

SEC Number: 152-747
File Number: _____

AYALA LAND, INC.

(Company's Full Name)

31F, Tower One, Ayala Triangle
Ayala Avenue, Makati City 1226

(Company Address)

(632) 7908-3111

(Telephone Number)

March 31, 2022

(Quarter Ending)

SEC Form 17-Q Quarterly Report

(Form Type)

(Amendments)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **March 31, 2022**
2. Commission Identification Number **152747**
3. BIR Tax Identification No. **000-153-790-000**
4. Exact name of issuer as specified in its charter: **AYALA LAND, INC.**
5. Province, Country, or other jurisdiction of incorporation or organization:
Makati City, Philippines
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of issuer's principal office and postal code:
31F, Tower One, Ayala Triangle, Ayala Avenue, Makati City 1226
8. Issuer's telephone number, including area code: **(632) 7908-3111**
9. Former name, former address, former fiscal year: **Not applicable**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

As of March 31, 2022

<u>Title of each class</u>	<u>Number of shares issued and outstanding</u>
Common shares	14,795,594,779
Preferred shares	13,066,494,759

Amount of Debt Outstanding
P97,900,000,000.00 (Registered)

11. Are any or all of the securities listed on a Stock Exchange?
Yes ☒ No ☐

Stock Exchange: **Philippine Stock Exchange**
Securities listed: **Common shares**

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
Yes ☒ No ☐
- (b) has been subject to such filing requirements for the past 90 days:
Yes ☒ No ☐

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PART I – FINANCIAL INFORMATION
Item 1. Financial Statements

AYALA LAND, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2022

(Amounts in Thousands)

	March 2022 Unaudited	December 2021 Audited
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱13,717,582	₱13,971,437
Short-term investments (Note 5)	330,457	325,641
Financial assets at fair value through profit or loss (Note 6)	680,382	700,803
Accounts and notes receivable (Note 7)	102,389,931	100,097,451
Inventories (Note 8)	142,097,678	148,156,725
Other current assets (Note 9)	65,653,493	65,300,897
Total Current Assets	324,869,523	328,552,954
Noncurrent Assets		
Noncurrent accounts and notes receivable (Note 7)	45,990,024	43,663,620
Financial assets at fair value through other comprehensive income	973,792	981,270
Investments in associates and joint ventures (Note 10)	28,568,849	28,152,733
Right of use assets	12,762,885	12,156,240
Investment properties – net	247,423,469	243,397,632
Property and equipment – net	41,403,235	41,778,353
Deferred tax assets - net	14,395,338	12,890,122
Other noncurrent assets (Note 11)	33,576,592	33,891,439
Total Noncurrent Assets	425,094,184	416,911,409
Total Assets	₱749,963,707	₱745,464,363
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt (Note 12)	₱22,683,092	₱16,782,500
Accounts and other payables (Note 13)	131,109,968	136,690,396
Income tax payable	798,316	506,638
Current portion of lease liabilities	628,598	599,363
Current portion of long-term debt (Note 12)	32,515,227	26,173,997
Deposits and other current liabilities (Note 14)	28,872,135	27,471,315
Total Current Liabilities	₱216,607,336	208,224,209
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 12)	174,209,453	180,140,242
Pension liabilities	2,113,623	2,103,735
Lease liabilities – net	17,866,931	17,237,991
Deferred tax liabilities - net	6,505,646	6,520,263
Deposits and other noncurrent liabilities (Note 15)	60,770,699	60,735,602
Total Noncurrent Liabilities	261,466,352	266,737,833
Total Liabilities	478,073,688	474,962,042

(Forward)

	March 2022 Unaudited	December 2021 Audited
Equity		
Equity attributable to equity holders of Ayala Land, Inc.		
Paid-up capital	79,974,664	79,897,468
Retained earnings	170,148,495	168,980,632
Remeasurement loss on defined benefit plans	(13,621)	(33,279)
Fair value reserve of financial assets at FVOCI*	(985,539)	(880,895)
Cumulative translations adjustments	325,215	261,612
Equity reserves	1,289,611	1,289,611
Treasury Stock	(17,427,305)	(16,894,380)
	233,311,520	232,620,769
Non-controlling interests	38,578,499	37,881,552
Total Equity	271,890,019	270,502,321
Total Liabilities and Equity	₱749,963,707	₱745,464,363

*Fair Value through Other Comprehensive Income

For more information, please see accompanying notes to consolidated financial statements

AYALA LAND, INC. AND SUBSIDIARIES**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in Thousands, Except Earnings Per Share Figures)

	2022 Unaudited Jan 1 to Mar 31	2021 Unaudited Jan 1 to Mar 31
REVENUE		
Real estate	₱22,560,969	₱ 21,125,668
Interest income from real estate sales	1,669,704	1,842,556
Equity in net earnings of associates and joint ventures	249,577	218,961
	24,480,250	23,187,185
Interest and Investment Income	38,802	47,950
Other income	97,840	1,403,841
	136,642	1,451,791
	24,616,892	₱24,638,976
COSTS AND EXPENSES		
Real estate	14,100,712	13,927,088
General and administrative expenses	1,486,239	1,634,885
Interest and other financing charges	2,815,602	2,957,192
Other charges	1,074,146	792,597
	19,476,699	19,311,762
INCOME BEFORE INCOME TAX	5,140,193	5,327,214
PROVISION FOR INCOME TAX		
Current	2,217,395	1,321,762
Deferred	(1,137,979)	327,739
	1,079,416	1,649,501
NET INCOME	₱4,060,777	₱3,677,713
Net income attributable to:		
Equity holders of Ayala Land, Inc.	₱3,168,227	₱2,779,448
Non-controlling interests	892,550	898,265
	4,060,777	₱3,677,713
Earnings Per Share		
Basic	₱0.21	₱0.19
Diluted	0.21	0.19

For more information, please see accompanying notes to consolidated financial statements

AYALA LAND, INC. AND SUBSIDIARIES**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Thousands)

	2022 Unaudited Jan 1 to Mar 31	2021 Unaudited Jan 1 to Mar 31
NET INCOME	₱4,060,777	₱3,677,713
<i>Item that may be reclassified to profit or loss in subsequent years:</i>		
Cumulative translation adjustment	63,603	(58,040)
<i>Items that will not be reclassified to profit or loss in subsequent years:</i>		
Fair value reserve of financial assets at FVOCI	(104,644)	257,368
Remeasurement gain (loss) on pension liabilities	26,211	2,717
Income tax effect	(6,553)	(679)
	(21,383)	201,366
Total comprehensive income for the period	₱4,039,394	₱3,879,079
Total comprehensive income attributable to:		
Equity holders of Ayala Land, Inc.	₱3,146,844	₱2,980,814
Non-controlling interests	892,550	898,265
	₱4,039,394	₱3,879,079

For more information, please see accompanying notes to consolidated financial statements

(Amounts in Thousands)

For more information, please see accompanying notes to consolidated financial statements

AYALA LAND, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	2022 Unaudited Jan 1 to Mar 31	2021 Unaudited Jan 1 to Mar 31
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱5,140,193	₱5,327,213
Adjustments for:		
Depreciation and amortization	2,349,919	2,336,548
Equity in net earnings of investees	(249,577)	(218,961)
Interest and other charges	2,815,602	2,957,192
Interest and other income	(1,708,506)	(1,890,506)
Provision for doubtful accounts	4,280	19,115
Operating income before changes in working capital	₱8,351,911	8,530,601
Decrease (increase) in:		
Accounts and notes receivable	(582,378)	(352,936)
Real estate inventories	(118,204)	1,853,079
Other current assets	(347,867)	(2,576,702)
Increase (decrease) in:		
Accounts and other payables	189,102	(561,631)
Pension liabilities	29,546	(77,993)
Other current liabilities	(2,057,119)	(6,171,831)
Cash generated from (used for) operations	₱5,464,991	642,587
Interest received	1,655,464	1,890,506
Income tax paid	(1,925,718)	(1,590,503)
Interest paid - net of amount capitalized	(2,010,612)	(2,957,192)
Net cash provided by (used in) operating activities	₱3,184,125	(₱2,014,602)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposals of (additions to):		
Investments	(₱3,177,070)	(₱3,425,017)
Property and equipment	(69,867)	(211,049)
Short term investments	14,872	(338,872)
Decrease (increase) in:		
Noncurrent accounts and notes receivable	(3,980,478)	2,561,306
Other assets	(677,113)	(1,840,929)
Net cash provided by (used in) investing activities	(₱7,889,656)	₱3,595,473
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availment of short-term/long-term loans	₱24,091,649	₱27,118,697
Payments of short-term / long-term loans	(17,970,094)	(26,276,378)
Increase (decrease) in:		
Deposits and other noncurrent liabilities	496,443	4,321,376
Noncontrolling interest in consolidated subsidiaries	892,534	898,265
Equity reserves	44,749	37,941
Capital stock	77,197	133,250
Purchase of treasury shares	(532,925)	-
Dividends paid to non-controlling interest	(240,352)	(85,773)
Dividends paid to equity holders of Ayala Land, Inc.	(2,437,912)	(1,975,692)
Net cash provided by financing activities	₱4,421,289	₱4,171,686
NET DECREASE IN CASH AND CASH EQUIVALENTS	(₱284,242)	₱9,781,761
EFFECT OF CHANGES IN FOREIGN CURRENCY	30,387	(84,362)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	13,971,437	17,037,347
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱13,717,582	₱26,734,746

For more information, please see accompanying notes to consolidated financial statements

AYALA LAND, INC. AND SUBSIDIARIES

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Ayala Land, Inc. (the Company, Parent Company, or ALI) is domiciled and was incorporated on June 30, 1988, in the Republic of the Philippines. The Company's parent is Ayala Corporation (AC). AC is a publicly-listed company, 47.87%-owned by Mermac, Inc., and the rest by the public. The Company's registered office and principal place of business is 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The Company and its Subsidiaries (the Group) are incorporated to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent, or otherwise deal in and dispose of, for itself or others, residential including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property; to acquire, purchase, hold, manage, develop and sell subdivision lots, with or without buildings or improvements; to erect, construct, alter, manage, operate, lease, in whole or in part, buildings and tenements of the Group or other persons; and to engage or act as real estate broker. The Group is also involved in hotels and resort operations.

The consolidated financial statements represent the consolidation of the financial statements of Ayala Land, Inc. and the following domestic and foreign-owned subsidiaries:

	March 31, 2022*	December 31, 2021*
Real Estate:		
Alveo Land Corporation (Alveo)	100%	100%
Serendra, Inc.	39	39
Solinea, Inc. (Solinea)	65	65
BGSouth Properties, Inc. (BGS)	50	50
Portico Land Corp. (Portico)	60	60
Serendra, Inc.	28	28
Amorsedia Development Corporation	100	100
OLC Development Corporation and Subsidiary	100	100
HLC Development Corporation	100	100
Allysonia International Ltd.	100	100
Avida Land Corporation (Avida)	100	100
Buklod Bahayan Realty and Development Corp.	100	100
Avida Sales Corp. and Subsidiaries	100	100
Amicassa Process Solutions, Inc.	100	100
Avencosouth Corp. (Avencosouth)	70	70
BGNorth Properties, Inc. (BGN)	50	50
Amaia Land Co. (Amaia)	100	100
Amaia Southern Properties, Inc. (ASPI)	65	65
AyalaLand Premier, Inc.	100	100
Ayala Land International Sales, Inc. (ALISI)	100	100
Ayalaland International Marketing, Inc. (AIMI)	100	100
Ayala Land International (Singapore) Pte. Ltd.	100	100
Ayalaland International Marketing (Hong Kong) Limited (ALIM HK)	100	100
Ayala Land International Marketing SRL (ALIM SRL)	100	100
Ayala Land International Marketing London	100	100
Ayala Land Sales, Inc.	100	100
Southportal Properties, Inc.	100	100
Buendia Landholdings, Inc.	100	100
Crans Montana Holdings, Inc.	100	100

Crimson Field Enterprises, Inc.	100	100
Ecoholdings Company, Inc. (ECI)	100	100
NorthBeacon Commercial Corporation NBCC)	100	100
Red Creek Properties, Inc.	100	100
Regent Time International, Limited (Regent Time) (British Virgin Islands)	100	100
North Eastern Commercial Corp. (NECC)	100	100
Westview Commercial Ventures Corp. (Westview)	100	100
North Ventures Commercial Corp. (NVCC)	100	100
Hillsford Property Corporation (HPC)	100	100
Primavera Towncentre, Inc. (PTI)	100	100
Summerhill E-Office Corporation (Summerhill)	100	100
Sunnyfield E-Office Corporation (Sunnyfield)	100	100
Subic Bay Town Centre, Inc.	100	100
Regent Wise Investments Limited (Regent Wise) (Hongkong company)	100	100
AyalaLand Real Estate Investments Inc.	100	100
AyalaLand Advisory Broadway Inc.	100	100
AyalaLand Development (Canada) Inc.	100	100
AyalaLand OpenAsia Holdings PTE, Limited	100	100
Blue Horizons Holdings PTE, Limited	100	100
Modular Construction Technology (MCT) Bhd.	66	66
AREIT Fund Managers, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	100	100
Arvo Commercial Corporation (Arvo)	100	100
BellaVita Land Corporation (BellaVita)	100	100
Nuevo Centro, Inc. (Nuevo Centro)	54	54
Alviera Country Club, Inc.	50	50
Cavite Commercial Town Center, Inc. AREIT, Inc.	100	100
AyalaLand Offices, Inc. (ALO)	66	66
First Gateway Real Estate Corp.	100	100
Glensworth Development, Inc. (Glensworth)	100	100
UP North Property Holdings, Inc.	100	100
ALO Prime Realty Corporation	100	100
Makati Cornerstone Leasing Corp.	100	100
Capitol Central Commercial Ventures Corp.	100	100
Bay City Commercial Ventures Corp.	100	100
Aurora Properties Incorporated	81	81
Soltea Commercial Corp.	16	16
Vesta Property Holdings, Inc.	78	78
Altaraza Prime Realty Corporation	100	100
Altaraza Development Corporation	51	51
Prow Holdings Inc	55	55
Station Square East Commercial Corporation (SSECC)	69	69
AREIT Property Managers, Inc	100	100
Accendo Commercial Corp. (Accendo)	67	67
Avencosouth Corp.	20	20
Aviana Development Corporation	7	7
Aviana Development Corporation	50	50
Cagayan de Oro Gateway Corp. (CDOGC)	70	70
Ceci Realty, Inc. (Ceci)	60	60

Soltea Commercial Corp.	12	12
Soltea Commercial Corp.	60	60
CMPI Holdings, Inc.	60	60
ALI-CII Development Corporation (ALI-CII)	50	50
Roxas Land Corporation (RLC)	50	50
Adauge Commercial Corporation (Adauge)	60	60
Ayalaland Estates, Inc.	100	100
Ayalaland MetroNorth, Inc. (AMNI)	100	100
Verde Golf Development Corporation	100	100
North Triangle Depot Commercial Corporation (NTDCC)	73	73
Ayalaland-Tagle Properties, Inc.	55	55
BGWest Properties, Inc. (BGW)	50	50
Lagdigan Land Corporation	60	60
Central Bloc Hotel Ventures	100	100
Cebu Leisure Company, Inc.	100	100
CBP Theatre Management Inc.	100	100
Taft Punta Engaño Property Inc. (TPEPI)	55	55
Cebu Insular Hotel Company, Inc. (CIHCI)	37	37
Solinea, Inc.	35	35
Amaia Southern Properties, Inc. (ASPI)	35	35
Alabang Commercial Corporation (ACC)	50	50
South Innovative Theater Management (SITMI)	50	50
ALI Commercial Center Inc.	100	100
AMC Japan Concepts, Inc.	75	75
AyalaLand Logistics Holdings Corp.	71	71
FLT Prime Insurance Corp.	56	56
Orion Solutions, Inc	71	71
Orion I Holdings Philippines, Inc.	71	71
OE Holdings, Inc.	71	71
Orion Land Inc.	71	71
Lepanto Ceramics, Inc.	71	71
Laguna Technopark, Inc. (LTI)	71	71
Unity Realty & Development Corp.	71	71
Ayalaland Malls Synergies, Inc.	100	100
Ayala Malls Zing (AMZING), Inc.	100	-
Ayala Land Malls, Inc.	100	100
AyalaLand Malls Vismin, Inc.	100	100
AyalaLand Malls NorthEast, Inc.	100	100
Construction:		
Makati Development Corporation (MDC)	100	100
MDC Subic, Inc.	100	100
MDC Build Plus, Inc.	100	100
MDC Concrete, Inc. (MCI)	100	100
MDC Equipment Solutions, Inc. (MESI)	100	100
MDBI Construction Corp.	67	67
Hotels and Resorts:		
Ayala Hotels, Inc. (AHI)	50	50
AyalaLand Hotels and Resorts Corporation (AHRC) and Subsidiaries	100	100
ALI Makati Hotel & Residences, Inc.	80	80

ALI Makati Hotel Property, Inc.	80	80
Asian Conservation Company Limited and Subsidiary	100	100
Enjay Hotels, Inc. (Enjay)	100	100
Greenhaven Property Venture, Inc. (GPVI)	100	100
Cebu Insular Hotel Company, Inc. (CIHCl)	63	63
Bonifacio Hotel Ventures, Inc.	100	100
Southcrest Hotel Ventures, Inc.	67	67
Northgate Hotel Ventures, Inc.	70	70
North Triangle Hotel Ventures, Inc.	100	100
Ecosouth Hotel Ventures, Inc.	100	100
Sentera Hotel Ventures Inc.	100	100
Econorth Resorts Ventures, Inc.	100	100
ALI Triangle Hotel Ventures, Inc.	100	100
Circuit Makati Hotel Ventures, Inc.	100	100
Capitol Central Hotel Ventures, Inc.	100	100
Arca South Hotel Ventures, Inc.	100	100
Sicogon Town Hotel, Inc.	100	100
Bay Area Hotel Ventures, Inc.	100	100
Makati North Hotel Ventures, Inc.	100	100
One Makati Hotel Ventures, Inc.	100	100
Sicogon Island Tourism Estate, Corp.	100	100
Asiatown Hotel Ventures, Inc.	100	100
One Makati Residential Ventures, Inc.	100	100
ALI Makati Hotel & Residences, Inc.	20	20
ALI Makati Hotel Property, Inc.	20	20
Ten Knots Phils., Inc. (TKPI)	60	60
Bacuit Bay Development Corporation	60	60
Lio Resort Ventures Inc.	60	60
North Liberty Resort Ventures Inc.	60	60
Paragua Eco-Resort Ventures Inc.	60	60
Lio Tourism Estate Management Corp.	60	60
Ten Knots Development, Corp. (TKDC)	60	60
Chirica Resorts Corp.	60	60
Kingfisher Capital Resources Corp.	60	60
Pangulasian Island Resort Corporation	60	60
Integrated Eco-resort Inc.	100	100
Property Management:		
Ayala Property Management Corporation (APMC)	100	100
Prime Support Services, Inc.	100	100
Ayala Theatres Management, Inc. and Subsidiaries	100	100
DirectPower Services, Inc. (DirectPower)	100	100
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100	100
Entertainment:		
Five Star Cinema, Inc.	100	100
Leisure and Allied Industries Philippines, Inc. (LAIP)	50	50

Others:

ALInet.com, Inc. (ALInet)	100	100
First Longfield Investments Limited (First Longfield) (Hongkong company)	100	100
Green Horizons Holdings Limited	100	100
Aprisa Business Process Solutions, Inc. (Aprisa)	100	100
AyalaLand Club Management, Inc.	100	100
ALI Capital Corp.	100	100
Airswift Transport, Inc.	100	100
Swift Aerodrome Services, Inc.	100	100
Arca South Integrated Terminal, Inc.	100	100
Whiteknight Holdings, Inc. (WHI)	100	100
Ayalaland Medical Facilities Leasing Inc. (Ayala Land Healthcare Leasing Inc.)	100	100
Anvaya Cove Beach and Nature Club, Inc.	73	73
Anvaya Cove Golf and Sports Club, Inc.	76	76

**Includes the Ayala Land group's percentage and effective ownership*

AC owns the remaining 50.0% of AHI. The Company exercises control over AHI. Likewise, the Company, through its 50.0% effective ownership, under a management contract or shareholders' agreement, exercises control over the operations and management of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII, and LAIP. Accordingly, the accounts of AHI, ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII, and LAIP are consolidated into the accounts of the Company.

Changes in the group structure in 2022

1. Ayala Malls Zing (AMZING), Inc. was incorporated on December 3, 2021. The Company is 100% owned by ALI. The primary purpose of the Company is to engage in online and/or digital businesses that support Ayala Malls and other businesses of Ayala Land Inc.
2. On March 9, 2022, the Executive Committee of Ayala Land, Inc. (ALI) approved ALI's subscription to 252,136,383 AREIT primary common shares, in exchange for six office buildings located in Cebu with an aggregate value of P11,257,889,535.91, under a property-for-share swap as validated by a third-party fairness opinion.

The transaction was approved by AREIT shareholders at their annual meeting held last 21 April 2022, but is still subject to approval by pertinent regulatory bodies.

2. Basis of Financial Statement Preparation

Basis of Preparation

The accompanying unaudited, condensed, and consolidated financial statements of the Group have been prepared using the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional currency, and all values are rounded to the nearest Philippine peso except when otherwise indicated

The unaudited condensed consolidated financial statements include the accounts of Ayala Land, Inc. (herein referred to as "the Company") and its subsidiaries collectively referred to as "Group."

The interim consolidated financial statements provide comparative information in respect of the previous period. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the phase of recovery remains uncertain.

Statement of Compliance

The accompanying interim condensed consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief on the accounting for significant financing components as issued and approved by the SEC in response to the COVID-19 pandemic.

The Group has availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of PIC Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

SEC MC No. 4-2020 deferring the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, *Borrowing Cost* (the IFRIC Agenda Decision on Borrowing Cost) and is not applicable to the group and is already in full compliance with the requirements of the IFRIC Agenda Decision.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the Adoption of New and Amended Accounting Standards and Interpretations section of Note 3.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee (PIC)

On May 11, 2022, the Audit Committee approved and authorized the release of the accompanying unaudited condensed consolidated financial statements of Ayala Land, Inc. and its subsidiaries.

3. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements represent the consolidation of the financial statements of the Group as of March 31, 2022 and December 31, 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvements with the investee and can affect the return through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure or rights, to variable return from the involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from the other contractual arrangements; and
- the Groups' voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains, and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments issued by a subsidiary that is not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions. The portion of profit or loss and net assets in subsidiaries not wholly-owned are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of financial position, separately from the Parent Company's equity. Non-controlling interests are net of any outstanding subscription receivable.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest, and the cumulative translation differences recorded in equity;
- recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

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 by replacing the land cost with the pre-launch costs as one of the components of the blended POC. The Group applied the modified retrospective approach to recognize the impact with a reduction in the beginning retained earnings by ₱2,838 million and beginning NCI of ₱16.3 million.

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

In 2021, the Group started capitalizing borrowing costs from 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 changes above did not have any significant impact on the consolidated statement of cash flows of the Group.

New Standards, Interpretations, and Amendments

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards effective as of January 1, 2022. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the interim condensed consolidated financial statements of the Group.

- 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 have no material impact on the Group.

- *Amendments to PAS 37, Onerous Contracts – Costs of Fulfilling a Contract*
The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

- *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 have no material impact on the Group.

- *Amendments to PFRS 9, Financial Instruments, Fees in the ‘10 per cent’ test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments have no material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments have no material impact on the 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 the 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 the 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. The 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 the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred Effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or

contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The Group is currently assessing the impact of adopting these amendments.

- Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023. A summary of the PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

	Deferral Period
a. Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023

As discussed under Changes in Accounting Policies, the Group adopted the provision of PFRS 15 that covered its treatment of land in the determination of POC as discussed in PIC Q&A 2018-12-E. as allowed under SEC MC No. 34, the Group adopted the change under the modified retrospective approach.

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

- a. The accounting policies applied.
- b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
- c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
- d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

The Group availed of the SEC relief on the accounting for significant financing component of PIC Q&A NO. 2018-12. Had this provision been adopted, the 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 of retained earnings. These would have impacted the cash flows from operation and cash flows from financing activities for all years presented. The group believes that mismatch for its contract to sell does not constitute a significant financing component that is material to the Group based on the examples provided in the PIC letter dated November 11, 2020.

4. Cash and Cash Equivalents

This account consists of the following:

(In Thousands)	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Cash on Hand	₱66,912	₱66,575
Cash in Banks	11,905,731	11,745,823
Cash Equivalents	1,744,939	2,159,039
	₱13,717,582	₱13,971,437

Cash in banks earns interest based on the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group, and earn interest based on the respective short-term investment rates.

5. Short-term Investments

Short-term investments consist of money market placements made for varying periods of more than three (3) months and up to one (1) year and earn interest at the respective short-term investment rates.

The annual interest rates of the short-term investments are as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Malaysian Ringgit	0.85% to 1.50%	1.00% to 1.80%

6. Financial Assets at FVPL

This account consists of the following:

(In Thousands)	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Investment in Arch Capital Fund	₱287,324	₱293,778
Investment in Unit Investment Trust Fund (UITF)	393,058	407,025
	₱680,382	₱700,803

Investment in ARCH Capital Fund pertains to monetary interest in a fund in which the management takes the view that these are held for trading and it is a portfolio of identified property funds invested and managed by professional managers.

The Group invests in money market Unit Investment Trust Funds (UITF) which aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments and with no minimum holding period requirement.

7. Accounts and Notes Receivables

The account consists of:

(In Thousands)	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Trade:		
Residential	₱97,041,720	₱98,489,459
Shopping Centers	6,142,058	5,654,697
Construction Contracts	2,344,439	2,142,028
Corporate Business	3,601,433	3,041,826
Management fees	161,318	127,766
Others	7,976,480	4,736,218
Advances to other companies	17,944,307	16,940,104
Accrued receivables	8,253,025	8,208,571
Receivables from related parties (Note 18)	6,476,928	5,958,742
Receivables from employees	749,415	755,814
	150,691,123	146,055,225
Less allowance for impairment losses	2,311,168	2,294,154
	148,379,955	143,761,071
Less noncurrent portion	45,990,024	43,663,620
	₱102,389,931	₱100,097,451

The classes of trade receivables of the Group are as follows:

- Residential and office development - pertain to receivables from the sale of high-end, upper-middle-income, and affordable residential lots and units; economic and socialized housing units and sale of commercial lots; sale of office units; and leisure community developments.
- Construction contracts - pertain to receivables from third-party construction projects.
- Corporate business - pertains to lease receivables from office and factory buildings and receivables from the sale of office buildings and industrial lots.
- Shopping centers - pertain to lease receivables from retail spaces.
- Management fees - pertain to receivables from facilities management services.
- Others - pertain to receivables from hotel operations and other support services.

Residential, commercial, and office development receivables are collectible in monthly installments for one (1) to ten (10) years. These are carried at amortized cost using the effective interest rate method with annual interest rates ranging from 5.5% to 16%. Titles to real estate properties are transferred to the buyers only until the full payment has been made.

Corporate business receivables are collectible on a monthly or quarterly basis depending on the terms of the lease contracts.

Receivables from shopping centers, construction contracts, and management fees are due within 30 days upon billing.

Receivables from hotel operations and other support services included under other trade receivables are normally due within 30 to 90 days upon billing.

Advances to other companies include those to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The Group does not intend for these advances to be repaid, instead, these will be recorded as part of the project costs upon development or as part of the consideration for purchases of land. The documentation for these advances provides that these will be payable over a fixed term or on-demand to allow for repayment when closing does not occur.

Advances to other companies also include receivables from MRT Development Corporation (MRTDC) shareholders which pertain to interest-bearing advances to MRTDC equivalent to the pre-2006 Development Rights Payment (DRP) payables and the Residual Depot DRP which is due more than one year, concerning the funding and repayment agreement.

Set off shall be effective as of the beginning of every calendar month, commencing January 30, 2015, and shall result in the settlement of the portion of the total DRP payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders.

Accrued receivables and receivables from related parties are due and demandable. Receivables from employees pertain to housing, car, salary, and other loans granted to the Group's employees which are collectible through salary deduction, are interest-bearing, and payable on various maturity dates.

The Group sold residential receivables on a without recourse basis to partner mortgage banks, which include BPI Family Savings Bank, a related party, amounting to P5,115.9 million and P21,884.5 million in the first quarter of 2022 and full year 2021. These were sold at a discount with total proceeds of P4,167.6 million and P19,794.7 million, respectively. The Group recognized loss on sale (under "Other expenses") amounting to P948.4 million and P2,089.8 million in the first quarter of 2022 and full year 2021, respectively.

As of March 31, 2022, (unaudited) aging analysis of past due but not impaired trade receivables presented per class are as follows:

(In Thousands)	Neither Past Due nor Impaired	Past Due but not impaired					Total Past Due but not impaired	Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days			
Trade:									
Residential	P71,562,412	P8,187,579	P998,752	P1,895,718	P4,615,712	P9,719,644	P25,417,405	P61,903	P97,041,720
Shopping Centers	3,333,379	245,043	271,540	294,500	193,706	726,252	1,731,041	1,077,638	6,142,058
Construction Contracts	653,575	776,742	221,309	246,092	223,785	70,055	1,537,983	152,881	2,344,439
Corporate Business	1,925,419	254,289	45,778	37,516	236,990	456,127	1,030,700	645,314	3,601,433
Management Fees	51,295	-	41,068	14,348	12,635	25,342	93,393	16,630	161,318
Others	7,101,503	14,006	24,689	300,816	49,768	263,031	652,310	222,667	7,976,480
Advances to other companies	9,395,160	1,695,529	26,398	52,452	73,320	6,567,313	8,415,012	134,135	17,944,307
Accrued Receivables	6,462,878	278,079	83,542	49,864	85,438	1,293,224	1,790,147	-	8,253,025
Related Parties	6,476,928	-	-	-	-	-	-	-	6,476,928
Receivables from employees	602,918	36,157	7,355	5,165	82,207	15,613	146,497	-	749,415
	P107,565,467	P11,487,424	P1,720,431	P2,896,471	P5,573,561	P19,136,601	P40,814,488	P2,311,168	P150,691,123

8. Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business based on market prices at the reporting date, less estimated costs of completion, and the estimated costs of sale.

9. Other Current Assets

This account consists of:

(In Thousands)	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Value-added input tax	P12,711,950	P12,387,774
Prepaid expenses	18,920,223	19,174,874
Advances to contractors	22,624,161	23,641,576
Creditable withholding taxes	9,208,721	8,096,828
Materials, parts and supplies – at cost	864,671	810,731
Others	1,323,767	1,189,113
	P65,653,493	P65,300,897

Value-added input tax is applied against value-added output tax. The remaining balance is recoverable in future periods.

Prepaid expenses consist of prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, rentals, and insurance.

Advances to contractors represent prepayments for the construction of inventories.

Creditable withholding taxes are applied against income tax payable.

Materials, parts, and supplies form part of inventories to be used in the construction and maintenance of projects.

Others include deferred charges and letters of credit. Deferred charges pertain to project-related costs already paid but not yet consumed in the actual construction activities.

10. Investment in Associates and Joint Ventures

Details of the group's investments in associates and joint ventures and the related percentages of ownership are shown below:

(In Thousands)	Percentage of Ownership		Carrying Amounts	
	As of March 31 2022	As of December 31 2021	As of March 31 2022	As of December 31 2021
Joint Ventures:				
Emerging City Holdings, Inc. (ECHI)	50%	50%	₱3,917,389	₱3,871,455
ALI-ETON Property Development Corporation (ALI ETON)	50%	50%	5,107,990	5,084,364
AKL Properties, Inc. (AKL)	50%	50%	3,133,930	3,108,096
Berkshires Holdings, Inc. (BHI)	50%	50%	1,934,850	1,915,164
Cebu District Property Enterprise, Inc. (CDPEI)	50%	50%	1,626,562	1,629,807
ALVEO-Federal Land Communities, Inc.	50%	50%	1,129,348	1,122,005
AyaGold Retailers, Inc. (AyaGold)	50%	50%	138,561	145,537
BYMCW, Inc.	30%	30%	55,001	54,717
SIAL Specialty Retailers, Inc. (SIAL Specialty)	50%	50%	26,461	26,462
			17,070,092	16,957,607
Associates:				
Ortigas Land Corporation (OLC)	21%	21%	9,125,879	9,016,865
Bonifacio Land Corp. (BLC)	10%	10%	1,419,155	1,401,225
Rize-Ayalaland (Kingsway) GP, Inc. (Rize-Ayalaland)	49%	49%	716,401	541,604
Tianjin Eco-City Ayala Land Development Co., Ltd (Tianjin Eco-City)	40%	40%	199,399	199,259
Lagoon Development Corporation	30%	30%	37,923	36,173
			11,498,757	11,195,126
			₱28,568,849	₱28,152,733

Financial information of the associates with material interest:

On February 26, 2021, White Knight Holdings, Inc., a wholly-owned subsidiary of ALI completed the sale of its 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 to Healthway Philippines, Inc, a wholly-owned subsidiary of Ayala Healthcare Holdings, Inc.

Ortigas Land Corporation (OLC) Formerly OCLP Holdings, Inc. (OHI)

OLC owns 99.5% interest in Ortigas & Company Limited Partners (OCLP), an entity engaged in real estate development and leasing businesses.

In 2016, ALI acquired a 21.1% stake in OLC consistent with its thrust of expanding its operations to other areas within and outside of Metro Manila through partnerships.

The acquisition was made possible via the purchase of shares from existing OLC shareholders and this was recorded under the "Investments in associates and joint ventures" account.

Below is the summarized financial information for OLC:

Ortigas Land Corporation (in Thousands)	As of March 31, 2022	As of December 31, 2021
Current assets	28,774,734	25,229,814
Noncurrent assets	19,433,781	19,702,848
Current liabilities	(14,927,016)	(14,584,974)
Noncurrent liabilities	(21,148,508)	(18,784,134)
Equity	12,132,991	11,563,554
The proportion of the Group's ownership	21.1%	21.1%
Group's share in identifiable net assets	2,547,928	2,439,910
Carrying amount of the investment	9,125,879	9,016,865
Fair value adjustments	6,577,951	6,602,256
Negative Goodwill	148,046	148,046
Dividends received	–	33,558
Revenue	2,283,024	8,418,096
Cost and expenses	(1,712,898)	(6,646,415)
Net income (continuing operations)	570,126	1,771,681
Group's share in net income for the year	119,726	373,825
Total comprehensive income	570,126	1,771,681
Group's share in total comprehensive income for the year	119,726	373,825

Bonifacio Land Corporation (BLC)

The Group has 10% interest in BLC, which is involved in the purchase, subscription, or otherwise disposal of real and personal properties. Bonifacio Land Corp. is a private company incorporated on October 20, 1994, and there is no quoted market price available for its shares. Its registered office and principal place of business are located in Taguig, Philippines.

Below is the summarized financial information of BLC:

Bonifacio Land Corporation (In Thousands)	As of March 31, 2022	As of December 31, 2021
Current assets	9,585,727	8,474,309
Noncurrent assets	32,548,908	32,866,620
Current liabilities	(2,517,583)	(2,204,975)
Noncurrent liabilities	(7,384,977)	(7,351,740)
Equity	32,232,075	31,784,214
Less: noncontrolling interest	14,456,268	14,054,976
Equity attributable to Parent Company	17,775,807	17,729,238
The proportion of the Group's ownership	10.1%	10.1%
Group's share in identifiable net assets	1,795,356	1,790,653
Carrying amount of the investment	1,419,155	1,401,225
Negative Goodwill	(376,202)	(389,428)
Dividends received	–	35,125
Revenue	1,206,172	3,685,650
Cost and expenses	(724,122)	(2,543,308)
Net income (continuing operations)	482,050	1,142,342
Net income attributable to minority interest	(240,248)	(526,941)
Net income attributable to parent	241,802	615,401
Group's share in net income for the year	24,422	62,156
Total comprehensive income attributable to parent	241,802	615,401
Group's share in total comprehensive income for the year	24,422	62,156

Aggregate financial information on associates with immaterial interest:

Rize-Ayalaland, Tianjin Eco-City, LDC, and others

(In Thousands)	As of March 31, 2022	As of December 31, 2021
Carrying amount	953,723	777,036
Share in net income (loss) from continuing operations	1,890	(113,230)
Share in total comprehensive income (loss)	1,890	(113,230)
Dividend Received	-	9,000

Emerging City Holdings, Inc. (ECHI)

The Group has 50% interest in ECHI, which serves as The Group's corporate vehicle in the acquisition of a controlling stake in Bonifacio Land Corp./ Fort Bonifacio Development Corp. (FBDC) through Columbus Holdings, Inc. in 2003. FBDC continues to sell commercial lots and condominium units and leases out retail and office spaces in Bonifacio Global City. Below is the summarized financial information of ECHI:

(In Thousands)	As of March 31, 2022	As of December 31, 2021
Current assets	9,647,440	8,532,495
Noncurrent assets	32,548,918	32,871,398
Current liabilities	(2,846,201)	(2,627,269)
Noncurrent liabilities	(7,384,977)	(7,351,740)
Equity	31,965,179	31,374,884
Less: minority interest	22,881,216	22,230,335
Equity	9,083,962	9,144,549
Proportion of Group's ownership	50.0%	50.0%
Group's share in identifiable net assets	4,541,981	4,572,275
Carrying amount of the investment	3,917,389	3,871,455
Dividends received	-	170,750

Revenue	1,206,735	3,872,498
Cost and expenses	(725,935)	(2,475,532)
Net income (continuing operations)	480,800	1,396,966
Net income attributable to minority interest	(356,792)	(980,460)
Net income attributable to parent	124,008	416,506
Group's share in net income for the period	62,004	208,253
Total comprehensive income attributable to parent	124,816	416,506
Group's share in total comprehensive income for the period	62,004	208,253

ALI-ETON Property Development Corporation (AEPDC)

ALI-ETON Property Development Corporation is a 50:50 joint venture between Ayala Land, Inc. and LT Group, Inc., and is organized primarily to develop a project along the C5 corridor. The project is envisioned to be a township development that spans portions of Pasig City and Quezon City. Below is the summarized financial information for AEPDC:

(In Thousands)	As of March 31, 2022	As of December 31, 2021
Current assets	14,859,248	13,811,748
Noncurrent assets	4,397,766	4,014,578
Current liabilities	(7,247,646)	(5,822,376)
Noncurrent liabilities	(891,224)	(928,951)
Equity	11,118,145	11,074,998
Proportion of Group's ownership	50.0%	50.0%
Group's share in identifiable net assets	5,559,072	5,537,499
Carrying amount of the investment	5,107,990	5,084,364
Fair value adjustments	(451,082)	453,135

Negative Goodwill	-	-
Dividends received	-	-
Revenue	216,251	825,159
Cost and expenses	(153,268)	(708,347)
Net income (continuing operations)	62,984	116,812
Group's share in net income for the period	31,492	58,406
Total comprehensive income attributable to parent	62,984	116,812
Group's share in total comprehensive income for the period	31,492	58,406

BHI, CDPEI, Alveo-Federal, AKL, SIAL Specialty, AyaGold, and BYMCW, Inc

(In Thousands)	As of March 31, 2022	As of December 31, 2021
Carrying amount	8,044,714	8,001,788
Share in net income (loss) from continuing operations	42,926	305,223
Share in total comprehensive income (loss)	42,926	305,223

11. Other noncurrent assets

This account consists of:

(In Thousands)	March 31, 2022 Unaudited	December 31, 2021 Audited
Advances to contractors	₱8,793,505	₱8,453,875
Prepaid expenses	14,489,656	14,954,424
Leasehold rights	3,388,164	3,398,659
Deferred input VAT	1,527,084	1,515,092
Deposits - others	2,117,681	2,005,003
Investment in bonds	2,309,440	2,309,440
Net pension assets	20,438	10,961
Development rights	37,678	37,678
Others	892,946	1,206,307
	₱33,576,592	₱33,891,439

Advances to contractors represent prepayments for the construction of investment properties and property and equipment.

Prepaid expenses consist of project costs incurred for deferred projects of the Group, advance rental payments, noncurrent prepaid management fees, commissions, and advertising and promotions.

Leasehold rights consist of the following:

- Through the acquisition of ALLHC, ALI acquired leasehold rights arising from their lease agreement with Philippine National Railways (PNR).
- TKPI's leasehold rights pertain to the right to use the property in Apulit Island located in Taytay, Palawan expiring on December 31, 2029.
- NTDCC's leasehold rights refer to development rights on an 8.3-hectare portion of the MRT Development Corporation, which is located on the North Triangle property, and enabled the Group to develop and construct a commercial center.

Movements during the period are as follows:

(In Thousands)	March 31, 2022 Unaudited	December 31, 2021 Audited
Balance at the beginning of the year	₱3,398,659	₱3,506,816
Additions	-	-
Amortization	(10,495)	(108,157)
Balance at the end of the period	₱3,388,164	₱3,398,659

Deferred input VAT pertains to unamortized VAT portion from purchases of capital goods
Deposits - others pertain to various utility deposits and security deposits for leases.

Development rights pertain to the saleable and non-saleable development rights acquired by the parent company. The non-saleable portion is allocated to the gross floor area of a structure in a particular lot that can be developed in the future.

The development rights are capitalized as additional costs of the structure once the development commences.

Others pertain to prepayments for expenses that are amortized for more than one year.

12. Short-Term and Long-Term Debt

The short-term debt amounting to P22,683.1 million and P16,782.5 million as of March 31, 2022 and December 31, 2021, respectively, represents both peso and foreign currency-denominated bank loans. Peso-denominated short-term loans had a weighted average cost of 2.04% and 2.12% per annum in the first quarter of 2022 and 2021, respectively.

In compliance with BSP rules on directors, officers, stockholders and related interests, certain short-term and long-term debt with a carrying value of P7,296.8 million and P6,368.9 million as of March 31, 2022 and 2021 are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. Net book value of the property amounted to P2,855.84 million and P2,894.31 million as of March 31, 2022 and December 31, 2021, respectively, which is accounted as part of the "Investment properties" account.

Long-term debt consists of:

	March 31, 2022 Unaudited	December 31, 2021 Audited
Parent Company:		
Bonds:		
Due 2022	P22,650,000	22,650,000
Due 2023	7,000,000	7,000,000
Due 2024	3,000,000	3,000,000
Due 2025	23,250,000	23,250,000
Due 2026	16,000,000	16,000,000
Due 2027	8,000,000	8,000,000
Due 2028	10,000,000	10,000,000
Due 2031	3,000,000	3,000,000
Due 2033	2,000,000	2,000,000
Fixed rate corporate notes (FXCNs)	4,637,500	4,650,000
Php - denominated long-term loans	76,647,109	76,814,570
US Dollar - denominated long-term loans	6,467,500	6,374,875
	182,652,109	182,739,445
Subsidiaries:		
Bank loans - Philippine Peso	P21,372,549	P21,719,292
Bonds	3,000,000	3,000,000
Bank loans - Malaysian Ringgit	757,045	1,246
	25,129,594	24,720,538
	207,781,703	207,459,983
Less unamortized transaction costs	1,057,023	1,145,744
	206,724,680	206,314,239
Less current portion	32,515,227	26,173,997
	P174,209,453	P180,140,242

ALI Parent

Below is the summary of the outstanding Peso bonds issued by the Parent Company:

Year Issued	Term (Years)	Interest rate	Principal Amount (In thousands)	Carrying Value		Features
				March 31, 2022	2021	
2012	10	6.00%	5,650,000	₱5,650,000	₱5,650,000	Fixed rate bond due 2022
2013	20	6.00%	2,000,000	1,986,993	1,986,794	Fixed rate bond due 2033
2015	7	4.50%	7,000,000	6,989,899	6,987,688	Fixed rate bond due 2022
2016	9.5	4.75%	7,000,000	6,971,155	6,969,407	Fixed rate bond due 2025
2016	10	4.85%	8,000,000	7,963,873	7,961,918	Fixed rate bond due 2026
2016	7	3.89%	7,000,000	6,983,203	6,980,787	Fixed rate bond due 2023
2017	10	5.26%	7,000,000	6,979,912	6,979,065	Fixed rate bond due 2027
2018	10	5.92%	10,000,000	9,919,254	9,916,583	Fixed rate bond due 2028
2019	7	6.37%	8,000,000	7,937,546	7,934,304	Fixed rate bond due 2026
2019	5	4.76%	3,000,000	2,980,277	2,978,436	Fixed rate bond due 2024
2019	7.3	4.99%	1,000,000	965,173	963,622	Fixed rate bond due 2027
2020	2	3.00%	10,000,000	9,985,586	9,970,491	Fixed rate bond due 2022
2020	5	3.86%	6,250,000	6,196,240	6,192,684	Fixed rate bond due 2025
2021	4	3.63%	10,000,000	9,910,549	9,903,889	Fixed rate bond due 2025
2021	10	4.08%	3,000,000	2,978,284	2,977,789	Fixed rate bond due 2031
Total				₱94,397,944	₱94,353,457	

Philippine Rating Services Corporation (PhilRatings) rated the Parent Company's 2021 bond issue "PRS Aaa" with a stable outlook, and maintained the "PRS Aaa" rating with a stable outlook for all other outstanding bonds. PRS Aaa is the highest rating assigned by PhilRatings, indicating that obligor's capacity to meet its financial commitment on the obligation is extremely strong and that it has the smallest degree of investment risk. On the other hand, an Outlook is an indication as to the possible direction of any rating change within a one year period and serves as a further refinement to the assigned credit rating for the guidance of investors, regulators, and the general public. A Stable Outlook indicates that the rating is likely to be maintained or to remain unchanged in the next twelve months

Bonds:

Philippine Peso 10-year Bonds due 2022

In April 2012, the Parent Company issued a ₱5,650.0 million bond due 2022 at a fixed rate equivalent to 6.0% p.a. PhilRatings assigned a PRS Aaa rating on the bonds indicating that it has the smallest degree of investment risk. Interest payments are protected by a large or by an exceptionally stable margin and principal is assured. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues. PRS Aaa is the highest credit rating possible on PhilRatings' rating scales for long-term issuances.

Philippine Peso 7.0 Billion Fixed Rate Bonds due 2022

In April 2015, the Parent Company issued a total of ₱7,000.0 million bonds due 2022 at a fixed rate equivalent to 4.5% p.a. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings.

Philippine Peso 2-year Bonds due 2022

In June 2020, the Parent Company issued a ₱10,000.0 million fixed rate bond due 2022 at a rate equivalent to 3.00% p.a. The Bonds form part of the fourth tranche of debt securities issued under the Parent Company's new ₱50,000.0 million Debt Securities Program registered with the SEC, and the first issuer to hold a virtual listing ceremony on the PDEX. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings and the first corporate bond to bookbuild, price, and issue within the community quarantine period.

Philippine Peso 7-year Bonds due 2023

In October 2016, the Parent Company issued a ₱7,000.0 million fixed rate bond due 2023 at a rate equivalent to 3.89% p.a. The Bonds represent the third tranche of the Fixed-rate Bonds Series issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered with the SEC, and listed in the PDEX. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2024

In 2019, the Parent Company issued a total of ₱3,000.0 million bonds due 2024 at a fixed rate equivalent to 4.76% p.a. under its new shelf registration. PhilRatings assigned a PRS Aaa rating on the bonds.

Philippine Peso 9-year and 6-month Bonds due 2025

In April 2016, the Parent Company issued a total of ₱7,000.0 million bonds due 2025 at a fixed rate equivalent to 4.75% p.a. The Bonds is the second tranche of the Fixed-rate Bonds Series under the Parent Company's ₱50,000.0 million Debt Securities Program registered in the SEC. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings.

Philippine Peso 5-year Bonds due 2025

In September 2020, the Parent Company issued a ₱6,250.0 million fixed rate bond due 2025 at a rate equivalent to 3.86% p.a. The Bonds represent the fifth tranche of debt securities issued under the Parent Company's new ₱50,000.0 million Debt Securities Program registered with the SEC and listed on the PDEX. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings and the largest 5-year bond issuance during the quarantine period.

Philippine Peso 4-year Bonds due 2025

In May 2021, the Parent Company issued a 10,000.0 million fixed rate bond due 2025 at a rate equivalent to 3.63% p.a. The Bonds represent the sixth tranche of debt securities issued under the Parent Company's new 50,000.0 million Debt Securities Program registered with the SEC and listed on the PDEX. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings and the first fixed income offering in the Philippines that used the e-Securities Issue Portal ("eSIP") of the Philippine Depository & Trust Corp.

Philippine Peso 7-year and 10-year Bonds due 2026

In March 2016, the Parent Company issued a total of ₱8,000.0 million bonds due 2026 at a fixed rate equivalent to 4.85% p.a. The Bonds is the first tranche of the Fixed-rate Bonds Series under the Parent Company's ₱50,000 million Debt Securities Program registered in the SEC. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings. In May 2019, the Parent Company issued an ₱8,000.0 million fixed rate bond due 2026 at a rate equivalent to 6.37% p.a. The Bonds represent the first tranche of debt securities issued under the Parent Company's new ₱50,000.0 million Debt Securities Program registered with the SEC, and listed on the PDEX. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year and 3-month and 10-year Bonds due 2027

In May 2017, the Parent Company issued a ₱7,000.0 million fixed rate bond due 2027 at a rate equivalent to 5.26% p.a. The Bonds represent the fourth tranche of the Fixed-rate Bonds Series issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered with the SEC, and listed in PDEX. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings. In November 2019, the Parent Company issued a ₱1,000.0 million fixed rate bond due 2027 at a rate equivalent to 4.99% p.a. This was the third tranche of bonds issued under the new ₱50,000.0 million shelf registration of the Parent Company. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2028

In April 2018, the Parent Company issued a ₱10,000.0 million fixed rate bond due 2028 at a rate equivalent to 5.92% p.a. and subject to repricing on 27 April 2023, the fifth anniversary of the Issue Date, at the higher of 5.92% or the prevailing 5-year benchmark plus 75 bps. The Bonds represent the fifth tranche of the Fixed-rate Bonds Series issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered with the SEC, and listed in the PDEX. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2031

In October 2021, the Parent Company issued a total of 3,000.0 million bonds due 2031 at a fixed rate equivalent to 4.08% p.a. The Bonds is composed of 2,750.0 million from the first tranche of debt securities issued under the Parent Company's new 50,000.0 million Debt Securities Program approved by the SEC and listed on the PDEX in October 2021 while 250.0 million represent the seventh tranche of debt securities issued under the existing 50,000.0 million Debt Securities

Program in May 2019. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings.

Philippine Peso 7-Year and 20-year Bonds due 2020 and 2033

In October 2013, the Parent Company issued a total of ₱6,000.0 million bonds, broken down into a ₱4,000.0 million bond due 2020 at a fixed rate equivalent to 4.6% p.a. and a ₱2,000.0 million bond due 2033 at a fixed rate equivalent to 6.0% p.a. CRISP assigned a "AAA" rating on the bonds indicating that it has a minimal credit risk owing to the Parent Company's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP. The Parent Company fully paid the bonds that matured in October 2020.

Philippine-denominated Long-term Loans:

Philippine Peso 10-year Note due 2023

In December 2012, the Parent Company executed a ₱5,000.0 million committed Corporate Note facility with a local bank, of which an initial ₱3,500.0 million was drawn in 2012. The balance of ₱1,500.0 million was subsequently drawn in January 2013. Notes currently bear a fixed interest rate of 4.5% p.a. The Corporate Notes will mature on the third month succeeding the tenth anniversary of the initial drawdown date. In 2015, ₱50.0 million was prepaid by the Company. Thereafter, the Parent Company paid the ₱50.0 million loan amortizations until 2021. From 2016 until 2021, the Parent Company paid a total of ₱300.0 million, in which ₱50.0 million amortizations were each paid in 2021 and 2020. As of March 31, 2022 and 2021, the remaining balance of the note amounted to ₱4,637.5 million and ₱4,650.0 million, respectively.

Peso-denominated Long-term Loans

In August to September 2015, the Parent Company assumed an aggregate of ₱15,526.9 million various long-term facilities of some subsidiaries from various banks. The loans bear fixed interest rates ranging from 4.5% to 4.7% p.a. and terms ranging from 4.4 years to 10.5 years. In March 2016, the Company additionally assumed from ALI Makati Hotel Property, Inc. US\$30.0 million in long-term loans from the Bank of the Philippine Islands. The loan carried a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR) and is repriceable quarterly. The loan was prepaid in December 2018. As of March 31, 2022 and 2021, the remaining balance of the assumed long-term facilities amounted to ₱9,807.2 million and ₱9,820.9 million respectively.

In March 2017, the Parent Company executed a ₱10,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn an initial ₱5,000.0 million. The loan carries a fixed interest rate of 4.95% p.a. and a term of 10 years. The balance under the long-term facility of ₱5,000.0 million was drawn in April 2017. As of March 31, 2022 and 2021, the remaining balance of long-term facilities amounted to ₱9,400.0 million and ₱9,475.0 million respectively.

In March 2018, the Parent Company executed a ₱5,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn the entire facility amount. As of March 31, 2022 and 2021, the remaining balance of long-term facility amounted to ₱4,800.0 million and ₱4,812.5 million respectively.

In January 2020, the Parent Company executed and availed a ₱5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.5% p.a. for the initial 5 years. In December 2020, the Parent Company also executed and availed a ₱10,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.0% p.a. for the first 7 years. Both loans will be repriced on the 5th and 7th anniversary, respectively.

In July 2021, the Company executed a ₱10,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.875% for the initial 5 years. In August 2021, the Company executed a ₱5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.875% p.a. for the initial 5 years. Another ₱4,900.0 million 6-year long-term facility was drawn in October 2021 at an interest rate of 3.7792% p.a. for the initial 3 years. In October 2021, the Company executed a ₱5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.75% p.a. for the initial 5 years. In November 2021, the Company also executed a ₱5,000.0 million 9-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.95% p.a. for the initial 5 years. In

December 2021, the Company executed a ₱7,100.0 million 8-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.8658% p.a. for the initial 3 years.

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. With that, the Parent Company assumed an aggregate of ₱914.1 million long-term facilities of AiO from a domestic bank. As of March 31, 2022 and 2021, the remaining balance of long-term facilities amounted to ₱899.9 million and ₱914.1 million respectively.

As of March 31, 2022 and 2021, remaining aggregate balance of the Peso-denominated long-term loans amounted to ₱76,049.0 million and ₱76,814.6 million, respectively.

US Dollar-denominated Long-term Loans:

In November 2019, the Parent Company executed and had simultaneously drawn a US\$125.0 million long-term facility. The loan bears a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR), repriced quarterly. All proceeds were onlent to MCT to refinance its existing loans. The loan will mature on the fifth anniversary of the initial drawdown date.

As of March 31, 2022 and 2021, the remaining aggregate balance of US Dollar-denominated long term loans amounted to ₱6,467.5 million and ₱6,374.9 million, respectively.

Subsidiaries

The subsidiaries' loans will mature on various dates up to 2031. Peso-denominated loans bear various floating interest rates at 60 bps to 80 bps spread over the benchmark 91-day PHP BVAL Reference Rate (previously PDST-R2) and/or fixed interest rates ranging from 1.89% to 4.83% p.a. Certain loans which are subject to floating interest rates are subject to floor floating interest rates equivalent to (i) 95.0% or par of the Overnight Reverse Repurchase Agreement Rate of the Bangko Sentral ng Pilipinas (BSP Overnight Rate) or (ii) the BSP Overnight Rate plus a spread of 20 bps to 75 bps p.a. or (iii) the average of the Bangko Sentral ng Pilipinas Overnight Deposit Rate and Term Deposit Facility with a term closed to the 90-day interest period. The total outstanding balance of the subsidiaries' loans as of March 31, 2022 and 2021 amounted to ₱22,129.59 million and ₱21,720.54 million loans, respectively.

Philippine Peso 3.0 Billion Fixed Rate Bonds due 2023

In December 2021, AREIT, Inc. issued a total of ₱3,000.0 million bonds due 2023 at a fixed rate equivalent to 3.0445% p.a. The Bonds represent the first tranche of debt securities issued under its ₱15,000.0 million Debt Securities Program registered with the SEC and listed on the PDEX. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings, indicating that obligor's capacity to meet its financial commitment on the obligation is extremely strong.

The loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional loans maturing beyond a year which will result to non-compliance of the required debt-to-equity ratios; merger or consolidation where the Company/subsidiary is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets. These restrictions and requirements were complied with by the Group as of December 31, 2021 and 2020.

There were no transaction costs capitalized in the first three months of 2022 and 2021. Amortization amounted to ₱88.69 million and ₱76.11 million in the first quarter of 2022 and 2021, respectively, and included under "Interest and other financing charges"

13. Accounts and Other Payables

This account consists of:

	March 21, 2022	December 31, 2021
(In Thousands)	Unaudited	Audited
Accounts payable	₱71,346,241	₱69,486,598
Taxes payable	19,995,524	19,413,474
Accrued project costs	15,234,488	17,765,659
Liability for purchased land	8,118,565	9,576,947
Accrued salaries & employee benefits	4,595,630	5,309,047
Retention payable	3,789,048	5,198,897
Accrued repairs and maintenance	2,423,483	2,027,727
Interest payable	2,044,887	1,592,727
Accrued advertising and promotions	925,298	922,513
Accrued utilities	654,022	552,337
Payable to related parties (note 18)	866,610	923,241
Dividends payable	249,435	686,982
Accrued professional & management fees	253,710	2,034,248
Accrued rentals	98,942	91,477
Other accrued expenses	514,085	1,108,607
	₱131,109,968	₱136,690,396

14. Deposits and other current liabilities

This account consists of:

	March 31, 2022	December 31, 2021
(In Thousands)	Unaudited	Audited
Security and customers' deposits	₱27,217,590	₱27,231,492
Other current liabilities	1,654,545	239,823
	₱28,872,135	₱27,471,315

Security deposits are equivalent to three (3) to six (6) months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts.

Customers' deposits consist of collections from real estate customers who have not reached the 10% threshold to qualify for revenue recognition.

Other current liabilities mostly pertain to estimated liability on property development and unearned income.

15. Deposits and other noncurrent liabilities

This consists of:

	March 31, 2022	December 31, 2021
(In Thousands)	Unaudited	Audited
Deposits	₱42,177,451	₱38,714,953
Contractors payable	3,177,558	3,167,215
Liability for purchased land	8,118,565	12,835,369
Retentions payable	5,577,996	4,174,016
Deferred Output VAT	923,696	1,048,615
Subscriptions payable	256,068	256,068
Other liabilities	539,365	539,366
	₱60,770,699	₱60,735,602

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from the sale of real estate properties. Security deposits are equivalent to three (3) to six (6) months' rent of long-term tenants with non-cancellable leases. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts. Deferred credits pertain to advances from buyers of real estate properties to cover various processing fees including, but not limited to, fees related to title transfers such as registration fees, documentary taxes, and transfer taxes. Payments made by the Group for the processing of title are charged to this account.

Customers' deposits consist of excess collections over the recognized receivables based on the percentage of completion.

Contractors' payable represents estimated liability on property development.

Retention payable pertains to the amount withheld by the Group on contractor's billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

Liability for purchased land pertains to the portion of unpaid unsubdivided land acquired during the year. These are normally payable in quarterly or annual installment payments within three (3) or five (5) years.

The Group's subscription payable pertains to ALLHC's investment in Cyber Bay. Other liabilities include non-trade payables, accrued payables, and warranty payables.

16. Equity

Capital Stock

On January 20, 2022, the Board of Directors of Ayala Land, Inc. (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 PHP17,275,552,273.80, and Mermac will subscribe to 1,982,289 primary common shares for assets worth PHP110,611,726.20, totaling 311,580,000 primary common shares at a value of P55.80 per share, as validated by a third-party fairness opinion.

The primary common shares to be issued by ALI to AC and Mermac will come from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of Ayala Land, Inc.

Treasury Shares

On January 5, 7 10, 11 and 13, 2022, Ayala Land, Inc. (ALI) purchased a total of 15,531,900 common shares at an average price of P34.31/share for a total consideration of P532.93 million under its share buyback program.

On April 14, 15, 16, 20, 21, 22, and 23, 2021, and December 2 and 15, Ayala Land, Inc. (ALI) purchased a total of 48,976,900 common shares at an average price of P33.82/share for a total consideration of P1.7 billion under its share buyback program.

Declaration of Cash Dividends

On February 24, 2022 the Board of Directors during its meeting approved the declaration of cash dividends of P0.1352 per outstanding common share. The cash dividend was paid on March 25, 2022, to stockholders of common shares as of record date March 11, 2022.

On February 23, 2021, the Board of Directors during its meeting approved the declaration of cash dividends of P0.1358 per outstanding common share. The cash dividend was paid on March 25, 2021, to stockholders of common shares as of record date March 10, 2021.

Employee Stock Ownership Plan

On February 24, 2022, the Board of Directors at its regular meeting approved the Company's 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 Php30.29 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 30-day trading period as of February 14, 2022, less a 15% discount.

On May 3, 2021, 156 ESOWN grantees subscribed to a total of 11,389,265 common shares at P33.29 per share with the subscriptions becoming effective on the same day. The option price is the average price of common shares at the Philippine Stock Exchange over the last five trading days as of February 22, 2021, less a 15% discount. As a result of the subscriptions, the outstanding common shares of Ayala Land increased to 14,711,784,864.

On February 23, 2021, the Board of Directors at its regular meeting approved the amendment of the Employee Stock Ownership Plan (the "Plan") to increase the share allocation for ESOWN grants from 2.5% to 3.0% of the authorized capital stock. This was likewise presented and approved by stockholders during the Company's Annual Stockholders' Meeting on April 21, 2021.

Cumulative Translation Adjustment

The cumulative translation adjustments represents exchange differences arising from the translation of financial statements of the foreign operations, whose functional currency is other than Philippine Peso.

17. Business Combinations and Acquisition of Non-Controlling Interests

On March 9, 2022, the Executive Committee of Ayala Land, Inc. (ALI) approved ALI's subscription to 252,136,383 AREIT primary common shares, in exchange for six office buildings located in Cebu with an aggregate value of P11,257,889,535.91, under a property-for-share swap as validated by a third-party fairness opinion.

The transaction was approved by AREIT shareholders at their annual meeting held last 21 April 2022, but is still subject to approval by pertinent regulatory bodies.

The merger of the Parent Company and its subsidiaries

On December 16, 2021, the SEC has approved 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.

As a result of the above merger, ALI's ownership on the seven companies also increased namely Southportal Properties, Inc. (from 65% to 100%), Cebu Leisure Company, Inc. (from 71% to

100%), CBP Theatre Management Inc. (from 71% to 100%), Taft Punta Engaño Property Inc. (from 39% to 55%), Cebu Insular Hotel Company, Inc. (from 26% to 37%), Solinea, Inc (from 25% to 35%), Amaia Southern Properties, Inc (from 25% to 35%).

On April 17, 2019 ALI acquired additional 14,913,200 common shares of CHI through open market purchases using the trading facilities of the Philippine Stock Exchange totaling P88.7 million resulting sin ALI's ownership from 70.4% to 71.1%.

18. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Terms and Conditions of Transactions with Related Parties

In its regular conduct of business, the Group has 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, development, management, underwriting, marketing, leasing, and administrative service agreements.

Transactions with related parties are made at normal market prices. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivables from related parties. This assessment is undertaken each financial year by examining the financial position of the related parties and the markets in which the related parties operate.

The following provides the total amount of transactions that have been entered into with the related party for the relevant financial year:

a. Transactions with BPI, an associate of AC

As of March 31, 2022, and December 31, 2021, the Group maintains current and savings account, money market placements, and short/long-term debt payable with BPI detailed as follows:

(In Thousands)	March 31, 2022 Unaudited	December 31, 2021 Audited
Cash in bank	₱3,710,133	₱3,302,304
Cash equivalents	220,017	29,181
Marketable Securities	266,837	197,432
Short-term debt	1,071,500	1,643,500
Long-term debt	₱6,225,250	₱6,366,922

b. Outstanding balances from/to related parties

In Thousands	Receivables from Related Parties		Payables to Related Parties	
	March 2022 Unaudited	December 2021 Audited	March 2022 Unaudited	December 2021 Audited
Ayala Corp.	₱56,069	₱85,968	₱151,145	151,145
Associates	5,366,100	4,903,412	310,800	308,758
Other Related Parties:				
Globe Telecom, Inc.	178,411	172,685	7,641	9,542
Bank of the Philippine Islands	231,337	149,912	52,648	45,537
Columbus	1	1	267,355	267,355
Manila Water Company, Inc.	304,422	357,441	21,283	13,825
Manila Water Philippine Ventures Inc.	156,082	144,930	3,354	8,381
Michigan Holdings, Inc.	-	3	-	-
Others	184,506	144,389	52,671	118,698
	1,054,759	969,361	404,952	463,338
	₱6,476,928	₱5,958,741	₱866,897	₱923,241

c. Revenues and expenses from/to related parties

In Thousands	Revenues from Related Parties		Expenses from Related Parties	
	March 2022 Unaudited	March 2021 Unaudited	March 2022 Unaudited	March 2021 Unaudited
Ayala Corp.	₱4,900	₱816	₱4,212	₱4,989
Associates	320,317	920,220	27,486	74,802
Other Related Parties:				
Bank of the Philippine Islands	136,162	109,496	143,141	66,958
AG Counselors Corp	1	1	14,846	1,694
Globe Telecom, Inc.	21,475	18,488	13,456	19,833
Innove Communications	3,516	2,166	13,698	22,567
Manila Water Company, Inc.	89,673	18,908	47,944	33,991
Manila Water Philippine Ventures, Inc.	18,981	53,964	72,110	32,266
Michigan Holdings, Inc.	301	301	-	-
Others	21,840	18,556	299,850	317,357
	292,324	222,255	605,045	494,666
	₱617,541	₱1,143,291	₱636,743	₱574,457

19. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, short-term investment, financial assets at FVPL, AFS quoted and unquoted equity securities, investments in bonds, bank loans, corporate notes, and bonds. The financial debt instruments were issued primarily to raise financing for the Group's operations. The Group has various financial assets such as trade receivables and trade payables which arise directly from the conduct of its operations.

Exposure to liquidity, credit, interest rate, currency, and equity risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of derivative financial instruments, if any, is solely for the management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

The Group's financing and treasury function operate as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

There were no changes in the Group's financial risk management objectives and policies as of March 31, 2022.

Liquidity risk

Liquidity risk is defined by the Group as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Group that make it difficult for the Group to raise the necessary funds or that forces the Group to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where cash conversion is possible but at loss due to wider than normal bid-offer spreads.

The Group employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Group has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables, and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as a buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as backup liquidity.

The Group ascertains that its cash is invested in short-term bank placements and special deposit accounts, as well as in high-quality and marketable government and corporate securities.

Credit risk

The Group's credit risks are primarily attributable to installments receivable, rental receivables, and other financial assets. To manage credit risks, the Group maintains defined credit policies and monitors its exposure to credit risks continuously.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and the continuous analysis of receivables. The Group also undertakes supplemental credit review procedures for certain installment payment structures.

The Group's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not significant as the title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated based on payment track records and other credit information. Under the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants.

For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed continuously to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, short-term investments, financial assets at FVPL, and Financial assets at FVOCI. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established based on an internal rating system that principally covers the areas of liquidity, capital adequacy, and financial stability.

The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

Interest rate risk

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rates as it can cause a change in the value of interest payments.

The Group manages its interest rate risk by leveraging on its premier credit rating and increasing the fixed interest component of its debt portfolio.

Foreign currency risk

Financial assets and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. The Group's placements in foreign currencies are more than the amount of foreign currency-denominated debt.

Equity price risk

Quoted Financial assets at FVOCI are acquired at a certain price in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, country's economic performance, political stability, domestic inflation rates, these prices change, reflecting how market participants view the developments.

Fair Value Information

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and liabilities recognized as of September 30, 2021 and December 31, 2020. The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash & Cash equivalents, short-term investments and current receivables, accounts and other payables, current payables, and short-term debt- Carrying amounts approximate fair values due to relatively short-term maturities of these financial instruments.

Financial assets at FVPL- UITF - These are fund investments. Fair value is based on the net asset value as of reporting dates.

Noncurrent accounts and notes receivables- The fair values of residential accounts and notes receivable from employees are based on the discounted value of future cash flow using the applicable rates for similar types of instruments. The discount rates used ranged from 5.5% to 18.00% as of March 31, 2022 and December 31, 2021, respectively.

Financial assets at FVOCI quoted equity securities- Fair values are based on the quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities - These are carried at cost less allowance for impairment losses because fair values cannot be measured reliably due to the lack of reliable estimates of future cash flows and discount rates necessary to calculate the fair value.

Liabilities - the fair value of noncurrent unquoted instruments (long-term debt and deposits) are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged from 1.18% to 5.61% and 1.00% to 5.25% as of March 31, 2022 and December 31, 2021 respectively. The fair value of noncurrent unquoted debt instruments with floating rates as estimated using the discounted cash flow- last pricing method.

20. Fair Value Hierarchy

The group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1. Quoted (unadjusted prices) in active markets for identical assets and liabilities

Level 2. Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3. Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The company categorizes trade receivables, investment in bonds classified as loans and receivables, receivables from employees, long-term debt and deposits, and other noncurrent liabilities under level 3.

The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is the higher spread, the lower the fair value.

There have been no reclassifications from level 1 to Level 2 categories on March 31, 2022 and December 31, 2021.

(In Thousands)	March 31, 2022 Unaudited		December 31, 2021 Audited	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at FVPL	₱680,382	₱680,382	₱700,803	₱700,803
Financial Assets at FVOCI				
Unquoted equity securities	397,727	397,727	397,727	397,727
Quoted equity securities	576,065	576,065	583,543	583,543
	₱1,654,174	₱1,654,174	₱1,682,073	₱2,476,614
Financial assets at amortized cost				
Noncurrent trade residential and office development	₱45,237,729	₱45,411,745	₱42,926,431	₱43,149,538
Receivable from employees	749,415	749,415	755,814	755,814
	₱45,987,144	₱46,161,160	₱43,682,245	₱43,682,245
Other financial liabilities				
Long-term debt	₱206,724,680	₱206,738,610	₱206,314,239	₱195,588,364
Deposits and other noncurrent liabilities	60,770,699	57,945,754	59,686,987	51,360,589
	₱267,495,379	₱264,684,364	₱266,001,226	₱246,948,953

The following table provides the fair value hierarchy of the Group's financial assets which are measured at fair value as of March 31, 2022 and December 31, 2021:

2021

(In Thousands)			Quoted prices in active markets	Significant observable inputs	Significant observable inputs
March 31, 2022 (Unaudited)	Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
Financial assets at fair value through profit and loss					
Investment in Unit Investment Trust Fund	Mar. 31, 2022	P393,059	-	P393,059	-
Investment in Arch Capital Fund	Mar. 31, 2022	287,323	-	-	287,323
		P680,382	-	P393,059	P287,323
Financial assets at fair value through other comprehensive income					
Quoted equity securities	Mar. 31, 2022	P397,727	P397,727	-	-
Unquoted equity securities	Mar. 31, 2022	576,065	-	-	576,065
		973,792	397,727	P-	576,065
		P1,654,174	P397,727	P393,059	P863,388
December 31, 2021 (Audited)					
Investment in Unit Investment Trust Fund	Dec. 31, 2021	P407,025	P-	P407,025	P-
Investment in Arch Capital Fund	Dec. 31, 2021	293,778	-	-	293,778
		P700,803	P-	P407,025	P293,778
Financial assets at fair value through other comprehensive income					
Quoted equity securities	Dec. 31, 2020	P397,727	P397,727	P-	P-
Unquoted equity securities	Dec. 31, 2020	583,543	-	-	583,543
		971,270	397,727	P-	583,543
Total		P1,682,073	P397,727	P407,025	P877,312

21. Condensed Consolidated Statement of Cash Flows

Disclosed below is the roll-forward of liabilities under financing activities:

(In Thousands)	Dec. 31, 2021 Audited	Cash Flows Acquisition	Non-Cash Changes	FOREX Movement	March 31, 2022 Unaudited
Short-term debt	P16,782,500	5,900,592	-	-	22,683,092
Current Portion of Long-term debt	26,173,997	6,341,230	-	-	32,515,227
Long-term debt-net of current portion	180,140,242	(6,116,025)	-	24,937	174,209,453
Dividends Payable	686,982	(2,678,264)	-	2,240,716	249,434
Lease liabilities	17,837,354	(203,051)	-	861,226	18,495,529
Deposits & Other noncurrent liabilities	60,735,602	35,097	-	-	60,770,699
Total liabilities from financing activities	P302,356,677	3,279,579	-	3,126,879	308,923,434

22. Segment information

The industry segments where the Group and its associates and joint ventures operate are as follows:

- Property Development - sale of high-end and upper-middle-income residential lots and units, affordable housing units and lots, economic housing and leisure community developments; lease of residential developments under joint venture and the sale of office condominiums, and commercial and industrial lots
- International Business— operations of MCT Bhd., Ayala Land's consolidated subsidiary in Malaysia; also included under Property Development revenues in the Management's Discussion and Analysis Section.
- Shopping Centers - development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities, and parking areas in these shopping centers; management and operation of malls which are co-owned with partners
- Offices - development and lease of office buildings and the development and lease of factory building
- Hotels and Resorts - development and management of hotels and resorts, lease of land to hotel tenants
- Construction - land development and construction of the Group and third-party projects
- Property management - facilities management of the Group and third-party projects including its power service companies Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), Philippine Integrated Energy Solutions, Inc. (PhilEnergy), and air transport company AirSWIFT which serves the requirements of ALI's resorts business
- Others - other income from investment activities and sale of non-core assets

Assets, liabilities, revenues, and expenses of the Strategic Landbank Management and Visayas-Mindanao segment were reallocated to other business segments namely, shopping centers, corporate businesses, and residential developments according to the nature of the products and services provided.

The Company and its subsidiaries generally account for inter-segment sales and transfers as if the sales and transfers were to third parties at current market prices.

The management committee monitors the operating results of its business units separately to make decisions about resource allocation and performance assessment.

Business segments

The following tables regarding business segments present assets and liabilities as of September 30 and revenue and profit information for each of the three quarters in the period ended March 31 (in millions):

2022

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	P13,936	P445	P-	P-	P823	P710	P1,228	P-	P-	P17,142
Interest income from real estate sales	1,670	-	-	-	-	-	-	-	-	1,670
Rental revenue	-	-	2,715	2,704	-	-	-	-	-	5,419
Intersegment sales	-	-	-	-	-	7,768	-	-	(7,768)	-
Equity in net earnings of associates and joint ventures	255	-	2	-	-	-	(7)	-	-	250
Total revenue	15,861	445	2,717	2,704	823	8,478	1,221	-	(7,768)	24,481
Real estate costs and expenses	9,808	407	1,882	778	1,055	7,821	1,439	37	(7,639)	15,588
Gross margin (loss)	6,053	38	835	1,926	(232)	657	(218)	(37)	(129)	8,893
Interest and investment income										39
Other charges										(1,074)
Interest and other financing charges										(2,816)
Other income										98
Provision for income tax										(1,079)
Net income										P4,061
Net income attributable to:										
Equity holders of Ayala Land, Inc.										3,168
Non-controlling interests										893
										P4,061
Other Information										
Segment assets	P562,849	P20,096	P199,652	P139,776	P51,141	P47,935	P12,939	P91,055	(P418,443)	P707,000
Investment in associates and joint ventures	28,311	-	38	-	-	55	165	-	-	28,569
	591,160	20,096	199,690	139,776	51,141	47,990	13,104	91,055	(418,443)	735,569
Deferred tax assets	1,904	206	1,775	332	472	122	183	2,664	6,737	14,395
Total assets	P593,064	P20,302	P201,465	P140,108	P51,613	P48,112	P26,391	P93,719	(P411,706)	P749,964
Segment liabilities	P223,463	P9,770	P91,907	P23,868	P18,804	P36,844	P7,444	P203,259	(P143,792)	471,567
Deferred tax liabilities	2,511	-	122	208	5	-	(2)	(196)	3,859	6,507
Total liabilities	P225,974	P9,770	P92,029	P24,076	P18,809	P36,844	P7,442	P203,063	(P139,933)	P478,074
Segment additions to:										
Property and equipment	P-	P-	P-	P-	P-	P-	P-	P-	P-	P-
Investment properties	P1,207	P40	P808	P-	P-	P-	P1,122	P-	P-	P3,177
Depreciation and amortization	P138	P61	P1,106	P559	P210	P90	P122	P65	P-	P2,351
Non-cash expenses other than depreciation and amortization	P-	P-	P-	P-	P-	P-	P-	P-	P-	P-
Impairment losses	P-	P-	P-	P-	P-	P-	P-	P-	P-	P-

2021

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	P13,352	P1,012	P–	P–	P640	P952	P687	P–	P–	P16,643
Interest income from real estate sales	1,843	–	–	–	–	–	–	–	–	1,843
Rental revenue	–	–	1,964	2,518	–	–	–	–	–	4,482
Intersegment sales	–	–	–	–	–	7,611	–	–	(7,611)	–
Equity in net earnings of associates and joint ventures	288	–	1	–	–	–	(3)	(67)	–	219
Total revenue	15,483	1,012	1,965	2,518	640	8,563	684	(67)	(7,611)	23,187
Real estate costs and expenses	10,468	630	1,727	408	917	7,987	1,142	50	(7,768)	15,561
Gross margin (loss)	5,015	382	238	2,110	1557	16,550	(458)	(117)	157	7,626
Interest and investment income										48
Other charges										(793)
Interest and other financing charges										(2,957)
Other income										1,404
Provision for income tax										(1,650)
Net income										P3,678
Net income attributable to:										
Equity holders of Ayala Land, Inc.										2,779
Non-controlling interests										899
										P3,678
Other Information										
Segment assets	P565,231	P22,323	P208,023	P135,605	P53,716	P48,880	P12,761	P94,405	(P458,603)	P682,341
Investment in associates and joint ventures	26,787	–	40	–	–	52	186	–	–	27,065
	592,018	22,323	208,063	135,605	53,716	48,932	12,947	94,405	(458,603)	709,406
Deferred tax assets	1,874	94	1,284	336	369	127	210	1,614	6,282	12,190
Total assets	P593,892	P22,417	P209,347	P135,941	P54,085	P49,059	26,104	P96,019	(P452,321)	P721,596
Segment liabilities	P237,663	P12,006	P81,917	P29,277	P18,250	P39,580	P5,749	P202,450	(P174,511)	452,381
Deferred tax liabilities	3,027	–	192	108	10	–	20	(108)	3,921	7,170
Total liabilities	P240,690	P12,006	P82,109	P29,385	P18,260	P39,580	P5,769	P202,342	(P170,590)	P459,551
Segment additions to:										
Property and equipment	P–	P–	P–	P–	P–	P–	P–	P–	P–	P–
Investment properties	P–	P–	P1,267	P–	P–	P–	P–	P–	P–	P1,267
Depreciation and amortization	P141	P54	P1,114	P431	P221	P237	P116	P23	P–	P2,337
Non-cash expenses other than depreciation and amortization	P–	P–	P–	P–	P–	P–	P–	P–	P–	P–
Impairment losses	P–	P–	P–	P–	P–	P–	P–	P–	P–	P–

23. Long-term Commitments and Contingencies

Contingencies

The Group has various contingent liabilities arising in the ordinary conduct of business including a case related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. Accordingly, no provision for any liability has been made in the consolidated financial statements.

Disclosures required by PAS 37, *Provisions, Contingent Liabilities, and Contingent Assets*, were not provided as they may prejudice the Group's position in ongoing claims and it can jeopardize the outcome of the claims and contingencies.

24. Events after the Reporting Date

On April 27, 2022, Ayala Land, Inc. (ALI) sold 87,370,000 shares (Offer Shares) of AREIT, Inc. (AREIT) at a transaction price of Php39.70 per share, equivalent to Php3.47 billion (exclusive of fees and taxes), in relation to its property-for-share swap transaction with AREIT. The proceeds from the block sale was settled on May 2, 2022, under the Placement Agreement between the ALI and AREIT. On May 2, 2022, ALI submitted the required Reinvestment Plan detailing the use of proceeds obtained from the share sale transaction.

25. Other Matters

The declaration of COVID-19 by the World Health Organization (WHO) as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the country starting March 16, 2020 have caused disruptions in the Group's business activities. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain.

Starting March 1, 2022, NCR and most of the country was placed under the least strict Alert Level 1 with the marked improvement of the health situation.

As of reporting date, all shopping malls have reopened at adjusted operating hours and construction works for commercial and residential projects have resumed while following the safety protocols mandated by the national government. Most hotels remained open throughout the community quarantine period, catering mostly to business process outsourcing employees and returning overseas Filipino workers

Item 2. Management's Discussion and Analysis on the Results of Operation and Financial Condition

Review of 3M 2022 operations vs 3M 2021

Ayala Land Inc. (ALI) generated a net income of P3.17 billion in the 1st quarter of 2022, up 14% year-on-year from P2.78 billion, supported by continuing cost-efficiency measures amidst the pandemic. ALI posted consolidated revenues of P24.62 billion, similar to the 1st quarter of 2021, reflecting the slight contraction in property development and the resurgence in commercial leasing during the period. Factoring out the sale of its stake in Qualimed to Ayala Corporation in the first quarter of 2021, revenues and net income grew 6% and 77%, respectively.

Real Estate revenues, composed of Property Development, Commercial Leasing, and Services revenues, amounted to P22.56 billion, a 7% increase from P21.13 billion, lifted by the commercial leasing and services segments.

Capital expenditures reached P14.01 billion, supporting the buildup of residential and commercial projects.

Net gearing stood at 0.79:1 as Ayala Land continued to carefully manage its debt to maintain the strength of its balance sheet.

Business Segments

The details of the individual 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. Property development revenues reached P14.20 billion, a 1% dip from P14.36 billion in the same period last year. ALI received a strong take-up for commercial lots but recorded lower residential bookings during the quarter.

Residential. Due to lower project bookings, revenues from the sale of residential lots and units and MCT Bhd's operations totaled P11.36 billion, 5% lower than P11.99 billion.

AyalaLand Premier (ALP) posted revenues of P2.82 billion, 33% lower than P4.23 billion in 2021, due to almost sold out inventory in The Courtyards Phase 3A and Phase 4A in Vermosa, Cavite and Ayala Greenfield Estates Phase 8B in Laguna.

Alveo recorded revenues of P2.40 billion, an increase of 7% from P2.24 billion owing to higher incremental POC Ametrine Portico in Pasig City, Corvia at Alviera, Pampanga, and Solinea Tower 4 in Cebu City.

Avida meanwhile registered revenues of P4.39 billion, a 44% higher from P3.05 billion, attributed to higher bookings of Avida Towers Cloverleaf in Quezon City and Avida Towers Verge in Mandaluyong City, combined with higher incremental in POC of Avida Greendale Settings in Alviera, Pampanga, Averdean Estates in Nuvali, Laguna and Avida Verra Settings in Vermosa, Cavite.

Amaia reached P1.07 billion in revenues, a 9% reduction from P1.18 billion relating to lower net bookings from Steps Alabang Esperanza in Las Pinas City and Steps Pasig Blanca.

Bellavita recorded revenues of P231.60 million, 16% lower than P274.76 million on account of lower incremental POC from its project in Iloilo and lower sales of projects in Capas, Tarlac and Tayabas, Quezon Province.

MCT Bhd recorded a contribution of P444.69 million, 56% lower than P1.01 billion, mainly due to incremental contribution of nearly completed projects and early-stage completion of newly launched projects.

Office for Sale. Revenues from the sale of office units decelerated 56% to P687.73 million, from P1.56 billion due to the full completion and sold-out inventory of Alveo's Park Triangle Tower at BGC.

Commercial and Industrial Lots. Revenues from the sale of commercial and industrial lots more than doubled to P2.15 billion from P817.92 million on strong take-up of commercial lots at Nuvali and Broadfield in Laguna.

Sales Reservations. It totaled P24.11 billion, which is equivalent to monthly average sales of P8.01 billion, higher than P7.68 billion in 2021. The first-quarter sales take-up is also 9% more than P22.14 billion in the 4th quarter of 2021.

Local and overseas Filipinos accounted for 91% of total sales, with a balance of 9% from other nationalities. Sales from local Filipinos, which comprise 69%, amounted to P16.51 billion, 26% lower, while sales from overseas Filipinos, which represented 22%, amounted to P5.37 billion, a 36% uplift year-on-year. Meanwhile, sales to other nationalities amounted to P2.23 billion, down 3%. Sales to Chinese buyers continue to decelerate, down 53% to P193.56 million, and comprise only 13% of sales to other nationalities.

Project Launches. In the first quarter of 2022, Ayala Land launched seven (7) projects with a total value of P16.97 billion. These are ALP's Ciela Phase 1A Tranche 2 in Carmona, Cavite and Anvaya Cove Seaside Point in Morong, Bataan, Alveo's Mondia Expansion in Nuvali, Laguna, Avida's Patio Madrigal Tower 1 in Pasay City and Serin East Tower 4 in Tagaytay City, Cavite, Amaia's Series Nuvali S2 in Laguna and Scapes Iloilo S2A. The Company has budgeted P100 billion worth of launches in 2022.

Commercial Leasing. This segment includes the operations of Shopping Centers, Office Buildings, and Hotels and Resorts. Total revenues from commercial leasing totaled P6.43 billion, up 26% from P5.12 billion, as it benefitted from the reopening of the economy.

Shopping Centers. Revenues from shopping centers accelerated 49% to P2.92 billion from P1.96 billion due to higher mobility and tenant sales as the country transitioned to less strict quarantine restrictions. The average occupancy rate for all malls is 79%, and 83% for stable malls. Total Malls' gross leasable area (GLA) stands at 2.12 million square meters.

Offices. Revenues from office leasing grew by 7% to P2.69 billion from P2.52 billion as BPO and headquarters tenancy and operations remained stable. The average occupancy rate for all offices is 81%, and 85% for stable offices. Total office leasing GLA is at 1.36 million square meters.

Hotels and Resorts. Revenues from hotels and resorts improved 29% to P823.40 million from P640.40 million because of increased domestic travel and higher room rates. The average occupancy for all hotels was 48%. Meanwhile, the average occupancy for all resorts stood at 11%. Hotels and resorts have a total of 4,028 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 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); and Circuit Corporate Residences (255).

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 76 B&B rooms.

Services. This segment is composed mainly of the Company's construction business through Makati Development Corporation (MDC), property management through Ayala Property Management Corporation (APMC), and other companies engaged in power services such as Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy) and airline for the hotels and resorts business, AirSWIFT. Total revenues amounted to P1.93 billion, 18% higher than P1.64 billion, mainly due to higher power consumption of power service clients and increased operations of AirSWIFT.

Construction. Net construction revenues were 25% lower to P710.39 million from P951.75 million as projects with unconsolidated JVs and external clients neared completion, which resulted in incremental contribution.

Property Management and Others. APMC, power services companies, and AirSWIFT registered a 78% increase in combined revenues to P1.22 billion from P687.08 million, driven by improved operations of power service subsidiaries and AirSWIFT

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

Equity in net earnings of associates and JVs rose 14% to P249.58 million from P218.96 million, on higher contributions from Ortigas Land and joint ventures with Royal Asia Land and Eton Properties.

Interest income from real estate sales declined 9% to P1.67 billion from P1.84 billion due to lower accretion income recognized. Meanwhile, interest and investment income declined by 19% to P38.80 million from P47.95 million due to lower interest income from customer penalties, installment sales, and cash and short-term investment yields.

Other income (mainly of marketing and management fees from joint ventures) fell to P97.84 million, 93% lower than the high base of P1.40 billion in the 1st quarter of 2021. During this period, Ayala Land recorded a P1.31 billion gain from selling its 39.2% economic interest in Qualimed and its hospital buildings to Ayala Corporation.

Expenses

Total expenses registered at P19.48 billion, a 1% increase from P19.31 billion, reflecting the same tepid hike in real estate expenses which amounted to P14.10 billion from P13.93 billion.

Due to reduced corporate costs and cost containment initiatives, general and administrative expenses declined 9% to P1.49 billion from P1.64 billion. This total resulted in a GAE ratio of 6.0%, better than 6.6% in the 1st quarter of 2021. EBIT margin stood at 32.0%, slightly better than 31.6% in the same period.

Interest expense, financing and other charges, including interest expense related to PFRS 16 (Leases) totaled P3.89 billion, 4% higher than P3.75 billion in the same period last year due to the higher discounting cost of the sale of accounts receivables. The average cost of debt registered at 4.2%. Of the total debt, 89% is locked in with fixed rates, while 90% is contracted long-term.

Capital Expenditures

Capital expenditures reached P14.01 billion in the first quarter of 2022, mainly for residential developments, followed by commercial leasing assets. 54% was spent on residential projects, 7% on commercial projects, 14% on land acquisition, 23% on estate development, and 2% on other purposes. The full-year Capex budget is P90 billion.

Financial Condition

The Company's balance sheet remains strong to ensure financial sustainability during the crisis.

Cash and cash equivalents, including short-term and UITF investments classified as FVPL, stood at P14.73 billion resulting in a current ratio of 1.50:1.

Total borrowings registered at P229.41 billion; the debt-to-equity ratio was 0.84:1, and the net debt-to-equity ratio was 0.79:1 as of the end of March 2022.

Return on equity was at 5.44% as of March 31, 2022.

There are no events that will trigger direct or contingent financial obligations that are material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created in the first three months of 2022.

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

Income Statement items – Period ending March 31, 2022 versus March 31, 2021

Real estate and hotel revenues up by 7% driven by strong commercial and industrial lot sales and robust commercial leasing operations.

Interest income from real estate sales decreased by 9% due to lower accretion income from trade receivables.

Equity in net earnings increased by 14% coming from the higher net income contribution of associates and joint ventures.

Interest and investment income decreased by 19% due to lower yield and lower average short-term investments balance.

Other Income decreased by 93% mainly from one-time gain from the sale of investment in stocks in Mercado General Hospital, Inc. (MGHI) and sale of QualiMed hospital buildings in 2021.

General administrative expenses declined by 9% due to lower overhead expenses and cost savings initiatives.

Provision for income tax-current increased by 68% mainly from higher taxable income.

Provision for income tax-deferred decreased by 447% mainly from higher taxable income versus accounting income as an effect of POC vis-à-vis sale of accounts receivable.

Balance Sheet items – as of March 31, 2022 (Unaudited) versus December 31, 2021 (Audited)

Noncurrent accounts and notes receivables increased by 5% mainly from new sales bookings due more than one year.

Right of use assets increased by 5% from new lease contracts.

Deferred tax assets increased by 12% due to the effect of POC in relation to AR sales.

Short-term debt grew by 35% due to loan availments.

Income tax payable increased by 58% due to higher taxable income.

Lease liability increased by 5% from new contracts.

The current portion of long-term debt increased by 24% due to maturing loans in the next 12 months.

Deposit and other current liabilities decreased by 5% mainly due to realized revenues from incremental project completion.

Remeasurement loss on defined benefit plans down by 59% due to change in actuarial assumptions.

The fair value reserve of financial assets at FVOCI increased by 12% coming from the unrealized gain from the interest rate swap contract of MCT Berhad.

Cumulative translation adjustments increased by 24% mainly due to translation gain of financial statements of MCT Berhad.

PART II - OTHER INFORMATION

Item 3. Developments as of March 31, 2022

- | | | | | | | |
|--|---|---------------------------|------|------|-------|--------------------|
| A. New project or investments in another line of business or corporation | None | | | | | |
| B. Composition of Board of Directors
(As of April. 27, 2022) | Fernando Zobel de Ayala | Chairman | | | | |
| | Jaime Augusto Zobel de Ayala | Vice Chairman | | | | |
| | Bernard Vincent O. Dy | President & CEO | | | | |
| | Antonino T. Aquino | Non-Executive Director | | | | |
| | Arturo G. Corpuz | Non-Executive Director | | | | |
| | Rizalina G. Mantaring | Lead Independent Director | | | | |
| | Cesar V. Purisima | Independent Director | | | | |
| | Rex Ma. A. Mendoza | Independent Director | | | | |
| | Sherisa P. Nuesa | Independent Director | | | | |
| C. Performance of the corporation or result/progress of operations | Please see unaudited consolidated financial statements and management's discussion on the results of operations. | | | | | |
| D. Declaration of dividends | <u>P0.1352 cash dividend per outstanding common share</u>
Declaration date: February 24, 2022
Record date: March 11, 2022
Payment date: March 25, 2022 | | | | | |
| E. Contracts of merger, consolidation, or joint venture; contract of management, licensing, marketing, distributorship, technical assistance, or similar agreements | Please refer to the discussion on the changes in group structure in 1Q 2022. | | | | | |
| F. Offering of rights, granting of Stock Options and corresponding plans therefore | <p>ALI has stock option plans for key officers (Executive Stock Option Plan - ESOP) and employees (Employee Stock Option Plan (ESOWN) covering 2.5% of the company's authorized capital stock. In 2005, the company introduced a revised ESOWN granted to qualified officers. On April 21, 2021, the stockholders approved to increase the covered shares to 3% of the company's total authorized capital stock.</p> <p>As of March 31, 2022, stock options outstanding* are as follows:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>ESOP</td> <td>None</td> </tr> <tr> <td>ESOWN</td> <td>119,742,767 shares</td> </tr> </table> <p><small>*Outstanding shares pertain to shares subscribed by officers and employees which are not yet fully paid and not yet issued</small></p> | | ESOP | None | ESOWN | 119,742,767 shares |
| ESOP | None | | | | | |
| ESOWN | 119,742,767 shares | | | | | |
| G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate | None | | | | | |
| H. Other information, material events, or happenings that may have | None | | | | | |

affected or may affect the market price of the security

- | | |
|--|------|
| I. Transferring of assets, except in the normal course of business | None |
|--|------|

Item 4. Other Notes to 1Q 2022 Operations and Financials

- | | |
|---|---|
| J. Nature and amount of items affecting assets, liabilities, equity, or net income that are unusual because of their nature, size, or incidents | Please see Item 2: Management's Discussion on Results of Operations and Analysis. |
|---|---|

- | | |
|---|------|
| K. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period | None |
|---|------|

- | | |
|---|---|
| L. New financing through loans / Issuances, repurchases, and repayments of debt and equity securities | Please see Notes to Financial Statements (note 12). |
|---|---|

- | | |
|--|---|
| M. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period | <p>On April 27, 2022, Ayala Land, Inc. (ALI) sold 87,370,000 shares (Offer Shares) of AREIT, Inc. (AREIT) at a transaction price of Php39.70 per share, equivalent to Php3.47 billion (exclusive of fees and taxes), in relation to its property-for-share swap transaction with AREIT. The proceeds from the block sale was settled on May 2, 2022, under the Placement Agreement between the ALI and AREIT. On May 2, 2022, ALI submitted the required Reinvestment Plan detailing the use of proceeds obtained from the share sale transaction.</p> |
|--|---|

- | | |
|--|------|
| N. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations | None |
|--|------|

- | | |
|--|------|
| O. Changes in contingent liabilities or contingent assets since the last annual balance sheet date | None |
|--|------|

- | | |
|--|---|
| P. Other material events or transactions during the interim period | <p>On January 20, 2022, the Board of Directors of Ayala Land, Inc. (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.</p> |
|--|---|

Subject to regulatory approvals, AC will subscribe to 309, 597, 711 primary common shares for assets valued at PHP17,275,552,273.80, and Mermac will

subscribe to 1,982,289 primary common shares for assets worth PHP110,611,726.20, totaling 311,580,000 primary common shares at a value of P55.80 per share, as validated by a third-party fairness opinion.

The primary common shares to be issued by ALI to AC and Mermac will come from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of Ayala Land, Inc.

On February 24, 2022, the Board of Directors of Ayala Land, Inc. (ALI) approved and ratified the following:

1. Raising of up to Php45 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 Philippine Dealing and Exchange Corporation 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 Php30.29 per share, which is the average price of our common shares at the Philippine Stock Exchange 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.

On March 9, 2022, the Executive Committee of Ayala Land, Inc. (ALI) approved ALI's subscription to 252,136,383 AREIT primary common shares, in exchange for six office buildings located in Cebu with an aggregate value of P11,257,889,535.91, under a property-for-share swap as validated by a third-party fairness opinion.

The transaction was approved by AREIT shareholders at their annual meeting held last 21 April 2022, but is still subject to approval by pertinent regulatory bodies.

Q. Existence of material contingencies during the interim

None

	<p>period; events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation</p>
<p>R. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period</p>	<p>None</p>
<p>S. Material commitments for capital expenditures, general-purpose and expected sources of funds</p>	<p>For the year 2022, Ayala Land is budgeting P90 billion in capital expenditures. Of the total amount, P14.0 billion has been disbursed as of March 31, 2022.</p> <p>The Company will use the capital expenditure for the construction completion of launched residential projects and investment properties as well as land acquisition.</p>
<p>T. Known trends, events, or uncertainties that have had or that are reasonably expected to have an impact on sales/revenues/ income from continuing operations</p>	<p>Ayala Land's performance will remain parallel to the country's overall economic standing. Interest rate fluctuations may likewise affect the real estate industry, including the Company.</p>
<p>U. Significant elements of income or loss that did not arise from continuing operations</p>	<p>None</p>
<p>V. Causes for any material change/s from period to period, in one, or more line items of the financial statements</p>	<p>Please see Notes to Financial Statements (Item 2: Management's Discussion on Results of Operations and Analysis).</p>
<p>W. Seasonal aspects that had a material effect on the financial condition or results of operations</p>	<p>The Company's development operations are dependent on Market conditions and the timing of project launches depend on several factors such as completion of plans and permits and appropriate timing in terms of market conditions and strategy. Development and construction work follow target completion dates committed at the time of project launch.</p>
<p>X. Disclosures not made under SEC Form 17-C</p>	<p>None.</p>

Item 5. Performance Indicators

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

	<i>End-March 2022</i>	<i>End-December 2021</i>
Current ratio ¹	1.50:1	1.58:1
Debt-to-equity ratio ²	0.84:1	0.82:1
Net debt-to-equity ratio ³	0.79:1	0.77:1
Profitability Ratios:		
Return on assets ⁴	2.17%	2.13%
Return on equity ⁵	5.44%	5.37%
Asset to Equity ratio ⁶	2.76:1	2.76:1
Interest Rate Coverage Ratio ⁷	3.94	4.01

1 Current asset / current liabilities

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

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

4 Annualized Net income / average total assets

5 Annualized Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI

6 Total Assets /Total stockholders' equity

7 EBITDA/Interest expense

SIGNATURE

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

Issuer: **AYALA LAND, INC.**

By:

A handwritten signature in blue ink, appearing to read 'ASB', followed by a long horizontal flourish.

AUGUSTO D. BENGZON
Senior Vice-President
CFO and Treasurer

Date: May 12, 2022

January 15, 2022

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

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

Subject: 2021 Fourth Quarter Progress Report on the Disbursement of Proceeds from the sale of The 30th ("The 30th") Commercial Development to AREIT, Inc. ("AREIT")

Dear Ms. Encarnacion,

We are pleased to submit our Progress Report on the Application of Proceeds for the Fourth Quarter of 2021, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

Please be advised that as of December 31, 2021 the remaining balance of the proceeds from the sale of The 30th to AREIT amounts to One Billion Five Hundred Twelve Million Eight Hundred Eighty-One Thousand Seven Hundred Sixty-Seven Pesos and Twenty Six Centavos (Php1,512,881,767.26).


The details of the disbursement for the Fourth Quarter of 2021 are as follows:

Net proceeds from the sale of The 30th (Refer to Amended Reinvestment plan dated Dec 22, 2021)	Php4,564,285,714.29
Less:	
Disbursements from Jan 16 to Sept 30, 2021 (Reported as of Sept 30, 2021)	956,079,904.09
Adjustments on disbursements reported as of Sept 30, 2021 (Annex A)	178,091,331.83
Disbursements from Oct 1 to Dec 31, 2021 (Annex B)	1,917,232,711.10
Balance of proceeds from the sale of The 30th as of December 31, 2021	<u>Php1,512,881,767.26</u>

Thank you.


Very truly yours,

Augusto D. Bengzon
Ayala Land, Inc.
Treasurer and Chief Finance Officer



Ma. Teresa R. Famy
AREIT, Inc.
Chief Finance and Compliance Officer

SUBSCRIBED AND SWORN to before me this JAN 17 2022 at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i>		
Augusto D. Bengzon	Passport No. P4323352B	08 Jan 2020/ DFA NCR East
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i>		
Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration Date 05 Dec 2023

Doc No. 337 ;
Page No. 69 ;
Book No. XV ;
Series of 2022 ;




MA. FLORENCE THERESE D.G. MARTIREZ-CRUZ
Notary Public - Makati City
Appt. No. M-154 until December 31, 2021
Roll of Attorneys No. 60896
IBP No. 136246 - 12/21/2020 - Makati City
PTR No. MKT8862852 - 01/11/2022 - Makati City
MCLE Compliance No. VI-0009482 - 06/20/2018
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

ANNEX A- Adjustments on disbursements reported as of Sept 30, 2021

Disbursing Entity	Project Name	Amount
ALI Eton Property Development Corporation	Parklinks	389,674,233.92
Cebu District Property Enterprise, Inc.	Gatewalk Central	(211,582,902.09)
TOTAL		178,091,331.83

ANNEX B- Disbursements from Oct 1 to Dec 31, 2021

Disbursing Entity	Project Name	Amount
ALI Eton Property Development Corporation	Parklinks	306,000,000.00
ALI Commercial Center Inc	One Ayala (Malls)	384,716,788.50
ALI Commercial Center Inc	One Ayala (BPO)	558,480,000.00
Unity Realty & Dev't Corp.	Pampanga Property	225,000,000.00
Ayala Land Inc.	Arbor Lanes 1-5	97,190,715.62
Ayala Land Inc.	Avida Towers Vireo T1-3	77,646,815.35
Ayala Land Inc.	Avida Towers Sola T1-2	40,153,422.48
Amaia Land Corp.	Cavite Property	77,044,969.15
Amaia Land Corp.	Quezon City Property	61,000,000.00
Laguna Technopark Inc.	Cavite Property	90,000,000.00
TOTAL		1,917,232,711.10

STRICTLY CONFIDENTIAL

REPORT OF FACTUAL FINDINGS

AYALA LAND, INC.

31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: **Mr. Augusto D. Bengzon**
Chief Finance Officer

Dear Mr. Bengzon:

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report as at **December 31, 2021** on the use of the proceeds from the sale of The 30th Commercial Development to AREIT, Inc. on **January 15, 2021**. The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company relating to the use of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. These agreed-upon procedures and results thereof are summarized as follows:

1. Obtain the Quarterly Progress Summary Report on Use of Proceeds from the sale of The 30th Commercial Development to AREIT, Inc. (the "Schedule") and perform the following:
 - Check the mathematical accuracy of the Schedule;
 - Check whether there are additions and disbursements in the schedule and compare with the schedule of application of proceeds;
 - On a sample basis, trace additions and disbursements to the supporting documents such as progress billings, bank statements, invoices, and official receipts, and agree the amount to the accounting records.
 - On a sample basis, inquire into and identify the nature of the additions and disbursements. Check if the disbursements were classified consistently according to its nature based on the schedule of planned use of sale of The 30th proceeds.

We report our findings below:

1. We checked the mathematical accuracy of the Schedule, no exceptions noted.
2. We traced the disbursements to the supporting documents. We have noted that the Company issued intercompany loans to the following companies to be used in the projects specified:

Distributing Entity	Amount	Project Name
ALI Eton Property Development Corporation	₱306,000,000.00	Parlinks (Mixed-use)
ALI Commercial Center Inc	384,716,788.50	One Ayala (Malls)
ALI Commercial Center Inc	558,480,000.00	One Ayala (BPO)
Unity Realty & Dev't Corp.	225,000,000.00	Pampanga Property
Amaia Land Corp	77,044,969.15	Cavite Property
Amaia Land Corp	61,000,000.00	Quezon City Property
Laguna Technopark Inc	90,000,000.00	Cavite Property
	₱1,702,241,757.65	

We have traced these amounts to the promissory note and bank statements and agreed the amounts to the accounting records. No exceptions noted.

We also traced the amounts disbursed by the Company during the 4th quarter (October to December) for the following projects amounting to ₱215 million to the progress billings, invoices and official receipts and agreed the amount to the accounting records. No exceptions noted.

Project Name	Amount
Arbor Lanes 1-5	₱97,190,715.62
Avida Towers Vireo T1-3	77,646,815.35
Avida Towers Sola T1-2	40,153,422.48
	₱214,990,953.45

3. We also noted adjustments made during the period. Adjustment for ALI Eton Property Development Corp. was due to the amendment of the planned use for Parklinks Project from ₱800 million to ₱833 million and the ₱527 million infusion from the Company last May and February 2021. The adjustment for Cebu District Property Enterprise, Inc. is attributable to the amendment on reinvestment plan from ₱837 million to ₱164 million and a correction of the reported disbursement as of September. No exceptions noted.

Distributing Entity	Amount	Project Name
ALI Eton Property Development Corporation	₱389,674,233.92	Parklinks
Cebu District Property Enterprise, Inc.	(211,582,902.09)	Gatewalk Central
	₱178,091,331.83	

4. There were no additions during the 4th quarter (October to December). Further, we inquired into and identified the nature of the disbursement. We have noted the Amended Reinvestment Plan dated December 22, 2021 included the proceeds from the sale of The 30th Commercial Development to AREIT, Inc. We also checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of 30th proceeds as documented in the Amended Reinvestment Plan. We have noted that the abovementioned entities and the related projects were included in the Reinvestment Plan, and the amounts disbursed to these companies have not exceeded the planned use. No exceptions noted.

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the accounts of the Company or its financial statements, taken as a whole.

Had we performed additional procedures or performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's use of proceeds from the sale and items specified above and do not extend to any financial statements of the Company taken as a whole.

SYCIP GORRES VELAYO & CO.



Michael C. Sabado

Partner

CPA Certificate No. 89336

Tax Identification No. 160-302-865

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 0664-AR-4 (Group A)

November 11, 2019, valid until November 10, 2022

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023

PTR No. 8854360, January 3, 2022, Makati City

ACKNOWLEDGMENT

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


I certify that on 17 JAN 2022, before me a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

Name	Competent Evidence of Identity	Date / Place Issued
Michael C. Sabado	P1178919B	March 25, 2019/DFA

who were identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that their signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above written.

Doc. No. 56 ;
Page No. 13 ;
Book No. 4 ;
Series of 2021. 2022


ATTY. JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-19 until 12/31/2023
Roll No. 45790 / IBP Life No. 04897 / 07 - 03 - 03
PTR - O.R. No. 8852510 / 01 - 03 - 22 / Makati City
MCLE No VI-0016565 / 01 - 14 - 19
G/F Fedman Suites, 199 Salcedo Street,
Legaspi Village, Makati City

January 15, 2022

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

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

Subject: 2021 Fourth Quarter Progress Report on the Disbursement of Proceeds from the sale of The 30th ("The 30th") Commercial Development to AREIT, Inc. ("AREIT")

Dear Ms. Encarnacion,

We are pleased to submit our Progress Report on the Application of Proceeds for the Fourth Quarter of 2021, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

Please be advised that as of December 31, 2021 the remaining balance of the proceeds from the sale of The 30th to AREIT amounts to One Billion Five Hundred Twelve Million Eight Hundred Eighty-One Thousand Seven Hundred Sixty-Seven Pesos and Twenty Six Centavos (Php1,512,881,767.26).

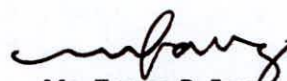
The details of the disbursement for the Fourth Quarter of 2021 are as follows:

Net proceeds from the sale of The 30th (Refer to Amended Reinvestment plan dated Dec 22, 2021)	Php4,564,285,714.29
Less:	
Disbursements from Jan 16 to Sept 30, 2021 (Reported as of Sept 30, 2021)	956,079,904.09
Adjustments on disbursements reported as of Sept 30, 2021 (Annex A)	178,091,331.83
Disbursements from Oct 1 to Dec 31, 2021 (Annex B)	1,917,232,711.10
Balance of proceeds from the sale of The 30th as of December 31, 2021	<u>Php1,512,881,767.26</u>

Thank you.


Very truly yours,

Augusto D. Bengzon
Ayala Land, Inc.
Treasurer and Chief Finance Officer



Ma. Teresa R. Famy
AREIT, Inc.
Chief Finance and Compliance Officer

SUBSCRIBED AND SWORN to before me this JAN 17 2022 at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i>		
Augusto D. Bengzon	Passport No. P4323352B	08 Jan 2020/ DFA NCR East
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i>		
Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration Date 05 Dec 2023

Doc No. 337 ;
Page No. 69 ;
Book No. XV ;
Series of 2022 ;




MA. FLORENCE THERESE D.G. MARTIREZ-CRUZ
Notary Public - Makati City
Appt. No. M-154 until December 31, 2021
Roll of Attorneys No. 60896
IBP No. 136246 - 12/21/2020 - Makati City
PTR No. MKT8862852 - 01/11/2022 - Makati City
MCLE Compliance No. VI-0009482 - 06/20/2018
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

ANNEX A- Adjustments on disbursements reported as of Sept 30, 2021

Disbursing Entity	Project Name	Amount
ALI Eton Property Development Corporation	Parklinks	389,674,233.92
Cebu District Property Enterprise, Inc.	Gatewalk Central	(211,582,902.09)
TOTAL		178,091,331.83

ANNEX B- Disbursements from Oct 1 to Dec 31, 2021

Disbursing Entity	Project Name	Amount
ALI Eton Property Development Corporation	Parklinks	306,000,000.00
ALI Commercial Center Inc	One Ayala (Malls)	384,716,788.50
ALI Commercial Center Inc	One Ayala (BPO)	558,480,000.00
Unity Realty & Dev't Corp.	Pampanga Property	225,000,000.00
Ayala Land Inc.	Arbor Lanes 1-5	97,190,715.62
Ayala Land Inc.	Avida Towers Vireo T1-3	77,646,815.35
Ayala Land Inc.	Avida Towers Sola T1-2	40,153,422.48
Amaia Land Corp.	Cavite Property	77,044,969.15
Amaia Land Corp.	Quezon City Property	61,000,000.00
Laguna Technopark Inc.	Cavite Property	90,000,000.00
TOTAL		1,917,232,711.10

STRICTLY CONFIDENTIAL

REPORT OF FACTUAL FINDINGS

AYALA LAND, INC.

31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: **Mr. Augusto D. Bengzon**
Chief Finance Officer

Dear Mr. Bengzon:

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report as at **December 31, 2021** on the use of the proceeds from the sale of The 30th Commercial Development to AREIT, Inc. on **January 15, 2021**. The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company relating to the use of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. These agreed-upon procedures and results thereof are summarized as follows:

1. Obtain the Quarterly Progress Summary Report on Use of Proceeds from the sale of The 30th Commercial Development to AREIT, Inc. (the "Schedule") and perform the following:
 - Check the mathematical accuracy of the Schedule;
 - Check whether there are additions and disbursements in the schedule and compare with the schedule of application of proceeds;
 - On a sample basis, trace additions and disbursements to the supporting documents such as progress billings, bank statements, invoices, and official receipts, and agree the amount to the accounting records.
 - On a sample basis, inquire into and identify the nature of the additions and disbursements. Check if the disbursements were classified consistently according to its nature based on the schedule of planned use of sale of The 30th proceeds.

We report our findings below:

1. We checked the mathematical accuracy of the Schedule, no exceptions noted.
2. We traced the disbursements to the supporting documents. We have noted that the Company issued intercompany loans to the following companies to be used in the projects specified:

Distributing Entity	Amount	Project Name
ALI Eton Property Development Corporation	₱306,000,000.00	Parlinks (Mixed-use)
ALI Commercial Center Inc	384,716,788.50	One Ayala (Malls)
ALI Commercial Center Inc	558,480,000.00	One Ayala (BPO)
Unity Realty & Dev't Corp.	225,000,000.00	Pampanga Property
Amaia Land Corp	77,044,969.15	Cavite Property
Amaia Land Corp	61,000,000.00	Quezon City Property
Laguna Technopark Inc	90,000,000.00	Cavite Property
	₱1,702,241,757.65	

We have traced these amounts to the promissory note and bank statements and agreed the amounts to the accounting records. No exceptions noted.

We also traced the amounts disbursed by the Company during the 4th quarter (October to December) for the following projects amounting to ₱215 million to the progress billings, invoices and official receipts and agreed the amount to the accounting records. No exceptions noted.

Project Name	Amount
Arbor Lanes 1-5	₱97,190,715.62
Avida Towers Vireo T1-3	77,646,815.35
Avida Towers Sola T1-2	40,153,422.48
	₱214,990,953.45

3. We also noted adjustments made during the period. Adjustment for ALI Eton Property Development Corp. was due to the amendment of the planned use for Parklinks Project from ₱800 million to ₱833 million and the ₱527 million infusion from the Company last May and February 2021. The adjustment for Cebu District Property Enterprise, Inc. is attributable to the amendment on reinvestment plan from ₱837 million to ₱164 million and a correction of the reported disbursement as of September. No exceptions noted.

Distributing Entity	Amount	Project Name
ALI Eton Property Development Corporation	₱389,674,233.92	Parklinks
Cebu District Property Enterprise, Inc.	(211,582,902.09)	Gatewalk Central
	₱178,091,331.83	

4. There were no additions during the 4th quarter (October to December). Further, we inquired into and identified the nature of the disbursement. We have noted the Amended Reinvestment Plan dated December 22, 2021 included the proceeds from the sale of The 30th Commercial Development to AREIT, Inc. We also checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of 30th proceeds as documented in the Amended Reinvestment Plan. We have noted that the abovementioned entities and the related projects were included in the Reinvestment Plan, and the amounts disbursed to these companies have not exceeded the planned use. No exceptions noted.

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the accounts of the Company or its financial statements, taken as a whole.

Had we performed additional procedures or performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's use of proceeds from the sale and items specified above and do not extend to any financial statements of the Company taken as a whole.

SYCIP GORRES VELAYO & CO.



Michael C. Sabado

Partner

CPA Certificate No. 89336

Tax Identification No. 160-302-865

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 0664-AR-4 (Group A)

November 11, 2019, valid until November 10, 2022

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023

PTR No. 8854360, January 3, 2022, Makati City

ACKNOWLEDGMENT

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


I certify that on 17 JAN 2022, before me a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

Name	Competent Evidence of Identity	Date / Place Issued
Michael C. Sabado	P1178919B	March 25, 2019/DFA

who were identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that their signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above written.

Doc. No. 56 ;
Page No. 13 ;
Book No. 4 ;
Series of 2021. 2022


ATTY. JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-19 until 12/31/2023
Roll No. 45790 / IBP Life No. 04897 / 07 - 03 - 03
PTR - O.R. No. 8852510 / 01 - 03 - 22 / Makati City
MCLE No VI-0016565 / 01 - 14 - 19
G/F Fedman Suites, 199 Salcedo Street,
Legaspi Village, Makati City

January 15, 2022

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

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

Subject: 2021 Fourth Quarter Progress Report on the Disbursement of Proceeds from the
sale of 44 million AREIT Shares

Dear Ms. Encarnacion,

We are pleased to submit our Progress Report on the Application of Proceeds for the Fourth Quarter of 2021, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

Please be advised that as of December 31, 2021, the remaining balance of the proceeds from the sale of 44 million AREIT Shares, amounts to One Billion Three Hundred Ninety-Eight Million One Hundred Eighty-Six Thousand Two Hundred Forty Pesos (Php1,398,186,240.00).

No disbursement was made during the Fourth Quarter of 2021.

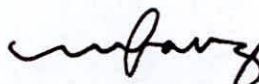
Gross Proceeds from sale of 44 million AREIT Shares as of May 5, 2021, Php	1, 408,000,000.00
Less: Transaction costs	<u>9,813,760.00</u>
Net Proceeds from sale of 44 million AREIT shares	1,398,186,240.00
Less: Disbursement May 5 to December 31, 2021	<u>0.00</u>
Balance of Proceeds from sale of AREIT Share as of December 31, 2021 Php	<u>1,398,186,240.00</u>

Thank you.

Very truly yours,



Augusto D. Bengzon
Ayala Land, Inc.
Treasurer and Chief Finance Officer



Ma. Teresa R. Famy
AREIT, Inc.
Chief Finance and Compliance Officer

SUBSCRIBED AND SWORN to before me this JAN 17 2022 at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i>		
Augusto D. Bengzon	Passport No. P4323352B	08 Jan 2020/ DFA NCR East
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i>		
Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration Date 05 Dec 2023

Doc No. 336 ;
Page No. 6A ;
Book No. XV ;
Series of 2022 ;


MA. FLORENCE THERESE D.G. MARTIREZ-CRUZ

Notary Public - Makati City
Appt. No. M-154 until December 31, 2021
Roll of Attorneys No. 60896
IBP No. 136246 - 12/21/2020 - Makati City
PTR No. MKT8862852 - 01/11/2022 - Makati City
MCLE Compliance No. VI -0009482 - 06/20/2018
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines



STRICTLY CONFIDENTIAL

REPORT OF FACTUAL FINDINGS

AYALA LAND, INC.

31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: **Mr. Augusto D. Bengzon**
Chief Finance Officer

Dear Mr. Bengzon:

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report as at **December 31, 2021** on the use of the proceeds received by **Ayala Land, Inc.** (the "Company") from the block sale of its shares in **AREIT, Inc.** ("AREIT") on **May 5, 2021**. The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company relating to the use of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. These agreed-upon procedures and results thereof are summarized as follows:

1. Obtain the Quarterly Progress Summary Report on Use of Proceeds from the Block Sale of AREIT Shares (the "Schedule") and perform the following:
 - Check the mathematical accuracy of the Schedule;
 - Check whether there are additions and disbursements in the schedule and compare with the schedule of application of proceeds;
 - On a sample basis, trace additions and disbursements to the supporting documents such as progress billings, bank statements, invoices, and official receipts, and agree the amount to the accounting records;
 - On a sample basis, inquire into and identify the nature of the additions and disbursements. Check if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.

We report our findings below:

1. We checked the mathematical accuracy of the Schedule, no exceptions noted.
2. We checked whether there are additions and disbursements in the schedule and compare with the schedule of application of proceeds. There were no transactions during the 4th quarter (October to December).

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the accounts of the Company or its financial statements, taken as a whole.

Had we performed additional procedures or performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's use of proceeds from the offering and items specified above and do not extend to any financial statements of the Company taken as a whole.

SYCIP GORRES VELAYO & CO.



Michael C. Sabado

Partner

CPA Certificate No. 89336

Tax Identification No. 160-302-865

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 0664-AR-4 (Group A)

November 11, 2019, valid until November 10, 2022

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023

PTR No. 8854360, January 3, 2022, Makati City

ACKNOWLEDGMENT

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


I certify that on 17 JAN 2022 before me a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

Name	Competent Evidence of Identity	Date / Place Issued
Michael C. Sabado	P1178919B	March 25, 2019/DFA

who were identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that their signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above written.

Doc. No. 57 ;
Page No. 13 ;
Book No. 4 ;
Series of 2021. 2022


ATTY. JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-19 until 12/31/2023
Roll No. 45790 / IBP Life No. 04897 / 07-03-03
PTR - O.R. No. 8852510 / 01-03-22 / Makati City
MCLE No VI-0016565 / 01-14-19
G/F Fedman Suites, 199 Salcedo Street,
Legaspi Village, Makati City

January 28, 2022

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

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

Subject: Final Tranche Final Report on the Disbursement of Proceeds from the Sale of The 30th Commercial Development ("The 30th") to AREIT, Inc. ("AREIT")

Dear Ms. Encarnacion,

We are pleased to submit the Final Report on the Application of Proceeds for the final tranche from the Sale of The 30th to AREIT, Inc., duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On January 29, 2021, Ayala Land, Inc. ("ALI") received net proceeds from the Sale of The 30th amounting to Three Billion Six Hundred Fifty One Million Four Hundred Seventeen Thousand Eight Hundred Fifty Seven Pesos and Fourteen Centavos (Php3,651,417,857.14).

As of January 28, 2022, ALI already disbursed the total net proceeds amounting to Four Billion Five Hundred Sixty-Four Million Two Hundred Eighty-Five Thousand Seven Hundred Fourteen and Twenty-Eight Centavos (Php4,564,285,714.28), in accordance with its Reinvestment plan.

The details of the disbursement are as follows:

Proceeds from Sale of The 30th, January 15, 2021 (Initial payment)	Php912,867,857.14
Proceeds from Sale of The 30th, January 29, 2021 (Final payment)	3,651,417,857.14
Total Proceeds from Sale of The 30 th	Php4,564,285,714.28
Less: Disbursements from January 16, 2021 to January 28, 2022	4,564,285,714.28
Balance of Proceeds from Sale of The 30 th	0

Thank you.

Very truly yours,



Augusto D. Bengzon
Ayala Land, Inc.
Treasurer and Chief Finance Officer



Ma. Teresa R. Fahy
AREIT, Inc.
Chief Finance and Compliance Officer

SUBSCRIBED AND SWORN to before me this JAN 28 2022 at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
Represented by:		
Augusto D. Bengzon	Passport No. P4323352B	08 Jan 2020/ DFA NCR East
AREIT, Inc.	TIN: 006-346-689-000	
Represented by:		
Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration Date 05 Dec 2023

Doc No. 357 ;
Page No. 73 ;
Book No. XV ;
Series of 2022 ;

Notarial DST pursuant to
Sec.188 of the Tax Code
affixed on Notary Public's copy




MA. FLORENCE THERESA D.G. MARTIREZ-CRUZ

Notary Public - Makati City
Appt. No. M-154 until December 31, 2021
Roll of Attorneys No. 60896
IBP No. 136246 - 12/21/2020 - Makati City
PTR No. MKT8862852 - 01/11/2022 - Makati City
MCLE Compliance No. VI-0009482 - 06/20/2018
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

STRICTLY CONFIDENTIAL

REPORT OF FACTUAL FINDINGS

AYALA LAND, INC.

31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: **Mr. Augusto D. Bengzon**
Chief Finance Officer

Dear Mr. Bengzon:

We have performed the procedures agreed with you and enumerated below with respect to the attached Final Report as at **January 28, 2022** on the use of the proceeds for the final tranche from the sale of The 30th Commercial Development to AREIT, Inc. received on **January 29, 2021**. The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company relating to the use of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. These agreed-upon procedures and results thereof are summarized as follows:

1. Obtain the final tranche Final Report on Use of Proceeds from the sale of The 30th Commercial Development to AREIT, Inc. (the "Schedule") and perform the following:
 - Check the mathematical accuracy of the Schedule;
 - Check whether there are additions and disbursements in the schedule and compare with the schedule of application of proceeds;
 - On a sample basis, trace additions and disbursements to the supporting documents such as progress billings, bank statements, invoices, and official receipts, and agree the amount to the accounting records.
 - On a sample basis, inquire into and identify the nature of the additions and disbursements. Check if the disbursements were classified consistently according to its nature based on the schedule of planned use of sale of The 30th proceeds.

We report our findings below:

1. We checked the mathematical accuracy of the Schedule, no exceptions noted.
2. We checked whether there are additions and disbursements in the schedule and compared with the schedule of application of proceeds.

3. We traced the receipt of the net proceeds to the Bank Statements, noted the following:
 - The Company received total proceeds approximately ₱4,564 million, exclusive of tax or ₱5,112 million, VAT inclusive.
 - The Company received ₱913 million on January 15, 2021 for the first tranche.
 - The remaining ₱3,651 million exclusive of VAT was received on January 29, 2021 for the final tranche.

We also checked the entry made in the books of the Company. No exceptions noted.

4. We traced the disbursements to the supporting documents. We have noted that the Company issued intercompany loans to the following companies to be used in the projects specified:

Distributing Entity	Amount	Project Name
ALI Eton Property Development Corporation	833,000,000.00	Parklinks (Mixed-use)
Cebu District Property Enterprise, Inc.	164,024,444.13	Gatewalk Central (Malls & Offices)
Unity Realty & Dev't Corp.	955,000,000.00	Pampanga Property
ALI Commercial Center Inc	943,196,788.50	One Ayala (Malls & BPO)
Amaia Land Corp	77,044,969.15	Cavite Property
Amaia Land Corp	61,000,000.00	Quezon City Property
Accendo Development Corp	119,684,770.86	Avida Towers Abreeza T1
Amaia Land Corp.	36,520,910.68	Amaia Steps Alabang Helena
Avida Land Inc.	335,000,000.00	Mandaluyong Property
Avida Land Inc.	81,628,212.80	Ilagan Property
Avida Land Inc.	67,035,109.47	Laguna Property
Avida Land Inc.	20,034,977.92	Batangas Property
Laguna Technopark Inc	135,000,000.00	Cavite Property
	₱3,828,170,183.51	

We have traced these amounts to the promissory note and bank statements and agreed the amounts to the accounting records. No exceptions noted.

We also traced the amounts disbursed for the following projects amounting to ₱736 million to the progress billings, invoices and official receipts and agreed the amount to the accounting records. No exceptions noted.

Project Name	Amount
Arbor Lanes 1-5	97,190,715.62
Avida Towers Vireo T1-3	83,762,364.83
Avida Towers Sola T1-2	40,153,422.48
Tarlac Property	427,780,654.18
Orean Place 1	87,228,373.66
	₱736,115,530.77

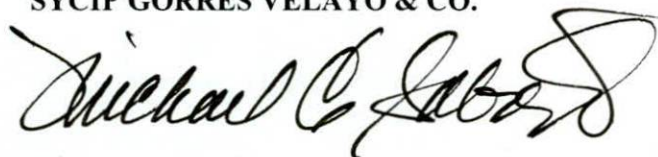
5. We inquired into and identified the nature of the disbursements. We have noted the Amended Reinvestment Plan dated December 22, 2021 included the proceeds from the sale of The 30th Commercial Development to AREIT, Inc. We also checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of 30th proceeds as documented in the Amended Reinvestment Plan. We have noted that the abovementioned entities and the related projects were included in the Reinvestment Plan, and the amounts disbursed to these companies have not exceeded the planned use. No exceptions noted.

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the accounts of the Company or its financial statements, taken as a whole.

Had we performed additional procedures or performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's use of proceeds from the sale and items specified above and do not extend to any financial statements of the Company taken as a whole.

SYCIP GORRES VELAYO & CO.



Michael C. Sabado

Partner

CPA Certificate No. 89336

Tax Identification No. 160-302-865

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 0664-AR-4 (Group A)

November 11, 2019, valid until November 10, 2022

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023

PTR No. 8854360, January 3, 2022, Makati City

ACKNOWLEDGMENT

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

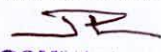
I certify that on **JAN 29 2022**, before me a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

Name	Competent Evidence of Identity	Date / Place Issued
Michael C. Sabado	P1178919B	March 25, 2019/DFA

who were identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that their signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above written.

Doc. No. 99 ;
Page No. 21 ;
Book No. 4 ;
Series of 2021. 2022


ATTY. JOSelyn
Notary Public for Makati City
Appointment No. M-19 until 12/31/2023
Roll No. 45790 / IBP Life No. 04897 / 07-03-03
PTR - O.R. No. 8852510 / 01-03-22 / Makati City
MCLE No VI-0016565 / 01-14-19
G/F Fedman Suites, 199 Salcedo Street,
Legaspi Village, Makati City

April 7, 2022

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

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

Subject: Final Report on the Disbursement of Proceeds from the Sale of 44 million AREIT
Shares

Dear Ms. Encarnacion,

We are pleased to submit our Final Report on the Application of Proceeds from the sale of 44 million AREIT Shares at a transaction price of PHP32.00 per share, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On May 5, 2021, Ayala Land, Inc. ("ALI") received gross proceeds from the sale of 44 million AREIT Shares amounting to One Billion Four Hundred Eight Million Pesos (Php1,408,000,000).

As of March 31, 2022, ALI already disbursed the total gross proceeds amounting to One Billion Four Hundred Eight Million Pesos (Php1,408,000,000) in accordance with its Reinvestment plan.

The details of the disbursement are as follows:

Gross Proceeds from sale of 44 million AREIT Shares as of May 5, 2021	Php1,408,000,000.00
Less: Disbursements from May 5, 2021 to March 31, 2022 (Annex A)	Php1,408,000,000.00
Balance of Proceeds from sale of AREIT Shares as of March 31, 2022	<u>0</u>

Thank you.

Very truly yours,



Augusto D. Bengzon
Ayala Land, Inc.
Treasurer and Chief Finance Officer



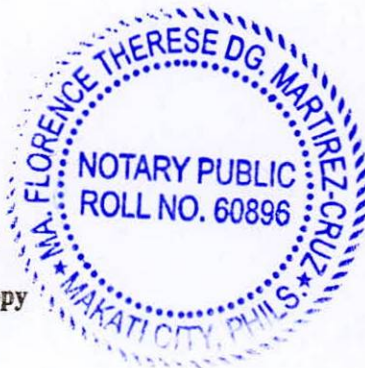
Ma. Teresa R. Famy
AREIT, Inc.
Chief Finance and Compliance Officer

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiants exhibiting to me their identification documents as follows: **APR 08 2022**

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
Represented by:		
Augusto D. Bengzon	Passport No. P4323352B	08 Jan 2020/ DFA NCR East
AREIT, Inc.	TIN: 006-346-689-000	
Represented by:		
Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration Date 05 Dec 2023

Doc No. 437 ;
Page No. 89 ;
Book No. XV ;
Series of 2022 ;

Notarial DST pursuant to
Sec. 188 of the Tax Code
Affixed on Notary Public's copy




WA. FLORENCE THERESE D.G. MARTIREZ-CRUZ
Notary Public - Makati City
Appl. No. M-154 until December 31, 2021
Roll of Attorneys No. 60896
Extended until June 30, 2022
IBP No. 178376 - 02/16/2022 - Makati City
PTR No. MKT8862852 - 01/11/2022 - Makati City
MCLE Compliance No. VI - 0009482 - 06/20/2018
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

ANNEX A- Disbursements from January 1 to March 31, 2022

Disbursing Entity	Project Name	Amount
Ayala Land Inc.	One Vertis Plaza	167,842,669.23
Ayala Land Inc.	Arbor Lanes 3-5	353,093,073.88
Ayala Land Inc.	Gardencourt	175,533,678.37
Ayala Land Inc.	Andacillo	175,796,424.97
Ayala Land Inc.	Orean Place T2	127,890,492.25
Avida Land Corp.	Manila Property	300,436,281.60
Avida Land Corp.	Avida Towers Riala T1-T5	98,252,365.13
Avida Land Corp.	Avida Towers Verge T1	9,155,014.57
TOTAL		1,408,000,000.00

STRICTLY CONFIDENTIAL

REPORT OF FACTUAL FINDINGS

AYALA LAND, INC.

31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: **Mr. Augusto D. Bengzon**
Chief Finance Officer

Dear Mr. Bengzon:

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report as at **March 31, 2022** on the use of the proceeds received by **Ayala Land, Inc.** (the "Company") from the block sale of its shares in **AREIT, Inc.** ("AREIT") on **May 5, 2021**. The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company relating to the use of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. These agreed-upon procedures and results thereof are summarized as follows:

1. Obtain the Quarterly Progress Summary Report on Use of Proceeds from the Block Sale of AREIT Shares (the "Schedule") and perform the following:
 - Check the mathematical accuracy of the Schedule;
 - Check whether there are additions and disbursements in the schedule and compare with the schedule of application of proceeds;
 - On a sample basis, trace additions and disbursements to the supporting documents such as progress billings, bank statements, invoices, and official receipts, and agree the amount to the accounting records;
 - On a sample basis, inquire into and identify the nature of the additions and disbursements. Check if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.

We report our findings below:

1. We checked the mathematical accuracy of the Schedule, no exceptions noted.
2. We traced the disbursements to the supporting documents. We have noted that the Company issued intercompany loans to the following companies to be used in the projects specified:

Distributing Entity	Amount	Project Name
Avida Land Corp	₱300,436,281.60	Manila Property
Avida Land Corp	98,252,365.13	Avida Towers Riala T1-T5
Avida Land Corp	9,155,014.57	Avida Towers Verge T1
	₱407,843,661.3	

We have traced these amounts to the promissory note and bank statements and agreed the amounts to the accounting records. No exceptions noted.

We also traced the amounts disbursed for the following projects amounting to ₱1,000.16 million to the progress billings, invoices and official receipts and agreed the amount to the accounting records. No exceptions noted.

Project Name	Amount
One Vertis Plaza	₱167,842,669.23
Arbor Lanes 3-5	353,093,073.88
Gardencourt	175,533,678.37
Andacillo	175,796,424.97
Orean Place T2	127,890,492.25
	₱1,000,156,338.70

3. We inquired into and identified the nature of the disbursements. We have noted the Amended Reinvestment Plan dated March 22, 2022 included the proceeds from the block sale of AREIT. We also checked if the disbursements were classified consistently according to its nature based on the schedule of planned use proceeds from the block sale of AREIT shares as documented in the Amended Reinvestment Plan. We have noted that the abovementioned entities and the related projects were included in the Reinvestment Plan, and the amounts disbursed to these companies have not exceeded the planned use. No exceptions noted.

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the accounts of the Company or its financial statements, taken as a whole.

Had we performed additional procedures or performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's use of proceeds from the offering and items specified above and do not extend to any financial statements of the Company taken as a whole.

SYCIP GORRES VELAYO & CO.



Michael C. Sabado

Partner

CPA Certificate No. 89336

Tax Identification No. 160-302-865

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 0664-AR-4 (Group A)

November 11, 2019, valid until November 10, 2022

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023

PTR No. 8854360, January 3, 2022, Makati City

ACKNOWLEDGMENT

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

APR 08 2022

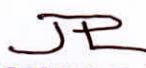
I certify that on _____, before me a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

Name	Competent Evidence of Identity	Date / Place Issued
Michael C. Sabado	P1178919B	March 25, 2019/DFA

who were identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that their signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above written.

Doc. No. 385;
Page No. 80;
Book No. 4;
Series of 2022.


ATTY. JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-19 until 12/31/2023
Roll No. 45790 / IBP Life No. 04897 / 07-03-03
PTR - O.R. No. 8852510 / 01-03-22 / Makati City
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