0.00226%
Common	Joseph Carmichael Z. Jugo	(indirect) 993,208	Filipino	0.00358%
Common	Laurent P. Lamasuta	(indirect) 3,613,692	Filipino	0.01301%
Voting Preferred		(direct) 1,977,234		0.00711%
Common	Robert S. Lao	(indirect) 2,394,283	Filipino	0.00862%
Common	Ma Divina Y. Lopez	(indirect) 639,776	Filipino	0.00230%
Common	Christopher B. Maglanoc	(indirect) 1,230,086	Filipino	0.00443%
Common	Michael F. Magpusao	(indirect) 571,687	Filipino	0.00206%
Common	Ferdie M. Mangali	(indirect) 1,010,860	Filipino	0.00364%
Common	Romeo T. Menpin	(direct & indirect) 648,396	Filipino	0.00233%
Common	Carol T. Mills	(indirect) 860,092	Filipino	0.00310%
Common	June Vee D. Monteclaro-Navarro	(indirect) 402,054	Filipino	0.00145%
Voting Preferred		(direct) 180,218		0.00065%
Common	Rodelito J. Ocampo	(direct & indirect) 2,988,181	Filipino	0.01076%
Common	Ginaflor C. Oris	(indirect) 1,147,016	Filipino	0.00413%
Common	Darwin L. Salipsip	(indirect) 803,802	Filipino	0.00289%
Common	Eliezer C. Tanlapco	(indirect) 430,062	Filipino	0.00155%
Common	Maria Rowena Victoria M. Tomeldan	(direct & indirect) 1,579,105	Filipino	0.00568%
Common	Jennylle S. Tupaz	(indirect) 1,157,183	Filipino	0.00417%
All Directors and Officers as a group		108,463,440		0.39046%

*Member of the Board of Directors

None of the members of the Company's directors and management owns 2.0% or more of the outstanding capital stock of the Company.

Voting Trust Holders of 5% or More

The Company knows of no persons holding more than 5% of common shares under a voting trust or similar agreement.

Changes in Control

No change of control in the Company has occurred since the beginning of its last fiscal year.

Foreign Ownership level as of June 30, 2021

Security	Total Outstanding Shares	Shares Owned by Foreigners	Foreign Ownership Level
Common Shares	14,711,784,864	4,936,073,861	
Voting Preferred Shares	13,066,494,759	607,264,635	
Total	27,778,279,623	5,543,338,496	19.96%

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transactions

The Company, its subsidiaries and affiliates, in their regular conduct of business, have entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, and development, management, underwriting, marketing, leasing and administrative service agreements. Sales and purchases of goods and services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions. Transactions that have been entered into by the ALI Group with related parties for the six months ended June 30, 2021, are disclosed in Note 18, to Ayala Land's unaudited interim condensed consolidated financial statements, and those for the years ended December 31, 2020, December 31, 2019, and December 31, 2018 are disclosed in Note 25, Note 25 and Note 26, respectively, to Ayala Land's audited consolidated financial statements respectively, which are included in this Prospectus. The Company, its subsidiaries and affiliates are not dependent on such transactions with related parties.

However, no other transaction, without proper disclosure, was undertaken by the ALI Group in which any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Company's outstanding shares (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest.

ALI employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management.

DESCRIPTION OF DEBT

As of June 30, 2021, Ayala Land had the equivalent of ₱214.47 billion of outstanding debt, of which ₱203.0 billion are unsecured.

Of Ayala Land's outstanding debt, ₱123.90 billion is evidenced by a debt instrument that was acknowledged by both the creditor and Ayala Land before a notary public. Under Philippine law, in the event that a borrower submits to insolvency or liquidation proceedings in which the borrower's assets are liquidated, unsecured debt evidenced by a debt instrument that has been acknowledged by the creditor and the borrower before a notary public enjoys a preference over unsecured debt that has not been so notarized. Ayala Land has secured the waiver by the creditors of such preference in their respective debt instruments. (See discussion under *"Risk Factors and Other Considerations"* of this Prospectus).

The following tables set forth the outstanding long and short-term debt of Ayala Land and its subsidiaries as of June 30, 2021 (in ₱ millions).

Short-Term Debt

Borrower	Amount
Ayala Land, Inc.	3,804.0
AREIT, Inc.	4,422.5
Avida Land, Corp.	2,263.0
BG West Properties, Inc.	922.1
Cebu Holdings, Inc.	5,112.0
Regent Wise Investments Limited	94.1
Total	17,067.7

Long-Term Debt

Borrower	Current	Non-Current	Total
Ayala Land, Inc.	32,141.4	140,827.4	172,968.8
Accendo Commercial Corporation	-	794.3	794.3
AyalaLand Hotels and Resorts Corporation	230.1	3,208.2	3,438.3
Alveo Land Corp.	-	4,260.8	4,260.8
Amaia Land Corp.	-	4,418.0	4,418.0
Avida Land Corp.	250.0	8,309.9	8,559.9
Cagayan de Oro Gateway Corp (CDOGC)	43.1	668.4	711.5
Cebu Holdings, Inc.	56.3	884.0	940.3
HLC Development Corp.	403.7	-	403.7
North Triangle Depot Commercial Corporation	20.0	365.0	385.0
Regent Wise Investments Limited	0.4	1.0	1.4
Subic Bay Town Center, Inc	28.0	490.0	518.0
Total Consolidated	33,173.0	164,227.0	197,400.0

The table below details Ayala Land's Issuances of Debt Securities / New Financing through Loans from January 1 to June 30, 2021 (in ₱ millions).

Borrower	Amount	Nature
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Description of Debt

ALI	56,089.3	availment of short-term and long-term loans, and issuance of bonds
Amaia	2,650.0	availment of long-term loan
AREIT	8,693.0	availment of short-term loans
Avida	6,522.0	availment of short-term loans
BG West	868.0	availment of short-term loan
CHI	5,112.0	availment of short-term loans
LAIPi	450.9	availment of short-term loans
Regent Wise	572.6	MCT Bhd. availment of STRC
Total	80,956.9	

The following sets out the repayments of Debt Securities and Loans from January 1 to June 30, 2021 (in ₱ millions):

Borrower	Amount	Nature
ALI	59,780.0	repayment of short-term loans, prepayment of bonds and amortization on long-term loans
Adauge	383.6	amortization and prepayment of long-term loan
AHRC	906.3	amortization and prepayment of long-term loans
AREIT	4,270.5	repayment of short-term loan
Avida	6,171.9	repayment of short-term, amortization and payment of long-term loans
BG West	352.4	repayment of short-term loans
CDOGC	21.6	amortization on long-term loans
CHI	5,343.5	amortization on long-term loans and payment of bond
HLC	89.7	amortization on long-term loan
NTDCC	10.0	amortization on long-term loan
Philenergy	339.5	amortization and prepayment of long-term loan
Regent Wise	756.8	repayment of STRC
SBTCI	14.0	amortization on long-term loan
TOTAL	78,439.8	

There were no commercial papers issued and outstanding during the period ended June 30, 2021.

CORPORATE GOVERNANCE

Ayala Land has always been committed to strong and transparent corporate governance, going well beyond mere compliance with the code mandated by law. Ayala Land made several important improvements to its governance in 2004, focusing on increasing the involvement of various governance bodies, strengthening performance management, and ensuring compliance with Philippine Accounting Standards. In 2007, the Company adopted several initiatives aimed toward achieving governance excellence. These include conduct of a Self-Assessment Survey by the Board of Directors and Board Committees, development of Business Contingency Plans, adoption of risk-based audit approach and independent quality review of the Internal Audit function. Ayala Land believes that these changes will streamline its existing business models, improve execution, reduce risks, and better safeguard the collective and individual interests of its diverse set of shareholders.

Ayala Land seeks to promote and enhance compliance to good corporate governance. Ayala Land requires the observance of best practices and transparency in all of its subsidiaries, including those that are not listed on the PSE and not covered by the SEC Code of Corporate Governance.

The evaluation system which was established to measure or determine the level of compliance of the Board of Directors and top level management with its Revised Manual of Corporate Governance (the "Revised Manual") consists of a Customer Satisfaction Survey which is filled up by the various functional groups indicating the compliance rating of certain institutional units and their activities. The evaluation process also includes a Board Performance Assessment which is accomplished by the Board of Directors indicating the compliance ratings. The above is submitted to the Compliance Officer who issues the required certificate of compliance with the Revised Manual of the SEC.

To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance. The Board also makes certain the presence and adequacy of internal control mechanisms for good governance.

There were no deviations from the Revised Manual. The Company has adopted in the Revised Manual the leading practices and principles of corporate transparency, and full compliance therewith has been made since the adoption of the Revised Manual.

The Company is taking further steps to further strengthen adherence to principles and practices of good corporate governance.

FINANCIAL INFORMATION

The following pages set forth Ayala Land's unaudited interim condensed consolidated financial statements as at June 30, 2021 and for the six (6) months ended June 30, 2021 and 2020; and audited consolidated financial statements as at December 31, 2020, 2019, and 2018, and for each of the three (3) years in the period ended December 31, 2020.

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