

THESE SECURITIES MAY NOT BE SOLD OR OFFERS TO BUY THE SAME BE ACCEPTED UNTIL A PERMIT TO OFFER TO SELL SECURITIES HAS BEEN ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION. THIS PRELIMINARY OFFER SUPPLEMENT IS SUBJECT TO CHANGE/COMPLETION AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION OF AN OFFER TO BUY.



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

Preliminary Offer Supplement

₱8.00 Billion Fixed-Rate Bonds¹
with an Oversubscription Option of up to ₱4.00 Billion²
due 2028 to be issued under its:
2019 ₱50.0 Billion Securities Program and
2021 ₱50.0 Billion Securities Program

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



BPI Capital
Corporation



FIRST METRO
INVESTMENT CORPORATION
Metrobank Group



Trustee
[●]

The date of this Preliminary Offer Supplement is [March 09, 2022].

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES WAS FILED WITH THE SEC AND RENDERED EFFECTIVE ON APRIL 22, 2019 COVERING ₱50.0 BILLION OF SECURITIES. OF SUCH AMOUNT, ₱8.0 BILLION OF SECURITIES WERE ISSUED ON MAY 06, 2019, ₱3.0 BILLION OF SECURITIES WERE ISSUED ON SEPTEMBER 30, 2019, ₱10.0 BILLION OF SECURITIES WERE ISSUED ON NOVEMBER 06, 2019, ₱10.0 BILLION OF SECURITIES WERE ISSUED ON JUNE 26, 2020, ₱6.25 BILLION OF SECURITIES WERE ISSUED ON SEPTEMBER 29, 2020, ₱10.0 BILLION OF SECURITIES WERE ISSUED ON MAY 4, 2021, AND ₱250 MILLION WERE ISSUED ON OCTOBER 26, 2021.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES WAS FILED WITH THE SEC AND RENDERED EFFECTIVE ON OCTOBER 11, 2021 COVERING ₱50.0 BILLION OF SECURITIES. OF SUCH AMOUNT, ₱2.75 BILLION OF SECURITIES WERE ISSUED ON OCTOBER 26, 2021.

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

¹ The Base Offer will be comprised of: (i) ₱2.5 Billion to be issued under the 2019 Program, and (ii) ₱5.5 Billion to be issued under the 2021 Program.

² If exercised, the Oversubscription Option will be issued under the 2021 Program.

Ayala Land, Inc. (“**ALI**,” “**Ayala Land**,” the “**Issuer**” or the “**Company**”) prepared the prospectus dated October 11, 2021 (the “**Prospectus**”) relating to the offering of debt and other securities as provided by applicable Securities and Exchange Commission (“**SEC**”) rules and regulations effective at the time of issuance of ₱50,000,000,000 (“**2021 Program**”) to be issued in one or more tranches (each a “**Tranche**”) as authorized by a resolution of the Board of Directors of the Company dated February 23, 2021. A registration statement filed by the Company covering the Program was rendered effective by the SEC by its order dated October 11, 2021. For the first Tranche of the 2021 Program with a principal amount of ₱2,750,000,000, a certificate of permit to offer securities for sale (“**SEC Permit**”) of such bonds was issued on October 26, 2021.

This Offer Supplement (and as the context requires, the term includes the Prospectus) relates to the offering and sale of fixed-rate bonds in aggregate principal amount of Eight Billion Pesos (₱8,000,000,000.00) (the “**Base Offer**”), with an oversubscription option of up to Four Billion Pesos (₱4,000,000,000.00) (the “**Oversubscription Option**”, together with the Base Offer, the “**Offer**” or the “**Bonds**”).

The Base Offer will be comprised of: (i) Two Billion Five Hundred Million Pesos (₱2,500,000,000.00) Bonds to be issued as the eighth Tranche under the Issuer’s shelf registration rendered effective on April 22, 2019 (“2019 Program”), and (ii) Five Billion Five Hundred Million Pesos (₱5,500,000,000.00) to be issued as the second Tranche under the Issuer’s 2021 Program. If exercised, the Oversubscription Option will form part of the second Tranche to be issued under the 2021 Program, which would then be comprised of up to Nine Billion Five Hundred Million Pesos (₱9,500,000,000.00) assuming the full exercise of the Oversubscription Option.


For the first Tranche of the 2019 Program with a principal amount of ₱8.0 billion, a certificate of permit to offer securities for sale (“**SEC Permit**”) of such bonds was issued on April 22, 2019. The SEC Permit covering the second Tranche of the Program with a principal amount of ₱3.0 billion was issued on September 13, 2019. The SEC Permit covering the third Tranche of the 2019 Program with a principal amount of ₱10.0 billion was issued on October 18, 2019. The SEC Permit covering the fourth Tranche of the 2019 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 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 Program with a principal amount of ₱10.0 billion was issued on April 19, 2021. The SEC Permit covering the seventh Tranche of the 2019 Program with a principal amount of ₱0.5 billion was issued on October 11, 2021.

The SEC Permit covering the first Tranche of the 2021 Securities Program with a principal amount of ₱2.75 billion of bonds was issued on October 11, 2021.

The Bonds shall be issued on **May 02, 2022**, or such other date as may be agreed upon by the Issuer, and the Joint Lead Underwriters and Bookrunners (the “**Joint Lead Underwriters and Bookrunners**”) (“**Issue Date**”) and shall have a term ending six (6) years from the Issue Date or on **May 02, 2028** (“**Maturity Date**”) with a fixed interest rate of [•]% per annum, and optional redemption on the third, fourth, fifth, or sixth 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  by Philippine Rating Services Corporation (“**PhilRatings**”). 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 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 on 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 ₱8.00 billion from the Base Offer and up to a maximum of ₱4.00 billion assuming full exercise of the Oversubscription Option. The net proceeds from the Base Offer are estimated to be ₱7.90 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 ₱11.85 billion after deducting fees, commissions, and expenses relating to the issuance. Proceeds of the Offer are intended to be used for refinancing and to fund general corporate requirements including capital expenditures (see “*Use of Proceeds*”). The Joint Lead Underwriters and Bookrunners shall receive a fee of 0.375% on the final aggregate nominal principal amount of the Bonds.

Within three (3) years following the effectivity date of the shelf registration, 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.

This Offer Supplement contains the final terms of the Bonds and must be read in conjunction with the Prospectus. Full information on the Company and this Offer are only available on the basis of the combination of this Offer Supplement, the Prospectus, and all other Bond Agreements. All disclosures, reports, and filings of the Company and submitted to the SEC, PSE, and the PDEX pursuant to the Revised Corporation Code, the Securities Regulation Code, and the Revised Disclosure Rules of the PSE and the Disclosure Rules of the PDEX (“*Company Disclosures*”), and information contained in the Prospectus are deemed incorporated by reference in this Offer Supplement. Investors should review all information contained in the Prospectus, this Offer Supplement, and the Company Disclosures.

Ayala Land confirms that the Prospectus and this Offer Supplement contain 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 the Prospectus and this Offer Supplement 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 the Prospectus and

this Offer Supplement. Ayala Land, however, has not independently “verified” any such publicly available information, data or analysis.

Neither the delivery of the Prospectus and the Offer Supplement nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the information contained or referred to in the Prospectus and this Offer Supplement are accurate as of any time subsequent to the date hereof. The Joint Lead Underwriters and Bookrunners do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in the Prospectus and the Offer Supplement.

The contents of the Prospectus and the Offer Supplement are not to be considered as legal, business or tax advice. Each prospective purchaser of the Bonds receiving a copy of this Offer Supplement acknowledges that he has not relied on the Joint Lead Underwriters and Bookrunners 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 Joint Lead Underwriters and Bookrunners 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 Joint Lead Underwriters and Bookrunners.

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. P7090533B valid until June 30, 2031.

Witness my hand and seal this _____ at Makati City.

Doc No. _____;
Book No. _____;
Page No. _____;
Series of 2022.

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FORWARD-LOOKING STATEMENTS AND PRESENTATION OF FINANCIAL INFORMATION

Forward-Looking Statements

This Offer Supplement 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 Offer Supplement 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 Offer Supplement. 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 Offer Supplement 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 Offer Supplement 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 Offer Supplement, the following terms shall have the meanings ascribed to them:

2019 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 Program means the ₱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 to be rendered effective by the SEC on October 11, 2021.

“Affiliate” means, 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” means the document to be executed by any Person or entity qualified to become a Bondholder for the Bonds.

“Associate” means 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 fixed-rate bonds in aggregate principal amount of Eight Billion Pesos (₱8,000,000,000.00) which will be comprised of: (i) Two Billion Five Hundred Million Pesos (₱2,500,000,000.00) Bonds to be issued as the eighth Tranche under the Issuer’s 2019 Program, and (ii) Five Billion Five Hundred Million Pesos (₱5,500,000,000.00) to be issued as the second Tranche under the Issuer’s 2021 Program.

“Beneficial Owner” means 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 17th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City.

“BIR” refers to the Bureau of Internal Revenue.

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

“Bond Agreements” means, 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” means the holders of the Bonds.

“Bonds” means the fixed-rate bonds in the aggregate principal amount of ₱8.00 billion with an Oversubscription Option of up to ₱4.00 billion to be issued by Ayala Land on the Issue Date.

“BPI Capital” refers to BPI Capital Corporation³, 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” means Business Process Outsourcing.

“BSP” refers to Bangko Sentral ng Pilipinas.

“Business Day” means a day, except Saturday, Sunday, and public holidays, on which commercial banks are not required or are authorized to close by law for business in Makati City, Metro Manila, and the Philippine Clearing House Corporation has clearing and settlement operations in accordance with BSP issuance.

“China Bank Capital” refers to China Bank Capital Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 28th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City.

“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.

“EBIT Margin” means 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.

³ BPI Capital Corporation and Ayala Land, Inc are affiliates which are ultimately owned by Ayala Corporation. BPI Capital is 100% owned by the Bank of the Philippine Islands, which is 22.16% owned by Ayala Corporation. On the other hand, as of December 31, 2021, Ayala Land is 46.07% owned by Ayala Corporation with the remainder owned by the public.

“First Metro” refers to First Metro Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 45th Floor, GT Tower International, 6813 Ayala Ave. cor. H.V. Dela Costa St., 1227 Makati City, Philippines

“GLA” means Gross Leasable Area.

“Globe Telecom” refers to Globe Telecom, Inc.

“Interest Payment Date” means **August 02, 2022** for the first Interest Payment Date and **August 02, November 02, February 02, and May 02** 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” means **May 02, 2022** 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” refers to BDO Capital, BPI Capital, China Bank Capital, First Metro, and SB Capital, being the Joint Lead Underwriters and Bookrunners appointed by the Issuer under the Underwriting Agreement.

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

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

“Majority Bondholders” means 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 six (6) years after Issue Date; provided that, in the event that the 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.

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

“Offer Period” means the period commencing at 9:00 a.m. on [April 18, 2022] and ending at 5:00 p.m. on [April 22, 2022], or such earlier or later days as may be determined by the Issuer and the Joint Lead Underwriters and Bookrunners.

“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 Four Billion Pesos (₱4,000,000,000.00), which if exercised, will form part of the second Tranche to be issued under the 2021 Securities Program.

“PAS” means Philippine Accounting Standards.

“Paying Agent” refers to the Philippine Depository & Trust Corp.

“PCC” refers to the Philippine Competition Commission.

“PDEX” refers to the Philippine Dealing & Exchange Corp.

“PDTC” refers 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” means the legal currency of the Republic of the Philippines.

“PFRS” means Philippine Financial Reporting Standards.

“Philippines” means the Republic of the Philippines.

“POC” means percentage of completion.

“Prospectus” means the prospectus of the Issuer dated October 07, 2021 and any amendments, supplements and addenda thereto for the offer and sale to the public of the Securities (inclusive of the Bonds) within the shelf period of the Securities Program.

“PSE” refers to The Philippine Stock Exchange, Inc.

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

“Register of Bondholders” means 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” refers to 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 SEC, 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” means 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.

“SB Capital” refers to SB Capital Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 18th Floor, Security Bank Centre, 6776 Ayala Avenue, Makati City.

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

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

“Securities” means shares of stock, bonds, evidence of indebtedness, derivatives, and other securities as provided under the Securities Regulation Code and applicable SEC rules and regulations effective at the time of issuance under the 2019 Program and 2021 Program, to be issued in one or more Tranches.

“Securities Regulation Code” means 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.

“sqm” means square meters.

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

“Taxes” means 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 Joint Lead Underwriters and Bookrunners or of the Bondholders.

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

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

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

“Trustee” refers to [●] appointed by the Issuer under the Trust Indenture for the Bonds.

“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 Offer Supplement 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 Offer Supplement and the Bond Agreements, the provisions of the Bond Agreements shall prevail.

EXECUTIVE SUMMARY

The following section discusses updates to the executive summary after the date of the Prospectus, and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information, and financial statements and notes thereto appearing elsewhere in this Offer Supplement. 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 Offer Supplement carefully, including the section entitled “Risk Factors and Other Considerations” and the audited consolidated financial statements and the related notes to those statements included in this Offer Supplement, and the Prospectus.

COMPANY OVERVIEW

As of December 31, 2021, Ayala Corporation’s effective ownership in Ayala Land is 46.07% while 52.89% is owned by the public. As of December 31, 2021, Ayala Land has 14,811,126,679 outstanding common shares and 13,066,494,759 outstanding voting preferred shares. 14,553,869,716 common shares are listed with the PSE. Foreign equity ownership is 19.74% composed of 4,894,538,326 outstanding common shares and 609,377,935 voting preferred shares as of December 31, 2021. Equity attributable to equity holders of Ayala Land amounted to ₱232.62 billion. Ayala Land has a total market capitalization of ₱539.23 billion based on the closing price of ₱36.70 per common share on December 31, 2021, the last trading day of the said month.

Review of 2021 Operations vs 2020

Ayala Land posted total revenues of ₱106.14 billion and a net income of ₱12.23 billion, a year-on-year growth of 10% and 40%, respectively, on account of resilient operations, supported by relaxed quarantine restrictions in the 4th quarter of 2021.

Real Estate revenues (composed of Property Development, Commercial Leasing, and Services) registered at ₱96.14 billion, a 12% higher than ₱85.97 billion in 2020 driven by construction progress and higher bookings that compensated for limited commercial leasing operations most of the year due to quarantine measures.

Capital expenditures amounted to ₱63.98 billion supporting the buildup of residential and commercial projects

The Company close the year with a Net Debt-to Equity ratio of 0.77:1, an average borrowing cost of 4.4%, and maturity of 5.3 years.

Recent Developments

2022

Following the approval of the SEC on December 16, 2021, ALI issued on January 4, 2022, 609,626,351 of its common shares to the stockholders of the Cebu Holdings, Inc. (“CHI”), Asian I-Office Properties, Inc. (“AiO”), Arca South Commercial Ventures Corp. (“ASCVC”), and Central Block Developers Inc. (“CBDI”) (the “Absorbed Corporations”) as consideration of the merger of the Absorbed Corporations with and into ALI, with ALI as the surviving entity (the “**Merger**”). Out of the said 609,626,351 shares, 118,318,715 shares are outstanding and 491,307,636 shares are held as Treasury Shares (inclusive of 1,261 fractional shares as a result of the merger).

On January 21, 2022, the Board of Directors of ALI approved a property-for-share swap with Ayala Corporation (“**AC**”) and Mermac, Inc. (“**Mermac**”). Under the transaction, AC and Mermac will transfer assets to ALI in exchange for its primary common shares. Subject to regulatory approvals, AC will subscribe to 309,597,711 primary common shares for assets valued at ₱17,275,552,273.80, and Mermac will subscribe to 1,982,289 primary common shares for assets worth ₱110,611,726.20, totaling 311,580,000 primary common shares at a value of ₱55.80 per share, as validated by a third-party fairness opinion.

On February 24, 2022, Board of Directors of ALI approved and ratified the following:

1. Raising of up to ₱45 billion in debt capital to refinance maturing debt and partially finance general corporate requirements through the issuance of retail bonds and/or corporate notes for listing on the PDEX and/or execution of bilateral term loans.
2. The 2022 stock option program under our Employee Stock Ownership Plan which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 17,250,890 common shares at a subscription price of ₱30.29 per share, which is the average price of our common shares at the PSE over the last 30-day trading period as of February 14, 2022, less a 15% discount.
3. The adoption of the Money Laundering and Terrorism Financing Prevention Program as endorsed by our Board Risk Oversight Committee.
4. The amendments to the Audit Committee Charter, as endorsed by our Audit Committee, and the Charter of the Board of Directors, Manual of Corporate Governance, and Insider Trading Policy, as endorsed by our Corporate Governance and Nomination Committee.

2021

On October 8, 2021, ALI and AREIT received the approval of the SEC of the property-for-share swap, specifically the subscription of ALI and its subsidiaries, Westview Commercial Ventures Corp. and Glensworth Development, Inc. (collectively referred to as Subsidiaries) to 483,254,375 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, pursuant to the Deed of Exchange dated June 8, 2021. In line with this, the parties have executed an amendment to Section 4.2 of the Deed of Exchange on October 7, 2021 so that the recognition of income from the new assets will accrue to AREIT beginning October 1, 2021, instead of November 1, 2021. This will enable shareholders to fully benefit from the contribution of the new assets starting in the fourth quarter of the year.

On December 16, 2021, the SEC approved and made effective the merger of the Absorbed Corporations with ALI, and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed. ALI shall secure PSE approval for the additional listing of shares to cover the shares to be issued pursuant to the Merger. Though not a condition precedent to the effectivity of the Merger, ALI shall secure from the BIR the Certificates Authorizing Registration (“CAR”) for the registration in its name, of the real properties and shares of stock of the absorbed corporations, as applicable. ALI endeavors to complete the process of securing the PSE approval for the additional listing of shares and secure from the BIR the CARs within the first half of 2022. The Philippine Competition Commission, in its letter dated March 17, 2021, confirmed that the merger appears to be qualified as internal restructuring and therefore, exempt from compulsory notification.

On December 22, 2021, in view of the foregoing fortuitous events and following current regulations, Ayala Land submitted its amended Sponsor Reinvestment Plan which provides for the investment of its net proceeds in commercial facilities, residential buildings and land comprising: (i) two (2) mixed-use offices and malls located within Metro Manila and Cebu, (ii) one (1) mall in Metro Manila, (iii) one (1) office in Metro Manila, (iv) six (6) residential buildings located in Metro Manila and Davao, and (v) ten (10) land parcels, located in Metro Manila, Cavite, Pampanga, Tarlac, Laguna, Ilagan and Batangas. All disbursements for these projects are still intended to be distributed within one year upon receipt of the proceeds from the sale of The 30th to AREIT. Total projected disbursements were revised from ₱5,112 million (VAT inclusive) to ₱4,564 million (VAT exclusive). From the 7 projects submitted last January 15, 2021, this revised Sponsor Reinvestment Plan now covers 19 projects of Ayala Land and its affiliates. Detailed changes are as follows:

- Cavite Property project under Ayala Land, Inc. was removed from the list with total projected disbursements of ₱600 million;
- Disbursements to 4 identified projects (Gateway Central, One Ayala (Malls), One Ayala (BPO) and Tarlac Property Project) were reduced by a total of ₱1,222 million;
- The ₱1,241 million will now be used to fund 13 projects namely: Arbor Lanes 1-5, Olean Place 1, Avida Vireo Towers 1-3, Avida Sola Towers 1-2, Avida Abreeza Tower 1, Amaia Steps

Alabang Helena, Mandaluyong Property, Ilagan Property, Laguna Property, Batangas Property, Cavite Property (Amaia), Quezon City Property and Cavite Property (LTI).

- Total projected disbursement for Parklinks project increased by ₱33 million, from ₱800 million to ₱833 million.

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.

With 12,483 hectares of landbank across strategic locations in the Philippines as of December 31, 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.

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, including the notes thereto, presented as Annexes and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this Offer Supplement. The summary financial data in the following tables were derived from Ayala Land's audited consolidated financial statements as at December 31, 2021, 2020, 2019, and 2018, and for each of the four (4) years in the period ended December 31, 2021, including the notes thereto, which are included in this Offer Supplement. 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 audited consolidated financial statements as at December 31, 2021, 2020, 2019, and 2018, and for each of the years in the period ended December 31, 2021 were prepared in compliance with PFRS, 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 Auditing ("PSA").

For the years ended December 31				
(in million Pesos, except Earnings Per Share (EPS))	2021 ¹ Audited	2020 ² Audited	2019 ³ Audited	2018 Audited
Income Statement Data				
Revenue				
Real estate Sales	₱96,145	₱85,965	₱157,849	₱155,955
Interest income from real estate sales	6,801	8,603	7,891	7,042
Equity in net earnings of associates and joint ventures	843	587	966	750
	₱103,788	₱95,155	₱166,705	₱163,747
Interest and investment income	253	395	930	958
Other income	2,101	723	1,158	1,541
	2,354	1,118	2,088	2,499
	106,143	96,273	168,794	166,246
Costs and expenses				
Cost of real estate sales	64,642	56,673	94,752	101,079
General and administrative expenses	6,539	8,012	9,367	9,101
Interest and other financing charges	11,038	12,746	12,200	9,594
Other expenses	3,637	3,789	1,645	1,270
	85,855	81,219	117,964	121,045
Income before income tax	20,288	15,053	50,830	45,201

Provision for income tax

Current	5,985	4,688	12,455	13,391
Deferred	(1,356)	(629)	860	(1,406)
	4,628	4,059	13,315	11,984
Net Income	₱15,659	₱10,994	₱37,515	₱33,217
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	12,228	8,727	33,188	29,241
Non-controlling interests	3,431	2,267	4,327	3,976

Unappropriated retained earnings

Balance, beginning of year	153,661	148,940	124,090	101,976
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Changes in accounting policies:

Effect of adoption of new accounting standards	(2,838)	-	(617)	359
Capitalized borrowing cost	1,993			

Balances as restated	152,816	148,940	123,473	102,335
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Cash dividends

Common share	(4,001)	(3,945)	(7,659)	(7,424)
Preferred share	(62)	(62)	(62)	(62)

Net Income attributable to equity holders of Ayala Land, Inc.	12,228	8,727	33,188	29,241
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Appropriation during the year	(17,000)	-	-	-
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Balance at end of period	143,981	153,661	148,940	124,090
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Basic Earnings per share	₱0.83	₱0.59	₱2.25	₱1.98
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Diluted Earnings per share	₱0.83	₱0.59	₱2.25	₱1.98
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¹In 2021, ALI Group adopted the provision of PFRS 15 covered by PIC Q&A 2018-12-E on the treatment of land in the calculation of POC. Further, ALI Group started capitalizing borrowing costs to its property and equipment and investment properties under construction. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement.

²In 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, which are included as an Annex to this Offer Supplement.

³Ayala 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 and 2020. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement, for the effect of the adoption of PFRS 16.

For the years ended December 31				
(in million Pesos)	2021 ¹	2020 ²	2019 ³	2018
	Audited	Audited	Audited	Audited
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ⁴	₱14,998	₱18,361	₱21,516	₱27,558
Investment properties	243,398	222,685	243,043	225,006
Total assets	745,464	721,494	713,923	668,820
Current portion of long term debt	26,174	18,732	17,251	23,265
Long term debt - net of current portion	180,140	184,087	175,813	149,447
Total liabilities	474,962	461,315	471,218	448,599

Equity attributable to equity holders of

Ayala Land, Inc.	232,621	222,540	211,050	187,300
Non-controlling interests	37,882	37,639	31,656	32,921
Total equity	₱270,503	₱260,179	₱242,706	₱220,221

¹In 2021, ALI Group adopted the provision of PFRS 15 covered by PIC Q&A 2018-12-E on the treatment of land in the calculation of POC. Further, ALI Group started capitalizing borrowing costs to its property and equipment and investment properties under construction. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement.

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⁴Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL.

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

	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Current ratio ¹	1.58:1	1.62:1	1.30:1	1.26:1
Debt-to-equity ratio ²	0.82:1	0.81:1	0.87:1	0.85:1
Net debt-to-equity ratio ³	0.77:1	0.74:1	0.78:1	0.72:1
Return on assets ⁴	2.13%	1.53%	5.43%	5.35%
Return on equity ⁵	5.37%	4.03%	16.66%	16.52%
Asset to Equity ⁶	2.76:1	2.77:1	2.94:1	3.04:1
Interest Rate Coverage ⁷	4.01:1	2.96:1	6.27:1	6.09:1

¹Current assets / current liabilities

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

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

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

⁵Net 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)

⁶Total assets / total stockholders' equity

⁷EBITDA / 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".

	For the years ended December 31			
(in thousand Pesos, except ratios)	2021¹	2020	2019	2018
	Audited	Audited	Audited	Audited
Net income	₱15,659,363	₱10,994,238	₱37,515,031	₱33,216,589
Add:				
Provision for income tax	4,628,177	4,058,973	13,314,643	11,984,440
Interest and other financing charges	11,037,772	12,745,720	12,199,758	9,594,003
Other charges	3,636,915	3,788,771	1,644,982	1,270,281
	34,962,227	31,587,702	64,674,414	56,065,313

Less:

Interest income from real estate
sales and interest and investment
income

7,054,119 8,997,476 8,821,417 8,000,314

EBIT

27,908,108 22,590,226 55,852,997 48,064,999

Add:

Depreciation and amortization

8,820,507 9,572,572 9,058,710 6,318,929

EBITDA**36,728,615 32,162,798 64,911,707 54,383,928**

Divided by:

Interest expense on

Short-term debt

391,435 1,164,767 1,206,577 1,668,340

Long-term debt

8,778,056 9,705,852 9,153,067 7,259,118

9,169,491 10,870,619 10,359,644 8,927,458**Interest rate coverage ratio****4.01:1 2.96:1 6.27:1 6.09:1***Below is the reconciliation of "Debt" to "Debt-to-Equity and Net Debt-to-Equity Ratios"*

For the years ended December 31				
(in thousand Pesos, except ratios)	2021 Audited	2020 Audited	2019 Audited	2018 Audited
Short-term debt	₱16,782,500	₱9,131,325	₱18,032,830	₱14,386,717
Current portion of long-term debt	26,173,997	18,732,401	17,250,706	23,265,173
Long-term debt – net of current portion	180,140,242	184,087,192	175,813,345	149,446,949
Debt	223,096,739	211,950,918	211,096,881	187,098,839
Equity	270,502,321	260,179,332	242,705,568	220,221,197
Debt-to-equity ratio	0.82	0.81	0.87	0.85
Debt	223,096,739	211,950,918	211,096,881	187,098,839
Cash and cash equivalents	(13,971,437)	(17,037,347)	(20,413,041)	(23,996,570)
Short term investments	(325,641)	(358,120)	(617,149)	(3,085,373)
Financial assets at FVPL	(700,803)	(965,171)	(485,436)	(476,245)
Net Debt	208,098,858	193,590,280	189,581,255	159,540,651
Equity	270,502,321	260,179,332	242,705,568	220,221,197
Net debt-to-equity ratio	0.77	0.74	0.78	0.72

SUMMARY OF THE OFFER

This Offer Supplement and Offer relates to the Bonds with an aggregate principal amount of Eight Billion Pesos (₱8,000,000,000.00), with an oversubscription option of up to Four Billion Pesos (₱4,000,000,000.00). 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 Offer Supplement. The Base Offer will be comprised of: (i) Two Billion Five Hundred Million Pesos (₱2,500,000,000.00) Bonds to be issued as the eighth Tranche under the Issuer's 2019 Program, and (ii) Five Billion Five Hundred Million Pesos (₱5,500,000,000.00) to be issued as the second Tranche under the Issuer's 2021 Program. If exercised, the Oversubscription Option will form part of the second Tranche to be issued under the 2021 Program, which would then be comprised of up to Nine Billion Five Hundred Million Pesos (₱9,500,000,000.00) assuming the full exercise of the Oversubscription Option.

Issuer:	Ayala Land, Inc.
Issue:	Fixed-rate bonds (the "Bonds") constituting the direct, unconditional, unsecured and general obligations of the Issuer
Issue Amount:	<p>Eight Billion Pesos (₱8,000,000,000.00) in aggregate principal amount (the "Base Offer"), with an Oversubscription Option of up to Four Billion Pesos (₱4,000,000,000.00) (the "Oversubscription Option").</p> <p>The Base Offer will be comprised of: (i) Two Billion Five Hundred Million Pesos (₱2,500,000,000.00) Bonds to be issued as the eighth Tranche under the 2019 Program, and (ii) Five Billion Five Hundred Million Pesos (₱5,500,000,000.00) to be issued as the second Tranche under the Issuer's 2021 Program. If exercised, the Oversubscription Option will form part of the second Tranche to be issued under the 2021 Program, which would then be comprised of up to Nine Billion Five Hundred Million Pesos (₱9,500,000,000.00) assuming the full exercise of the Oversubscription Option.</p> <p>The Oversubscription Option is exercisable by the Joint Lead Underwriters and Bookrunners with the consent of the Issuer.</p>
Use of Proceeds:	Net proceeds will be used for refinancing and to fund general corporate requirements including capital expenditures. (see "Use of Proceeds").
Joint Lead Underwriters and Bookrunners:	BDO Capital & Investment Corporation, BPI Capital Corporation, China Bank Capital Corporation, First Metro Investment Corporation, and SB Capital Corporation
Trustee	■
Offer Period:	The Offer shall commence at 9:00 a.m. on [April 18, 2022] and ending at 5:00 p.m. on [April 22, 2022], or on such other dates as the Issuer and the Joint Lead Underwriters and Bookrunners may agree upon.
Issue Date:	[May 02, 2022] 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:	[May 02, 2028] or six (6) 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.
Interest Rate:	Fixed interest rate of [■]% per annum from Issue Date

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 August 02, 2022 for the first Interest Payment Date and August 02, November 02, February 02, and May 02, 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
8 th Interest Payment Date	102.00%
9 th Interest Payment Date	
10 th Interest Payment Date	
11 th Interest Payment Date	
12 th Interest Payment Date	101.50%
13 th Interest Payment Date	
14 th Interest Payment Date	
15 th Interest Payment Date	
16 th Interest Payment Date	101.00%
17 th Interest Payment Date	
18 th Interest Payment Date	
19 th Interest Payment Date	
20 th Interest Payment Date	100.50%
21 st Interest Payment Date	
22 nd Interest Payment Date	
23 rd 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  by PhilRatings.

NET PROCEEDS FROM THE OFFER

The net proceeds from the Base Offer of ₱8.00 Billion Offer is estimated to be ₱7.90 billion after deducting expenses related to the Offer. Said expenses are as follows:

	Total
Estimated proceeds from the sale of the Bonds	₱8,000,000,000.00
Less:	
SEC Registration and Legal Research Fee	2,588,125.00
Documentary Stamp Tax	60,000,000.00
Underwriting Fee	30,000,000.00
Estimated Professional Expenses and Agency fees	6,000,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket expenses	500,000.00
Listing Fee	100,000.00
Total Estimated Upfront Expenses	99,188,125.00
Estimated net proceeds to Ayala Land	₱7,900,811,875.00

The net proceeds from the ₱12.00 Billion Offer (assuming the Oversubscription Option is fully exercised) is estimated to be ₱11.85 billion after deducting expenses related to the Offer. Said expenses are as follows:

	Total
Estimated proceeds from the sale of the Bonds	₱12,000,000,000.00
Less:	
SEC Registration and Legal Research Fee	3,598,125.00
Documentary Stamp Tax	90,000,000.00
Underwriting Fee	45,000,000.00
Estimated Professional Expenses and Agency fees	6,500,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket expenses	500,000.00
Listing Fee	100,000.00
Total Estimated Upfront Expenses	145,698,125.00
Estimated net proceeds to Ayala Land	₱11,854,301,875.00

A detailed discussion on the proceeds of the Offer appears on the “Use of Proceeds” section of this Offer Supplement.

RISK FACTORS AND OTHER CONSIDERATIONS

This section discusses additional risks to those stated in the Prospectus and must be read in conjunction with the Prospectus. The following section is qualified in its entirety by, and should be read in conjunction with, the more detailed information found in the Prospectus.

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.

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 March 3, 2022, the Philippine Department of Health reported 3,664,905 total cases of the novel coronavirus ("COVID-19") nationwide with 56,538 deaths attributed to COVID-19. The Philippines continues to add thousands of cases reported per day with 989 new cases on March 6, 2022. 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 February 27, 2022, acting Presidential Spokesperson and Cabinet Secretary Karlo Nograles announced the approval of the government's coronavirus task force in placing the capital region under Alert Level 1 from March 1 until March 15. On March 1, 2022, Metro Manila, along with 38 other areas throughout the country, is placed under Alert Level 1 and the coronavirus restrictions would be downgraded to the loosest level nearly two years after the pandemic.

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, the Philippine government reduced the community quarantine to either ECQ or GCQ with the latter having an alert-level system (Alert Level 1 to 4) with each alert level limiting restrictions only to identified high-risk activities. On September 16, 2021, Metro Manila was placed under GCQ with Alert Level 4. Effective October 16, 2021 to November 4, 2021, Metro Manila was placed under GCQ with Alert Level 3. With the slow down of COVID-19 cases and to further ease the allowed activities and movement, the Philippine government reduced Metro Manila’s Alert Level to 2 from November 5, 2021 to January 2, 2022. With the increasing number of COVID-19 case due to the omicron variant, Metro Manila was placed under Alert Level 3 effective January 3, 2022 to January 31, 2022. For the entire month of February 2022, Metro Manila was on Alert Level 2.

On February 27, 2022, with the declining number of COVID-19 cases in the country, the Philippine government announced that it will ease restrictions in most areas, placing NCR and thirty-eight other areas under Alert Level 1 from March 1 to 15, 2022, subject to the imposition of granular lockdowns and without prejudice to minimum public health standards and health and safety protocols issued by national government agencies for specific sectors.

Government quarantine measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve. In particular, the ECQ has adversely impacted (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 the strictest ECQ classification wherein only essential tenants are allowed to operate. Furthermore, hotels occupancy as of December 31, 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.

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%.

With the continuing threat of the omicron variant of COVID-19, the Company believes that the impact

of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain. The possible 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 ₱7.2 billion in rent condonation for mall merchants in 2020 and in 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 December 31, 2021, AyalaLand Premier (ALP) recorded revenues of ₱20.9 billion 39% higher than ₱15.0 last year driven by higher bookings in Ayala Greenfield Estates in Laguna, Cerilo in Nuvali, Laguna, Anvaya in Bataan, and the Enclaves in Cebu and incremental percentage-of-completion (POC) of Andacillo in Nuvali, The Courtyards in Veramosa, Cavite, West Gallery Place in BGC and Park Central North and South Towers in Makati City.

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 posted revenues of ₱13.1 billion, a 63% growth from ₱8.1 billion, on higher bookings from Hillside Ridge in Cavite and Corvia in Alvia, Pampanga, and incremental POC of Venido in Laguna, Ardia Phase 3 in Veramosa, Cavite, The Greenways in Alvia, Pampanga, and The Residences at Evo City Phase 2 in Cavite.

(c) Middle-income residential

Avida totaled ₱13.5 billion in revenues, 6% lower from ₱14.4 billion, attributed to lower bookings from Avida Towers Sola in Vertis North Quezon City, Vireo in Arca South, Taguig, Riala in Cebu IT Park, Cebu City, Abreeza Tower 2 in Davao City and Avida Towers Prime Taft Tower 2 in Pasay 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 fiscal year ended December 31, 2021, Amaia meanwhile posted ₱4.6 billion in revenues, a 3% decrease from ₱4.7 billion as a result of lower bookings from projects with high POC such as Steps Alabang Delecia in Las Pinas, Series Bulacan S3A, and Series Nova in Quezon City.

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 ₱1.2 billion, a 45% jump from ₱0.8 million generated last year on higher bookings from projects in Tayabas Quezon; Porac, Pampanga; and Alaminos, Laguna coupled with incremental POC.

MCT Bhd contributed ₱3.9 billion in revenues, a 20% decline from ₱4.9 billion as lower contributions from completed and sold-out older projects offset higher sales and completion from its middle-income brand Market Homes and new launches.

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 10% to ₱3.9 billion in 2021 from ₱3.5 billion in 2020, as a result of higher completion of Alveo’s Stiles and Tryne Enterprise Plazas and ALP’s One Vertis Plaza.

Commercial and Industrial Lots

Revenues from the sale of commercial and industrial accelerated by 26% to ₱8.2 billion in 2021 from ₱6.6 billion mainly due to strong take up of commercial lots in South Coast City, Nuvali and Vermosa and industrial lots in Pampanga Technopark.

Sales Reservations

Sales reservations by Philippines-based Filipinos increased by 13% and accounted for 74% (valued at ₱68.6 billion) of all reservations, while those by Filipinos based abroad increased by 15%, accounting for 16% (valued at ₱14.5 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 6% to ₱20.6 billion in 2021 from ₱21.9 billion 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 13% to ₱7.9 billion in 2021 from ₱9.1 billion 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 84% for stable malls. Total Malls GLA stands at 2.1 million sqm.

Offices

Revenues from office leasing improved at ₱9.9 billion in 2021 from ₱9.4 billion in 2020, as tenancy from BPO and headquarter (“HQ”) operations remained stable. The average occupancy rate for all offices is 81% and 86% for stable offices. Total office leasing GLA is at 1.32 million sqm.

Hotels and Resorts

Revenues from hotels and resorts ended 17% lower to ₱2.8 billion from ₱3.4 billion as resort operations were restricted from the end of March until April and from August until September due to the reimposition of the ECQ and hotels continue to experience lower average occupancy. The average occupancy for all hotels and stable hotels was at 53%. Meanwhile, the average occupancy for all resorts stood at 17% and 15% for stable resorts. The hotels and resorts segment ended 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 ₱6.4 billion in 2021, 2% higher than ₱6.3 billion in 2020 due to completion progress of projects with unconsolidated JVs and external clients. 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 7% in 2021.

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 ₱3.9 billion in 2021, an increase of 19% from the revenues in 2020 at ₱3.3 billion.

Property Management and Others

APMC, power services companies and AirSWIFT registered revenues of ₱2.5 billion in 2021, 18% less than the previous year's ₱3.0 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 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 December 31, 2021, Ayala Land's consolidated short-term and long-term debt amounted to an aggregate of ₱223.10 billion, ₱97.31 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 Offer Supplement.

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'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. DHSUD subsequently issued DO No. 009-2021, which grants an additional one year of period of completion, reckoned from the end of the time of completion of the project as indicated in the License to Sell or availed under DO No. 10-2020.

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 2021, the Company achieved a 0.1 Total Disabling Injury Rate (TDIR) covering 77 million total man-hours worked through continuing emphasis on safety. For 2022, 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.

The prospects of Ayala Land may be influenced by major political and economic developments abroad.

The growth and profitability of Ayala Land may be influenced by major political and economic developments, which may have a negative effect on the operations and financial results of Ayala Land and the level of dividends paid and distributions made by Ayala Land's subsidiaries.

On 21 February 2022, Russian president Vladimir Putin announced that Russia recognizes the independence of two pro-Russian breakaway regions in eastern Ukraine. On 22 February 2022, the Russian Federation Council unanimously authorized the use of military force, and the entry of Russian soldiers into both territories. On 24 February 2022, places across Ukraine, including Kyiv, the national capital, were struck with missiles. The Ukrainian Border Guard reported attacks on posts bordering Russia and Belarus. Shortly afterwards, Russian Ground Forces entered Ukraine prompting Ukrainian President Volodymyr Zelenskyy to enact martial law and general mobilization (the "Russo-Ukrainian War"). While the Company does not expect any material impact from the ongoing Russo-Ukrainian War to its current and future businesses, ongoing tensions may affect oil and commodity prices in the near to medium term.

Any political or economic developments of a global scale could impact prices in general and disrupt supply chains, which could in turn increase the Company's costs for the construction of its future projects. The Company continuously monitors such developments abroad and will assess any direct and indirect impact that the Russo-Ukrainian War may have on its current and future businesses.

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 41 of this Offer Supplement). 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.

Holders of the Securities may experience liquidity issues and potential loss of principal value if the Securities are sold at the secondary market.

The market for the Securities may be small and may not be liquid. As with all fixed income securities, the Securities’ market values move (either up or down) depending on the change in interest rates. Ordinarily, the value of fixed income instruments are inversely affected by interest rates. If interest rates increase following the Issue Date, the value of Securities on the secondary market would generally be expected to decrease, all other things being equal, since the Securities would then bear a comparatively a lower interest rate as against other instruments of the same tenor reflecting such new interest rates following such an increase in rates. Global events such as the war in Ukraine may give rise to increased volatility for instruments such as the Securities in the secondary market that may result in the decrease in the market value of the Securities or liquidity issues that may prevent the disposal of the Securities. No assurance can be given regarding the liquidity of the market of Philippine debt instruments in general. Such liquidity fluctuations may also arise as a result of temporary exchange closures, defaults, clearing system shut-downs, settlement delays, strikes or civil unrest, among other things. Accordingly, there can be no assurance that a holder of the Securities will be able to dispose of such instruments or direct the sale of the Securities through the PDEX, at prices or at times at which such holder would wish to do so, or at all.

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 ₱8.00 billion with an Oversubscription Option of up to ₱4.00 billion, ALI expects that the net proceeds of the Offer shall amount to approximately ₱7.90 billion for a ₱8.00 billion issue size or ₱11.85 billion for a ₱12.00 billion issue size, assuming full exercise of the Oversubscription Option, and after deducting fees, commissions and expenses.

Based on an issue size of ₱8,000,000,000.00:

	Total
Estimated proceeds from the sale of the Bonds	₱8,000,000,000.00
Less:	
SEC Registration and Legal Research Fee	2,588,125.00
Documentary Stamp Tax	60,000,000.00
Underwriting Fee	30,000,000.00
Estimated Professional Expenses and Agency fees ¹	6,000,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket Expenses ²	500,000.00
Listing Fee	100,000.00
Total Estimated Upfront Expenses	99,188,125.00
Estimated net proceeds to Ayala Land	₱7,900,811,875.00

¹This includes accounting (₱3,000,000.00), legal (₱530,000.00), rating (₱1,602,232.00), registry and paying agency (₱285,000.00), and trusteeship (₱240,000.00) upfront fees.

²This includes publication and out-of-pocket-expense fees of ₱250,000.00 each.

Based on an issue size of ₱12,000,000,000.00:

	Total
Estimated proceeds from the sale of the Bonds	₱12,000,000,000.00
Less:	
SEC Registration and Legal Research Fee	3,598,125.00
Documentary Stamp Tax	90,000,000.00
Underwriting Fee	45,000,000.00
Estimated Professional Expenses and Agency fees ¹	6,500,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket Expenses ²	500,000.00
Listing Fee	100,000.00
Total Estimated Upfront Expenses	145,698,125.00
Estimated net proceeds to Ayala Land	₱11,854,301,875.00

¹This includes accounting (₱3,000,000.00), legal (₱530,000.00), rating (₱1,602,232.00), registry and paying agency (₱285,000.00), and trusteeship (₱240,000.00) upfront fees.

²This includes publication and out-of-pocket-expense fees of ₱250,000.00 each.

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 ₱7.90 billion net proceeds from the Base Offer, the Company plans to use approximately ₱6.90 billion to partially refinance any short-term loans that will be drawn to finance the settlement of the Company's 6.0% per annum ₱5.65 billion fixed-rate bonds issued in 2012 ("6.0% ALI 2022 Bonds") and 4.5% per annum ₱7.00 billion fixed-rate bonds issued in 2015 ("4.5% ALI 2022 Bonds", together, the "ALI 04-2022 Bonds") maturing on April 27 and 29, 2022, respectively, and approximately ₱1.00 billion to fund general corporate requirements, including but not limited to capital expenditures:

Description of Capital Expenditures and Estimated Date of Development

Land Property	Brief Description	Target Date of Development
Quezon City Property	Residential Development	Ongoing
Iloilo City Property	Residential Development	Ongoing
Tagaytay Property	Residential Development	Ongoing
Mandaluyong Property	Residential Development	2024

If the Oversubscription Option is fully exercised, approximately ₱10.85 billion out of the net proceeds of ₱11.85 billion will be used to partially refinance any short-term loans that will be drawn to finance the settlement of the Company's 6.0% per annum ₱5.65 billion fixed-rate bonds issued in 2012 and 4.5% per annum ₱7.00 billion fixed-rate bonds issued in 2015 maturing on April 27 and 29, 2022, respectively, while approximately ₱1.00 billion will be used to fund general corporate requirements, including but not limited to 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 including debt refinancing. 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 Joint Lead Underwriters and Bookrunners.

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 audited consolidated short-term and long-term debt and capitalization of ALI as of December 31, 2021. These tables should be read in conjunction with the more detailed information and audited financial statements, including notes thereto, found in this Offer Supplement.

(in ₱ Millions)	As of December 31, 2021 (Audited)	Adjustment	Notes	As adjusted for Issue Amount of ₱8.00 billion (Upon issuance of the Bonds)
Current Liabilities				
Short-term Debt	₱16,783			₱16,783
Accounts and other payables	136,690			136,690
Income tax payable	507			507
Current portion of lease liabilities	599			599
Current portion of long-term debt	26,174			26,174
Deposits and other current liabilities	27,471			27,471
Total Current Liabilities	208,224			208,224
Non-current Liabilities				
Long-term debt – net of current portion	180,140	8,000	1	188,140
Pension liabilities	2,104			2,104
Lease liabilities – net of Current Portion	17,238			17,238
Deferred tax liabilities – net	6,520			6,520
Deposits and other non-current liabilities	60,736			60,736
Total Non-current Liabilities	266,738	8,000	1	274,738
Total Liabilities	474,962	8,000	1	482,962
Equity				
Equity attributable to equity holders of Ayala Land, Inc.				
Paid-up capital	79,897			79,897
Retained earnings	168,981			168,981
Remeasurement loss on defined benefit plans	(33)			(33)
Fair value reserve of financial assets at FVOCI	(881)			(881)
Cumulative translations adjustments	262			262
Equity reserves	1,290			1,290
Treasury Stock	(16,894)			(16,894)
Non-controlling interests	37,882			37,882
Total Equity	270,502			270,502
Total Capitalization	745,464	8,000	2	753,464

Notes:

1. Reflects Bond Issue Amount of ₱8.0 billion
2. Total Capitalization is the sum of Total Liabilities and Total Equity

The following table sets forth the audited consolidated short-term and long-term debt and capitalization

of ALI as of December 31, 2021, assuming the full exercise of the Oversubscription Option.

(in ₱ Millions)	As of December 31, 2021 (Audited)	Adjustment	Notes	As adjusted for Issue Amount of ₱12.00 billion (Upon issuance of the Bonds)
Current Liabilities				
Short-term Debt	₱16,783			₱16,783
Accounts and other payables	136,690			136,690
Income tax payable	507			507
Current portion of lease liabilities	599			599
Current portion of long-term debt	26,174			26,174
Deposits and other current liabilities	27,471			27,471
Total Current Liabilities	208,224			208,224
Non-current Liabilities				
Long-term debt – net of current portion	180,140	12,000	1	192,140
Pension liabilities	2,104			2,104
Lease liabilities – net of Current Portion	17,238			17,238
Deferred tax liabilities – net	6,520			6,520
Deposits and other non-current liabilities	60,736			60,736
Total Non-current Liabilities	266,738	12,000	1	278,738
Total Liabilities	474,962	12,000	1	486,962
Equity				
Equity attributable to equity holders of Ayala Land, Inc.				
Paid-up capital	79,897			79,897
Retained earnings	168,981			168,981
Remeasurement loss on defined benefit plans	(33)			(33)
Fair value reserve of financial assets at FVOCI	(881)			(881)
Cumulative translations adjustments	262			262
Equity reserves	1,290			1,290
Treasury Stock	(16,894)			(16,894)
Non-controlling interests	37,882			37,882
Total Equity	270,502			270,502
Total Capitalization	745,464	12,000	2	757,464

Notes:

1. Reflects Bond Issue Amount of ₱12.0 billion
2. 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 interest rate of the Bonds will be based on the simple average of the interpolated 6-year PHP BVAL Reference Rate, based on the 5-Year and 7-Year PHP BVAL reference rates, as published on the relevant page of Bloomberg at approximately 5:00 p.m. (Philippine Standard Time), for the three (3) consecutive Banking Days immediately preceding and ending on the interest rate setting date, and a spread of [40 to 90] basis points, as determined via a book building process.

PLAN OF DISTRIBUTION OF THE BONDS

THE OFFER AND SECURITIES PROGRAM

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 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 Program with a principal amount of ₱8.0 billion was issued. The SEC Permit for the second Tranche of the 2019 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 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 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 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 Program with a principal amount of ₱10.0 billion was issued on April 19, 2021. The SEC Permit covering the seventh Tranche of the 2019 Program with a principal amount of ₱0.5 billion was issued on October 11, 2021.

On October 11, 2021, 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 2021 Program to be issued in one or more tranches within a three-year period from its effectivity. On October 11, 2021, the SEC Permit for the first Tranche of the 2021 Program with a principal amount of ₱2.75 billion was issued.

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 Program and the 2019 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 Program and the 2019 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 Program and 2019 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 JOINT LEAD UNDERWRITERS AND BOOKRUNNERS OF THE BONDS OFFER

BDO Capital, BPI Capital, China Bank Capital, First Metro, and SB Capital, pursuant to an Underwriting Agreement with Ayala Land dated [●], (the "**Underwriting Agreement**"), have agreed to act as the Joint Lead Underwriters and Bookrunners 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 ₱8,000,000,000 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 0.375% on the underwritten principal amount of the Bonds issued. Such fee shall be inclusive of underwriting fees and other participating underwriters or selling agents, if any. The amount of the firm commitments of the Joint Lead Underwriters and Bookrunners are as follows:

Joint Lead Underwriters and Bookrunners	Commitment
BDO Capital	₱ [1,600,000,000.00]
BPI Capital	[1,600,000,000.00]
China Bank Capital	[1,600,000,000.00]
First Metro	[1,600,000,000.00]
SB Capital	[1,600,000,000.00]
Total	₱ [8,000,000,000.00]

The Oversubscription Option, once exercised during the Offer Period, shall be deemed firmly underwritten by the Joint Lead Underwriters and Bookrunners, in addition to the amounts above. Any Bonds issued under the Oversubscription Option will be allocated among the Joint Lead Underwriters and Bookrunners according to the orders received by such Underwriter.

There is no arrangement for the Joint Lead Underwriters and Bookrunners 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 Joint Lead Underwriters and Bookrunners, are each duly licensed by the SEC to engage in underwriting or distribution of the Bonds. The Joint Lead Underwriters and Bookrunners 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, 2021, its total assets amounted to ₱4.40 billion and its capital base amounted to ₱4.10 billion.

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 December 31, 2020, its total assets amounted to ₱3.51 billion and its capital base amounted to ₱3.39 billion.

China Bank Capital Corporation is the wholly-owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house in 2015 as a result of the spin-off of China Bank’s Investment Banking Group. The firm offers a full suite of investment banking solutions, which include arranging, managing, and underwriting bond offerings, corporate notes issuances, initial public offerings and follow-on offerings of common and preferred shares, private placement of securities, structured loans, project finance, real estate investment trusts, and asset securitizations. China Bank Capital also provides financial advisory services, such as structuring, valuation, and execution of M&A deals, joint ventures, and other corporate transactions.

First Metro is a leading investment bank in the Philippines with over fifty years of service in the development of the country’s capital markets. It is the investment banking arm of the Metrobank Group, one of the largest financial conglomerates in the country. First Metro and its subsidiaries offer a wide range of services, from debt and equity underwriting to loan syndication, project finance, financial advisory, investment advisory, government securities and corporate debt trading, equity brokering, online trading, asset management, and research. First Metro has established itself as a leading bond house with key

strengths in origination, structuring, and execution. As of September 30, 2021, its total assets amounted to ₱35.4 billion and its capital base amounted to ₱15.5 billion.

SB Capital is a Philippine corporation organized in October 1995 as a wholly-owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. SB Capital provides a wide range of investment banking services including financial advisory, underwriting of equity and debt securities, project finance, privatizations, mergers and acquisitions, loan syndications and corporate advisory services. SB Capital is also involved in equity trading through its wholly-owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major equity and debt issues, both locally and internationally. As of December 31, 2020, its total assets amounted to ₱1.43 billion and its capital base amounted to ₱1.39 billion.

Except for BPI Capital and as otherwise disclosed herein, none of the Joint Lead Underwriters and Bookrunners have any direct or indirect relations with Ayala Land in terms of material ownership by their respective major stockholder/s. BPI Capital is a wholly-owned subsidiary of BPI. Ayala Land and BPI, the major shareholder of BPI Capital, are affiliated companies, each with Ayala Corporation as a major shareholder.⁴

The Joint Lead Underwriters and Bookrunners have undertaken the requisite due diligence over the Issuer as Joint Lead Underwriters and Bookrunners of the Offer. BPI Capital's relationship with the Issuer had no effect in its conduct of due diligence.

Each of the Joint Lead Underwriters and Bookrunners' parent companies is a banking institution regulated by the BSP that has a relationship with the Company and/or its subsidiaries. These relationships are independent of the engagement of the Joint Lead Underwriters and Bookrunners and are entered into on an arm's length basis in the ordinary course of its banking business. These banking institutions are engaged in transactions with, and have performed various commercial banking and other services for the Company and/or its affiliates in the past and are expected to do so for the Company and/or its affiliates from time to time in the future including, insofar as such bank have affiliates that offer such services, investment banking and underwriting services. However, all services provided by each of the Joint Lead Underwriters and Bookrunners, including in connection with the Offer, have been provided as an independent contractor and not as a fiduciary to the Company. The Joint Lead Underwriters and Bookrunners do not have a contract or other arrangement with the Company under which any of the Joint Lead Underwriters and Bookrunners may return to the Company any unsold securities of the Offer. The Joint Lead Underwriters and Bookrunners do not have any direct or indirect interest in the Company or in any securities thereof including options, warrants or rights thereto. None of the Joint Lead Underwriters and Bookrunners have any right to designate or nominate any member of the Company's Board.

SALE AND DISTRIBUTION

The distribution and sale of the Bonds shall be undertaken by the Joint Lead Underwriters and Bookrunners who shall sell and distribute the Bonds to third party buyers/investors. Nothing herein shall limit the rights of the Joint Lead Underwriters and Bookrunners 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 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 Joint Lead Underwriters and Bookrunners 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 Joint Lead Underwriters and Bookrunners. Unless otherwise expressly provided in the Underwriting Agreement, the failure by an Underwriter to carry out its obligations thereunder shall neither relieve the other Joint Lead Underwriters and Bookrunners of their obligations under the same Underwriting Agreement, nor shall any Underwriter be responsible for the

⁴ BPI Capital Corporation and Ayala Land, Inc are affiliates which are ultimately owned by Ayala Corporation. BPI Capital is 100% owned by the Bank of the Philippine Islands, which is 22.16% owned by Ayala Corporation. On the other hand, as of December 31, 2021, Ayala Land is 46.07% owned by Ayala Corporation with the remainder owned by the public.

obligation of another Underwriter.

OFFER PERIOD

The Offer Period shall commence at 9:00 a.m. on [April 18, 2022] and ending at 5:00 p.m. on [April 22, 2022], or on such other dates as the Issuer and the Joint Lead Underwriters and Bookrunners may agree upon.

APPLICATION TO PURCHASE

Applicants may purchase the Bonds during the Offer Period by submitting to the Joint Lead Underwriters and Bookrunners 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 Joint Lead Underwriters and Bookrunners 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 Joint Lead Underwriters and Bookrunners 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 Joint Lead Underwriters and Bookrunners 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 Joint Lead Underwriters and Bookrunners prior to the end of the Offer Period, or such earlier date as may be specified by the Joint Lead Underwriters and Bookrunners. Acceptance by the Joint Lead Underwriters and Bookrunners 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.

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 Joint Lead Underwriters and Bookrunners 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 ₱10,000.00 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 an aggregate principal amount of Eight Billion Pesos (₱8,000,000,000.00) (the “**Base Offer**”), with an oversubscription option of up to Four Billion Pesos (₱4,000,000,000.00) (the “**Oversubscription Option**”, together with the Base Offer, the “**Offer**” or the “**Bonds**”) for public offer and sale in the Philippines under the prospectus dated October 07, 2021 and offer supplement dated [●] (the “**Offer Supplement**”). The Base Offer will be comprised of: (i) Two Billion Five Hundred Million Pesos (₱2,500,000,000.00) Bonds to be issued as the eighth Tranche under the Company’s shelf registration rendered effective on April 22, 2019 (“**2019 Program**”), and (ii) Five Billion Five Hundred Million Pesos (₱5,500,000,000.00) to be issued as the second Tranche under the Issuer’s 2021 Program. If exercised, the Oversubscription Option will form part of the second Tranche to be issued under the 2021 Program, which would then be comprised of up to Nine Billion Five Hundred Million Pesos (₱9,500,000,000.00) assuming the full exercise of the Oversubscription Option

2019 Program

A registration statement filed by the Issuer covering the 2019 Program was rendered effective by the SEC by its order dated April 22, 2019. The first Tranche of the 2019 Program with a principal amount of Eight Billion Pesos (₱8,000,000,000.00) of fixed-rate bonds was issued on May 6, 2019 under a prospectus dated April 16, 2019. The second Tranche of the 2019 Program with a principal amount of Three Billion Pesos (₱3,000,000,000.00) 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 Program with a principal amount of Ten Billion Pesos (₱10,000,000,000.00) of fixed-rate bonds was issued on November 06, 2019 under the prospectus dated September 12, 2019 and offer supplement dated October 17, 2019. The fourth Tranche of the 2019 Program with a principal amount of Ten Billion Pesos (₱10,000,000,000.00) 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 Program with an aggregate principal amount of Six Billion and Two Hundred Fifty Million Pesos (₱6,250,000,000.00) was issued on September 29, 2020 under the prospectus dated September 12, 2019 and the offer supplement dated September 14, 2020. The sixth tranche of the 2019 Program with an aggregate principal amount of Ten Billion Pesos (₱10,000,000,000.00) was issued on May 4, 2021 under the prospectus dated September 12, 2019 and the offer supplement dated April 14, 2021. The seventh tranche of the 2019 Program in the amount of Two Hundred Fifty Million Pesos (₱250,000,000.00) was issued on October 26, 2021 under the Prospectus. The eighth Tranche to be issued under the 2019 Program will consist of up to Two Billion Five Hundred Million Pesos (₱2,500,000,000.00) Bonds.

2021 Program

A registration statement filed by the Issuer covering the 2021 Program was rendered effective by the SEC by its order dated October 11, 2021. The first Tranche of the 2021 Program of Two Billion Seven Hundred Fifty Million Pesos (₱2,750,000,000.00) was issued on October 26, 2021 under the Prospectus. The second tranche to be issued under the 2021 Program will be comprised of: (i) Five Billion Five Hundred Million Pesos (₱5,500,000,000.00) forming part of the Base Offer, and (ii) the Oversubscription Option to the extent exercised. Assuming the full exercise of the Oversubscription Option, the second Tranche under the 2021 Securities Program will consist of up to Nine Billion Five Hundred Million Pesos (₱9,500,000,000.00)

The Bonds are constituted by a Trust Indenture executed on [●] (the “**Trust Indenture**”) between the Issuer and [●] (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. [●] 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 (₱50,000.00) each, as a minimum, and in multiples of Ten Thousand Pesos (₱10,000.00) thereafter and traded in denominations of Ten Thousand Pesos (₱10,000.00) 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) Bond Rating

The Bonds have been rated [●] by Philippine Rating Services Corporation (“**PhilRatings**”) on [●]. Obligations rated [●].

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 BSP, 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 on 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 on PDEX for secondary market trading. The Bonds will be traded in a minimum board lot size of Ten Thousand Pesos (₱10,000.00) as a minimum, and in multiples of Ten Thousand Pesos (₱10,000.00) 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 from the Issue Date, payable quarterly in arrear on [August 02, November 02, February 02, and May 02] of each year while the Bonds are outstanding (each of which, for purposes of this section is an “Interest Payment Date”) commencing on [August 02, 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
8 th Interest Payment Date	102.00%
9 th Interest Payment Date	
10 th Interest Payment Date	
11 th Interest Payment Date	
12 th Interest Payment Date	101.50%
13 th Interest Payment Date	
14 th Interest Payment Date	
15 th Interest Payment Date	
16 th Interest Payment Date	101.00%
17 th Interest Payment Date	
18 th Interest Payment Date	
19 th Interest Payment Date	
20 th Interest Payment Date	100.50%
21 st Interest Payment Date	
22 nd Interest Payment Date	
23 rd 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 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 the current and valid tax exemption certificate, ruling or opinion issued by the BIR (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time), addressed to the Bondholder, confirming the 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 as being a true copy of the original on file with the Bondholder, which notarized certification indicates that: (a) the exemption certificate is a true copy of the original; (b) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (c) 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) 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; (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 (2) 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; and (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 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;

- (iii) a duly notarized undertaking (substantially in the prescribed form by Ayala Land) declaring and warranting that the same Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, 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 or modification of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and the Registrar free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or reduced withholding of the required tax; and
 - (iv) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, including a copy of the submitted Application Form for Treaty Purposes, the valid and existing tax residence certificate issued by the relevant foreign tax authority, and evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder or the Bondholder's owners' or beneficiaries' legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines; 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 or the Bondholder's owners or beneficiaries claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar;
- (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, security interest, 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 (₱500,000,000.00).

(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 (₱500,000,000.00) 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 and the Offer Supplement, and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee:	[•]
Attention:	[•] [•] [•] [•]
Subject:	Ayala Land Bonds due 2028
Address:	[•]
Telephone No.:	[•]

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 [•] Pesos (₱[•]) (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

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. 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 the Offer Supplement 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 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.
- (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.

- (g) In the event of a change in the Trustee, the Trustee shall be given ninety (90) days to prepare documents, records or any other instruments necessary to be transferred to the successor trustee, unless removed for cause, in which case, it shall transfer to such documents, records or other instruments within such period as may be reasonably determined by Ayala Land.

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 relating to the 2019 Program;
- (v) Registration Statement relating to the 2021 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 Philippine 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) **Debt** means any indebtedness for borrowed money incurred by the Borrower from one or more financial institutions, and any debenture, bond, note, or other debt instruments.
- (e) **Debt to Equity Ratio** means the ratio which Debt bears to Total Stockholders' Equity net of unrealized gain.
- (f) **Majority Bondholders** means Bondholders representing more than fifty percent (50%) of the outstanding principal amount of the Bonds.
- (g) **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.

- (h) **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.

INDEPENDENT AUDITORS AND COUNSEL

LEGAL MATTERS

All legal opinion/matters in relation to the Offer will be passed upon by Romulo Mabanta Buenaventura Sayoc & de los Angeles (“**Romulo**”) for the Joint Lead Underwriters and Bookrunners. Certain matters relating to the legality of the Offer and tax matters were passed upon by Co Ferrer Ang-Co & Gonzales Law Offices (“**CFA Law**”) for the limited purpose of issuing an opinion required by the SEC. Neither Romulo nor CFA Law have any direct or indirect interest in the Company.

INDEPENDENT AUDITORS

SyCip Gorres Velayo & Co. (“**SGV & Co.**”), independent auditors and a member firm of Ernst & Young Global Limited audited Ayala Land, Inc. and subsidiaries’ annual consolidated financial statements as at December 31, 2021, 2020, 2019, and 2018, and for each of the four (4) years in the period ended December 31, 2021 as included in this Offer Supplement.

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
2021	34.61*	–	13.13**
2020	34.61*	–	13.08**

* 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

The following section discusses updates to the Description of Business after the date of the Prospectus and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement. 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 Offer Supplement carefully, including the section entitled “Risk Factors and Other Considerations” and the audited consolidated financial statements and the related notes to those statements included in this Offer Supplement and the Prospectus.

Overview

As of December 31, 2021, Ayala Corporation’s effective ownership in Ayala Land is 46.07% while 52.89% is owned by the public. As of December 31, 2021, Ayala Land has 14,811,126,679 outstanding common shares and 13,066,494,759 outstanding voting preferred shares. 14,553,869,716 common shares are listed with the PSE. Foreign equity ownership is 19.74% composed of 4,894,538,326 outstanding common shares and 609,377,935 voting preferred shares as of December 31, 2021. Equity attributable to equity holders of Ayala Land amounted to ₱232.62 billion. Ayala Land has a total market capitalization of ₱539.23 billion based on the closing price of ₱36.70 per common share on December 31, 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 December 31, 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. (66.10%), AyalaLand Logistics Holdings Corp. (71.46%), MCT Bhd. (66.25%), Merkado Supermarket (50.00%), and OCLP Holdings, Inc. (21.10%)

Vision

Please refer to page 86 of the Prospectus.

Competitive Strengths

Please refer to page 87-88 of the Prospectus.

Strategy

Please refer to page 87-88 of the Prospectus.

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 186 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 61%, 55%, 58%, and 60% 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 December 31, 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 25% to 95%. Under the Alveo brand, key ongoing projects include Broadfield, Travertine at Portico, Ardia and Corvia. These projects are currently under construction and are in various stages of completion ranging from 21% to 82%. 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 61% to 91%. 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 66%. 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 64% to 76%.

International Sales accounted for 26% of total sales for the fiscal year ended December 31, 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 December 31, 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 and in 2021, the total support extended amounted to ₱7.2 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 sqm and Central Block Corporate Center 2 in Cebu with 39,000 sqm 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 1,972 as of end-2021. 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 1,411 seats as of end-2021.

Factory Buildings and Warehouses (ALogis)

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. As of December 31, 2021, total GLA of ALogis reached 224,000 sqm.

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 2021 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 PSE 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 sqm. 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. 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.

In 2021, AREIT recorded revenues of ₱3.3 billion and EBITDA of ₱2.4 billion, 65% and 50% higher than the revenues and EBITDA recorded in 2020 respectively. The company's full-year net income ended at ₱2.4 billion as a result of stable operations with a 98% occupancy and 98% rental collection rate. It ended the year with a total portfolio size of 549,000 sqm, which is now 3.6 times larger than its initial size of only 153,000 sqm during the IPO. This includes the recently concluded asset infusion via property-for-share swap approved by the SEC on October 7, 2021. All income from the parties accrued to AREIT beginning October 1, 2021. The property-for-share swap transaction added 205 thousand sqm of new GLA in AREIT's portfolio covering Vertis North Commercial Development (Vertis), BPI-Philam Makati, BPI-Philam Alabang, Bacolod Capitol Corporate Center (Bacolod Capitol), Ayala Northpoint Technohub (Ayala Northpoint), and One Evotech and Two Evotech (collectively called Evotech) buildings.

ALLHC

AyalaLand Logistics Holdings Corporation (ALLHC) posted consolidated revenues of ₱4.0 billion and net income after taxes of ₱780.0 million, 7% higher and 11% higher than year-ago levels, respectively. Primary drivers of earnings were continuous demand for industrial lots and increased leasable areas.

Despite the restrictions arising from community lockdowns, ALLHC added 17,000 sqm to its warehouse GLA ending the year with 224,000 sqm, an 8% growth from the previous year's 207,000 sqm. The additional GLA came from ALLHC's acquisition of two facilities which marked ALLHC's entry into the cold storage market. The acquisition added 7,300 pallet positions into its portfolio and recognized revenues of ₱49.0 million from this new segment. 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.

Last February 4, 2022, ALLHC acquired a 64,000 sqm ready-built facility in Sto. Tomas, Batangas, the company's first industrial property in the province. It will carry the brand name "ALogis Sto. Tomas." As of date, ALLHC's warehouse leasing portfolio is at 288,000 sqm.

MCT Bhd

MCT Berhad (Malaysia) contributed ₱3.9 billion in revenues, a 20% decline from ₱4.9 billion as lower contributions from completed and sold-out older projects offset higher sales and completion from its middle-income brand Market Homes and new launches.

Merkado

Merkado, Ayala Land's 50-50 joint venture with Puregold, recorded average daily sales of ₱1.0 million, 36% lower than the previous year, across its three operating branches in Vertis North and UP Town Center, both in Quezon City, and Avida Towers Asten in Makati City. Avida Towers Asten branch opened in December 2021.

Ortigas

Ortigas Land Corp. (OLC) ended the year with a net income of ₱1.8 billion from ₱811 million in the previous year driven by higher residential revenues and cost saving initiatives.

Description of Business

Property development revenues reached ₱6.6 billion, accounting for 79% of total revenues and already at 74% of pre-pandemic levels as it was able to sell out its inventory in Viridian Residences in Greenhills, San Juan, and The Imperium at Capitol Commons.

Despite the reimposition of strict quarantine restrictions in 2021, OLC's office leasing segment remained resilient with new sign-ups, tenant retentions, and successful renewals of existing leases. OLC will continue to expand its current office leasing portfolio with upcoming launch of GH Tower in the first quarter of 2022.

Ortigas Malls also made steady progress in 2021 with a focus on its customers, its tenants, and incorporating Omni channel offerings to its business model. As part of its support to tenants, OLC offered concessionary rental packages and increased exposure in its online platforms. It also expanded its accessibility through My Home Dasher, a personal shopper and delivery service. OLC also established partnerships with local government units for their ongoing vaccination program.

OLC's planned launch of Circulo Verde project was put on hold to focus on the selling of its existing inventory in Empress and Maven at Capitol Commons, Maple at Verdant Towers in Ortigas East, and the reopened units in Circulo Verde and Connor.

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 years ended December 31, 2021, 2020, 2019, and 2018:

	Dec 2021		Dec 2020		Dec 2019		Dec 2018	
	In ₱'000	In %	In ₱'000	In %	In ₱'000	In %	In ₱'000	In %
Revenues								
<i>Domestic</i>	99,908,093	96.26%	90,342,858	94.9%	160,143,686	96.1%	156,142,062	95.4%
<i>Foreign</i>	3,880,333	3.74%	4,811,872	5.1%	6,561,646	3.9%	7,604,756	4.6%
Total	103,788,427	100.00%	95,154,730	100.0%	166,705,332	100.0%	163,746,818	100.0%
Net operating income								
<i>Domestic</i>	32,386,064	99.32%	30,342,384	99.6%	61,357,618	98.0%	52,436,826	97.9%
<i>Foreign</i>	221,984	0.68%	127,350	0.4%	1,228,417	2.0%	1,129,534	2.1%
Total	32,608,048	100.00%	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>	12,341,379	100.93%	9,112,272	104.4%	32,321,166	97.4%	28,283,472	96.7%
<i>Foreign</i>	(113,231)	(0.93%)	(385,117)	(4.4%)	867,233	2.6%	957,408	3.3%
Total	12,228,148	100.00%	8,727,155	100.0%	33,188,399	100.0%	29,240,880	100.0%
Total Assets								
<i>Domestic</i>	712,602,771	95.59%	685,707,254	95.0%	678,162,085	95.0%	636,521,219	95.2%
<i>Foreign</i>	32,861,591	4.41%	35,787,120	5.0%	35,761,193	5.0%	32,299,263	4.8%
Total	745,464,363	100.00%	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

2022:

On January 4, 2022, 609,626,351 ALI common shares have been issued to the stockholders of the Absorbed Corporations as consideration of the merger. Out of the said 609,626,351 shares, 118,318,715 shares are outstanding and 491,307,636 shares are held as Treasury Shares (inclusive of 1,261 fractional shares as a result of the merger).

On January 21, 2022, the Board of Directors approved a property-for-share swap with Ayala Corporation (AC) and Mermac, Inc. (Mermac). Under the transaction, AC and Mermac will transfer assets to ALI in exchange for its primary common shares. Subject to regulatory approvals, AC will subscribe to 309, 597, 711 primary common shares for assets valued at ₱17,275,552,274, and Mermac will subscribe to 1,982,289 primary common shares for assets worth ₱110,611,726, totaling 311,580,000 primary common shares at a value of ₱55.80 per share, as validated by a third-party fairness opinion.

On February 24, 2022, Board of Directors approved and ratified the following:

1. Raising of up to ₱45.0 billion in debt capital to refinance maturing debt and partially finance general corporate requirements through the issuance of retail bonds and/or corporate notes for listing on the PDEX and/or execution of bilateral term loans.
2. The 2022 stock option program under our Employee Stock Ownership Plan (the “Plan”) which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 17,250,890 common shares at a subscription price of ₱30.29 per share, which is the average price of our common shares at the PSE over the last 30-day trading period as of February 14, 2022, less a 15% discount.
3. The adoption of the Money Laundering and Terrorism Financing Prevention Program as endorsed by our Board Risk Oversight Committee.
4. The amendments to the Audit Committee Charter, as endorsed by our Audit Committee, and the Charter of the Board of Directors, Manual of Corporate Governance, and Insider Trading Policy, as endorsed by our Corporate Governance and Nomination Committee.

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 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% 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 ₱1.4 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, 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.

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 PSE 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 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 BIR, and the listing of the additional shares with the PSE, within the year.

On October 8, 2021, ALI and AREIT received the approval of the SEC of the property-for-share swap, specifically the subscription of ALI and its subsidiaries, Westview Commercial Ventures Corp. and Glensworth Development, Inc. (collectively referred to as Subsidiaries) to 483,254,375 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, pursuant to the Deed of Exchange dated June 8, 2021. In line with this, the parties have executed an Amendment to Section 4.2 of the Deed of Exchange on October 7, 2021 so that the recognition of income from the new assets will accrue to AREIT beginning October 1, 2021, instead of November 1, 2021. This will enable shareholders to fully benefit from the contribution of the new assets starting in the fourth quarter of the year.

On December 16, 2021, the SEC approved and made effective the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). ALI shall be the surviving entity in the Merger and shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CBDI (the "Absorbed Corporations"), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed. ALI shall secure PSE approval for the additional listing of shares to cover the shares to be issued pursuant to the Merger. Though not a condition precedent to the effectivity of the Merger, ALI shall secure from the BIR the Certificates Authorizing Registration (CAR) for the registration in its name, of the real properties and shares of stock of the absorbed corporations, as applicable. ALI endeavors to complete the process of securing the PSE approval for the additional listing of shares and secure from the BIR the CARs within the first half of 2022.

2020:

AREIT (formerly One Dela Rosa Property Development, Inc.) was incorporated on September 4, 2006 and was listed on 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 on 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 on 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.

On June 10, 2019, ALI sold 8,051 common shares in LTI to ALLHC for a consideration of ₱800.0 million.

Distribution Methods of Products

Please refer to pages 98-99 of the Prospectus.

Competition

Please refer to pages 99 of the Prospectus.

Capital Expenditures (Consolidated)

Capital expenditures reached ₱64.0 billion for the full year of 2021, mainly to support the buildout of our residential and commercial leasing assets. 52% was spent on residential projects, 17% for land acquisition, 15% for commercial leasing projects and 14% for estate development.

Subsidiaries, Associates and Joint Ventures

As of December 31, 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
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

Description of Business

Ayala Land International Marketing, London	December 10, 2014	100
Ayala Land Sales, Inc.	March 6, 2002	100
Southportal Properties, Inc. (Southportal)	December 1, 2014	100
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	66
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	-
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
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	May 4, 2015	100

Description of Business

Development Corp.)		
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	-
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
Ayalaland-Tagle Properties, Inc.	August 27, 2021	55
BGWest Properties, Inc. (BGW)	August 5, 2011	50
Lagdigan Land Corp. (Lagdigan)	March 17, 2014	60
Central Bloc Hotel Ventures, Inc.	October 28, 2019	100
Cebu Leisure Company, Inc.	January 31, 1994	100
CBP Theatre Management Inc.	February 1, 1994	100
Taft Punta Engaño Property, Inc. (TPEPI)	September 8, 2011	55
Cebu Insular Hotel Company, Inc. (CIHCI)	April 6, 1995	37
Solinea, Inc.	April 2, 2007	35
Amaia Southern Properties, Inc. (ASPI)	February 12, 2013	35
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
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

Description of Business

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
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

Description of Business

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
PCM Formosa Company Limited	September 8, 2016	50
Esta Galleria, Inc.	July 12, 2018	50
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	50
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-	November 17, 2010	40

City)		
Lagoon Development Corporation	August 27, 1996	30

Reinvestment Plan

As sponsor of AREIT, the REIT Law requires the Company to reinvest (a) any proceeds realized by it from the sale of AREIT shares or other securities issued in exchange for income-generating real estate transferred to the AREIT and (b) any money raised by the Company from the sale of any of its income-generating real estate to AREIT, in any real estate, including any redevelopment thereof, and/or infrastructure projects in the Philippines within one (1) year of receipt of the proceeds. The Company is required to file reinvestment plans covering such sales with the SEC, PSE and BIR undertaking to reinvest the proceeds in such manner. The Company's reinvestment plans, as well as progress reports in relation thereto are accessible at <https://ir.ayalaland.com.ph/category/disclosures/>.

AREIT IPO and Teleperformance Cebu

On August 13, 2020, AREIT's common shares were listed on the PSE. The Company received net proceeds of approximately ₱11,350.0 million from the sale of secondary shares and optional shares and after purchasing AREIT shares during stabilization period (gross proceeds of ₱12,277.0 million from the public offering less ₱927.0 million used to purchase AREIT shares during stabilization period). In total, the Company received ₱12,800.0 million from the net proceeds of the sale of secondary shares and optional shares (net of the costs for the stabilization activities) and proceeds from the sale of Teleperformance Cebu to AREIT.

On July 24, 2020, the Company submitted its Reinvestment Plan (the "IPO/TP Cebu Reinvestment Plan"). From the date of the IPO/TP Cebu Reinvestment Plan to end of the first quarter of 2021, Ayala Land has disbursed proceeds to fund ongoing and future investments in real estate properties in Metro Manila and other key regions in the Philippines, which Ayala Land may undertake on its own or through other subsidiaries, in accordance with its Reinvestment Plan. On June 25, 2021, Ayala Land submitted its amended IPO/TP Cebu Reinvestment Plan covering the same ₱12,800.0 million worth of proceeds. The amendment was precipitated by the re-prioritization of capital expenditures for projects and developments due to COVID-19.

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 12, 2021, Ayala Land submitted its final report on the application of proceeds from the IPO of AREIT reporting that it has already disbursed the total net proceeds amounting to ₱11,350.0 million in accordance with its first amended IPO/TP Cebu Reinvestment Plan.

On August 31, 2021, Ayala Land submitted its second amended IPO/TP Cebu Reinvestment Plan. As of such date, the Sponsor has to disburse the total of ₱1,450.0 million which it obtained as proceeds from the sale of APRC of Teleperformance Cebu to AREIT. Following regulations, said amount should be fully disbursed within one year from receipt of proceeds by Ayala Land. In accordance with the deed of absolute sale between APRC and AREIT, the former received the amount of ₱290.0 million on September 24, 2020. Thereafter, APRC received the balance of ₱1,160.0 million on October 7, 2020. Pursuant to the REIT Law and its implementing rules and regulations, the Sponsor has until September 23, 2021 and October 6, 2021, respectively to disburse the aggregate amount of ₱1,450.0 million. On September 23, 2021, Ayala Land submitted its report on the disbursements of proceeds from the sale of Teleperformance Cebu received on September 23, 2020, which states that the amount of ₱290.0 million was disbursed from July 1 to September 23, 2021 in accordance with the second amended IPO/TP Cebu Reinvestment Plan.

On December 22, 2021, in view of the foregoing fortuitous events and following current regulations, Ayala Land submitted its amended Sponsor Reinvestment Plan which provides for the investment of its net proceeds in commercial facilities, residential buildings and land comprising: (i) two (2) mixed-use offices and malls located within Metro Manila and Cebu, (ii) one (1) mall in Metro Manila, (iii) one (1)

office in Metro Manila, (iv) six (6) residential buildings located in Metro Manila and Davao, and (v) ten (10) land parcels, located in Metro Manila, Cavite, Pampanga, Tarlac, Laguna, Ilagan and Batangas. All disbursements for these projects are still intended to be distributed within one year upon receipt of the proceeds from the sale of The 30th to AREIT. Total projected disbursements were revised from ₱5,112 million (VAT inclusive) to ₱4,564 million (VAT exclusive). From the 7 projects submitted last January 15, 2021, this revised Sponsor Reinvestment Plan now covers 19 projects of Ayala Land and its affiliates. Detailed changes are as follows:

- Cavite Property project under Ayala Land, Inc. was removed from the list with total projected disbursements of ₱600 million;
- Disbursements to 4 identified projects (Gateway Central, One Ayala (Malls), One Ayala (BPO) and Tarlac Property Project) were reduced by a total of ₱1,222 million;
- The ₱1,241 million will now be used to fund 13 projects namely: Arbor Lanes 1-5, Orea Place 1, Avida Vireo Towers 1-3, Avida Sola Towers 1-2, Avida Abreeza Tower 1, Amaia Steps Alabang Helena, Mandaluyong Property, Ilagan Property, Laguna Property, Batangas Property, Cavite Property (Amaia), Quezon City Property and Cavite Property (LTI).
- Total projected disbursement for Parklinks project increased by ₱33 million, from ₱800 million to ₱833 million.

Sale of The 30th Commercial Development

Please refer to page 105 of the Prospectus.

Secondary Sale of 44 million AREIT shares

Please refer to pages 105-106 of the Prospectus.

Suppliers

Please refer to page 106 of the Prospectus.

Customers

Please refer to page 106 of the Prospectus.

Research and Development

Please refer to page 106 of the Prospectus.

Employees

Ayala Land had a total workforce of 295 regular employees as of December 31, 2021.

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

Senior Management	27
Middle Management	201
Staff	67
Total	295

Ayala Land anticipates that it will have a total workforce of 291 regular employees by the end of December 31, 2022.

All regular employees receive life insurance, in-patient and out-patient health coverage, disability and invalidity coverage, retirement benefits, and medical allowances. Project employees are provided with health insurance coverage and are entitled to service incentive leaves and overtime pay.

Ayala Land has an employee compensation and rewards policy that helps propel business performance. In particular, the Employee Stock Ownership (ESOWN) plan gives select employees the opportunity to participate in the growth of the company and instills a sense of personal accountability

for its growth. The Company also provides variable pay such as the performance-based cash bonus directly linked to an individual's key deliverables established at the start of the year.

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

Please refer to pages 107-109 of the Prospectus.

Licenses

Please refer to page 109 of the Prospectus.

Regulation

Please refer to pages 109-120 of the Prospectus.

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 December 31, 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				
December 31, 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, that as the bidder with the highest responsive bid, it has been awarded 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 for another 25 years by mutual agreement of the parties. Subsequently, in 2015, the Company assigned the lease to Ayala Land Metro North, Inc. (AMNI). As of date, the retail establishment has a gross leasable area of approximately 61,000 sqm of available gross leasable area and a combination of headquarter-and-BPO-type buildings with an estimated 5,500 sqm of office space. As of the date of the Offer Supplement, the average annual rental amounts to ₱184.0 million which averages about 35% of gross revenues for the past eight (8) years.

RENTAL PROPERTIES

The Company's properties for lease are largely shopping centers, office buildings and hotels and resorts. As of December 31, 2021, rental revenues from these properties amounted to ₱20.6 billion equivalent to 20% of consolidated revenues. This is 6% lower than ₱21.9 billion recorded in 2020. Lease terms vary depending on the type of property and tenant.

PROPERTY ACQUISITIONS

With 12,483 hectares in its land bank as of December 31, 2021, Ayala Land believes that it has sufficient properties for development in the next 25 years.

While the Company is not currently engaged in any negotiations involving property acquisition, it continues to seek new opportunities for additional, large-scale, mixed-used and sustainable estates which serve as platforms for Ayala Land's property development and commercial leasing projects, 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 in Luzon, Visayas and Mindanao with progressive economies that offer attractive potential and where projected value appreciation will be fastest. The Company estimates the aggregate costs of acquisition per year to be between ₱10.0 to ₱15.0 billion, depending on the opportunities that may arise and negotiations with third parties. This will be funded by combination of internally generated funds and/or other credit facilities available to the group which may include bank borrowings, as the Issuer may consider commercially favorable at the relevant time.

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

The following section discusses updates to Certain Legal Proceedings after the date of the Prospectus and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement. 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 Offer Supplement carefully, including the section entitled “Risk Factors and Other Considerations” and the audited consolidated financial statements and the related notes to those statements included in this Offer Supplement and the Prospectus.

As of December 31, 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.

MARKET PRICE OF AND DIVIDENDS ON AYALA LAND'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The following section discusses updates to Market Price of and Dividends on Ayala Land's Common Equity and Related Stockholder Matters after the date of the Prospectus and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement. 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 Offer Supplement carefully, including the section entitled "Risk Factors and Other Considerations" and the audited consolidated financial statements and the related notes to those statements included in this Offer Supplement and the 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 on the PSE.

Stock Prices (in ₱/share)

	High				Low				Close			
	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
First Quarter	42.00	45.30	45.75	47.50	33.80	19.44	40.60	39.75	34.35	30.20	44.90	41.10
Second Quarter	38.35	38.30	52.50	43.35	31.00	28.20	44.40	36.05	36.05	33.80	50.80	37.90
Third Quarter	33.60	37.70	53.85	45.00	32.90	26.50	46.30	36.55	33.50	29.70	49.45	40.05
Fourth Quarter	36.70	42.10	49.90	43.20	34.60	29.00	42.55	38.00	36.70	40.90	45.50	40.60

The market capitalization of ALI as of 2021, based on the closing price of ₱36.70/share on December 31, 2021 (the last trading day of the said month), was ₱539.23 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 December 31, 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.	Cebu Holdings, In. (Non-Filipino Corporation)	54,630,732	0.3688%
5.	Cebu Holdings, Inc. (Filipino Corporation)	49,477,199	0.3340%
6.	ESOWN Administrator 2020	14, 666,680	0.0990%
7.	Cebu Holdings, Inc. (Filipino Individual)	14,129,295	0.0953%
8.	ESOWN Administrator 2012	13,502,417	0.0911%
9.	ESOWN Administrator 2015	12,311,594	0.0831%
10.	Antonino T. Aquino	12,007,140	0.0810%
11.	ESOWN Administrator 2016	11,478,309	0.0774%
12.	ESOWN Administrator 2021	11,386,771	0.0768%
13.	ESOWN Administrator 2013	10, 641,665	0.0718%
14.	ESOWN Administrator 2019	10,035,962	0.0677%

15.	ESOWN Administrator 2011	9,752,370	0.0658%
16.	ESOWN Administrator 2017	9,709,093	0.0655%
17.	ESOWN Administrator 2014	9,350,708	0.0631%
18.	ESOWN Administrator 2018	8,234,649	0.0555%
19.	Emilio Lolito J. Tumbocon	7,340,134	0.0495%
20.	Vincent Y. Tan	5,969,832	0.0403%

Voting Preferred Shares:

There are approximately 2,862 registered holders of voting preferred shares of the Company as of December 31, 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.	SCB OBO SSBTC Fund HG16 Account 000260700807	15,000,000	0.1148%
6.	Wealth Securities, Inc.	14,825,373	0.1135%
7.	SCB OBO SSBTC Fund OD67 AC 000260708171	13,670,744	0.1046%
8.	Samuel Villes Santos and/or Luzviminda Lat Santos	12,001,800	0.0919%
9.	SCB OBO SSBTC Fund C021 Account 000260701842	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.	SCB OBO SSBTC FUND FA20 Account 000260705401	3,951,800	0.0302%
14.	Papa Securities Corporation	3,536,538	0.0271%
15.	SCB OBO SSBTC Fund FA2N Account 000260705403	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.	SCB OBO SSBTC Fund SBFZ Account 000260706785	2,700,000	0.0206%
20.	Maybank ATR Kim Eng Securities, Inc.	2,666,714	0.0204%

Dividends

STOCK DIVIDEND (Per Share)			
<u>PERCENT</u>	<u>DECLARATION DATE</u>	<u>RECORD DATE</u>	<u>PAYMENT DATE</u>
20%	February 1, 2007	May 22, 2007	June 18, 2007

CASH DIVIDEND (Per Common Share)			
<u>PESO AMOUNT</u>	<u>DECLARATION DATE</u>	<u>RECORD DATE</u>	<u>PAYMENT DATE</u>
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

CASH DIVIDEND (Per Common Share)			
0.2680	Feb. 20, 2020	March 06, 2020	March 20, 2020
0.1358	Feb. 23, 2021	March 10, 2021	March 25, 2021
0.1360	October 19, 2021	November 3, 2021	November 18, 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)
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.

Preferred Shares

The Company's preferred shares prior to 2012 were subscribed and issued through a stock rights offer with the following features: (a) non-voting; (b) dividend rate of 4.6% p.a., payable annually, noncumulative; (c) nonparticipating; (d) convertible at the option of the holder at a ratio of one (1) preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (e) no pre-emptive rights; (f) non-redeemable; (g) non-listed; and, (h) preferred in liquidation to the extent of par value.

The dividends for preferred shares are declared upon the sole discretion of the Board.

On February 20, 2012, the Board approved the following restructuring exercise in order to comply with the regulatory requirement on Filipino-ownership following the Supreme Court's ruling that nonvoting shares do not count as equity when computing for a parent company's Filipino-ownership level:

- (a) Redemption and retirement of the 13.0 billion outstanding preferred shares with par value of ₱0.10.
- (b) Reclassification of the 1,970.0 million unissued preferred shares to voting preferred shares through an amendment of Article Seventh of the Articles of Incorporation.
- (c) Increase in authorized capital stock by ₱1,300.0 million creating new voting preferred shares and a stock rights offer of 13,000 million voting preferred shares from the increase in the authorized capital stock.

On April 18, 2012, the stockholders ratified the Board resolution on the capital restructuring. The voting preferred shares shall have the following features, rights, and privileges:

- (a) voting;
- (b) dividend rate of 4.7% per annum, equivalent to 90.0% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative;
- (c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date, at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; no pre-emptive rights;
- (d) redeemable at par at the sole option of the corporation;
- (e) non-listed; and
- (f) preferred in liquidation to the extent of par value.

The SEC approved on January 31, 2013 the following:

- (a) The decrease in authorized capital stock by ₱1,303.5 million, the aggregate par value of the 13,034.6 million preferred shares which have been redeemed and retired, from ₱22,803.5 million to ₱21,500.0 million, and
- (b) The amendments to Articles of Incorporation reflecting the decrease in capital stock.

On February 24, 2022, the Board approved the approved and ratified the redemption of the outstanding voting preferred shares, the guidelines for the conversion of the voting preferred shares into common shares and the benchmark rate to be used when repricing the dividend rate.

- (a) Redemption of the outstanding voting preferred shares, the guidelines for the conversion of the voting preferred shares into common shares and the benchmark rate to be used when repricing the dividend rate.
 - The Company is exercising its option to redeem the outstanding voting preferred shares held by stockholders as of record date March 11, 2022, at ₱0.10 per share, plus accrued dividends. The offer period is from March 24, 2022, until May 24, 2022. Settlement is on June 24, 2022.
 - Commencing June 29, 2022, the remaining voting preferred shares holders may convert their shares into common shares at a conversion ratio of 1 voting preferred shares to 1 common share at a price which shall be the higher of (i) the average closing price for the immediately preceding 30 trading days less the par value of the voting preferred shares of ₱0.10 per share or (ii) the closing price immediately preceding the conversion date less the par value of the voting preferred shares of ₱0.10 per share.
 - Voting preferred shares holders will be notified and provided with a copy of the terms of the redemption offer and the conversion guidelines beginning March 14, 2022.
 - All redeemed and converted voting preferred shares will be retired.
 - Adoption of the 10-year PHP BVAL Reference Rate as the successor benchmark rate to replace the previous mark-to-market benchmark of 10-year PDST-R2 when resetting the dividend rate on June 29, 2022, being the 10th year from the issue date of the voting

preferred shares. In this regard, the new dividend rate shall be equivalent to 90% of the 10-year PHP BVAL Reference Rate prevailing as at June 29, 2022, payable annually.

As of December 31, 2021 and 2020 the Company's authorized and outstanding voting preferred shares issued on June 29, 2012 amounted to ₱1,500.0 million and ₱1,306.6 million, respectively at ₱0.10 par value per share.

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 audited consolidated financial statements represent the consolidation of the financial statements of Ayala Land and the following subsidiaries as at and for the year ended December 31, 2021 and 2020.

Review of December 2021 operations vs December 2020 operations

	For the years ended December 31			
(in million Pesos, except Earnings Per Share (EPS))	2021 ¹ Audited	2020 ² Audited	2019 ³ Audited	2018 Audited
Income Statement Data				
Revenue				
Real estate Sales	₱96,145	₱85,965	₱157,849	₱155,955
Interest income from real estate sales	6,801	8,603	7,891	7,042
Equity in net earnings of associates and joint ventures	843	587	966	750
	₱103,788	₱95,155	₱166,705	₱163,747
Interest and investment income	253	395	930	958
Other income	2,101	723	1,158	1,541
	2,354	1,118	2,088	2,499
	106,143	96,273	168,794	166,246
Costs and expenses				
Cost of real estate sales	64,642	56,673	94,752	101,079
General and administrative expenses	6,539	8,012	9,367	9,101
Interest and other financing charges	11,038	12,746	12,200	9,594
Other expenses	3,637	3,789	1,645	1,270
	85,855	81,219	117,964	121,045
Income before income tax	20,288	15,053	50,830	45,201
Provision for income tax				
Current	5,985	4,688	12,455	13,391
Deferred	(1,356)	(629)	860	(1,406)
	4,628	4,059	13,315	11,984
Net Income	₱15,659	₱10,994	₱37,515	₱33,217
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	12,228	8,727	33,188	29,241
Non-controlling interests	3,431	2,267	4,327	3,976
Unappropriated retained earnings				
Balance, beginning of year	153,661	148,940	124,090	101,976

Changes in accounting policies:

Effect of adoption of new accounting standards	(2,838)	-	(617)	359
Capitalized borrowing cost	1,993			
Balances as restated	152,816	148,940	123,473	102,335
Cash dividends				
Common share	(4,001)	(3,945)	(7,659)	(7,424)
Preferred share	(62)	(62)	(62)	(62)
Net Income attributable to equity holders of Ayala Land, Inc.	12,228	8,727	33,188	29,241
Appropriation during the year	(17,000)	-	-	-
Balance at end of period	143,981	153,661	148,940	124,090
Basic Earnings per share	₱0.83	₱0.59	₱2.25	₱1.98
Diluted Earnings per share	₱0.83	₱0.59	₱2.25	₱1.98

¹In 2021, ALI Group adopted the provision of PFRS 15 covered by PIC Q&A 2018-12-E on the treatment of land in the calculation of POC. Further, ALI Group started capitalizing borrowing costs to its property and equipment and investment properties under construction. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement.

²In 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, which are included as an Annex to this Offer Supplement.

³Ayala 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 and 2020. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement, for the effect of the adoption of PFRS 16.

For the years ended December 31				
(in million Pesos)	2021¹ Audited	2020² Audited	2019³ Audited	2018 Audited
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ⁴	₱14,998	₱18,361	₱21,516	₱27,558
Investment properties	243,398	222,685	243,043	225,006
Total assets	745,464	721,494	713,923	668,820
Current portion of long term debt	26,174	18,732	17,251	23,265
Long term debt - net of current portion	180,140	184,087	175,813	149,447
Total liabilities	474,962	461,315	471,218	448,599
Equity attributable to equity holders of				
Ayala Land, Inc.	232,621	222,540	211,050	187,300
Non-controlling interests	37,882	37,639	31,656	32,921
Total equity	₱270,503	₱260,179	₱242,706	₱220,221

¹In 2021, ALI Group adopted the provision of PFRS 15 covered by PIC Q&A 2018-12-E on the treatment of land in the calculation of POC. Further, ALI Group started capitalizing borrowing costs to its property and equipment and investment properties under construction. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement.

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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 and 2020. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement, for the effect of the adoption of PFRS 16.

⁴Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL.

Ayala Land posted total revenues of ₱106.14 billion and a net income of ₱12.23 billion, a year-on-year growth of 10% and 40%, respectively, on account of resilient operations, supported by relaxed quarantine restrictions in the 4th quarter of 2021.

Real Estate revenues (composed of Property Development, Commercial Leasing, and Services) registered at ₱96.14 billion, a 12% higher than ₱85.97 billion in 2020 driven by construction progress and higher bookings that compensated for limited commercial leasing operations most of the year due to quarantine measures.

Capital expenditures amounted to ₱63.98 billion supporting the buildup of residential and commercial projects

The Company close the year with a Net Debt-to-Equity ratio of 0.77:1, an average borrowing cost of 4.4%, and maturity of 5.3 years.

Business Segments

The details of the performance of each business segment are discussed as follows:

Property Development. This segment includes the sale of residential lots and units, office spaces, commercial and industrial lots, and operations of MCT Bhd, Ayala Land's consolidated subsidiary based in Malaysia. Due to construction progress and higher bookings, property development revenues (exclusive of interest income from real estate sales) grew 19% jump to ₱69.14 billion from ₱57.86 billion.

Residential. Revenues from the sale of residential lots and units and MCT Bhd's operations totaled ₱57.05 billion, 19% higher from ₱47.79 billion owing to higher bookings and project completion.

AyalaLand Premier recorded revenues of ₱20.85 billion 39% higher than ₱15.01 billion in 2020 driven by higher project bookings from Ayala Greenfield Estates in Laguna, Cerilo in Nuvali, Laguna, Anvaya Cove in Bataan, and the Enclaves in Cebu. In addition, incremental percentage-of-completion (POC) of Andacillo in Nuvali, The Courtyards in Veramosa, Cavite, West Gallery Place in BGC, and Park Central North and South Towers in Makati City contributed to revenue growth.

ALVEO posted revenues of ₱13.12 billion, a 63% growth from ₱8.05 billion, on higher bookings from Hillside Ridge in Cavite and Corvia in Alvia, Pampanga, and incremental POC of Ardia Phase 3 in Veramosa, Cavite, The Greenways in Alvia, Pampanga, and The Residences at Evo City Phase 2 in Cavite.

Avida totaled ₱13.51 billion in revenues, 6% lower from ₱14.42 billion due to lower bookings from Avida Towers Sola in Vertis North Quezon City, Vireo in Arca South, Taguig, Riala in Cebu IT Park, Cebu City, Abreeza Tower 2 in Davao City and Avida Towers Prime Taft Tower 2 in Pasay City.

Amaia generated ₱4.55 billion in revenues, a 3% decrease from ₱4.69 billion on lower bookings from projects with high POC such as Steps Alabang Delecia in Las Pinas, Series Bulacan S3A, and Series Nova in Quezon City.

BellaVita recognized revenues of ₱1.15 billion, a 45% jump from ₱0.79 million on higher bookings and incremental POC from projects in Tayabas Quezon, Porac, Pampanga, and Alaminos, Laguna.

MCT Bhd contributed ₱3.88 billion in revenues, a 20% decline from ₱4.85 billion as revenues from projects under its middle-income brand, Market Homes, and new projects, Aetas, Casa Bayu Townhouse and Apartment, and Park Place were lower than the revenues generated by

completed and sold-out projects in 2020.

Office for Sale. Revenues from the sale of office units rose 10% to ₱3.85 billion from ₱3.51 billion on higher completion of ALVEO's Stiles and Tryne Enterprise Plazas in Circuit Makati and Arca South, respectively, and ALP's One Vertis Plaza in Vertis North.

Commercial and Industrial Lots. Revenues from the sale of commercial and industrial increased by 26% to ₱8.24 billion from ₱6.56 billion on take-up of commercial lots in South Coast City, Nuvali and Vermosa and industrial lots in Pampanga Technopark.

Sales Reservations. For the full-year of 2021, sales reservations amounted to ₱92.21 billion, 13% higher year-on-year, primarily due to the strong demand for horizontal products in Southern Luzon by ALP and ALVEO. Take-up from our horizontal products alone jumped 36% to ₱41.49 billion. Sales reservation in the 4th quarter reached ₱22.14 billion, 5% better than the same quarter last year.

Local and overseas Filipinos accounted for 90% of total sales with the balance of 10% from other nationalities. Sales from local Filipinos which comprise 74%, amounted to ₱69.84 billion, 13% higher year-on-year, while sales from overseas Filipinos which represented 16% of the total, amounted to ₱14.52 billion, a 15% uplift year-on-year. Meanwhile, sales to other nationalities amounted to ₱9.31 billion, up 3% from last year.

Project Launches. Reflective of our confidence in the residential market, Ayala Land launched 22 projects worth ₱75.26 billion during the year. This figure was more than seven times the launch value in 2020. 48% are horizontal projects, while the rest are vertical projects. Launches in the fourth quarter include ALP's Ciel Heights Phase 1 in Carmona, Cavite; ALVEO's Sentrove Tower 1 in Cloverleaf, Quezon City; and Amaia's Scares Bulacan S4B in Santa Maria, Bulacan and Steps Two Capitol Tower 1 in Capitol Central, Bacolod City.

Commercial Leasing. This includes the operation of Shopping Centers, Office Buildings and Hotels and Resorts. Total revenues from commercial leasing declined by 6% to ₱20.63 billion from ₱21.86 Billion a year ago as given restricted operations for most of the year.

Shopping Centers. Revenues from shopping centers dipped 13% to ₱7.92 billion. With improved mobility in the fourth quarter, revenues reached ₱3.0 billion, double the level generated in the same quarter in 2020. The average occupancy rate for all malls is 81% and 84% for stable malls. Total Malls GLA stands at 2.12 million sqm.

Offices. Revenues from office leasing grew 5% from last year to ₱9.87 billion as BPO and HQ office operations remained stable throughout the period. The average occupancy rate for all offices is 81% and 86% for stable offices. Total office leasing GLA increased to 1.32 million sqm with the completion of One Ayala Tower 1 in December 2021.

Hotels and Resorts. Revenues from hotels and resorts ended 17% lower to ₱2.83 billion from ₱3.39 billion an improvement from the first nine months as resort operations were able to host 35 travel bubbles in the fourth quarter, partially cushioning travel restrictions and lower hotel occupancy earlier in the year. The average occupancy for all hotels and stable hotels was 53%. Meanwhile, the average occupancy for all resorts is 17% and 15% for stable resorts. In close coordination with the Department of Tourism and the Local government, 120 travel bubbles were hosted during the year at El Nido Resorts and Lio estate. The hotels and resorts segment ended 2021 with a total of 4,030 rooms in its portfolio.

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 AirSWIFT, the airline for the hotels and resorts in Palawan and Sicogon. Total revenues amounted to ₱6.38 billion, 2% higher than ₱6.25 billion due to MDC's completion progress of projects with unconsolidated JVs and external clients.

Construction. Net construction revenues rose 19% to ₱3.91 billion, from ₱3.28 billion last year as construction activities continued despite the lockdowns.

Property Management and Others. APMC, power services companies and AirSWIFT registered revenues of ₱2.47 billion, 17% less than ₱2.97 billion due to lower power consumption of customers and limited AirSWIFT operations.

Equity in Net Earnings of Investees, Interest, Fees, Investment and Other Income

Equity in net earnings of associates and JVs rose 44% to ₱842.57 million from ₱586.50 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 21% to ₱6.80 billion from ₱8.60 billion due to lower accretion income recognized. Meanwhile, interest and investment income amounted to ₱253.11 million, a 36% drop from ₱394.70 million, on lower interest income, yield, and average daily balance on cash and short-term investments.

Other income, composed mainly of marketing and management fees from joint ventures, among others, increased more than three folds to ₱2.10 billion from ₱0.72 billion, recording a ₱1.37 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 ₱85.86 billion, 6% higher compared to last year. This was driven by real estate expenses which increased by 14% to ₱64.64 billion as operations continued to ramp up this year.

Due to reduced corporate operations and cost-saving initiatives, general and administrative expenses declined 18% to ₱6.54 billion from ₱8.01 billion. This resulted to a GAE ratio of 6% and an EBIT margin of 28%.

Interest expense, financing and other charges, which includes interest expense related to PFRS 16 (Leases) totaled ₱14.67 billion, 11% lower from ₱16.54 billion last year due to a lower average interest rate and average debt balance. The average cost of debt improved to 4.4% 30 basis points lower than 4.7% at the end of December 2020. Of the total, 91% is locked in fixed rates, while 92% is contracted for a long-term basis.

Capital Expenditures

Capital expenditures reached ₱63.98 billion, mainly for residential projects, the development of estates and commercial leasing assets. 52% was spent on residential projects, 17% for land acquisition, 15% on commercial projects, and 14% on estate development.

Currently, there are no material capital expenditure commitments. Any material commitments for capital expenditures will be disclosed by Ayala Land, when incurred, as appropriate under the requirements of the SEC and PSE, in due course.

Financial Condition

The Company's balance sheet stands strong with a Net Debt-to-Equity ratio of 0.77:1.

Cash and cash equivalents, including short-term investments and UITF investments classified as FVPL, stood at ₱15.00 billion resulting in a current ratio of 1.58:1.

Total borrowings registered at ₱223.10 billion which translated to a debt-to-equity ratio of 0.82:1 and a net debt-to-equity ratio of 0.77:1.

Return on equity was at 5.37% as of December 31, 2021.

There are no events that will trigger direct or contingent financial obligations 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 Company relationships with unconsolidated entities or other persons created for the entire year of 2021.

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

	End-December 2021	End-December 2020
Current ratio ¹	1.58:1	1.62:1
Debt-to-equity ratio ²	0.82:1	0.81:1
Net debt-to-equity ratio ³	0.77:1	0.74:1
Profitability Ratios:		
Return on assets ⁴	2.13%	1.53%
Return on equity ⁵	5.37%	4.03%
Asset to Equity ⁶	2.76:1	2.77:1
Interest Rate Coverage ⁷	4.01:1	2.96:1

¹Current assets / current liabilities

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

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

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

⁵Net 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)

⁶Total assets / total stockholders' equity

⁷EBITDA / 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 2021.

Causes for any material changes (+/- 5% or more) in the financial statements

Income Statement items – December 2021 versus December 2020

Real estate and hotel revenues improved by 12% driven by higher sales bookings and incremental project completion, and construction service revenues.

Interest income from real estate sales decreased by 21% due to lower accretion income from trade receivables.

Equity in net earnings increased by 44% coming from higher net income contribution of associates and joint ventures.

Interest and investment income decreased by 36% 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 191% 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 14% 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.

Interest and other financing charges declined by 13% due to lower outstanding debt.

Provision for income tax increased by 14% due to higher income before tax.

Balance Sheet items – December 2021 versus December 2020

Cash and cash equivalents decreased by 18% 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 decreased by 9% due to temporary placements of excess USD cash deposits.

Financial asset at fair value through profit and loss decreased by 27% resulting from maturities of investment in UITF.

Other current assets increased by 13% due to increase in advances to contractors, creditable withholding taxes, and deferred expenses from real estate sales.

Noncurrent accounts and notes receivable decreased by 5% due to collection

Financial assets at fair value through other comprehensive income decreased by 35% 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.

Right-of-use assets decreased by 7% due to depreciation for the period.

Investment properties grew by 9% as a result of higher investment properties due to project construction completion of Shopping Center, Offices, Land acquisitions, and capitalized borrowing cost.

Deferred tax assets increased by 6% coming from higher taxable income over accounting income for the period.

Other noncurrent assets increased by 6% mainly due to prepaid expenses partially offset by recoupment of advances to contractors and suppliers and decrease in deferred input VAT.

Short-term debt grew by 84% due to additional loan availments.

Accounts and other payables decreased by 5% due to payments of accounts payable and accrued operating expenses, lower interest payable, and other accrued expenses.

Income tax payable declined by 65% due to lower income tax rate in the current year and retroactive adjustment effect of CREATE law.

Lease liability – current increased by 28% due to accretion of lease liability.

Current portion of long-term debt increased by 40% due to maturing loans in the next 12 months.

Deposit and other current liabilities increased by 9% mainly due to realized revenues from sale of receivables and collections.

Pension liabilities decreased by 30% due to change in actuarial assumptions.

Deferred tax liabilities – net decreased by 9% due to timing difference between tax and book basis of accounting for real estate transactions and change in POC.

Deposit and other noncurrent liabilities increased by 21% increase in unrealized revenues and deferred credits from property sales, and security deposits from office leasing.

Paid-in capital increased by 27% due to increase in issued shares

Fair value reserve of financial assets at FVOCI increased by 18% coming from unrealized loss from Interest rate swap from MCT Berhad.

Cumulative translation adjustments increased by 57% mainly due to unrealized gain from translation of financial statements of MCT Berhad.

Equity reserves increased by 121% as a result of gain on sale of shares in AREIT and gain on purchase of additional equity in LTI by ALLHC and partially offset by merger.

Treasury shares increased by 1240% as result of buy-back of shares. With the Merger, all of the shares of the absorbed entities owned by their respective stockholders prior to the Merger shall be acquired by ALI, and in exchange for the net assets of the absorbed entities, a total of 609,626,351 ALI common shares will be issued to the stockholders of the absorbed entities. Of these shares, 491,306,375 shares shall be issued to ALI itself and shall be treated as treasury shares with a total consideration of ₱13,977.0 million.

Material Changes in Liquidity and Cash Reserves – December 2021 versus December 2020

Operating activities for the period ended at ₱7.93 billion net cash inflow from ₱12.51 billion net outflow in the same period last year due to higher EBIT, and lower net interest expense.

Investing activities used ₱26.23 billion cash during the period from outflow ₱3.22 billion in the same period last year mainly from investments.

Financing activities provided ₱14.84 billion net cash inflow from ₱12.67 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.

Net decrease in Cash and cash equivalents resulted to ₱13.97 billion which is ₱3.07 billion lower than ₱17.04 billion in the same period last year.

Review of December 2020 operations vs December 2019 operations

(in million Pesos, except Earnings Per Share (EPS))	Dec 2020 ¹ Audited	Dec 2019 ² Audited	Change In Pesos	In %
Income Statement Data				
Revenue				
Real estate Sales	₱85,965	₱157,849	(₱71,884)	(46%)
Interest income from real estate sales	8,603	7,891	712	9%

Equity in net earnings of associates and joint ventures	587	966	(379)	(39%)
	₱95,155	₱166,706	(₱71,551)	(43%)
Interest and investment income	395	930	(535)	(58%)
Other income	723	1,158	(435)	(38%)
	1,118	2,088	(970)	(46%)
	96,273	168,794	(72,521)	(43%)
Costs and expenses				
Cost of real estate sales	56,673	94,752	(38,079)	(40%)
General and administrative expenses	8,012	9,367	(1,355)	(14%)
Interest and other financing charges	12,746	12,200	546	4%
Other expenses	3,789	1,645	2,144	130%
	81,219	117,964	(36,745)	(31%)
Income before income tax	15,053	50,830	(35,777)	(70%)
Provision for income tax				
Current	4,688	12,455	(7,767)	(62%)
Deferred	(629)	860	(1,489)	(173%)
	4,059	13,315	(9,256)	(70%)
Net Income	₱10,994	₱37,515	(₱26,521)	(71%)
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	8,727	33,188	(24,461)	(74%)
Non-controlling interests	2,267	4,327	(2,060)	(48%)
Unappropriated retained earnings				
Balance, beginning of year	148,940	124,090	24,850	20%
Effect of adoption of new accounting standards	-	(617)	-	-
Balances as restated	148,940	123,473	25,467	21%
Cash dividends				
Common share	(3,945)	(7,659)	3,714	(48%)
Preferred share	(62)	(62)	0	0%
Net Income attributable to equity holders of Ayala Land, Inc.	8,727	33,188	(24,461)	(74%)
Appropriation during the year	-	-		
Balance at end of period	153,661	148,940	4,721	3%
Basic Earnings per share	₱0.59	₱2.25	(₱1.66)	(74%)
Diluted Earnings per share	₱0.59	₱2.25	(₱1.66)	(74%)

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, which are included as an Annex to this Offer Supplement.

²Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement, for the effect of the adoption of PFRS 16.

(in million Pesos)	Dec 2020 ¹	Dec 2019 ²	Change	
	Audited	Audited	In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ³	₱18,361	₱21,516	(₱3,155)	(15%)

Investment properties	222,685	243,043	(20,358)	(8%)
Total assets	721,494	713,923	7,571	1%
Current portion of long term debt	18,732	17,251	1,481	9%
Long term debt - net of current portion	184,087	175,813	8,274	5%
Total liabilities	461,315	471,218	(9,903)	(2%)
Equity attributable to equity holders of				
Ayala Land, Inc.	222,540	211,050	11,490	5%
Non-controlling interests	37,639	31,656	5,983	19%
Total equity	₱260,179	₱242,706	₱17,473	7%

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, which are included as an Annex to this Offer Supplement.

²Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement, for the effect of the adoption of PFRS 16.

³Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL.

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% increase 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.

There are no significant elements of income or loss that did not arise from the registrant's continuing operations. The Company is not aware of any seasonal aspects that have had a material effect on its financial condition or results of operations.

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

Orean 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.

	End-December 2020	End-December 2019
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 ⁶	2.77:1	2.94:1
Interest Rate Coverage ⁷	2.96:1	6.27:1

¹Current assets / current liabilities

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

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

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

⁵Net 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)

⁶Total assets / total stockholders' equity

⁷EBITDA / 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 –December 2020 versus December 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 – 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 100% 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

(in million Pesos, except Earnings Per Share (EPS))	Dec 2019¹ Audited	Dec 2018 Audited	Change In Pesos	In %
Income Statement Data				
Revenue				
Real estate Sales	₱157,849	₱155,955	₱1,894	1%
Interest income from real estate sales	7,891	7,042	849	12%
Equity in net earnings of associates and joint ventures	966	750	216	29%
	₱166,706	₱163,747	₱2,959	2%
Interest and investment income	930	958	(28)	(3%)
Other income	1,158	1,541	(383)	(25%)
	2,088	2,499	(411)	(16%)
	168,794	166,246	2,548	2%
Costs and expenses				
Cost of real estate sales	94,752	101,079	(6,327)	(6%)
General and administrative expenses	9,367	9,101	266	3%
Interest and other financing charges	12,200	9,594	2,606	27%
Other expenses	1,645	1,270	375	30%
	117,964	121,045	(3,081)	(3%)
Income before income tax	50,830	45,201	5,629	12%
Provision for income tax				
Current	12,455	13,391	(936)	(7%)
Deferred	860	(1,406)	2,266	(161%)
	13,315	11,984	1,331	11%
Net Income	₱37,515	₱33,217	₱4,298	13%
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	33,188	29,241	3,947	13%
Non-controlling interests	4,327	3,976	351	9%

Unappropriated retained earnings				
Balance, beginning of year	124,090	101,976	22,114	22%
Effect of adoption of new accounting standards	(617)	359	(975)	(272%)
Balances as restated	123,473	102,335	21,138	21%
Cash dividends				
Common share	(7,659)	(7,424)	(235)	3%
Preferred share	(62)	(62)	–	0%
Net Income attributable to equity holders of Ayala Land, Inc.	33,188	29,241	3,947	13%
Appropriation during the year	-	-	-	-
Balance at end of period	148,940	124,090	24,850	20%
Basic Earnings per share	₱2.25	₱1.98	₱0.27	14%
Diluted Earnings per share	₱2.25	₱1.98	₱0.27	14%

¹Ayala 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 year ended December 31, 2018 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. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement, for the effect of the adoption of PFRS 16.

(in million Pesos)	Dec 2019 ¹ Audited	Dec 2018 Audited	Change In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ²	₱21,515	₱27,558	(₱6,042)	(22%)
Investment properties	243,043	225,006	18,037	8%
Total assets	713,923	668,820	45,103	7%
Current portion of long term debt	17,251	23,265	(6,014)	(26%)
Long term debt - net of current portion	175,813	149,447	26,366	18%
Total liabilities	471,218	448,599	22,619	5%

Equity attributable to equity holders of				
Ayala Land, Inc.	211,050	187,300	23,750	13%
Non-controlling interests	31,656	32,921	(1,265)	(4%)
Total equity	₱242,706	₱220,221	₱22,485	10%

¹Ayala 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 year ended December 31, 2018 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. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement, for the effect of the adoption of PFRS 16.

²Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL.

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.

There are no significant elements of income or loss that did not arise from the registrant's continuing operations. The Company is not aware of any seasonal aspects that have had a material effect on its financial condition or results of operations.

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 Orian 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 ALI'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 ⁶	2.94:1	3.04:1
Interest Rate Coverage ⁷	6.27:1	6.09:1

¹Current assets / current liabilities

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

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

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

⁵Net 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)

⁶Total assets / total stockholders' equity

⁷EBITDA / 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

	For the years ended December 31			
(in million Pesos, except Earnings Per Share (EPS))	2018¹ Audited	2017 Audited	Change In Pesos	In %
Income Statement Data				
Revenue				
Real estate Sales	₱155,955	₱133,098	₱22,857	17%
Interest income from real estate sales	7,042	5,410	1,632	30%
Equity in net earnings of associates and joint ventures	750	866	(116)	(13%)
	₱163,747	₱139,373	₱24,373	17%
Interest and investment income	958	675	283	42%
Other income	1,541	2,249	(708)	(31%)
	2,499	2,924	(425)	(15%)
	166,246	142,297	23,949	17%
Costs and expenses				
Cost of real estate sales	101,079	87,921	13,158	15%
General and administrative expenses	9,101	7,275	1,826	25%
Interest and other financing charges	9,594	7,914	1,680	21%
Other expenses	1,270	1,196	74	6%
	121,045	104,306	16,738	16%
Income before income tax	45,201	37,991	7,210	19%
Provision for income tax				
Current	13,391	11,960	1,431	12%
Deferred	(1,406)	(2,135)	729	(34%)
	11,984	9,825	2,159	22%
Net Income	₱33,217	₱28,166	₱5,051	18%

Net Income attributable to:

Equity holders of Ayala, Land Inc.	29,241	25,305	3,936	16%
Non-controlling interests	3,976	2,861	1,115	39%

Unappropriated retained earnings

Balance, beginning of year	101,976	83,799	18,177	22%
Effect of adoption of new accounting standards	359	-	359	-
Balances as restated	102,335	83,799	18,537	22%
Cash dividends				
Common share	(7,424)	(7,065)	(359)	5%
Preferred share	(62)	(62)	0	0%
Net Income attributable to equity holders of Ayala Land, Inc.	29,241	25,305	3,936	16%
Appropriation during the year	-	-	-	-
Balance at end of period	124,090	101,976	22,114	22%
Basic Earnings per share	₱1.98	₱1.71	₱0.27	16%
Diluted Earnings per share	₱1.98	₱1.71	₱0.27	16%

¹Ayala 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. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement, for the effect of the adoption of PFRS 9 and PFRS 15.

(in million Pesos)	Dec 2018 ¹ Audited	Dec 2017 Audited	Change In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ^{2,3}	₱27,558	₱26,278	₱1,280	5%
Investment properties	225,006	200,240	24,766	12%
Total assets	668,820	573,992	94,828	17%
Current portion of long term debt	23,265	6,573	16,692	254%
Long term debt - net of current portion	149,447	150,169	(722)	0%
Total liabilities	448,599	381,729	66,870	18%
Equity attributable to equity holders of Ayala Land, Inc.	187,300	166,755	20,545	12%
Non-controlling interests	32,921	25,509	7,412	29%
Total equity	₱220,221	₱192,263	₱27,957	15%

¹Ayala 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. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Offer Supplement, for the effect of the adoption of PFRS 9 and PFRS 15.

²Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL for 2018

³Includes Cash and Cash Equivalents, Short-term Investments, Investments in UITF classified as FVPL for 2017

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 Offer Supplement, for the effect of the adoption of PFRS 9 and PFRS 15.

There are no significant elements of income or loss that did not arise from the registrant's continuing operations. The Company is not aware of any seasonal aspects that have had a material effect on its financial condition or results of operations.

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%.

	End-December 2018	End-December 2017
Current ratio ¹	1.26:1	1.30:1
Debt-to-equity ratio ²	0.85:1	0.90:1
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 27% 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

- Adoption of PIC Q&A 2018-12-E

In 2021, the Group adopted the provision of PFRS 15 covered by PIC Q&A 2018-12-E on the treatment of land in the calculation of POC. The Group applied the modified retrospective approach to recognize the impact of the change with a reduction in the beginning retained earnings by ₱2,838 million and beginning NCI of ₱16.3 million (see Note 19).

- Capitalization of borrowing costs in property and equipment and investment properties

In 2021, the Group started capitalizing borrowing costs to its property and equipment and investment properties under construction. The Group recognized the impact of the change against the beginning retained earnings in 2021 amounting to ₱1,993 million. The impact to the comparative accounts and amounts are increase in noncurrent assets and equity, and net income by ₱635 million and ₱354 million in 2020 and 2019, respectively.

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of ALI Group's

The accounting policies adopted in the preparation of 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 ALI 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. ALI Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendment to PFRS 16, COVID-19-related Rent Concessions beyond June 30, 2021

The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted.

This amendment is not applicable to ALI Group as there are no rent concessions granted to ALI Group as a lessee.

- Amendments to PFRS 9, PAS 39, 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

ALI Group shall also disclose information 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

ALI Group adopted the amendments beginning January 1, 2021.

- Adoption of 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 adoption of this PIC Q&A did not impact the consolidated financial statements of ALI Group since it has previously adopted approach 3 in its accounting for sales cancellation which records the repossessed inventory at cost. Standards Issued but not yet Effective Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, ALI Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. ALI Group intends to adopt the following pronouncements when they become effective.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, ALI Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. ALI 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 ALI 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. ALI 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 ALI 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. ALI 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 ALI 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 ALI Group.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on ALI Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on ALI Group.

Effective beginning on or after January 1, 2024

- 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. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. ALI Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Effective beginning on or after January 1, 2025

- 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

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

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 ALI Group since none of the entities within ALI 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.

ALI 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 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
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

The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

- The accounting policies applied.
- Discussion of the deferral of the subject implementation issues in the PIC Q&A.
- Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
- 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.

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.

ALI Group availed of the SEC reliefs to defer the above specific provisions of PIC Q&A No. 2018-12. Had these provisions been adopted, ALI Group assessed that the impact would have been as follows:

- 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. ALI 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.

DIRECTORS, EXECUTIVE OFFICERS AND CONTROL PERSONS

As of December 31, 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., Liontide 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, Alaraza 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, 59, Director and 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, 74, has served as Director of ALI for more than 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 was connected with IBM Philippines, Inc. since 1968 and was Business Unit manager when he left in 1980. He has been with the Ayala Group in various capacities for the past forty-one (41) years and has held the position of Senior Managing Director in Ayala Corporation. Currently, he is a Director the following non-listed companies: AIA Philippines Life & General Insurance Co., Anvaya Beach & Nature Club, Nuevocentro, Inc., and Mano Amiga Academy, Inc. He is a member of the Sectoral Advisory Board of the Philippine Army and the Multi Sector Governance Council of the Armed Forces of the Philippines. He is in the Advisory Board of Hero Foundation. 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. Recently he was conferred as Honorary Fellow by the Institute of Corporate Directors (ICD). 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, 62, has served as Lead Independent Director of ALI for more than seven (7) years from April 2014 to present and has been its Lead Independent Director since April 2020. She has been an Independent Director of Ayala Corporation since April 24, 2020. Concurrently, she is also a Director of Sun Life Grepa Financial, Inc. and an Independent Director of East Asia Computer Center Inc., First Philippine Holdings Corp. Inc., Microventures Foundation Inc., PHINMA Corp. Inc., and Universal Robina Corp. Inc., She is a recipient of the Asia Talent Management Award in the Asia Business Leaders Award organized by the global business news network CNBC. She 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, 61, has been an Independent Director of ALI for more than three (3) years from April 18, 2018 to present. He is an Asia Fellow of Milken Institute, a global non-profit, non-partisan think tank. He is a founding partner at IKHLAS Capital, a pan-ASEAN private equity platform. He currently serves as Independent Director of other publicly-listed companies, namely: Bank of the Philippine Islands, Jollibee Foods Corporation, and Universal Robina Corporation. He is also a member of the boards of AIA Group, BPI Capital Corporation, De La Salle University, International School of Manila, and World Wildlife Fund-Philippines. He is a member of Sumitomo Mitsui Banking Corporation's Global Advisory Council and Singapore Management University's International Advisory Council in the Philippines. From 2010 to 2016, Purisima was the Secretary of Finance of the Philippines and the Chair of Economic Development Cluster of the President's Cabinet. 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. Under his leadership, the Philippines received its first investment-grade ratings. He was named Finance Minister of the Year seven times in six 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. Purisima 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. He was conferred a Knight in the National Order of the Legion of Honour by the French Republic (Chevalier dans l'Ordre National de la Legion d'Honneur) in 2017. In 2016, Purisima was awarded the Order of Lakandula with the rank of Grand Cross (Bayani) for his contributions to the Philippine economy. The Order of Lakandula is one of the highest civilian honors conferred by the President of the Republic of the Philippines.

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*	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
Lyle A. Abadia	Vice President
Amelia Ann T. Alipao	Vice President, Chief Information Officer and Data Protection Officer
Aniceto V. Bisnar, Jr.	Vice President
Ma. Luisa D. Chiong	Vice President
Raquel S. Cruz**	Vice President
Dindo R. Fernando	Vice President
Rufino Hermann S. Gutierrez	Vice President
Javier D. Hernandez	Vice President
Joseph Carmichael Z. Jugo	Vice President
Stephanie J. Lingad**	Vice President
Ma. Divina Y. Lopez	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, Chief Legal Counsel & Assistant Corporate Secretary
Rodelito J. Ocampo	Vice President
Ginaflor C. Oris	Vice President
Darwin L. Salipsip	Vice President
Maria Rowena Victoria M. Tomeldan	Vice President
Jennylle S. Tupaz	Vice President
Richard T. Yap**	Vice President
Annabeth R. Bernardo	Chief Audit Executive
Solomon M. Hermosura	Group General Counsel & Corporate Secretary

*Member of the Board of Directors

**Appointed November 25, 2021 effective January 1, 2022

Dante M. Abando, Filipino, 57, 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, 59, 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, 54, 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, 56, 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, 48, 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.

Lyle A. Abadia, Filipino, 64, 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, 59, 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.

Ma. Luisa D. Chiong, Filipino, 50, 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).

Raquel S. Cruz, Filipino, 55, has been with Ayala Land, Inc. group for 17 years. She currently holds the following positions: Chairman of Avida Sales Corp., Chief Operating Officer of Avida Land Corp., Chairman and President of Buklod Bahayan Realty Development Corporation, and Director of San Rafael Estate Association, Inc. She holds a Bachelor of Science degree in Economics from the University of the Philippines in 1987 and obtained her Master's Degree in Business Administration from Ateneo de Manila University in 1992.

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, 49, 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, 53, 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.

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.

Stephanie J. Lingad, Filipino, 52, has been with Ayala Land, Inc. group for 18 years. She is currently the Chief Operating Officer of Amaia Land Corp. and a director of Amaia Southern Properties, Inc. She holds a Bachelor of Science degree in Management, Honors Program at the Ateneo de Manila University in 1991 and obtained her Master's Degree in Business Administration from the same university in 1997.

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, 5', 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, 48, 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, 52, 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, 52, 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 Concreate, 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, 49, 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, 59, 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 for Construction Management Group. 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.

Maria Rowena Victoria M. Tomeldan, Filipino, 60, 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, 49, 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.

Richard T. Yap, Filipino, 53, has been with Ayala Land, Inc. group for 28 years. He is the Group Head of Construction Management, a member of the Management Committee of Makati Development Corporation, and a director of MDC Buildplus, Inc. He holds a Bachelor of Science degree in Civil Engineering at the University of the Philippines in 1990 and obtained a Master's Degree in Business Administration from De La Salle University in 1997.

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

The following section discusses updates to the Executive Compensation after the date of the Prospectus and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement. 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 Offer Supplement carefully, including the section entitled “Risk Factors and Other Considerations” and the audited consolidated financial statements and the related notes to those statements included in this Offer Supplement and the 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 ₱240.0 million in 2020 and ₱205.05 million in 2021. The projected total annual compensation for 2022 is ₱213.7 million.

Total compensation paid to all senior personnel from Manager and up amounted to ₱1,098.9 million in 2020, and ₱910.6 million in 2021. The projected total annual compensation for the current year is ₱965.2 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			

Executive Compensation

Jose Emmanuel H. Jalandoni Senior Vice President			
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 2021	₱140.90M	₱64.60M
	Projected 2022	₱146.50M	****₱67.20M
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 2021	₱735.70M	₱174.90M
	Projected 2022	₱779.80M	**₱185.40M
<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 December 31, 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 December 31, 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	6,824,066,579	24.4787%
Preferred				12,163,180,640	43.6306%
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	4,832,178,984	17.3335%
Common	PCD Nominee Corporation (Filipino) ³ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers	Filipino	2,734,774,516	9.8099%

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, 1,600,852,131 or 5.7424% 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 December 31, 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	0.0007%
Common	Jaime Augusto Zobel de Ayala	(direct) 12,000	Filipino	0.0000%
Common	Bernard Vincent O. Dy*	(direct & indirect) 17,933,945	Filipino	0.0643%
Common	Antonino T. Aquino	(direct & indirect) 20,305,226	Filipino	0.0728%
Common	Arturo G. Corpuz	(direct & indirect) 5,843,711	Filipino	0.0210%
Common	Rizalina G. Mantaring	(direct & indirect) 39,401	Filipino	0.0001%
Common	Rex Ma. A. Mendoza	(direct & indirect) 3,914,201	Filipino	0.0140%
Common	Sherisa P. Nuesa	(direct & indirect) 3,998,509	Filipino	0.0143%

Security Ownership of Management and Certain Record and Beneficial Owners

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of total outstanding shares)
Common	Cesar V. Purisima	(direct) 1	Filipino	0.0000%
CEO and Most Highly Compensated Executive Officers				
Common	Bernard Vincent O. Dy*	(direct & indirect) 17,993,945	Filipino	0.0643%
Common	Dante M. Abando	(direct & indirect) 6,299,148	Filipino	0.0226%
Common	Augusto D. Bengzon	(indirect) 3,694,552	Filipino	0.0133%
Common	Anna Ma. Margarita B. Dy	(indirect) 7,482,588	Filipino	0.0268%
Common	Jose Emmanuel H. Jalandoni	(direct & indirect) 8,055,674	Filipino	0.0289%
Other Executive Officers				
Common	Lyle A. Abadia	(indirect) 1,050,401	Filipino	0.0038%
Common	Amelia Ann T. Alipao	(indirect) 1,743,268	Filipino	0.0063%
Common	Annabeth R. Bernardo	(indirect) 53,200	Filipino	0.0002%
Common	Aniceto V. Bisnar, Jr.	(indirect) 1,982,004	Filipino	0.0071%
Common	Ma. Luisa D. Chiong	(direct & indirect) 807,276	Filipino	0.0029%
Common	Raquel S. Cruz	(indirect) 486,697	Filipino	0.0017%
Common	Dindo R. Fernando	(indirect) 1,005,585	Filipino	0.0036%
Common	Rufino Hermann S. Gutierrez	(indirect) 777,768	Filipino	0.0028%
Common	Solomon M. Hermosura	(direct) 30,580	Filipino	0.0001%
Preferred		(direct) 480		0.0000%
Common	Javier D. Hernandez	(indirect) 634,615	Filipino	0.0023%
Common	Joseph Carmichael Z. Jugo	(indirect) 993,208	Filipino	0.0036%
Common	Laurent P. Lamasuta	(indirect) 3,613,692	Filipino	0.0130%
Voting Preferred		(direct) 1,977,234		0.0071%
Common	Robert S. Lao	(indirect) 2,394,283	Filipino	0.0086%
Common	Stephanie J. Lingad	(indirect) 814,640	Filipino	0.0029%
Common	Ma Divina Y. Lopez	(indirect) 639,776	Filipino	0.0023%
Common	Christopher B. Maglanoc	(indirect) 1,230,086	Filipino	0.0044%
Common	Michael F. Magpusao	(indirect) 571,687	Filipino	0.0021%
Common	Ferdie M. Mangali	(indirect) 1,010,860	Filipino	0.0036%
Common	Romeo T. Menpin	(direct & indirect) 648,396	Filipino	0.0023%
Common	Carol T. Mills	(indirect) 860,092	Filipino	0.0031%
Common	June Vee D. Monteclaro-Navarro	(indirect) 402,054	Filipino	0.0014%
Voting Preferred		(direct) 180,218		0.0006%
Common	Rodelito J. Ocampo	(direct & indirect) 2,863,181	Filipino	0.0103%
Common	Ginaflor C. Oris	(indirect) 1,147,016	Filipino	0.0041%
Common	Darwin L. Salipsip	(indirect) 803,802	Filipino	0.0029%
Common	Eliezer C. Tanlapco	(indirect) 430,062	Filipino	0.0015%
Common	Maria Rowena Victoria M. Tomeldan	(direct & indirect) 1,457,705	Filipino	0.0052%
Common	Jennylle S. Tupaz	(indirect) 1,176,983	Filipino	0.0042%
Common	Richard T. Yap	(direct & indirect) 545,285	Filipino	0.0020%
All Directors and Officers as a group		110,094,090		0.3949%

*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 at least 5% of its 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 December 31, 2021

Security	Total Outstanding Shares	Shares Owned by Foreigners	Foreign Ownership Level
Common Shares	14,811,126,679	4,894,538,326	
Voting Preferred Shares	13,066,494,759	609,377,935	
Total	27,877,621,438	5,503,916,261	19.74%

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 December 31, 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 Offer Supplement. 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 December 31, 2021, Ayala Land had the equivalent of ₱223.1 billion of outstanding debt, of which ₱216.7 billion are unsecured.

Of Ayala Land's outstanding debt, ₱97.31 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 Offer Supplement).

The following tables set forth the outstanding long- and short-term debt of Ayala Land and its subsidiaries as of December 31, 2021 (in ₱ millions).

Short-Term Debt

Borrower	Amount
Ayala Land, Inc.	8,471.0
AREIT, Inc.	890.0
Avida Land Corp.	6,050.0
BG West Properties, Inc.	621.5
Leisure and Allied Industries Phils Inc.	450.0
NuevoCentro, Inc.	300.0
Total	16,782.5

Long-Term Debt

Borrower	Current	Non-Current	Total
Ayala Land, Inc.	23,528.5	158,236.3	181,764.8
Accendo Commercial Corp.	-	794.6	794.6
Alveo Land Corp.	1,083.0	3,178.8	4,261.8
Amaia Land Corp.	-	4,419.5	4,419.5
AREIT, Inc.	-	2,957.5	2,957.5
Avida Land Corp.	-	3,752.0	3,752.0
AyalaLand Hotels and Resorts Corp.	1,157.0	2,166.2	3,323.2
AyalaLand Logistics Holding Corp.	-	1,965.3	1,965.3
Cagayan de Oro Gateway Corp (CDOGC)	43.1	1,838.2	1,881.3
HLC Development Corp.	314.0	-	314.0
North Triangle Depot Commercial Corp.	20.0	355.0	375.0
Regent Wise Investments Limited	0.4	0.8	1.2
Subic Bay Town Center, Inc.	28.0	476.0	504.0
Total Consolidated	26,174.00	180,140.20	206,314.20

The table below details Ayala Land's Issuances of Debt Securities / New Financing through Loans from January 1 to December 31, 2021 (in ₱ millions).

Borrower	Amount	Nature
ALI	157,447.3	availment of short-term and long-term loans, and bonds issuance
ALLHC	1,980.0	availment of long-term loan
Amaia	2,650.0	availment of long-term loan
AREIT	12,294.0	availment of short-term loan and bond

Description of Debt

		issuance
Avida	13,163.0	avaiement of short-term and long-term loan
BG West	1,088.0	avaiement of short-term loan
CDOGC	1,200.0	avaiement of long-term loan
LAIPi	450.0	avaiement of short-term loan
Regent Wise	738.4	avaiement of short-term revolving credit
NCI	300.0	avaiement of short-term loan
Total	191,310.7	

The following sets out the repayments of Debt Securities and Loans from January 1 to December 31, 2021 (in ₱ millions):

Borrower	Amount	Nature
ALI	154,318.4	repayment of short-term loans, long terms loans and bonds; prepayment of Fixed rate corporate notes; and amortization on long-term loans
Adauge	408.4	amortization and prepayment of long-term loan
AHRC	1,021.3	amortization of long-term loans; prepayment of Ecosouth; prepayment of Greenhaven
AREIT	8,404.0	repayment on short term loans
Avida	13,838.4	repayment on short term loans
BG West	873.0	repayment on short term loans
CDOGC	43.1	amortization on long-term loans;
HLC	179.4	amortization on long-term loan
NTDCC	20.0	amortization on long-term loan
Philenergy	339.5	amortization and prepayment of long-term loan
Regent Wise	1,063.3	repayment of short-term revolving credit
SBTCI	28.0	amortization on long-term loan
TOTAL	180,536.8	

There were no commercial papers issued and outstanding during the period ended December 31, 2021

FINANCIAL INFORMATION

The following pages set forth Ayala Land's audited consolidated financial statements as at December 31, 2021, 2020, 2019, and 2018, and for each of the four (4) years in the period ended December 31, 2021.

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[•]
[•]

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