



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

## Offer Supplement

**₱22.00 Billion Fixed-Rate Bonds  
with an Oversubscription Option of up to ₱11.00 Billion  
to be issued in three (3) series at the discretion of the Issuer  
under its ₱50.0 Billion Securities Program  
rendered effective on October 11, 2021**

**Series A: 4.3969% 2- year Bonds due 2024**

**Series B: 6.2110% 5- year Bonds due 2027**

**Series C: 6.8045% 7- year Bonds due 2029**

Issue Price: 100% of Face Value

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

### Joint Lead Underwriters and Bookrunners



**BPI** Capital  
Corporation



**FIRST METRO**  
INVESTMENT CORPORATION  
Metrobank Group



**SB CAPITAL**  
A Subsidiary of Security Bank

### Selling Agents

East West Banking Corporation

Philippine Commercial Capital, Inc.

RCBC Capital Corporation

### Trustee

Security Bank Corporation - Trust and Asset Management Group

The date of this Offer Supplement is June 10, 2022.

**A REGISTRATION STATEMENT RELATING TO THESE SECURITIES WAS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") AND RENDERED EFFECTIVE ON OCTOBER 11, 2021 COVERING ₱50.0 BILLION OF SECURITIES UNDER THE PROSPECTUS DATED OCTOBER 07, 2021 ACCESSIBLE AT <https://ir.ayalaland.com.ph/wp-content/uploads/2021/10/ALI-Bonds-due-2031-Final-Prospectus-10072021-vF.pdf>. OF SUCH AMOUNT, ₱2.75 BILLION OF SECURITIES WERE ISSUED ON OCTOBER 26, 2021 AND ₱9.5 BILLION OF SECURITIES WERE ISSUED ON MAY 05, 2022 WITH THE OFFER SUPPLEMENT ACCESSIBLE AT [https://ir.ayalaland.com.ph/wp-content/uploads/2022/04/ALI-Amended-Offer-Supplement-04.25.22-vF\\_with-SMR-and-AFS-with-Supplementary-Schedules.pdf](https://ir.ayalaland.com.ph/wp-content/uploads/2022/04/ALI-Amended-Offer-Supplement-04.25.22-vF_with-SMR-and-AFS-with-Supplementary-Schedules.pdf).**

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

Ayala Land, Inc. ("**ALI**," "**Ayala Land**," the "**Issuer**" or the "**Company**") prepared the prospectus dated October 07, 2021 (the "**Prospectus**") relating to the offering of debt and other securities as provided by applicable Securities and Exchange Commission ("**SEC**") rules and regulations effective at the time of issuance of ₱50,000,000,000 ("**2021 Program**") to be issued in one or more tranches (each a "**Tranche**") as authorized by a resolution of the Board of Directors of the Company dated February 23, 2021. A registration statement filed by the Company covering the Program was rendered effective by the SEC by its order dated October 11, 2021. For the first Tranche of the 2021 Program with a principal amount of ₱2,750,000,000, a certificate of permit to offer securities for sale ("**SEC Permit**") of such bonds was issued on October 11, 2021. For the second Tranche of the 2021 Program with a principal amount of ₱9,500,000,000, the SEC Permit of such bonds was issued on April 11, 2022.

This Offer Supplement (and as the context requires, the term includes the Prospectus and the Second Tranche Offer Supplement) relates to the offering and sale of fixed-rate bonds in aggregate principal amount of Twenty-two Billion Pesos (₱22,000,000,000.00) (the "**Base Offer**"), with an oversubscription option of up to Eleven Billion Pesos (₱11,000,000,000.00) (the "**Oversubscription Option**", together with the Base Offer, the "**Offer**" or the "**Bonds**") to be issued in three (3) series, at the discretion of the Issuer.

The SEC Permit covering the first Tranche of the 2021 Securities Program with a principal amount of ₱2,750,000,000 billion of bonds was issued on October 11, 2021. The SEC Permit covering the second Tranche of the 2021 Securities Program with a principal amount of ₱9,500,000,000 billion of bonds was issued on April 11, 2022.

The Bonds shall be issued on July 4, 2022, or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such other date as may be agreed upon by the Issuer, and the Joint Lead Underwriters and Bookrunners (the "**Joint Lead Underwriters and Bookrunners**") ("**Issue Date**"). The Series A Bonds shall have a term of two (2) years from the Issue Date with a fixed interest rate of 4.3969% per annum (the "**Series A Bonds**"). The Series B Bonds shall have a term of five (5) years from the Issue Date with a fixed interest rate 6.2110% per annum and an optional redemption starting on the 8<sup>th</sup> to 19<sup>th</sup> Interest Payment Dates of such Series B Bonds (the "**Series B Bonds**"). The Series C Bonds shall have a term of seven (7) years from the Issue Date with a fixed interest rate 6.8045% per annum and an optional redemption starting on the 16<sup>th</sup> to the 27<sup>th</sup> Interest Payment Dates of such Series C Bonds (the "**Series C Bonds**", together with the Series A Bonds and the Series B Bonds, the "**Bonds**"). Interest on the Bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrear. Other securities shall be issued as provided by applicable SEC rules and regulations effective at the time of issuance.

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

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

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

The Bonds shall be offered to the public at face value through the Joint Lead Underwriters and Bookrunners with the Philippine Depository & Trust Corp. ("**PDTC**") as the Registrar of the Bonds. It is

intended that upon issuance, the Bonds shall be issued in scripless form, with PDTC maintaining the scripless Register of Bondholders, and listed on the Philippine Dealing & Exchange Corp. (“**PDEX**”). A listing application covering the Bonds was filed with PDEX on May 25, 2022. The Bonds shall be issued in denominations of ₱50,000.00 each, as a minimum, and in multiples of ₱10,000.00 thereafter, and traded in denominations of ₱10,000.00 in the secondary market.

ALI expects to raise gross proceeds of ₱22,000,000,000 from the Base Offer and up to a maximum of ₱33,000,000,000 assuming full exercise of the Oversubscription Option. The net proceeds from the Base Offer are estimated to be ₱21.74 billion after deducting fees, commissions, and expenses relating to the issuance. Assuming the Oversubscription Option is fully exercised, the net proceeds are estimated to be approximately ₱32.61 billion after deducting fees, commissions, and expenses relating to the issuance. Proceeds of the Offer are intended to be used for refinancing and to fund general corporate requirements including capital expenditures (see “*Use of Proceeds*”). The Joint Lead Underwriters and Bookrunners shall receive a fee of 0.375% on the final aggregate nominal principal amount of the Bonds.

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

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

This Offer Supplement contains the final terms of the Bonds and must be read in conjunction with the Prospectus and the Offer Supplement dated April 25, 2022 issued in connection with the second Tranche of the 2021 Program (the “**Second Tranche Offer Supplement**”). Full information on the Company and this Offer are only available on the basis of the combination of this Offer Supplement, the Second Tranche Offer Supplement, the Prospectus, and all other Bond Agreements. The information contained in the Prospectus and the Second Tranche Offer Supplement are deemed incorporated by reference in this Offer Supplement. Investors should review all information contained in the Prospectus, the Second Tranche Offer Supplement and this Offer Supplement.

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

Neither the delivery of the Prospectus, the Second Tranche Offer Supplement and the Offer Supplement nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the

information contained or referred to in the Prospectus, the Second Tranche Offer Supplement and this Offer Supplement are accurate as of any time subsequent to the date hereof. The Joint Lead Underwriters and Bookrunners have exercised the diligence required by regulations in ascertaining that all material representations contained in the Offer Supplement are true and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading.

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

No dealer, salesman or other person has been authorized by Ayala Land and the Joint Lead Underwriters and Bookrunners to give any information or to make any representation concerning the Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorized by Ayala Land or the Joint Lead Underwriters and Bookrunners.

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



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

AYALA LAND, INC.

By:

**BERNARD VINCENT O. DY**  
President and Chief Executive Officer

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

Before me, a notary public in and for the city named above, personally appeared Bernard Vincent O. Dy known to me and to me known as the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument. With Passport No. P7090533B valid until June 30, 2031.

Witness my hand and seal this JUN 10 2022 at Makati City.

Doc No. 49 ;  
Book No. 11 ;  
Page No. 219 ;  
Series of 2022.

**FELIPE I. ILEDAN JR.**

Notary Public for and in Makati City  
Until Dec. 31, 2022, Appt. No. M-09  
Roll No. 27625, TIN 136897808  
412, 4<sup>th</sup> Flr. VGP Center, Ayala, Makati City  
2022 PTR No. MLA 0097542  
IBP No. 119432, 06/17/2020  
MCLE Compliance No. VI-0012066

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## FORWARD-LOOKING STATEMENTS AND PRESENTATION OF FINANCIAL INFORMATION

### Forward-Looking Statements

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

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

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

### Presentation of Financial Information

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

## DEFINITION OF TERMS

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

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

**“2021 Program”** means the ₱50,000,000,000 securities program of the Company covered by the registration statement filed by Ayala Land with the SEC on August 10, 2021, as the same may be amended or supplemented from time to time, and rendered effective by the SEC on October 11, 2021.

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

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

**“Associate”** means an entity in which the Ayala Land Group has significant influence which is neither a Subsidiary nor a Joint Venture.

**“Ayala Group”** refers to Ayala Corporation and its Subsidiaries and Affiliates.

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

**“Ayala Land Group”** or **“ALI Group”** refers to Ayala Land, Inc. and its Subsidiaries and Affiliates.

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

**“Base Offer”** means the public offer of fixed-rate bonds in aggregate principal amount of Twenty-Two Billion Pesos (₱22,000,000,000.00) to be issued as the third Tranche under the Issuer’s 2021 Program.

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

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

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

**“BDO Capital”** shall refer to BDO Capital & Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 17<sup>th</sup> Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City.

**“BIR”** refers to the Bureau of Internal Revenue.

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

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

**“Bondholders”** means the holders of the Bonds.

**“Bonds”** means the fixed-rate bonds in the aggregate principal amount of ₱22,000,000,000 with an Oversubscription Option of up to ₱11,000,000,000 to be issued by Ayala Land on the Issue Date.

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

**“BPO”** means Business Process Outsourcing.

**“BSP”** refers to Bangko Sentral ng Pilipinas.

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

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

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

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

**“Interest Payment Date”** means October 4, 2022 for the first Interest Payment Date and October 4, January 4, April 4, and July 4 of each year for each subsequent Interest Payment Date at which the Bonds are outstanding; and in the event that any of such Interest Payment Dates are not Business Days, such Interest Payment Dates shall be deemed to be the immediately succeeding Business Day without any adjustment to the amount due, provided that if the Issue Date is set at a date other than July 4, 2022, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment to the amount due.

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<sup>1</sup> BPI Capital Corporation and Ayala Land, Inc are affiliates which are ultimately owned by Ayala Corporation. BPI Capital is 100% owned by the Bank of the Philippine Islands, which is 22.16% owned by Ayala Corporation. On the other hand, as of December 31, 2021, Ayala Land is 46.07% owned by Ayala Corporation with the remainder owned by the public.

**“Issue Date”** means July 4, 2022 or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such other date as may be agreed upon between the Issuer and the Joint Lead Underwriters and Bookrunners with advice to the SEC, PDTC, and PDEX.

**“Joint Lead Underwriters and Bookrunners”** refers to BDO Capital, BPI Capital, China Bank Capital, First Metro, and SB Capital, being the Joint Lead Underwriters and Bookrunners appointed by the Issuer under the Underwriting Agreement.

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

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

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

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

**“Maturity Date”** means two (2) years after Issue Date for the Series A Bonds, five (5) years after Issue Date for the Series B Bonds, and seven (7) years after Issue Date for the Series C Bonds; provided that, in the event that the Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid.

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

**“Offer Period”** means the period commencing at 9:00 a.m. on June 15, 2022 and ending at 5:00 p.m. on June 23, 2022, or such earlier or later days as may be determined by the Issuer and the Joint Lead Underwriters and Bookrunners.

**“Oversubscription Option”** means the option exercisable by the Joint Lead Underwriters and Bookrunners, with the consent of the Issuer, to increase the Base Offer by up to Eleven Billion Pesos (₱11,000,000,000.00), which if exercised, will form part of the third Tranche to be issued under the 2021 Program.

**“PAS”** means Philippine Accounting Standards.

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

**“PCC”** refers to the Philippine Competition Commission.

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

**“PDTC”** refers to the Philippine Depository & Trust Corp.

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

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

**“PFRS”** means Philippine Financial Reporting Standards.

**“Philippines”** means the Republic of the Philippines.

**“POC”** means percentage of completion.

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

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

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

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

**“Registry and Paying Agency Agreement”** means the Registry and Paying Agency Agreement dated June 10, 2022, between Ayala Land and the Registrar and Paying Agent.

**“Registrar”** refers to the Philippine Depository & Trust Corp.

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

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

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

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

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

**“Second Tranche Offer Supplement”** means the offer supplement dated April 25, 2022, issued in connection with the second Tranche of the 2021 Program.

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

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

**“Selling Agents”** shall refer to East West Banking Corporation, Philippine Commercial Capital, Inc., and RCBC Capital Corporation.

**“Subsidiary”** refers to a corporation which is controlled, directly or indirectly, by another corporation which thereby becomes its parent.

**“sqm”** means square meters.

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

**“Taxes”** means any present or future taxes including, but not limited to, documentary stamp tax, levies, imposts, filing and other fees or charges imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof including surcharges, penalties and interests on said taxes, but

excluding final withholding tax, gross receipts tax, and taxes on the overall income of the Joint Lead Underwriters and Bookrunners or of the Bondholders.

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

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

**“Trust Indenture”** means the Trust Indenture dated June 10, 2022 between Ayala Land and the Trustee.

**“Trustee”** refers to Security Bank Corporation - Trust and Asset Management Group appointed by the Issuer under the Trust Indenture for the Bonds.

**“Underwriting Agreement”** means the Underwriting Agreement dated June 10, 2022 among Ayala Land and the Joint Lead Underwriters and Bookrunners.

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



## EXECUTIVE SUMMARY

*The following section discusses updates to the executive summary after the date of the Prospectus and the Second Tranche Offer Supplement, and must be read in conjunction with the Prospectus and the Second Tranche Offer Supplement. This section is qualified in its entirety by the more detailed information, and financial statements and notes thereto appearing elsewhere in this Offer Supplement. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Offer Supplement carefully, including the section entitled "Risk Factors and Other Considerations" and the audited consolidated financial statements and the related notes to those statements included in this Offer Supplement, the Second Tranche Offer Supplement and the Prospectus.*

### COMPANY OVERVIEW

As of April 30, 2022, Ayala Corporation's effective ownership in Ayala Land is 46.26% while 52.72% is owned by the public. As of April 30, 2022, Ayala Land has 14,795,594,779 outstanding common shares and 13,066,494,759 outstanding voting preferred shares. 14,553,997,696 common shares are listed with the PSE. The 241,597,083 unlisted common shares pertain to (i) the 123,278,368 common shares representing partial payment of subscriptions of the Corporation's officers to the stock option plans, and (ii) the issuance of 118,318,715 common shares to the stockholders of Cebu Holdings, Inc. as consideration of the merger with and into the Corporation, with the Corporation as the surviving entity. These will be listed upon full payment and completion of the requirements. Foreign equity ownership is 18.14% composed of 4,445,444,303 outstanding common shares and 609,377,935 voting preferred shares as of April 30, 2022. Equity attributable to equity holders of Ayala Land amounted to ₱232.62 billion. Ayala Land has a total market capitalization of ₱438.25 billion based on the closing price of ₱29.60 per common share on May 31, 2022, the last trading day of the said month.

### Review of 2021 Operations vs 2020

Please refer to page 7 of the Second Tranche Offer Supplement.

### Recent Developments

#### 2022

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 were 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.

### Ayala Land's Principal Strengths

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

With 12,483 hectares of landbank composed of 274 hectares in Metro Manila, 10,063 hectares in other areas in Luzon and 2,146 hectares in Visayas and Mindanao as of December 31, 2021, Ayala Land is well positioned to take advantage of the growth prospects in the real estate sector in the Philippines. It is currently present across 57 identified growth centers in the country.

### Summary of Financial Information

Please refer to pages 11 to 14 of the Second Tranche Offer Supplement.

## **OVERVIEW OF THE 2021 SECURITIES PROGRAM**

Please refer to pages 20-23 of the Prospectus.

## SUMMARY OF THE OFFER

This Offer Supplement and Offer relate to the Bonds with an aggregate principal amount of Twenty-Two Billion Pesos (₱22,000,000,000.00), with an oversubscription option of up to Eleven Billion Pesos (₱11,000,000,000.00). The following summary of the offer does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offer Supplement.

Issuer:	Ayala Land, Inc.
Issue:	Fixed-rate bonds (the “ <b>Bonds</b> ”) constituting the direct, unconditional, unsecured and general obligations of the Issuer
Issue Amount:	<p>Twenty-Two Billion Pesos (₱22,000,000,000.00) in aggregate principal amount (the “<b>Base Offer</b>”), with an Oversubscription Option of up to Eleven Billion Pesos (₱11,000,000,000.00) (the “<b>Oversubscription Option</b>”) to be issued in three (3) series, at the discretion of the Issuer.</p> <p>The Oversubscription Option is exercisable by the Joint Lead Underwriters and Bookrunners with the consent of the Issuer.</p>
Use of Proceeds:	Net proceeds will be used for refinancing and to fund general corporate requirements including capital expenditures (see “Use of Proceeds”).
Joint Lead Underwriters and Bookrunners:	BDO Capital & Investment Corporation, BPI Capital Corporation, China Bank Capital Corporation, First Metro Investment Corporation, and SB Capital Corporation
Trustee:	Security Bank Corporation - Trust and Asset Management Group
Offer Period:	The Offer shall commence at 9:00 a.m. on June 15, 2022 and ending at 5:00 p.m. on June 23, 2022, or on such other dates as the Issuer and the Joint Lead Underwriters and Bookrunners may agree upon.
Issue Date:	July 4, 2022, or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such other date as may be agreed upon by the Issuer and the Joint Lead Underwriters and Bookrunners with advice to the SEC, PDTC and PDEX.
Maturity Date:	<p>Series A Bonds: two (2) years from Issue Date  Series B Bonds: five (5) years from Issue Date  Series C Bonds: seven (7) years from Issue Date</p> <p>provided that, in the event that such Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid.</p>
Interest Rate:	<p>Series A Bonds: 4.3969% per annum  Series B Bonds: 6.2110% per annum  Series C Bonds: 6.8045% per annum</p>
Issue Price:	Par or 100% of face value
Interest Payment Date:	Interest on the Bonds shall be calculated on a 30/360-day count basis and shall be paid quarterly in arrear commencing on October 4, 2022 for the first Interest Payment Date and October 4, January 4, April 4 and July 4 of each year for each subsequent Interest Payment Date while the Bonds are outstanding. In the event that any Interest Payment Date is not a Business Day, such Interest Payment Date shall be paid on the immediately succeeding Business Day without any adjustment to the

amount due. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment to the amount due, provided that if the Issue Date is set at a date other than July 4, 2022, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date.

Call Option

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

For the Series B Bonds:

<b>Call Option Dates</b>	<b>Call Option Price</b>
8 <sup>th</sup> to 11 <sup>th</sup> Interest Payment Date	101.5%
12 <sup>th</sup> to 15 <sup>th</sup> Interest Payment Date	101.0%
16 <sup>th</sup> to 19 <sup>th</sup> Interest Payment Date	100.5%

For the Series C Bonds:

<b>Call Option Dates</b>	<b>Call Option Price</b>
16 <sup>th</sup> to 19 <sup>th</sup> Interest Payment Date	101.5%
20 <sup>th</sup> to 23 <sup>rd</sup> Interest Payment Date	101.0%
24 <sup>th</sup> to 27 <sup>th</sup> Interest Payment Date	100.5%

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

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

Upon receipt of a Call Option notice fully complying with the Terms and Conditions, the Trustee shall notify the Bondholders thereof by transmitting such notice through any of the means prescribed under Paragraph 22(b) of these Terms and Conditions.

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

Issue Rating:

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

## NET PROCEEDS FROM THE OFFER

The net proceeds from the Base Offer of ₱22.00 billion is estimated to be ₱21.74 billion after deducting expenses related to the Offer. Said expenses are as follows:

	<b>Total</b>
<b>Estimated proceeds from the sale of the Bonds</b>	<b>₱22,000,000,000.00</b>
Less:	
SEC Registration and Legal Research Fee	8,332,530.00
Documentary Stamp Tax	165,000,000.00
Underwriting Fee	82,500,000.00
Estimated Professional Expenses and Agency fees	6,930,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket expenses	500,000.00
Listing Fee	100,000.00
<b>Total Estimated Upfront Expenses</b>	<b>263,362,530.00</b>
<b>Estimated net proceeds to Ayala Land</b>	<b>₱21,736,637,470.00</b>

The net proceeds from the ₱33.00 Billion Offer (assuming the Oversubscription Option is fully exercised) is estimated to be ₱32.61 billion after deducting expenses related to the Offer. Said expenses are as follows:

	<b>Total</b>
<b>Estimated proceeds from the sale of the Bonds</b>	<b>₱33,000,000,000.00</b>
Less:	
SEC Registration and Legal Research Fee	8,332,530.00
Documentary Stamp Tax	247,500,000.00
Underwriting Fee	123,750,000.00
Estimated Professional Expenses and Agency fees	9,130,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket expenses	500,000.00
Listing Fee	100,000.00
<b>Total Estimated Upfront Expenses</b>	<b>389,312,530.00</b>
<b>Estimated net proceeds to Ayala Land</b>	<b>₱32,610,687,470.00</b>

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

## RISK FACTORS AND OTHER CONSIDERATIONS

*This section includes additional risks or updated discussions of certain risks to those stated in the Prospectus and must be read in conjunction with the Prospectus and the Second Tranche Offer Supplement. The following section is qualified in its entirety by, and should be read in conjunction with, the more detailed information found in the Prospectus and in the Second Tranche Offer Supplement. The risk factors discussed in this section are of equal importance and are organized in no particular order.*

### GENERAL RISK WARNING

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

### PRUDENCE REQUIRED

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

### PROFESSIONAL ADVICE

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

### RISKS ASSOCIATED WITH THE COMPANY

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

As of March 3, 2022, the Philippine Department of Health reported 3,664,905 total cases of the novel coronavirus ("COVID-19") nationwide with 56,538 deaths attributed to COVID-19. The Philippines continues to add thousands of cases reported per day with 989 new cases on March 6, 2022. The Philippines remains vulnerable to exposure and spread of the disease for the following reasons: (a) the considerable number of OFWs globally; (b) the impact of international travel which raises the probability of transmission; and (c) lack of the necessary infrastructure to contain the spread of the disease. In response to the COVID-19 outbreak, the Philippines has imposed community quarantine measures and travel bans on several affected countries, which may have an adverse impact to the Company's ability to operate as efficiently as before COVID-19.

On February 27, 2022, acting Presidential Spokesperson and Cabinet Secretary Karlo Nograles announced the approval of the government's coronavirus task force in placing the capital region under Alert Level 1 from March 1 until March 15. On March 1, 2022, Metro Manila, along with 38 other areas throughout the country, is placed under Alert Level 1 and the coronavirus restrictions would be downgraded to the loosest level nearly two years after the pandemic.

On March 13, 2020, the Office of the President of the Philippines issued a memorandum imposing stringent social distancing measures in the National Capital Region ("NCR" or "Metro Manila") effective March 15, 2020 to contain the spread of COVID-19. Subsequently, Presidential Proclamation No. 929 was issued on March 16, 2020, declaring a State of Calamity throughout the country for a period of six (6) months and at the same time, imposed an enhanced community quarantine ("ECQ") throughout the island of Luzon until April 12, 2020, unless earlier lifted. The ECQ was extended twice, initially up to April 30, 2020 and then until May 15, 2020 for "high-risk" areas such as NCR, Regions 3 and 4 in Luzon and Region 7 in the Visayas.

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

As the Philippines broke its all-time high of daily COVID-19 infections for the fifth time within one week on March 26, 2021, Metro Manila and nearby provinces of Bulacan, Cavite, Laguna and Rizal (“NCR Plus”) were again placed under ECQ effective March 29, 2021 until April 11, 2021 to address the exponential rise in COVID-19 cases in the country leading to hospital capacity rates reaching critical levels. The Philippine government subsequently downgraded the lockdown level in NCR Plus, and, together with the City of Santiago, Quirino, and Abra, were placed under MECQ effective April 12, 2021 until May 14, 2021. During MECQ, real estate activities limited to leasing is allowed to operate at full on-site capacity, while real estate activities outside of leasing shall be allowed to operate at 50% on-site capacity. From August 6, 2021 to August 20, 2021, NCR Plus was once again placed under ECQ. The Government downgraded Metro Manila to MECQ from August 21, 2021 to September 15, 2021. Starting September 16, 2021, the Philippine government reduced the community quarantine to either ECQ or GCQ with the latter having an alert-level system (Alert Level 1 to 4) with each alert level limiting restrictions only to identified high-risk activities. On September 16, 2021, Metro Manila was placed under GCQ with Alert Level 4. Effective October 16, 2021 to November 4, 2021, Metro Manila was placed under GCQ with Alert Level 3. With the slowdown of COVID-19 cases and to further ease the allowed activities and movement, the Philippine government reduced Metro Manila’s Alert Level to 2 from November 5, 2021 to January 2, 2022. With the increasing number of COVID-19 case due to the omicron variant, Metro Manila was placed under Alert Level 3 effective January 3, 2022 to January 31, 2022. For the entire month of February 2022, Metro Manila was on Alert Level 2.

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

Government quarantine measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve. In particular, the ECQ has adversely impacted (a) the completion of Ayala Land’s projects as construction is not an activity given priority under the government guidelines, and (b) Ayala Land’s ability to collect and generate rental income, which could negatively impact its cash flows. Due to the imposition of an ECQ, foot traffic in malls and occupancies in the Company’s hotels have declined. With respect to the Company’s malls, only tenants providing essential services, such as pharmacies, food-related outlets and supermarkets, which account for approximately 10% of the gross leasable area, were allowed to remain open in 2020. Only such establishments were able to pay rent during such periods in 2020 when ECQ was implemented. With the reimposition of stricter quarantine restrictions from August 6 to 20, 2021, 75% of the Company’s malls gross leasable area will be under under the strictest ECQ classification wherein only essential tenants are allowed to operate. Furthermore, hotels occupancy as of December 31, 2021 was 45%. During the strictest ECQ, these accommodated BPO employees working nearby as well as healthcare professionals. They are also catering to returning overseas Filipinos for quarantine requirements.

As a consequence of COVID-19, sales velocity in 2020 and in first half of 2021 slowed down resulting in the increased inventory. The Company is already prepared to launch ₱100.0 billion worth of projects this year as velocity improves. However, the Company may decide to reduce the launches if there will be slowdown in demand given the reimposition of stricter quarantine levels. Further, the Company made several adjustments in 2020 to boost productivity in its construction business despite manpower

restrictions. The Company started enhancing and intensifying its strategies which improved productivity on several scopes of work from then 60 to 65 % to the current 82 to 85%.

With the continuing threat of the omicron variant of COVID-19, the Company believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain. The possible reimposition of stricter forms of quarantine measures due to rising COVID-19 cases may have an adverse effect on economic activity in the Philippines, and could materially and adversely affect Ayala Land's business, financial condition and results of operations.

The Company has taken measures to manage the risks and uncertainties brought about by the outbreak, including adequate support to safeguard the well-being of its employees, ensuring effective work from home set-up such that the organization is able to function through the quarantine period, working alongside other Ayala Group companies towards the rollout of the Ayala Vaccine and Immunization Program for its employees, continued assessment, monitoring and safeguarding of its overall cash and credit position, and close coordination with the vendors for its projects under construction to manage impact of lockdown procedures. The Company allocated ₱6.2 billion and ₱7.2 billion in rent condonation for mall merchants in 2020 and in 2021, respectively.

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

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

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

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

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

Further, on May 09, 2022, the Philippines held its national and local elections, which includes most notably the presidential elections. Historically, the Philippine Stock Exchange Index has provided gains to its investors in the six months following a presidential election. However, in the lead up to the 2022 elections, investors still see uncertainty given the highly polarized political environment. Moreover,



market sentiment has been dampened in the past few weeks amidst speculations of a 50-basis-point rate hike by the US Federal Reserve in early May. Due to political uncertainty many investors are deferring their investment decisions, while some foreign investors have withdrawn net \$274 million from Philippine equities this year<sup>2</sup>. Any disruptions of the credit and equity markets may impede or prevent access to the capital markets for additional funding to expand the Company's business and may affect the availability or cost of borrowing. While the Company also seeks to obtain funding from counterparty banks through credit facilities other than capital markets, if the Company is unable to obtain the required funding, the Company will have to adjust its business plans and strategies, which may adversely affect the Company's future prospects, market value and results of operations.

## **RISKS RELATING TO THE SECURITIES**

Please refer to pages 41-42 of the Prospectus and page 25 of the Second Tranche Offer Supplement

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<sup>2</sup> Source: <https://www.bworldonline.com/corporate/2022/05/06/446910/presidential-elections-may-spell-fat-stock-returns/>

## USE OF PROCEEDS

Following the offer and sale of the Bonds in the aggregate principal amount of ₱22.00 billion with an Oversubscription Option of up to ₱11.00 billion, ALI expects that the net proceeds of the Offer shall amount to approximately ₱21.74 billion for a ₱22.00 billion issue size or ₱32.61 billion for a ₱33.00 billion issue size, assuming full exercise of the Oversubscription Option, and after deducting fees, commissions and expenses.

*Based on an issue size of ₱22,000,000,000.00:*

	<b>Total</b>
<b>Estimated proceeds from the sale of the Bonds</b>	<b>₱22,000,000,000.00</b>
Less:	
SEC Registration and Legal Research Fee	8,332,530.00
Documentary Stamp Tax	165,000,000.00
Underwriting Fee	82,500,000.00
Estimated Professional Expenses and Agency fees <sup>1</sup>	6,930,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket Expenses <sup>2</sup>	500,000.00
Listing Fee	100,000.00
<b>Total Estimated Upfront Expenses</b>	<b>263,362,530.00</b>
<b>Estimated net proceeds to Ayala Land</b>	<b>₱21,736,637,470.00</b>

<sup>1</sup>This includes accounting (₱2,000,000), legal fees of Co Ferrer Ang-Co and Gonzales Law Offices for the preparation of legal opinion required by the SEC (₱80,000.00), rating (₱4,400,000.00), registry and paying agency (₱300,000.00), and trusteeship (₱150,000.00) upfront fees.

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

*Based on an issue size of ₱33,000,000,000.00:*

	<b>Total</b>
<b>Estimated proceeds from the sale of the Bonds</b>	<b>₱33,000,000,000.00</b>
Less:	
SEC Registration and Legal Research Fee	8,332,530.00
Documentary Stamp Tax	247,500,000.00
Underwriting Fee	123,750,000.00
Estimated Professional Expenses and Agency fees <sup>1</sup>	9,130,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket Expenses <sup>2</sup>	500,000.00
Listing Fee	100,000.00
<b>Total Estimated Upfront Expenses</b>	<b>389,312,530.00</b>
<b>Estimated net proceeds to Ayala Land</b>	<b>₱32,610,687,470.00</b>

<sup>1</sup>This includes accounting (₱2,000,000), legal fees of Co Ferrer Ang-Co and Gonzales Law Offices for the preparation of legal opinion required by the SEC (₱80,000.00), rating (₱6,600,000.00), registry and paying agency (₱300,000.00), and trusteeship (₱150,000.00) upfront fees.

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

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

1. PDEX and PDTC annual listing and registry paying agency maintenance fee of ₱400,000.00
2. Annual Rating Monitoring and Agency fees of ₱250,000.00 plus VAT; and
3. Annual Trustee fees of ₱150,000.00.

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

Out of the ₱21.74 billion net proceeds from the Base Offer, the Company plans to use approximately ₱20.54 billion to partially refinance the following Philippine peso-denominated obligations (refer to Table 1), and approximately ₱1.2 billion to fund general corporate requirements, including but not limited to expenses in the ordinary course of business including the following capital expenditures (refer to Table 2):

**Table 1- Philippine peso-denominated obligations for Refinancing  
(in billion Pesos)**

Type	Amount	Details
Short Term Loans	₱10.00	Any short-term loans that will be drawn to finance the full settlement of the Company's 3.0% per annum ₱10.0 billion fixed-rate bonds issued in 2020 <sup>3</sup> maturing on June 26, 2022
Short Term Loans	₱10.54	Repayment of the principal of the various short-term loans with external counterparty banks: (i) Hongkong and Shanghai Banking Corporation in the amount of ₱0.67 million with 2.07% rate p.a., (ii) ING Bank in the amount of ₱3.91 billion with 2.01% rate p.a., (iii) Metropolitan Bank and Trust Company ("MBTC") in the amount of ₱2.56 billion with 2.04% rate p.a., and (v) Rizal Commercial Banking Corporation in the amount of ₱3.40 billion with 2.23% rate p.a., all maturing on July 4, 2022. <sup>4</sup> These were drawn to fund various general corporate requirements in the ordinary course of business including general administrative and/or direct operating expenses. Except for MBTC, the aforementioned counterparty banks are not related to any of the Joint Lead Underwriters and Bookrunners and their related parties. <sup>5</sup>
<b>Total</b>	<b>₱20.54</b>	

**Table 2- Capital Expenditures  
(in billion Pesos)**

Project Location	Company	Total Investment	Total Spent to date	Remaining Planned Use in 2022	Brief Description	Percentage of Completion (POC)**	Target Date of Completion
Taguig City Property	BG West Properties, Inc.	2.40	1.40	0.60	49-storey residential development	94%	2023
Taguig City Property	BG West Properties, Inc.	2.00	1.40	0.60	Land acquisition	N/A	N/A
<b>Total</b>		<b>₱4.40*</b>	<b>₱2.80</b>	<b>₱1.20*</b>			

\*Total investment cost is only ALI's share in the development. To the extent available, the Company will use the net proceeds as equity to BG West to fund the developments and land acquisition above.

\*\* Unlaunched or projects not yet for sale and have no construction works ongoing do not have POCs.

If the Oversubscription Option is fully exercised, approximately ₱22.10 billion out of the net proceeds of ₱32.61 billion will be used to partially refinance the following Philippine peso-denominated obligations (refer to Table 3), and approximately ₱10.52 billion to fund general corporate requirements, including but not limited to expenses in the ordinary course of business including the ₱1.20 billion worth capital expenditures mentioned above and the following additional capital expenditures (refer to Table 4):

**Table 3- Philippine peso-denominated obligations for Refinancing**

<sup>3</sup> 3.0% ALI 2022 Bonds prospectus dated June 10, 2020 is posted in the Company's website and can be downloaded using this link: <https://ir.ayalaland.com.ph/wp-content/uploads/2020/06/Ayala-Land-Inc.-Final-Offer-Supplement-dated-10-June-2020.pdf>. Under the terms of such prospectus, ALI issued a total of ₱10.0 billion 3.0% Bonds due 2022 comprising of ₱6.0 billion worth of bonds from the base offer and ₱4.0 billion worth of bonds from the oversubscription option.

<sup>4</sup> ALI intends to avail of its option to extend maturity date for such loans until July 4, 2022 in accordance with the terms of such facility agreements and/or relevant credit instruments.

<sup>5</sup> First Metro is the investment banking arm of Metropolitan Bank & Trust Company, which is among the creditors that will be repaid with a portion of the proceeds from the Offer. The Offer and the foregoing revolving loan facility are unrelated transactions and were independently contracted with the Company without considering the other and were each entered into on terms commercially and separately negotiated on an arm's length basis.

*(in billion Pesos)*

Type	Amount	Details
Short Term Loans	₱10.00	Any short-term loans that will be drawn to finance the full settlement of the Company's 3.0% per annum ₱10.0 billion fixed-rate bonds issued in 2020 <sup>6</sup> maturing on June 26, 2022
Short Term Loans	₱12.10	Repayment of the principal of the various short-term loans with external counterparty banks: (i) Hongkong and Shanghai Banking Corporation in the amount of ₱0.67 billion with 2.07% rate p.a., (ii) ING Bank in the amount of ₱3.91 billion with 2.01% rate p.a., (iii) MBTC in the amounts of ₱2.56 billion and ₱0.16 billion with 2.04% and 1.95% rates p.a., respectively and (iv) Rizal Commercial Banking Corporation in the amounts of ₱3.40 billion and ₱1.40 with 2.23% and 2.00% rates p.a., respectively, all maturing on July 4, 2022. <sup>7</sup> These were drawn to fund various general corporate requirements in the ordinary course of business including general administrative and/or direct operating expenses. Primarily, these include payment of dividends, taxes and other disbursements and funding of equity infusions. Except for MBTC, the aforementioned counterparty banks are not related to any of the Joint Lead Underwriters and Bookrunners and their related parties. <sup>8</sup>
<b>Total</b>	<b>₱22.10</b>	

**Table 4- Capital Expenditures**  
*(in billion Pesos)*

Project Location	Brand/ Company Name	Total Investme nt	Total Spent to date	Remainin g Planned Use in 2022	Brief Description*	Ave. POC	Target Date of Completi on
Various properties in Makati, Mandaluyong, Manila and Quezon City	AyalaLand Premier	42.39	11.14	2.67	Various residential tower and developments and premier corporate tower	43%	2023 to 2027
Various properties in Cavite, Makati, Mandaluyong, Manila and Western Visayas	Alveo Land, Corp.	41.76	15.08	3.91	Various residential condominium towers and office developments	52%	2022 to 2026
Various properties in North Luzon and Makati	Amaia Land, Corp.	5.30	0.54	0.46	Various residential tower and developments	23%	2023 to 2025
Various properties in Cavite, Cebu, Makati, Mandaluyong, and Western Visayas	Avida Land, Corp.	21.80	4.41	2.28	Various high-rise developments and residential condominium towers	43%	2023 to 2027
<b>Total</b>		<b>₱111.25</b>	<b>₱31.17</b>	<b>₱9.32</b>			

\*These include the following projects with corresponding remaining planned use (In Php bn): (i) AyalaLand Premier- Park Central Towers South (0.57), Park Central Towers North (0.48), Gardencourt Molave and Narra (0.50), One Vertis Plaza (0.36), The

<sup>6</sup> 3.0% ALI 2022 Bonds prospectus dated June 10, 2020 is posted in the Company's website and can be downloaded using this link: <https://ir.ayalaland.com.ph/wp-content/uploads/2020/06/Ayala-Land-Inc.-Final-Offer-Supplement-dated-10-June-2020.pdf>. Under the terms of such prospectus, ALI issued a total of ₱10.0 billion 3.0% Bonds due 2022 comprising of ₱6.0 billion worth of bonds from the base offer and ₱4.0 billion worth of bonds from the oversubscription option.

<sup>7</sup> ALI intends to avail of its option to extend maturity date for such loans until July 4, 2022 in accordance with the terms of such facility agreements and/or relevant credit instruments.

<sup>8</sup> First Metro is the investment banking arm of Metropolitan Bank & Trust Company, which is among the creditors that will be repaid with a portion of the proceeds from the Offer. The Offer and the foregoing revolving loan facility are unrelated transactions and were independently contracted with the Company without considering the other and were each entered into on terms commercially and separately negotiated on an arm's length basis.

*Residences at Azuela Cove South Tower (0.13), Arbor Lanes 4 (0.24), Andacillo (0.24) and Arbor Lanes 5 (0.15); (ii) Alveo Land, Corp.- Ametrine (0.35), Park Triangle Residences (0.23), Callisto T2 (0.44), Tryne (0.39), Parkford Suites (0.37), Callisto T1 (0.37), Olean Place T1 (0.30), Olean Place T2 (0.13), Viento T3 (0.28), The Stiles Enterprise Plaza East Tower (0.25), Patio Suites T1(0.15), Park Cascades T2 (0.17), Park Cascades T1 (0.16), Viento T1(0.14) and Viento T2 (0.18); (iii) Amaia Land, Corp. - Amaia Skies Shaw T2 (0.18), Steps Junction Aria (0.10) and Skies Avenida T2 (0.18); and (iv) Avida Land, Corp.- T1 (0.37), Abreeza T1 (0.24), Abreeza T2 (0.09), Ardane T1(0.32), Makati Southpoint T1 (0.30), Makati Southpoint T2 (0.17), Riala T5 (0.26), Cloverleaf T2 (0.22), Aspira T2 (0.13) and Verge T3 (0.18).*

*\*\*POC as of end- April 2022 (before the planned use of proceeds as stated above).*

*Note: To the extent available, ALI will use the net proceeds as advances to these companies to fund the developments above. While these companies have no set dividend policy, these are wholly owned Subsidiaries of ALI. Consequently, repayment of these advances will be determined by the Company and the Subsidiaries as they consider appropriate or deemed beneficial.*

If any material amounts of other funds are necessary to accomplish the debt refinancing, the Issuer shall satisfy the balance from internally generated funds and/or other credit facilities which may include bank borrowings, as the Issuer may consider commercially favorable at the relevant time.

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

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

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

### ***Adjustments in the Use of Proceeds***

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

## CAPITALIZATION

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

(in ₱ Millions)	As of December 31, 2021 (Audited)	Adjustment	Notes	As adjusted for ₱34.00 billion (Upon issuance of the Bonds) <sup>1</sup>
<b>Current Liabilities</b>				
Short-term Debt	16,783			16,783
Accounts and other payables	136,690			136,690
Income tax payable	507			507
Current portion of lease liabilities	599			599
Current portion of long-term debt	26,174			26,174
Deposits and other current liabilities	27,471			27,471
<b>Total Current Liabilities</b>	<b>208,224</b>			<b>208,224</b>
<b>Non-current Liabilities</b>				
Long-term debt – net of current portion	180,140	34,000	1	214,140
Pension liabilities	2,104			2,104
Lease liabilities – net of Current Portion	17,238			17,238
Deferred tax liabilities – net	6,520			6,520
Deposits and other non-current liabilities	60,736			60,736
<b>Total Non-current Liabilities</b>	<b>266,738</b>	<b>34,000</b>	<b>1</b>	<b>300,738</b>
<b>Total Liabilities</b>	<b>474,962</b>	<b>34,000</b>	<b>1</b>	<b>508,962</b>
<b>Equity</b>				
Equity attributable to equity holders of Ayala Land, Inc.				
Paid-up capital	79,897			79,897
Retained earnings	168,981			168,981
Remeasurement loss on defined benefit plans	(33)			(33)
Fair value reserve of financial assets at FVOCI	(881)			(881)
Cumulative translations adjustments	262			262
Equity reserves	1,290			1,290
Treasury Stock	(16,894)			(16,894)
Non-controlling interests	37,882			37,882
<b>Total Equity</b>	<b>270,502</b>			<b>270,502</b>
<b>Total Capitalization</b>	<b>745,464</b>	<b>34,000</b>	<b>2</b>	<b>779,464</b>

Notes:

- Reflects (a) gross proceeds of ₱12.0 billion from the 2<sup>nd</sup> Tranche of the 2021 Program issued on May 5, 2022, and (b) gross proceeds of ₱22.0 billion assuming an issue size of ₱22.0 billion of Bonds.
- Total Capitalization is the sum of Total Liabilities and Total Equity

The following table sets forth the audited consolidated short-term and long-term debt and capitalization of ALI as of December 31, 2021, assuming the full exercise of the Oversubscription Option.

(in ₱ Millions)	As of December 31, 2021 (Audited)	Adjustment	Notes	As adjusted for ₱45.00 billion (Upon issuance of the Bonds) <sup>1</sup>
<b>Current Liabilities</b>				
Short-term Debt	16,783			16,783
Accounts and other payables	136,690			136,690
Income tax payable	507			507
Current portion of lease liabilities	599			599
Current portion of long-term debt	26,174			26,174
Deposits and other current liabilities	27,471			27,471
<b>Total Current Liabilities</b>	<b>208,224</b>			<b>208,224</b>
<b>Non-current Liabilities</b>				
Long-term debt – net of current portion	180,140	45,000	1	225,140
Pension liabilities	2,104			2,104
Lease liabilities – net of Current Portion	17,238			17,238
Deferred tax liabilities – net	6,520			6,520
Deposits and other non-current liabilities	60,736			60,736
<b>Total Non-current Liabilities</b>	<b>266,738</b>	<b>45,000</b>	<b>1</b>	<b>311,738</b>
<b>Total Liabilities</b>	<b>474,962</b>	<b>45,000</b>	<b>1</b>	<b>519,962</b>
<b>Equity</b>				
Equity attributable to equity holders of Ayala Land, Inc.				
Paid-up capital	79,897			79,897
Retained earnings	168,981			168,981
Remeasurement loss on defined benefit plans	(33)			(33)
Fair value reserve of financial assets at FVOCI	(881)			(881)
Cumulative translations adjustments	262			262
Equity reserves	1,290			1,290
Treasury Stock	(16,894)			(16,894)
Non-controlling interests	37,882			37,882
<b>Total Equity</b>	<b>270,502</b>			<b>270,502</b>
<b>Total Capitalization</b>	<b>745,464</b>	<b>45,000</b>	<b>2</b>	<b>790,464</b>

Notes:

- Reflects (a) gross proceeds of ₱12.0 billion from the 2<sup>nd</sup> Tranche of the 2021 Program issued on May 5, 2022, and (b) gross proceeds of ₱33.0 billion assuming an issue size of ₱33.0 billion of Bonds.
- Total Capitalization is the sum of Total Liabilities and Total Equity

## **DETERMINATION OF OFFERING PRICE**

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

The final interest rate of 4.3969% per annum for the Series A Bonds was determined based on 4.1969%, which was the simple average of the 2-year BVAL Reference Rate, as published on the relevant page of Bloomberg at approximately 5:00 p.m., for three (3) consecutive Business Days immediately preceding and ending on the interest rate setting date, and a final spread of 20 basis points, that was determined via a book-building process.

The final interest rate of 6.2110% per annum for the Series B Bonds was determined based on 5.8610%, which was the simple average of the 5-year BVAL Reference Rate, as published on the relevant page of Bloomberg at approximately 5:00 p.m., for three (3) consecutive Business Days immediately preceding and ending on the interest rate setting date, and a final spread of 35 basis points, that was determined via a book-building process.

The final interest rate of 6.8045% per annum for the Series C Bonds was determined based on 6.4045%, which was the simple average of the 7-year BVAL Reference Rate, as published on the relevant page of Bloomberg at approximately 5:00 p.m., for three (3) consecutive Business Days immediately preceding and ending on the interest rate setting date, and a final spread of 40 basis points, that was determined via a book-building process.



## PLAN OF DISTRIBUTION OF THE BONDS

### THE OFFER AND SECURITIES PROGRAM

On October 11, 2021, the SEC issued an Order rendering effective the Registration Statement of the Company in connection with the offer and sale to the public of Securities under the 2021 Program to be issued in one or more tranches within a three-year period from its effectivity. On October 11, 2021, the SEC Permit for the first Tranche of the 2021 Program with a principal amount of ₱2.75 billion was issued. On April 11, 2022, the SEC Permit for the second tranche of the 2021 Program with a principal amount of ₱9.5 billion was issued.<sup>9</sup>

The Bonds will be issued with an aggregate principal amount of Twenty-two Billion Pesos (₱22,000,000,000.00), with an oversubscription option of up to Eleven Billion Pesos (₱11,000,000,000.00). The following summary of the offer does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offer Supplement.

### SHELF REGISTRATION OF SECURITIES NOT COVERED BY THE OFFER

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

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

However, there can be no assurance in respect of: (i) whether Ayala Land will issue any such Securities at all; (ii) the size or timing of any individual issuance or the total issuance of such Securities; or (iii) the tenor, interest rate or other specific terms and conditions of any such issuance. Any decision by Ayala Land to offer such Securities will depend on a number of factors at the relevant time, many of which are not within Ayala Land's control, including but not limited to: prevailing interest rates, the financing requirements of Ayala Land's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

### THE JOINT LEAD UNDERWRITERS AND BOOKRUNNERS OF THE BONDS OFFER

BDO Capital, BPI Capital, China Bank Capital, First Metro, and SB Capital, pursuant to an Underwriting Agreement with Ayala Land dated June 10, 2022, (the "**Underwriting Agreement**"), have agreed to act as the Joint Lead Underwriters and Bookrunners for the Offer and as such, distribute and sell the Bonds at the Issue Price, and have also committed jointly, and not solidarily, to underwrite a total ₱22,000,000,000 of the Offer on a firm basis, in either case subject to the satisfaction of certain conditions and in consideration for certain fees and expenses.

For the Offer, the Joint Lead Underwriters and Bookrunners will receive a fee of 0.375% on the

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<sup>9</sup> The principal amount of ₱2.75 billion issued under the first Tranche of the 2021 Program and the principal amount of ₱9.5 billion issued under the 2021 Program, were issued together with the unissued portion of the 2019 Program.

underwritten principal amount of the Bonds issued. Such fee shall be inclusive of underwriting fees and other participating underwriters or selling agents, if any. The amount of the firm commitments of the Joint Lead Underwriters and Bookrunners are as follows:

<b>Joint Lead Underwriters and Bookrunners</b>	<b>Commitment</b>
BDO Capital	₱ 4,400,000,000.00
BPI Capital	4,400,000,000.00
China Bank Capital	4,400,000,000.00
First Metro	4,400,000,000.00
SB Capital	4,400,000,000.00
<b>Total</b>	<b>₱ 22,000,000,000.00</b>

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

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

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

BDO Capital is the wholly owned investment banking subsidiary of BDO Unibank, Inc., which, in turn, is an associate of the SM Group. BDO Capital is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital commenced operations in March 1999. It obtained its license to operate as an investment house in 1998 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of December 31, 2021, its total assets amounted to ₱4.50 billion and its capital base amounted to ₱4.20 billion.

BPI Capital is a corporation organized in the Philippines as a wholly owned subsidiary of the Bank of the Philippine Islands (“BPI”). It obtained its license to operate as an investment house in 1994 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of December 31, 2021, its total assets amounted to ₱3.51 billion and its capital base amounted to ₱3.39 billion.

China Bank Capital Corporation is the wholly-owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house in 2015 as a result of the spin-off of China Bank’s Investment Banking Group. The firm offers a full suite of investment banking solutions, which include arranging, managing, and underwriting bond offerings, corporate notes issuances, initial public offerings and follow-on offerings of common and preferred shares, private placement of securities, structured loans, project finance, real estate investment trusts, and asset securitizations. China Bank Capital also provides financial advisory services, such as structuring, valuation, and execution of M&A deals, joint ventures, and other corporate transactions. As of December 31, 2021, it has total assets of ₱2.80 billion and a capital base of ₱2.68 billion.

First Metro is a leading investment bank in the Philippines with over fifty years of service in the development of the country’s capital markets. It is a wholly-owned subsidiary of Metropolitan Bank & Trust Company and the investment banking arm of the Metrobank Group, one of the largest financial conglomerates in the country and is licensed by the SEC to engage in underwriting and distribution of securities to the public. First Metro and its subsidiaries offer a wide range of services, from debt and equity underwriting to loan syndication, project finance, financial advisory, investment advisory, government securities and corporate debt trading, equity brokering, online trading, asset management, and research. First Metro has established itself as a leading bond house with key strengths in origination, structuring, and execution. As of December 31, 2021, its total assets amounted to ₱33.1 billion and its

capital base amounted to ₱15.5 billion.

SB Capital is a Philippine corporation organized in October 1995 as a wholly-owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. SB Capital provides a wide range of investment banking services including financial advisory, underwriting of equity and debt securities, project finance, privatizations, mergers and acquisitions, loan syndications and corporate advisory services. SB Capital is also involved in equity trading through its wholly-owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major equity and debt issues, both locally and internationally. As of December 31, 2021, its total assets amounted to ₱1.46 billion and its capital base amounted to ₱1.43 billion. SB Capital is an affiliate of Security Bank Corporation - Trust and Asset Management Group.

Except for BPI Capital and as otherwise disclosed herein, none of the Joint Lead Underwriters and Bookrunners have any direct or indirect relations with Ayala Land in terms of material ownership by their respective major stockholder/s. BPI Capital is a wholly-owned subsidiary of BPI. Ayala Land and BPI, the major shareholder of BPI Capital, are affiliated companies, each with Ayala Corporation as a major shareholder.<sup>10</sup>

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

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

## **SALE AND DISTRIBUTION**

The distribution and sale of the Bonds shall be undertaken by the Joint Lead Underwriters and Bookrunners who shall sell and distribute the Bonds to third party buyers/investors. In the course of the Offer, the Bonds may be offered to domestic insurance companies regulated by the Insurance Commission. Pursuant to the Insurance Commission's approval dated May 19, 2022 specific to the Bonds, such insurance companies may consider their purchase and holdings of the Bonds as admitted assets and allowable investments, for purposes of compliance with the regulatory requirements of the Insurance Commission. Nothing herein shall limit the rights of the Joint Lead Underwriters and Bookrunners from purchasing the Bonds for their own respective accounts should there be any unsold Bonds after the Offer Period. The Joint Lead Underwriters and Bookrunners have appointed East West Banking Corporation, Philippine Commercial Capital, Inc., and RCBC Capital Corporation as Selling Agents. For the Offer of the Bonds, the Selling Agents will receive a selling fee from the Joint Lead Underwriters and Bookrunners. The distribution and sale of the Bonds by the Selling Agents will be strictly limited to their respective proprietary accounts only, which shall include their own retail customer

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<sup>10</sup> BPI Capital Corporation and Ayala Land, Inc are affiliates which are ultimately owned by Ayala Corporation. BPI Capital is 100% owned by the Bank of the Philippine Islands, which is 22.16% owned by Ayala Corporation. On the other hand, as of December 31, 2021, Ayala Land is 46.07% owned by Ayala Corporation with the remainder owned by the public.

base, trust department (if any), subsidiaries, and affiliates.

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

## **OFFER PERIOD**

The Offer Period shall commence at 9:00 a.m. on June 15, 2022 and ending at 5:00 p.m. on June 23, 2022, or on such other dates as the Issuer and the Joint Lead Underwriters and Bookrunners may agree upon.

## **APPLICATION TO PURCHASE**

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

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

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

- identification document (“ID”) of the Applicant which shall consist of any one of the following valid identification documents bearing a recent photo, and which is not expired: Philippine Identification Card (PhilID), Passport, Driver’s License, Professional Regulation Commission ID, National Bureau of Investigation Clearance, Police Clearance, Postal ID, Voter’s ID, Barangay Certification, Government Service Insurance System e-Card, Social Security System Card, Senior Citizen Card, Overseas Workers Welfare Administration ID, OFW ID, Seaman’s Book, Alien Certification of Registration/Immigrant Certificate of Registration, Government Office and government-owned and controlled corporation ID, e.g., Armed Forces of the Philippines, Home Development Mutual Fund, Certification from the National Council for the Welfare of Disabled Persons, Department of Social Welfare and Development Certification, Integrated Bar of the Philippines ID, company IDs issued by private entities or institutions

registered with or supervised or regulated either by the BSP, the SEC or the Insurance Commission, or school ID duly signed by the principal or head of the school (for students who are beneficiaries of remittances/fund transfers who are not yet of voting age);

- two (2) duly accomplished signature cards containing the specimen signature of the Applicant;
- validly issued tax identification number issued by the BIR; and
- such other documents as may be reasonably required by any of the Joint Lead Underwriters and Bookrunners or the Registrar in implementation of its internal policies regarding “know your customer” and anti-money laundering.

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

- a current and valid original of BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the Corporate Secretary of the Bondholder that: (a) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (b) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting the said certification's validity;
- with respect to tax treaty relief, (a) prior to the payment of the initial interest due, (i) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, as required under Revenue Memorandum Order No. 14-2021, (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; and (b) prior to the payment of subsequent interests due, (i) three (3) originals of the submitted new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than the 1<sup>st</sup> day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;
- a duly notarized undertaking executed by (1) the corporate secretary or any authorized representative of such applicant or Bondholder, who has personal knowledge of the exemption based on his official functions, if the applicant purchases, or the Bondholder holds, the Bonds for its account, or (2) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and the Paying Agent of any suspension or revocation of the tax exemption certificate, certificate, ruling or opinion issued by the BIR, executed using the prescribed form, with a declaration and warranty of its tax exempt status

- or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent, and the Joint Lead Underwriters and Bookrunners free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax; and
- such other documentary requirements as may be required by the Issuer and the Registrar and Paying Agent, or as required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

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

#### **MINIMUM PURCHASE**

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

#### **ALLOTMENT OF THE BONDS**

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

#### **REFUNDS**

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

#### **UNCLAIMED PAYMENTS**

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

#### **PURCHASE AND CANCELLATION**

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

#### **SECONDARY MARKET**

Ayala Land intends to list the Bonds in the PDEX. Ayala Land may purchase the Bonds at any time in the PDEX trading system without any obligation to make pro-rata purchases of Bonds from all Bondholders. The Bonds shall be traded in denominations of ₱10,000.00 in the secondary market.

#### **REGISTER OF BONDHOLDERS**

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

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

## DESCRIPTION OF THE BONDS

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

Pursuant to the confirmation and certificate of permit to offer securities for sale to be issued by the SEC, the Company will issue fixed-rate bonds with an aggregate principal amount of Twenty-two Billion Pesos (₱22,000,000,000.00) (the **"Base Offer"**), with an oversubscription option of up to Eleven Billion Pesos (₱11,000,000,000.00) (the **"Oversubscription Option"**, together with the Base Offer, the **"Offer"** or the **"Bonds"**) in three (3) series, at the discretion of the Issuer, for public offer and sale in the Philippines under the prospectus dated October 07, 2021, the offer supplement dated April 25, 2022 (the **"Second Tranche Offer Supplement"**), and the offer supplement dated June 10, 2022 (the **"Offer Supplement"**).

A registration statement filed by the Issuer covering the 2021 Program was rendered effective by the SEC by its order dated October 11, 2021. The first Tranche of the 2021 Program of Two Billion Seven Hundred Fifty Million Pesos (₱2,750,000,000.00) was issued on October 26, 2021 under the Prospectus. The second tranche of the 2021 Program of Nine Billion Five Hundred Million Pesos (₱9,500,000,000.00) was issued on May 05, 2022 under the Offer Supplement dated April 25, 2022. The third tranche to be issued under the 2021 Program will be comprised of: (i) Twenty-Two Billion Pesos (₱22,000,000,000.00) forming part of the Base Offer, and (ii) the Oversubscription Option to the extent exercised. Assuming the full exercise of the Oversubscription Option, the third Tranche under the 2021 Securities Program will consist of up Thirty-three Billion Pesos (₱33,000,000,000.00).

The Bonds are constituted by a Trust Indenture executed on June 10, 2022 (the **"Trust Indenture"**) between the Issuer and Security Bank Corporation - Trust and Asset Management Group (the **"Trustee"**, which term shall, wherever the context permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Indenture). The description of the terms and conditions of the Bonds set out below (**"Terms and Conditions"**) includes summaries of, and is subject to, the detailed provisions of the Trust Indenture and the Registry and Paying Agency Agreement executed on June 10, 2022 (the **"Registry and Paying Agency Agreement"**) between the Issuer, and the Registrar and Paying Agent.

Philippine Depository & Trust Corp. (**"PDTC"**) has no interest in or relation to Ayala Land which may conflict with its roles as Registrar and Paying Agent for the Offer. Security Bank Corporation - Trust and Asset Management Group has no interest in or relation to Ayala Land which may conflict with its role as Trustee for the Offer. Security Bank Corporation - Trust and Asset Management Group is an affiliate of SB Capital.

Copies of the Trust Indenture and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee and the Registrar. The holders of the Bonds (the **"Bondholders"**) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Indenture and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

### 1. Form, Denomination and Title

#### (a) Form and Denomination

The Bonds are in scripless form, and shall be issued, in denominations of Fifty Thousand Pesos (₱50,000.00) each, as a minimum, and in multiples of Ten Thousand Pesos (₱10,000.00) thereafter and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

#### (b) Title



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

(c) Bond Rating

The Bonds have been rated PRS Aaa with a Stable Outlook by Philippine Rating Services Corporation ("**PhilRatings**") on May 11, 2022. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings. On the other hand, a Stable Outlook indicates that the assigned rating is likely to be maintained or to remain unchanged in the next 12 months. PhilRatings identified the following key considerations in the assignment of the ratings and the corresponding Outlook: a) diversified portfolio, complemented by strong brand equity; b) seasoned management team and synergies with the solid Ayala Group; c) improved profitability, following the pandemic-induced decline in 2020, albeit results are still significantly below pre-pandemic levels; and d) sound capital structure and ample liquidity buffers.

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

**2. Transfer of the Bonds**

(a) Register of Bondholders

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

(b) Transfers; Tax Status

Transfers across Tax Categories shall not be allowed except on Interest Payment Dates that fall on a Business Day, provided however that transfers from a tax-exempt category to a taxable tax category on a non-Interest Payment Date shall be allowed using the applicable tax on the PDEX Trading System, ensuring the computations are based on the final withholding tax rate of the taxable party to the trade. Should this transaction occur, the tax-exempt entity shall be treated as being of the same Tax Category as its taxable counterpart for the interest period within which such transfer occurred. For purposes hereof, "Tax Categories" refer to the three (3) final withholding tax categories covering, particularly, tax-exempt entities, 20% tax-withheld entities and 25% tax-withheld entities. This restriction shall be in force until a non-restricted trading & settlement environment for corporate securities is implemented. Transfers taking place in the Register of Bondholders after the Bonds are listed on PDEX may be allowed

between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when allowed under and are in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC. Transfers to or from Bondholders claiming the benefit of any tax treaty which subjects the interest income to a final withholding tax rate other than the final withholding tax categories indicated above shall only be allowed on Interest Payment Dates that fall on a Business Day.

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

(c) Registrar

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

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

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

(d) Secondary Trading of the Bonds

The Issuer intends to list the Bonds on PDEX for secondary market trading. The Bonds will be traded in a minimum board lot size of Ten Thousand Pesos (₱10,000.00) as a minimum, and in multiples of Ten Thousand Pesos (₱10,000.00) in excess thereof for as long as any of the Bonds are listed on PDEX. Secondary market trading in PDEX shall follow the applicable PDEX rules, conventions, and guidelines governing trading and settlement between Bondholders of different tax status and shall be subject to the relevant fees of PDEX and PDTC, all of which shall be for the account of the relevant Bondholder.

### 3. Ranking

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

### 4. Interest

(a) Interest Payment Dates

The Bonds bear interest on its principal amount from and including the Issue Date at the following fixed interest rate per annum from the Issue Date:

Series A Bonds	4.3969%
Series B Bonds	6.2110%
Series C Bonds	6.8045%

Interest on the Bonds is payable quarterly in arrear on October 4, January 4, April 4, and July 4 of each year while the Bonds are outstanding (each of which, for purposes of this section is an “**Interest Payment Date**”) commencing on October 4, 2022. In the event that any of such Interest Payment Dates are not Business Days, such Interest Payment Dates shall be deemed to be the immediately succeeding Business Day without any adjustment to the amount due,

provided that if the Issue Date is set at a date other than July 4, 2022, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment to the amount due.

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

(b) Interest Accrual

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

(c) Determination of Interest Amount

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

## 5. Call Option

(a) Call Option

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

For the Series B Bonds:

<b>Call Option Dates</b>	<b>Call Option Price</b>
8 <sup>th</sup> to 11 <sup>th</sup> Interest Payment Date	101.5%
12 <sup>th</sup> to 15 <sup>th</sup> Interest Payment Date	101.0%
16 <sup>th</sup> to 19 <sup>th</sup> Interest Payment Date	100.5%

For the Series C Bonds:

<b>Call Option Dates</b>	<b>Call Option Price</b>
16 <sup>th</sup> to 19 <sup>th</sup> Interest Payment Date	101.5%
20 <sup>th</sup> to 23 <sup>rd</sup> Interest Payment Date	101.0%
24 <sup>th</sup> to 27 <sup>th</sup> Interest Payment Date	100.5%

The amount payable to the Bondholders in respect of any such redemption shall be calculated as the sum of (i) the Call Option Price applied to the principal amount of the then outstanding Bonds being redeemed and (ii) all accrued interest on the Bonds as of the Call Option Date through any of the means prescribed under Paragraph 21 of the Terms and Conditions.

(b) Exercise of a Call Option

Should the Issuer elect to exercise a Call Option, it shall do so by delivery of an original and three (3) copies of a notice of such exercise to the Trustee, submitted during business hours

on a date no earlier than sixty (60) days and no later than thirty (30) days prior to the Call Option Date through any of the means prescribed under Paragraph 21 of the Terms and Conditions.

Once executed, completed and delivered to the Trustee, a Call Option notice is irrevocable.

Upon receipt of a Call Option notice fully complying with these Terms and Conditions, the Trustee shall notify the Bondholders thereof by transmitting such notice through any of the means prescribed under Paragraph 21(b) of these Terms and Conditions.

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

## 6. Redemption and Purchase

### (a) Final Redemption

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

### (b) Redemption for Taxation Reasons

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

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

### (c) Purchase and Cancellation

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

### (d) Change in Law or Circumstance

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

- (i) Any government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Indenture or the Bonds shall be modified in a manner which, in the reasonable opinion of the Trustee, shall materially and adversely affect the ability of the Issuer to comply with such obligations, or shall be withdrawn or withheld.
- (ii) Any provision of the Trust Indenture or any of the related documents is or shall become, for any reason, invalid, illegal or unenforceable to the extent that shall

become for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Indenture or any of the related documents in whole or in part, or any law shall be introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Indenture or any other related documents.

- (iii) Any concessions, permits, rights, franchise or privileges required for the conduct of the business and operations of the Issuer shall be revoked, canceled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in such manner as to materially and adversely affect the financial condition or operations of the Issuer.
- (iv) The Republic of the Philippines or any competent authority thereof takes any action to suspend the whole or a substantial portion of the operations of the Issuer and to condemn, seize, nationalize or appropriate (either with or without compensation) the Issuer or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by the Issuer.

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

## **7. Payments**

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

The Issuer shall ensure that so long as any of the Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the Bonds and the Issuer or the Paying Agent may only terminate the appointment of the Paying Agent as provided in the Registry and Paying Agency Agreement. In the event the appointed office of any institution shall be unable or unwilling to continue to act as the Paying Agent, the Issuer shall appoint the Makati City office of such other leading institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

## **8. Payment of Additional Amounts; Taxation**

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

- (a) The applicable final withholding tax applicable on interest earned on the Bonds prescribed under the National Internal Revenue Code of 1997, as amended and its implementing rules and regulations promulgated by the BIR as may be in effect from time to time (the “**Tax Code**”).

An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements

to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance:

- (i) a copy of the current and valid tax exemption certificate, ruling or opinion issued by the BIR (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time), addressed to the Bondholder, confirming the exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the Corporate Secretary of the Bondholder as being a true copy of the original on file with the Bondholder, which notarized certification indicates that: (a) the exemption certificate is a true copy of the original; (b) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (c) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting said certification's validity;
- (ii) with respect to tax treaty relief: (a) prior to the payment of the initial interest due, (i) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, as required under Revenue Memorandum Order No. 14-2021; (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws; (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer; and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; (b) prior to the payment of subsequent interests due: (i) three (3) originals of the submitted new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable; and (2) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; and (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than 1st day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;
- (iii) a duly notarized undertaking (substantially in the prescribed form by Ayala Land) declaring and warranting that the same Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, is specifically exempt from the relevant tax or is subject to a preferential tax rate for the relevant tax, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation or modification of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and the Registrar free and harmless against any claims, actions,

suits, and liabilities resulting from the non-withholding or reduced withholding of the required tax; and

- (iv) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, including a copy of the submitted Application Form for Treaty Purposes, the valid and existing tax residence certificate issued by the relevant foreign tax authority, and evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder or the Bondholder's owners' or beneficiaries' legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder or the Bondholder's owners or beneficiaries claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar;
- (b) Gross Receipts Tax under Section 121 of the Tax Code;
- (c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and
- (d) Value-added Tax ("VAT") under Sections 106 to 108 of the Tax Code, as amended by Republic Act No. 9337 and Republic Act No. 10963.

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

## 9. Financial Ratios

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

## 10. Negative Pledge

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

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

constituted by the Issuer on its right to receive income or revenues (whether in the form of dividends or otherwise) from infrastructure projects or related investments therein.

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



assets of the Issuer as reflected in the latest appraisal report submitted by an independent and reputable appraiser.

- (m) Any Security constituted over the investment of the Issuer in any of its Affiliates, whether such investment is in the form of shares, deposits or advances, to guarantee or secure the obligations of the said Affiliates.
- (n) Any Security constituted for the purpose of guaranteeing an Affiliate's obligation in connection with any contract or agreement (other than for borrowed money).
- (o) Any title transfer or retention of title arrangement entered into by the Issuer in the normal course of its trading activities on the counterparty's standard or usual terms.
- (p) Any Security created over (i) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos ("foreign currency"); or (ii) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purpose of securing loan facilities denominated in Philippine Pesos granted by the Issuer in an aggregate principal amount not exceeding the amount of the deposit of the face amount (or value) of that financial instrument.
- (q) Any Security created over cash deposits or marketable investment securities in favor of a bank or financial institution to secure any borrowed money in connection with a treasury transaction; provided that, the aggregate amount of security does not at any time exceed Thirty Million U.S. Dollars (US\$30,000,000) or its equivalent. For this purpose, a "treasury transaction" means any currency, commodity, or interest rate purchase, cap or collar agreement, forward rate agreement, future or option contract, swap or other similar agreement, in relation to the Issuer's treasury management.
- (r) The assignment, transfer or conveyance by way of Security (in any case without recourse) of the Issuer's right to receive any income or revenues from any asset of the Issuer not used in the ordinary course of business; provided that, the constitution by the Issuer of such Security shall not cause the Issuer to breach the maximum Debt to Equity Ratio of 3.0:1.0.

## **11. Events of Default**

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

### **(a) Payment Default**

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

### **(b) Representation/Warranty Default**

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

(c) Other Default

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

(d) Cross Default

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

(e) Insolvency Default

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

(f) Judgment Default

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

(g) Writ and Similar Process Default

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

(h) Closure Default

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

**12. Notice of Default**

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

**13. Consequences of Default**

- (a) If any one or more of the Events of Default shall have occurred and be continuing, either the Trustee, upon the written instruction of the Majority Bondholders, whose written instructions/consents/letters shall be verified by the Registrar against the identification documents or the two-dimensional digital copies thereof in its possession, and by notice in writing delivered to the Issuer, or the Majority Bondholders, by notice in writing delivered to the Issuer and the Trustee, with a copy furnished to the Paying Agent and Registrar, may declare the principal of the Bonds, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, anything contained in the Trust Indenture or in the Bonds to the contrary notwithstanding.
- (b) This provision, however, is subject to the condition that, except in the case of a Writ and Similar Process Default, the Majority Bondholders may, by written notice to the Issuer and the Trustee, during the prescribed curing period, if any, rescind and annul such declaration made by the Trustee pursuant to Condition 13(a), and the consequences of such declaration, upon such terms, conditions and agreement, if any, as they may determine; provided that, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.
- (c) At any time after any Event of Default shall have occurred, the Trustee may:
  - (i) by notice in writing to the Issuer, require the Registrar and Paying Agent to:
    - (aa) act thereafter as agents of the Bondholders represented by the Trustee on the terms provided in the Registry and Paying Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agent and the Registrar shall be limited to amounts for the time being held by the Trustee on the trusts of the Trust Indenture in relation to the Bonds and available to the Trustee for such purpose) and thereafter to hold all sums, documents and records held by them in respect of the Bonds on behalf of the Trustee; and/or

- (bb) deliver all evidence of the Bonds and all sums, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee shall direct in such notice; provided that, such notice shall be deemed not to apply to any document or record which the Registrar and Paying Agent is not obliged to release by any law or regulation; and
- (ii) by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the Bonds to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, provision (bb) above and the Issuer's positive covenant to pay principal and interest, net of applicable withholding taxes, on the Bonds, more particularly set forth in the Trust Indenture, shall cease to have effect.

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

#### **14. Penalty Interest**

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

#### **15. Payment in the Event of Default**

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

#### **16. Application of Payments**

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

**17. Prescription**

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

**18. Remedies**

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

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

**19. Ability to File Suit**

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

**20. Waiver of Default by the Bondholders**

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

## 21. Trustee; Notices

### (a) Notice to the Trustee

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

To the Trustee:	Security Bank Corporation - Trust and Asset Management Group
Attention:	Ma. Pauleen Coraza AM/ Account Officer
Subject:	Ayala Land Bonds due 2024/2027/2029
Address:	7 <sup>th</sup> Floor, Security Bank Centre, 6776 Ayala Avenue, Makati City
Telephone No.:	+63 (2) 8867-6788 loc.5227
Email:	mcoraza@securitybank.com.ph

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

Any requests for documentation or certification and other similar matters must be communicated by the Bondholder to the Trustee in writing and shall be subject to review, acceptance and approval by the Trustee. Upon such acceptance and approval, the Bondholder shall pay to the Trustee upfront a fee of Three Hundred Pesos (₱300) (the “**Activity Fee**”) plus the costs of legal review, courier and the like. The Activity Fee may be adjusted from time to time, at the discretion of the Trustee.

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

### (b) Notice to the Bondholders

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

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

### (c) Binding and Conclusive Nature

Except as provided in the Trust Indenture, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Indenture, shall (in the absence of willful

default, bad faith or manifest error) be binding on the Issuer, and all Bondholders and (in the absence as referred to above) no liability to the Issuer, the Paying Agent or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Indenture.

## **22. Duties and Responsibilities of the Trustee**

- (a) The Trustee is appointed as trustee for and on behalf of the Bondholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Indenture. The Trustee shall, in accordance with the terms and conditions of the Trust Indenture, monitor the compliance or non-compliance by the Issuer with all its representations and warranties, and the observance by the Issuer of all its covenants and performance of all its obligations, under and pursuant to the Trust Indenture. The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Indenture. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the Bondholders shall communicate with in respect to any matters that must be taken up with the Issuer.
- (b) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Indenture and in the Terms and Conditions. In case of default, the Trustee shall exercise such rights and powers vested in it by the Trust Indenture, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.
- (c) None of the provisions contained in these Terms and Conditions or the Offer Supplement shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.
- (d) The Trustee, in the performance of its duties, shall exercise such rights and powers vested in it by the Trust Indenture and the Terms and Conditions of the Bonds, with the care, prudence and diligence necessary under the circumstances then prevailing that a prudent man, acting in like capacity and familiar with such matters, would exercise in the conduct of an enterprise of like character and with similar aims, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.
- (e) Unless a fixed period is otherwise specified in the Trust Indenture and in the absence of a period specifically agreed to by the Trustee and Ayala Land and in the case of notices required to be sent by the Trustee to Bondholders, the Trustee must act promptly in the sending of such notices but in any case shall have a period of not more than thirty (30) days to complete the sending of all such notices in the manner allowed by the Trust Indenture.
- (f) Notwithstanding the above, the Trustee, on its own discretion, may send notices or disclose to the Bondholders any fact, circumstance or event, which would have the effect of effectively reducing the principal amount of the Bonds outstanding, including changes in Laws.

## **23. Resignation and Change of Trustee**

- (a) The Trustee may at any time resign by giving thirty (30) days' prior written notice to the Issuer and to the Bondholders of such resignation.
- (b) Upon receiving such notice of resignation of the Trustee, the Issuer shall immediately appoint a successor trustee by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the resigning trustee and one copy to the successor trustee. However, notwithstanding the immediately preceding sentence, in cases where an Event of Default shall have occurred and be continuing, it is the Majority Bondholders, not the Issuer, that shall appoint the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Bondholder who has been a bona fide holder for at least six (6) months (the "Bona Fide Bondholder") may, for and in behalf of the Bondholders, petition any such court for the appointment of a successor. Such court may thereupon after notice, if any, as it may deem proper, appoint a successor trustee.
- (c) Subject to Section (f) below, a successor trustee must possess all the qualifications required under pertinent laws.
- (d) In case at any time the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer may within thirty (30) days therefrom remove the Trustee concerned, and appoint a successor trustee, by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee. If the Issuer fails to remove the Trustee concerned and appoint a successor trustee, any Bona Fide Bondholder may petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee.
- (e) The Majority Bondholders may at any time remove the Trustee for cause, and appoint a successor trustee, by the delivery to the Trustee so removed, to the successor trustee and to the Issuer of the required evidence under the provisions on Evidence Supporting the Action of the Bondholders in the Terms and Conditions.
- (f) Any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any provisions of the Trust Indenture shall become effective upon the earlier of: (i) acceptance of appointment by the successor trustee as provided in the Trust Indenture; or (ii) effectivity of the resignation notice sent by the Trustee under the Trust Indenture (the "Resignation Effective Date"); provided however that, until such successor trustee is qualified and appointed, the outgoing Trustee shall continue to discharge its duties and responsibilities solely as custodian of records for turnover to the successor trustee promptly upon the appointment thereof by the Issuer; provided finally that, such successor trustee possesses all the qualifications as required by pertinent laws.
- (g) In the event of a change in the Trustee, the Trustee shall be given ninety (90) days to prepare documents, records or any other instruments necessary to be transferred to the successor trustee, unless removed for cause, in which case, it shall transfer to such documents, records or other instruments within such period as may be reasonably determined by Ayala Land.



**24. Successor Trustee**

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

**25. Reports to the Bondholders**

- (a) The Trustee shall submit to the Bondholders on or before February 28 of each year from the relevant Issue Date until full payment of the Bonds a brief report dated as of December 31 of the immediately preceding year with respect to:
  - (i) the property and funds, if any, physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report; and
  - (ii) any action taken by the Trustee in the performance of its duties under the Trust Indenture which it has not previously reported and which in its opinion materially affects the Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.
- (b) The Trustee shall submit to the Bondholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least ten percent (10%) of the aggregate outstanding principal amount of the Bonds at such time.
- (c) The following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:
  - (i) Trust Indenture;
  - (ii) Registry and Paying Agency Agreement;
  - (iii) Articles of Incorporation and By-Laws of the Issuer;
  - (iv) Registration Statement relating to the 2021 Program; and
  - (v) Opinions of the legal counsel with respect to the Issuer and the Bonds.

**26. Meetings of the Bondholders**

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

(a) Notice of Meetings

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

(b) Failure of the Trustee to Call a Meeting

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

(c) Quorum

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

(d) Procedure for Meetings

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

(e) Voting Rights

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of one or more Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. Bondholders shall be entitled to one (1) vote for every

Ten Thousand Pesos (₱10,000) interest. The only persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the persons entitled to vote at such meeting and any representatives of the Issuer and its legal counsel.

(f) Voting Requirement

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

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

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

**27. Evidence Supporting the Action of the Bondholders**

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

**28. Non-Reliance**

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

**29. Amendments**

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

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

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

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

**30. Governing Law**

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

**31. Venue**

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

**32. Waiver of Preference**

The obligation created under the Bond Agreements and the Bonds shall not enjoy any priority of preference or special privileges whatsoever over any indebtedness or obligations of the Issuer. Accordingly, whatever priorities or preferences that this instrument may have or any person deriving a right hereunder may have under Article 2244, paragraph 14 of the Civil Code of the Philippine are hereby absolutely and unconditionally waived and renounced. This waiver

and renunciation of the priority or preference under Article 2244, paragraph 14 of the Civil Code of the Philippines shall be revoked if it be shown that an indebtedness of the Issuer for borrowed money has a priority or preference under the said provision.

### 33. Certain Defined Terms

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

- (a) **Affiliate** means any corporation, directly or indirectly controlled by the Issuer, whether by way of ownership of at least twenty percent (20%) of the total issued and outstanding capital stock of such corporation, or the right to elect at least twenty percent (20%) of the number of directors in such corporation, or the right to control the operation and management of such corporation by reason of contract or authority granted by said corporation to the Issuer.
- (b) **Bankruptcy** means, with respect to a Person, (a) that such Person has (i) made an assignment for the benefit of creditors; (ii) filed a voluntary petition in bankruptcy; (iii) been adjudged bankrupt, or insolvent; or had entered against such Person an order of relief in any bankruptcy or insolvency proceeding; (iv) filed a petition or an answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or filed an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of such nature; or (v) sought, consented to, or acquiesced in the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties; (b) sixty (60) days have elapsed after the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation and such proceeding has not been dismissed; or (c) sixty (60) days have elapsed since the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties and such appointment has not been vacated or stayed or the appointment is not vacated within sixty (60) days after the expiration of such stay.
- (c) **BIR** refers to the Bureau of Internal Revenue of the Republic of the Philippines.
- (d) **Debt** means any indebtedness for borrowed money incurred by the Borrower from one or more financial institutions, and any debenture, bond, note, or other debt instruments.
- (e) **Debt to Equity Ratio** means the ratio which Debt bears to Total Stockholders' Equity net of unrealized gain.
- (f) **Majority Bondholders** means Bondholders representing more than fifty percent (50%) of the outstanding principal amount of the Bonds.
- (g) **Security** means any mortgage, pledge, lien or encumbrance constituted on any of the Issuer's properties, for the purpose of securing its or its Affiliates' obligation.
- (h) **Total Stockholders' Equity** means the aggregate (as of the relevant date for calculation) of the par value of the outstanding common stock, preferred stock, capital surplus, retained earnings appraisal surplus arising from past appraisal and any further appraisal surplus arising from subsequent independent certified appraisal of the property, plant and equipment of the Issuer effected in compliance with the Philippine

## Description of the Bonds

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Financial Reporting Standards, and any reserve for expansion projects, less treasury stocks.

## **PHILIPPINE TAXATION**

Please refer to pages 78-83 of the Prospectus.

## INDEPENDENT AUDITORS AND COUNSEL

### LEGAL MATTERS

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

### INDEPENDENT AUDITORS

Please refer to page 62 of the Second Tranche Offer Supplement.



## DESCRIPTION OF BUSINESS

*The following section discusses updates to the Description of Business after the date of the Prospectus and the Second Tranche Offer Supplement and must be read in conjunction with the Prospectus and the Second Tranche Offer Supplement. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Offer Supplement carefully, including the section entitled "Risk Factors and Other Considerations" and the audited consolidated financial statements and the related notes to those statements included in this Offer Supplement, the Second Tranche Offer Supplement and the Prospectus.*

### Overview

As of April 30, 2022, Ayala Corporation's effective ownership in Ayala Land is 46.26% while 52.72% is owned by the public. As of April 30, 2022, Ayala Land has 14,795,594,779 outstanding common shares and 13,066,494,759 outstanding voting preferred shares. 14,553,997,695 common shares are listed with the PSE. Foreign equity ownership is 18.14% composed of 4,445,444,303 outstanding common shares and 609,377,935 voting preferred shares as of April 30, 2022. Equity attributable to equity holders of Ayala Land amounted to ₱232.62 billion. Ayala Land has a total market capitalization of ₱438.25 billion based on the closing price of ₱29.60 per common share on May 31, 2022, the last trading day of the said month.

### Ayala Land's Businesses

Ayala Land is the largest and most diversified real estate conglomerate in the Philippines. It is engaged in land acquisition, planning, and development of large scale, integrated, mixed-use, and sustainable estates, industrial estates, development and sale of residential and office condominiums, house and lots, and commercial and industrial lots, development and lease of shopping centers and offices, co-working spaces, and standard factory buildings and warehouses, and the development, management, and operation of hotels and resorts and co-living spaces. The Company is also engaged in construction, property management, retail electricity supply and airline services. It also has investments in AyalaLand Logistics Holdings Corp., Cebu Holdings, Inc., Ortigas Land Corp., MCT Bhd., Qualimed and Merkado Supermarket. Ayala Land has 30 estates, is present in 57 growth centers nationwide and has a total land bank of 12,483 hectares as of December 31, 2021 composed of 274 hectares in Metro Manila, 10,063 hectares in other areas in Luzon and 2,146 hectares in Visayas and Mindanao.

Please also refer to pages 85-96 of the Prospectus and pages 63 to 71 of the Second Tranche Offer Supplement.

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

2022:

On March 9, 2022, the Related Party Transactions Review Committee of the Company, approved and endorsed the subscription of ALI to 252,136,383 primary common shares of AREIT, Inc. in exchange for the transfer to AREIT, Inc. of identified key commercial properties valued at ₱11,257,889,535.91 under a property-for-share swap transaction at a final transaction price of ₱44.65 per share ("AREIT Property-for-Share Swap Transaction"), as validated by the third-party Fairness Opinion issued by Isla Lipana & Co. ("Isla Lipana"), an independent fairness opinion provider accredited by both the SEC and PSE. The Executive Committee of the Company, by unanimous vote likewise approved the transaction on even date.

On April 27, 2022, Ayala Land, Inc. sold 87,370,000 shares of AREIT, Inc. at a transaction price of ₱39.70 per share, equivalent to ₱3.47 billion (exclusive of fees and taxes), in relation to its property-for-share swap transaction with AREIT. The proceeds from the block sale were settled on May 2, 2022, under the Placement Agreement between the ALI and AREIT, and the required Reinvestment Plan detailing the use of proceeds obtained from the share sale transaction has been submitted.

Please also see pages 97-98 of the Prospectus and pages 71-73 of the Second Tranche Offer Supplement.

### **Reinvestment Plan**

#### *Secondary Sale of 87 million AREIT shares*

On May 2, 2022, ALI submitted its reinvestment plan in relation to the sale of 87,370,000 AREIT shares on April 27, 2022, following the receipts of the proceeds from the transaction worth ₱3.47 billion.<sup>11</sup>

Please also see pages 104-106 of the Prospectus and pages 78–80 of the Second Tranche Offer Supplement.

### **Distribution Methods of Products**

Please refer to pages 98-99 of the Prospectus.

### **Competition**

Please refer to pages 99 of the Prospectus.

### **Capital Expenditures (Consolidated)**

Please refer to page 73 of the Second Tranche Offer Supplement.

### **Subsidiaries, Associates and Joint Ventures**

As of March 31, 2022, there are several companies which are either Subsidiaries or associates and joint ventures of Ayala Land. Certain details and the percentage of ownership held by Ayala Land of each of these companies are described in pages 74 to 78 of the Second Tranche Offer Supplement.

### **Suppliers**

Please refer to page 106 of the Prospectus.

### **Customers**

Please refer to page 106 of the Prospectus.

### **Research and Development**

Please refer to page 106 of the Prospectus.

### **Employees**

Ayala Land had a total workforce of 287 regular employees as of March 31, 2022.

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

Senior Management	29
Middle Management	204
Staff	54
<b>Total</b>	<b>287</b>

Ayala Land anticipates that it will have a total workforce of 291 regular employees by the end of

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<sup>11</sup> The Company's reinvestment plans, as well as progress reports in relation thereto are accessible at [https://ir.ayalaland.com.ph/wp-content/uploads/2022/06/ALI-Reinvestment-Plan\\_Block-Sale-2022\\_FINAL\\_Signed-and-Notarized.pdf](https://ir.ayalaland.com.ph/wp-content/uploads/2022/06/ALI-Reinvestment-Plan_Block-Sale-2022_FINAL_Signed-and-Notarized.pdf)

December 31, 2022.

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

Ayala Land has an employee compensation and rewards policy that helps propel business performance. In particular, the Employee Stock Ownership (ESOWN) plan gives select employees the opportunity to participate in the growth of the company and instills a sense of personal accountability for its growth. The Company also provides variable pay such as the performance-based cash bonus directly linked to an individual's key deliverables established at the start of the year.

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

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

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

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

ALI's Rank & File employees form the collective bargaining unit. ALI's current collective bargaining agreement covers the period January 1, 2022 to December 31, 2022. There have been no strikes in the last three (3) years.

### **Intellectual Property**

Please refer to pages 107-109 of the Prospectus.

### **Licenses**

Please refer to page 109 of the Prospectus.

### **Regulations**

Please refer to pages 109-120 of the Prospectus.

## **DESCRIPTION OF PROPERTIES**

Please refer to pages 82-83 of the Second Tranche Offer Supplement.

## **CERTAIN LEGAL PROCEEDINGS**

Please refer to page 84 of the Second Tranche Offer Supplement.

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

The following section discusses updates to Market Price of and Dividends on Ayala Land's Common Equity and Related Stockholder Matters after the date of the Prospectus and the Second Tranche Offer Supplement, and must be read in conjunction with the Prospectus and the Second Tranche Offer Supplement. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Offer Supplement carefully, including the section entitled "Risk Factors and Other Considerations" and the audited consolidated financial statements and the related notes to those statements included in this Offer Supplement, the Prospectus and the Second Tranche Offer Supplement.

Ayala Land was incorporated in June 1988 and was listed on the PSE in July 1991.

### Market Information

Ayala Land common shares are listed on the PSE.

#### Stock Prices (in ₱/share)

	High				Low				Close			
	2022	2021	2020	2019	2022	2021	2020	2019	2022	2021	2020	2019
First Quarter	35.80	42.00	45.30	45.75	35.05	33.80	19.44	40.60	35.05	34.35	30.20	44.90
Second Quarter	N/A	38.35	38.30	52.50	N/A	31.00	28.20	44.40	N/A	36.05	33.80	50.80
Third Quarter	N/A	33.60	37.70	53.85	N/A	32.90	26.50	46.30	N/A	33.50	29.70	49.45
Fourth Quarter	N/A	36.70	42.10	49.90	N/A	34.60	29.00	42.55	N/A	36.70	40.90	45.50

The market capitalization of ALI as of May 31, 2022, based on the closing price of ₱29.60/share on May 31, 2022 (the last trading day of the said month), was ₱438.25 billion.

### Stockholders

The following are the top 20 direct holders of the common and preferred shares of the Company:

Common Shares: There are approximately 13,177 registered holders of common shares of the Company as of April 30, 2022

	Stockholder Name	No. of Common Shares	Percentage (of common shares)
1.	Ayala Corporation	6,844,066,579	46.2575%
2.	PCD Nominee Corporation (Non-Filipino)	4,437,652,556	29.99301%
3.	PCD Nominee Corporation (Filipino)	3,185,067,666	21.5271%
4.	The Province of Cebu	15,682,093	0.1060%
5.	ESOWN Administrator 2020	14,632,245	0.0989%
6.	Antonino T. Aquino	14,215,576	0.0961%
7.	ESOWN Administrator 2012	12,955,325	0.0876%
8.	ESOWN Administrator 2015	12,074,120	0.0816%
9.	ESOWN Administrator 2021	11,381,575	0.0769%
10.	ESOWN Administrator 2016	11,054,435	0.0747%
11.	ESOWN Administrator 2013	10,606,195	0.0717%
12.	ESOWN Administrator 2019	10,019,273	0.0677%
13.	ESOWN Administrator 2017	9,678,776	0.0654%
14.	ESOWN Administrator 2014	9,294,970	0.0628%

15.	ESOWN Administrator 2018	8,216,299	0.0555%
16.	Emilio Lolito J. Tumbocon	7,340,134	0.0496%
17.	Vincent Y. Tan	5,969,832	0.0403%
18.	Estrellita B. Yulo	5,732,823	0.0387%
19.	Jose Luis Gerardo Yulo	4,634,942	0.0313%
20.	ESOWN Administrator 2011	3,827,073	0.0259%

#### Voting Preferred Shares:

There are approximately 2,863 registered holders of voting preferred shares of the Company as of April 30, 2022

	<b>Stockholder Name</b>	<b>No. of Preferred Shares</b>	<b>Percentage (of voting preferred shares)</b>
1.	Ayala Corporation	12,163,180,640	93.0868%
2.	HSBC Manila OBO A/C 000-171512-554	512,528,100	3.9225%
3.	Government Service Insurance System	156,350,871	1.1966%
4.	HSBC Manila OBO A/C 000-171512-571	15,051,000	0.1152%
5.	SCB OBO SSBTC Fund HG16 Account 000260700807	15,000,000	0.1148%
6.	Wealth Securities, Inc.	14,825,373	0.1135%
7.	SCB OBO SSBTC Fund OD67 AC 000260708171	13,670,744	0.1046%
8.	Samuel Villes Santos and/or Luzviminda Lat Santos	12,001,800	0.0919%
9.	SCB OBO SSBTC Fund C021 Account 000260701842	8,497,223	0.0650%
10.	Investors Securities, Inc.	6,251,770	0.0478%
11.	First Metro Securities Brokerage Corp.	5,103,853	0.0391%
12.	Deutsche Regis Partners, Inc.	3,961,757	0.0303%
13.	SCB OBO SSBTC FUND FA20 Account 000260705401	3,951,800	0.0302%
14.	Papa Securities Corporation	3,536,538	0.0271%
15.	SCB OBO SSBTC Fund FA2N Account 000260705403	3,534,608	0.0271%
16.	Ansaldo, Godinez & Co. Inc.	3,388,848	0.0259%
17.	Belson Securities, Inc.	2,800,874	0.0214%
18.	CBNA FAO 6002079572 CITIMNIFOR	2,725,700	0.0209%
19.	SCB OBO SSBTC Fund SBFZ Account 000260706785	2,700,000	0.0207%
20.	Maybank ATR Kim Eng Securities, Inc.	2,666,714	0.0204%

#### **Dividends**

Please refer to pages 86-87 of the Second Tranche Offer Supplement.

#### **Dividend policy**

Please refer to page 87 of the Second Tranche Offer Supplement.

#### **Recent Sale of Securities**

For the past three (3) years, common shares were issued representing the exercise of stock options by the Company's executives under the Executive Stock Option Plan ("ESOP") and the subscription to the common shares under the ESOWN as follows:

<u>Year</u>	<u>ESOWN</u>
-------------	--------------

	(subscribed)
2019	10.5 Million
2020	14.8 Million
2021	11.4 Million
2022	14.2 Million*

*\*10.01 Million were issued on May 19, 2022; the remainder will become available upon approval by the Securities and Exchange Commission of the Corporation's application for exemption from the registration requirements*

The aforesaid issuance of shares was covered by the Commission's approval of the Company's Stock Option Plan on July 1991 and subsequently on March 2006 and September 2017 for a total of 500,000,000 shares. This confirms the issuance of shares under the Company's stock option plan as exempt transaction pursuant to Section 10.2 of the Securities Regulation Code.

### Preferred Shares

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

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

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

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

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

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

The SEC approved on January 31, 2013 the following:

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



- (b) The amendments to Articles of Incorporation reflecting the decrease in capital stock.

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

- (a) Redemption of the outstanding voting preferred shares, the guidelines for the conversion of the voting preferred shares into common shares and the benchmark rate to be used when repricing the dividend rate.
- The Company is exercising its option to redeem the outstanding voting preferred shares held by stockholders as of record date March 11, 2022, at ₱0.10 per share, plus accrued dividends. The offer period is from March 24, 2022, until May 24, 2022. Settlement is on June 24, 2022.
  - Commencing June 29, 2022, the remaining voting preferred shares holders may convert their shares into common shares at a conversion ratio of 1 voting preferred shares to 1 common share at a price which shall be the higher of (i) the average closing price for the immediately preceding 30 trading days less the par value of the voting preferred shares of ₱0.10 per share or (ii) the closing price immediately preceding the conversion date less the par value of the voting preferred shares of ₱0.10 per share.
  - Voting preferred shares holders were notified and provided with a copy of the terms of the redemption offer and the conversion guidelines beginning March 18, 2022.
  - All redeemed and converted voting preferred shares will be retired.
  - Adoption of the 10-year PHP BVAL Reference Rate as the successor benchmark rate to replace the previous mark-to-market benchmark of 10-year PDST-R2 when resetting the dividend rate on June 29, 2022, being the 10<sup>th</sup> year from the issue date of the voting preferred shares. In this regard, the new dividend rate shall be equivalent to 90% of the 10-year PHP BVAL Reference Rate prevailing as at June 29, 2022, payable annually.

As of March 31, 2022, the Company's authorized and outstanding voting preferred shares issued on June 29, 2012 amounted to ₱1,306.6 million at ₱0.10 par value per share.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS**

Please refer to pages 90 to 107 of the Second Tranche Offer Supplement, and pages 128-168 of the Prospectus.

## **CHANGES IN ACCOUNTING AND FINANCIAL DISCLOSURES**

Please refer to pages 108-113 of the Second Tranche Offer Supplement

## DIRECTORS, EXECUTIVE OFFICERS AND CONTROL PERSONS

As of April 30, 2022

*The Directors shall hold office for one (1) year and until their successors are elected and qualified in accordance with the Corporation's By-Laws. The write-ups below include positions currently held by the directors and executive officers, as well as positions held during the past five years.*

### **Board of Directors**

Fernando Zobel de Ayala	Cesar V. Purisima
Jaime Augusto Zobel de Ayala	Sherisa P. Nuesa
Bernard Vincent O. Dy	Rizalina G. Mantaring*
Antonino T. Aquino	Rex Ma. A. Mendoza
Arturo G. Corpuz	

*\*Lead Independent Director effective April 27, 2022*

**Fernando Zobel de Ayala**, Filipino, 62, has served as Chairman of the Board of ALI since April 1999. He has been a director of ALI for 33 years from June 1988 to present. He holds the following positions in publicly listed companies: Vice Chairman, President and Chief Executive Officer of Ayala Corporation; Chairman of AC Energy Corporation (formerly AC Energy Philippines, Inc.); Director of Bank of The Philippine Islands, Globe Telecom, Inc., Integrated Micro-Electronics, Inc. and Manila Water Company, Inc.; and Independent Director of Pilipinas Shell Petroleum Corporation. He is the Chairman of AC International Finance Ltd., AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.), Ayala Healthcare Holdings, Inc., Alabang Commercial Corporation, Accendo Commercial Corp., BPI Foundation, Hero Foundation, Inc., and Liontide Holdings, Inc.; Co-Chairman of Ayala Foundation, Inc.; Vice-Chairman of AC Industrial Technology Holdings, Inc., AC Ventures Holdings Corp., ALI Eton Property Development Corporation, AKL Properties, Inc., Bonifacio Art Foundation, Inc., Bonifacio Land Corporation, Berkshires Holdings, Inc., Ceci Realty Inc., Columbus Holdings, Inc., Emerging City Holdings, Inc., Fort Bonifacio Development Corporation; Director of AC Infrastructure Holdings Corporation, AG Holdings Ltd., Asiacom Philippines, Inc., Altaraza Development Corporation, BPI Asset Management and Trust Corp. and Manila Peninsula; Member of the Board of INSEAD Business School and Georgetown University; Member of the Board of Trustees of Asia Philanthropy Circle, and Asia Society; Member of International Advisory Board of Tikehau Capital; Member of the Philippine-Singapore Business Council, International Council of The Metropolitan Museum, Chief Executives Organization and Habitat for Humanity International's Asia-Pacific Development Council; Co-Chair of Asia Pacific Acquisitions Committee of the Tate Museum; and Member of the Board of Trustees of Caritas Manila, Pilipinas Shell Foundation, and the National Museum. He graduated with B.A. Liberal Arts at Harvard College in 1982 and holds a CIM from INSEAD, France.

**Jaime Augusto Zobel de Ayala**, Filipino, 63, has served as a Director of ALI since June 1988. He is the Chairman of Ayala Corporation since April 2006. He holds the following positions in publicly listed companies: Chairman of Globe Telecom, Inc., Integrated Micro-Electronics, Inc. and Bank of the Philippine Islands; and Vice Chairman of AC Energy Corporation (formerly AC Energy Philippines, Inc.). He is also the Chairman of AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, and Asiacom Philippines, Inc.; Co-Chairman of Ayala Foundation, Inc.; Director of AC Ventures Holding Corp., Alabang Commercial Corporation, AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.), Ayala Healthcare Holdings, Inc., Light Rail Manila Holdings, Inc. and AG Holdings Ltd. Outside the Ayala Group, he is a Director of Temasek Holdings (Private) Limited and a member of various business and socio-civic organizations in the Philippines and abroad, including the JP Morgan International Council, JP Morgan Asia Pacific Council, and Mitsubishi Corporation International Advisory Council. He is a member of the Board of Governors of the Asian Institute of Management, the Advisory Board of Asia Global Institute (University of Hong Kong) and of various advisory boards of Harvard University, including the Global Advisory Council, Asia Center Advisory Committee, HBS Board of Dean's Advisors, and HBS Asia- Advisory Committee. He sits on the Board

of Singapore Management University (SMU) and is a Chairman of SMU International Advisory Council in the Philippines. He is a member of the Asia Business Council, Asean Business Club Advisory Council, Leapfrog Investment Global Leadership Council, The Council for Inclusive Capitalism, and World Wildlife Philippines National Advisory Council. He is Co-Vice Chairman of the Makati Business Club, Chairman of Endeavor Philippines, and Trustee Emeritus of Eisenhower Fellowships. He was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with rank of Grand Commander in 2010, and the Order of Mabini with rank of Commander in 2015 by the President of the Philippines in recognition of his outstanding public service. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer by the UN Global Compact for his work in sustainable business strategy and operations. The first recipient of the award from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business. He graduated with B.A. in Economics (Cum Laude) from Harvard College in 1981 and obtained an MBA from the Harvard Graduate School of Business in 1987.

**Bernard Vincent O. Dy**, Filipino, 58, has been the President and CEO of ALI for eight years since April 2014. He is a Senior Managing Director of Ayala Corporation, and a member of the Ayala Group Management Committee since April 2014. He is also a Director of publicly listed companies, AREIT, Inc., AyalaLand Logistics Holdings Corp., and MCT Bhd of Malaysia. Concurrently, he is the Chairman of Alveo Land Corporation, Amaia Land Corporation, Avencosouth Corp., Aviana Development Corp., Ayagold Retailers, Inc., Ayala Property Management Corporation, Bellavita Land Corporation, BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Cagayan De Oro Gateway Corp., Makati Development Corporation, Portico Land Corporation, Station Square East Commercial Corporation, and Vesta Property Holdings, Inc.; Vice Chairman of Alviera Country Club, Inc., Aurora Properties Incorporated, and Ayala Greenfield Development Corporation, and Director of AKL Properties, Inc., ALI Eton Property Development Corporation, Alveo-Federal Land Communities, Inc., Amicassa Process Solutions, Inc., AyalaLand Medical Facilities Leasing, Inc., Nuevocentro, Inc., Philippine Integrated Energy Solutions, Inc., Serendra, Inc., and Whiteknight Holdings, Inc. He is also the President and CEO of Berkshires Holdings, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc., and Fort Bonifacio Development Corporation; President of Accendo Commercial Corporation, Alabang Commercial Corporation, Bonifacio Art Foundation, Inc., Ceci Realty Inc., and Hero Foundation Inc.; Member of the Board of Trustees of Ayala Foundation, Inc. and Ayala Group Club, Inc.; and Director of the Junior Golf Foundation of the Philippines since 2010 and Vice Chairman since 2017. He earned a degree of BBA in Accountancy from the University of Notre Dame in 1985, an MBA in 1997, and Masters in International Relations in 1989 from the University of Chicago. He became a member of the University of Chicago's Global Leaders Group in 2020.

**Antonino T. Aquino**, Filipino, 74, has served as Director of ALI for thirteen years since April 2009. He is also a Director of Manila Water Company, Inc. (MWC), another publicly listed company, since 1998. He was the President of ALI from April 2009 to April 2014, of MWC from April 1999 to April 2009, and of Ayala Property Management Corporation from 1989 to 1999. He was connected with IBM Philippines, Inc. since 1968 and was Business Unit manager when he left in 1980. He has been with the Ayala Group in various capacities for the past forty-one (41) years and has held the position of Senior Managing Director in Ayala Corporation. Currently, he is a Director the following non-listed companies: AIA Philippines Life & General Insurance Co., Anvaya Beach & Nature Club, Nuevocentro, Inc., and Mano Amiga Academy, Inc. He is a member of the Sectoral Advisory Board of the Philippine Army and the Multi Sector Governance Council of the Armed Forces of the Philippines. He is in the Advisory Board of Hero Foundation. He was named "Co-Management Man of the Year 2009" by the Management Association of the Philippines for his leadership role in a very successful waterworks privatization and public-private sector partnership. In 2015. Recently he was conferred as Honorary Fellow by the Institute of Corporate Directors (ICD). He earned a degree in BS Management and completed academic requirements for Masters in Business from the Ateneo de Manila University in 1968 and 1975, respectively.

**Arturo G. Corpuz**, Filipino, 66, has served as a Director of ALI for six (6) years from April 2016 to present. He was a member of the Management Committee of ALI from 2008 to December 31, 2016. He is also a member of the Board of Ceci Realty, Inc. Aurora Properties, Inc., Vesta Properties Holdings, Inc., Nuevocentro, Inc., Next Urban Alliance Development Corp. and Alviera Country Club, Inc. He is a former President of the Philippine Economic Society and a Trustee of the Foundation for Economic Freedom and the Philippine Institute of Environmental Planning. Mr. Corpuz received his baccalaureate degree in Architecture from the University of the Philippines in 1977 and his masteral and doctoral

degrees in urban and regional planning from Cornell University in 1984 and 1989.

**Rizalina G. Mantaring**, Filipino, 62, has served as an Independent Director of ALI since April 2014 and has been its Lead Independent Director since April 2020. She has been an Independent Director of Ayala Corporation since April 24, 2020. Concurrently, she is also a Director of Sun Life Grepa Financial, Inc. and an Independent Director of First Philippine Holdings Corp. Inc., PHINMA Corp. Inc., Universal Robina Corp. Inc., East Asia Computer Center Inc. and Microventures Foundation Inc. She is also a member of the Boards of Trustees of the Makati Business Club, and Philippine Business for Education. She was Chief Executive Officer and Country Head of Sun Life Financial Philippines, the country's leading insurer, prior to which she was Chief Operations Officer, Sun Life Asia, responsible for IT & Operations across Asia. She was a recipient of the Asia Talent Management Award in the Asia Business Leaders Award organized by the global business news network CNBC. She was selected as one of the 100 Most Outstanding Alumni of the past century by the University of the Philippines College of Engineering, and was 2019 PAX awardee of St. Scholastica's College Manila, the highest award given by the school to outstanding alumni. She holds a BS Electrical Engineering degree, cum laude, from the University of the Philippines and an MS Computer Science from the State University of New York at Albany.

**Cesar V. Purisima**, Filipino, 62, has served as an Independent Director of ALI in April 18, 2018. He is an Asia Fellow of Milken Institute, a global non-profit, non-partisan think tank. He is a founding partner at IKHLAS Capital, a pan-ASEAN private equity platform. He currently serves as Independent Director of other publicly-listed companies, namely: Bank of the Philippine Islands, Jollibee Foods Corporation, and Universal Robina Corporation. He is also a member of the boards of AIA Group, BPI Capital Corporation, De La Salle University, International School of Manila, and World Wildlife Fund-Philippines. He is a member of the board of advisors of ABS-CBN. He is a member of Sumitomo Mitsui Banking Corporation's Global Advisory Council and Singapore Management University's International Advisory Council in the Philippines. From 2010 to 2016, Purisima was the Secretary of Finance of the Philippines and the Chair of Economic Development Cluster of the President's Cabinet. He briefly served as Finance Secretary in 2005 and Trade and Industry Secretary from 2004 to 2005. Additionally, he was a member of the Monetary Board of the Philippines Central Bank, and the Governor for the Philippines at the Asian Development Bank and the World Bank. He served as Alternate Governor for the Philippines at the International Monetary Fund. Under his leadership, the Philippines received its first investment-grade ratings. He was named Finance Minister of the Year seven times in six consecutive years by a number of publications, a first for the Philippines. Prior to his stints in the government service, he was the Chairman & Country Managing Partner of the Philippines' largest professional services firm SGV & Co., and was a member of the Global Executive Board and Global Practice Council of Ernst & Young. He obtained his Bachelor of Science degree in Commerce Major in Accounting and Financial Institutions from De La Salle University in 1979. He earned his Master of Business Administration degree from Kellogg School of Management, Northwestern University, Illinois in 1983. He was conferred a Knight in the National Order of the Legion of Honour by the French Republic (Chevalier dans l'Ordre National de la Legion d'Honneur) in 2017. In 2016, Purisima was awarded the Order of Lakandula with the rank of Grand Cross (Bayani) for his contributions to the Philippine economy. The Order of Lakandula is one of the highest civilian honors conferred by the President of the Republic of the Philippines.

**Sherisa P. Nuesa**, Filipino, 67, has served as an Independent Director of Ayala Land, Inc. since April 22, 2020. Currently, she is an Independent Director of the other publicly listed companies of the Ayala Group, namely: Manila Water Company, Inc., AC Energy Corporation (formerly AC Energy Philippines, Inc.), and Integrated Micro-Electronics, Inc.; She a Director of Far Eastern University, also publicly listed company. She is also an Independent Director of FERN Realty Corporation. She is a Senior Adviser to the Boards of Metro Retail Stores Group, Inc. and Vicsal Development Corporation. She is a member of the boards of trustees of the Judicial Reform Initiative, and the Financial Executives (FINEX) Institute Foundation. She was the President and Director of the ALFM Mutual Funds Group and Trustee of the Institute of Corporate Directors from 2012 to early 2021. In addition to her background as a Chief Finance Officer and currently as a Board Director, she also held previous positions in management operations and has been active in speaking and lecturing engagements. She was the Chief Finance Officer and Chief Administration Officer of IMI from January 2009 to July 2010. She was then a Managing Director of Ayala Corporation and served in various capacities in Ayala Corporation, Ayala Land, Inc., and Manila Water Company, Inc. until her retirement in 2011. She was awarded the ING-FINEX CFO of the Year for 2008. She received a Master in Business Administration degree from the

Ateneo Graduate School of Business in Manila. She also attended post-graduate courses in Harvard Business School and in Stanford University. She graduated summa cum laude with a degree of Bachelor of Science in Commerce from the Far Eastern University in 1974. She is a Certified Public Accountant.

**Rex Ma. A. Mendoza**, Filipino, 59, has served as the Independent Director of ALI since April 22, 2020. He is the President & CEO of Rampver Financials, a dynamic player in financial services specializing in investments, and one of the biggest distributors of mutual funds in the Philippines. He currently serves as the lead independent director of Globe Telecom, Inc., a publicly listed company and an independent director of the National Reinsurance Corporation of the Philippine, also publicly listed companies. He is also a director of the Cullinan Group, Esquire Financing, Inc., Mobile Group, Inc., Seven Tall Trees Events Company, Inc., and TechnoMarine Philippines. He is a member of Bro. Bo Sanchez' Mastermind Group, and is cited by many as one of the best leadership, business strategy, investments, marketing and sales speakers in the country. He is the author of two books, Trailblazing Success and Firing On All Cylinders, both certified national bestsellers. He served as the President & CEO of Philam Life, one of the country's most trusted financial services conglomerates and was Chairman of its affiliates and subsidiaries. He was also Senior Adviser to the Chief Executive Officer of the AIA Group. Prior to this, he was previously Senior Vice President and Chief Marketing and Sales Officer of ALI. He was also Chairman of Ayala Land International Sales, Inc., President of Ayala Land Sales, Inc., and Avida Sales Corporation. He has a Master's Degree in Business Management with distinction from the Asian Institute of Management. He was one of the 10 Outstanding Graduates of his batch at the University of the Philippines where he obtained a BSBA degree with a double major in marketing and finance. He was awarded Most Distinguished Alumnus of the UP Cesar Virata School of Business. He is also a Fellow with Distinction at the Life Management Institute of Atlanta, Georgia, USA, a Registered Financial Planner (RFP) and a four-time member of the Million Dollar Round Table (MDRT). He was a professor of Marketing and Computational Finance at the De La Salle University Graduate School of Business. He taught strategic marketing, services marketing and services strategy. He has served as Chairman of the Marketing Department and was awarded as one of the University's most outstanding professors.

### **Board Committees**

The Board of Directors is assisted by following eight committees with delegated functions in accordance to the Corporation's By-Laws. Each committee has a board-approved charter that outlines its powers, duties, and responsibilities. The charter states the committee's composition, powers, duties, and responsibilities. The board may delegate some of its powers, duties, and responsibilities to any of the board committees.

#### Executive Committee

Fernando Zobel de Ayala – Chairman  
Jaime Augusto Zobel de Ayala – Member  
Antonino T. Aquino – Member  
Bernard Vincent O. Dy – Member  
Cesar V. Purisima – Member

#### Personnel and Compensation Committee

Rex Ma. A. Mendoza – Chairman  
Fernando Zobel de Ayala – Member  
Cesar V. Purisima – Member

#### Audit Committee

Cesar V. Purisima – Chairman  
Rex Ma. A. Mendoza – Member  
Antonino T. Aquino – Member

#### Risk Oversight Committee

Rizalina G. Mantaring – Chairman  
Sherisa P. Nuesa – Member

#### Corporate Governance and Nomination Committee

Sherisa P. Nuesa - Chairman  
Cesar V. Purisima - Member  
Rizalina G. Mantaring - Member

#### Related Party Transactions Review Committee

Rex Ma. A. Mendoza – Chairman  
Sherisa P. Nuesa – Member  
Rizalina G. Mantaring - Member

#### Sustainability Committee

Arturo G. Corpuz – Chairman  
Sherisa P. Nuesa – Member  
Bernard Vincent O. Dy – Member

#### Inspector of Proxies and Ballots Committee

Solomon M. Hermosura – Chairman  
Annabeth R. Bernardo – Member

Antonino T. Aquino – Member

Ma. Luisa D. Chiong – Member

### **Management Committee Members / Key Executive Officers**

Bernard Vincent O. Dy*	President and Chief Executive Officer
Dante M. Abando	Senior Vice President
Augusto D. Bengzon	Senior Vice President, Chief Finance Officer, Treasurer
Anna Ma. Margarita B. Dy	Senior Vice President
Jose Emmanuel H. Jalandoni	Senior Vice President
Robert S. Lao	Senior Vice President
Laurent P. Lamasuta	Senior Vice President
Lyle A. Abadia	Vice President
Amelia Ann T. Alipao	Vice President, Chief Information Officer and Data Protection Officer
Aniceto V. Bisnar, Jr.	Vice President
Ma. Luisa D. Chiong	Vice President
Raquel S. Cruz**	Vice President
Dindo R. Fernando	Vice President
Rufino Hermann S. Gutierrez	Vice President
Javier D. Hernandez	Vice President
Joseph Carmichael Z. Jugo	Vice President
Stephanie J. Lingad	Vice President
Ma. Divina Y. Lopez	Vice President
Christopher B. Maglanoc	Vice President
Michael F. Magpusao	Vice President
Ferdie M. Mangali	Vice President
Romeo T. Menpin, Jr.	Vice President
Carol T. Mills	Vice President
June Vee D. Monteclaro-Navarro	Vice President, Assistant Corporate Secretary, Chief Legal Counsel and Chief Compliance Officer***
Rodelito J. Ocampo	Vice President
Darwin L. Salipsip	Vice President
Maria Rowena Victoria M. Tomeldan	Vice President
Jennylle S. Tupaz	Vice President
Richard T. Yap**	Vice President
Annabeth R. Bernardo	Chief Audit Executive
Maphilindo S. Tandoc**	Chief Risk Officer
Solomon M. Hermosura	Group General Counsel & Corporate Secretary

\*Member of the Board of Directors

\*\*Appointed April 27, 2022

\*\*\*Effective April 27, 2022

**Dante M. Abando**, Filipino, 57, is a Senior Vice President and Member of the Management Committee of ALI. He is the President and CEO of Makati Development Corporation. He is also the Chairman of MDC BuildPlus, Inc., MDC Concrete, Inc., MDC Equipment Solutions, Inc. and MDBI Construction Corp., a joint venture of Makati Development Corporation and Bouygues Batiment International. He was the past President and now a Board Member of Alveo Land Corporation. He is currently a Board Member of Avida Land Corporation, Serendra, Inc., Ayala Property Management Corporation and Anvaya Cove Golf & Sports Club, Inc. He was the Chairman and President of the Philippine Constructors Association in 2016-2017 and a member of the Board of Trustees of the University of the Philippines Alumni Engineers (UPAE) since 2015-2018. He graduated with a degree in Bachelor of Science in Civil Engineering from the University of the Philippines in 1986 and earned his Master's degree in Business Administration in 1995 from the same university. In 2012, he completed the Executive Program on Real Estate Management at Harvard University Graduate School of Business.

**Augusto D. Bengzon**, Filipino, 59, joined ALI in December 2004 and currently serves as its Senior



Vice President, Chief Finance Officer & Treasurer. He is a Director of AREIT, Inc. and Treasurer of Cebu Holdings Inc. and AyalaLand Logistics Holding Corp., the publicly listed Subsidiaries of ALI. His other significant positions include: Chairman of Aprisa Business Process Solutions Inc.; Director, Treasurer & Compliance Officer of Anvaya Cove Golf and Sports Club Inc.; Director and Chief Finance Officer of Altaraza Development Corporation; Director and Treasurer of ALI Eton Property Development Corp., Amaia Land Corp., Aurora Properties Inc., Avida Land Corp., Ayala Property Management Corp., Bellavita Land Corp., BGNorth Properties Inc., BGSouth Properties Inc., BGWest Properties Inc., Ceci Realty Inc., Philippine Integrated Energy Solutions Inc., Serendra Inc. and Vesta Property Holdings Inc.; Director & Assistant Treasurer of Ayala Greenfield Development Corp.; Director of AG Counselors Corporation, Alviera Country Club Inc., Alveo Land Corp., Ayala Land Premier Inc., Makati Development Corp., Nuevocentro Inc., Northgate Hotel Ventures, Inc., Portico Land Corp., Station Square East Commercial Corp. and Southcrest Hotel Ventures, Inc.; Treasurer of Alabang Commercial Corporation, AKL Properties, Inc. and Hero Foundation, Inc.; Assistant Treasurer of Ayala Greenfield Golf & Leisure Club, Inc. and Trustee of the Philippine National Police Foundation, Inc. He received his Bachelor of Science degree in Business Management from the Ateneo de Manila University and is a graduate of the Philippine Trust Institute. He was granted the Andres K. Roxas scholarship at the Asian Institute of Management where he received his Masters in Business Management degree.

**Anna Ma. Margarita B. Dy**, Filipino, 52, is a Senior Vice President since January 1, 2015 and a member of the Management Committee of ALI since August 2008. She is the Head of the Strategic Landbank Management (SLMG) of ALI. She is also the President of Cebu Holdings, Inc. one of the publicly listed Subsidiaries of ALI. Her other significant positions are: Chairman and President of Bonifacio Global City Estate Association and Taft Punta Engano Property, Inc.; Chairman of Adauge Commercial Corporation, Amorsedia Development Corporation, AyalaLand Estates, Inc., Buendia LandHoldings, Inc., Bonifacio Estate Services Corporation, Crimson Field Enterprises, Inc., and Red Creek Properties, Incorporated; Vice Chairman and President of Vesta Properties Holdings, Inc.; Director and Executive Vice President of Bonifacio Land Corporation and Fort Bonifacio Development Corporation; Director and President of Altaraza Development Corporation, ALI Eton Property Development Corporation, Aurora Properties, Inc., Nuevocentro, Inc., and Alviera Country Club, Inc.; Director of Accendo Commercial Corp., Alveo Land Corp., Aviana Development Corp., Avida Land Corp., Ayala Greenfield Development Corporation, Berkshires Holdings, Inc., Cagayan de Oro Gateway Corp., Columbus Holdings, Inc., Emerging City Holdings, Inc., CECI Realty, Inc., Crans Montana Property Holdings Corporation, AyalaLand Medical Facilities Leasing, Inc., and HLC Development Corporation, Next Urban Alliance Development Corp.; Trustee of Alagang Ayala Land Foundation Inc.; and, Trustee and Treasurer of Bonifacio Art Foundation, Inc. Prior to joining ALI, she was a Vice President of Benpres Holdings Corporation. She graduated magna cum laude from Ateneo De Manila University with BS of Arts Degree in Economics Honors Program. She earned her Master's degree in Economics from London School of Economics and Political Science UK 1991 and MBA at Harvard Graduate School of Business Administration in Boston.

**Jose Emmanuel H. Jalandoni**, Filipino, 54, is a Senior Vice President and a member of the Management Committee of ALI. He is the Group Head of commercial businesses including malls, offices, hotels, resorts and Chairman of ALI Capital Corporation. He is the Chairman of AREIT, Inc., AyalaLand Logistics Holding Corp. and Director of Cebu Holdings, Inc., publicly listed Subsidiaries of ALI. His other significant positions are: Chairman of the Board of ALI Commercial Center, Inc., ALI Makati Hotel and Residences, Inc., ALI Makati Hotel Property, Inc., ALI Triangle Hotel Ventures, Inc., Arca South Hotel Ventures, Inc., AsiaTown Hotel Ventures, Inc., Ayala Hotels, Inc., AyalaLand Hotels and Resorts Corporation, AyalaLand Medical Facilities Leasing, Inc., AyalaLand Offices, Inc., Bacuit Bay Development Corporation, Bay Area Hotel Ventures, Inc., Bonifacio Hotel Ventures, Inc., Capitol Central Hotel Ventures, Inc., Cebu Insular Hotel Company, Inc., Central Bloc Hotel Ventures, Inc., Chirica Resorts Corporation, Circuit Makati Hotel Ventures, Inc., Direct Power Services, Inc., Ecoholdings Company Inc., Econorth Resort Ventures, Inc., EcoSouth Hotel Ventures, Inc., Enjay Hotels, Inc., Greenhaven Property Ventures, Inc., Integrated Eco-Resort, Inc., Lio Resort Ventures, Inc., Lio Tourism Estate Management Corporation, Makati North Hotel Ventures, North Eastern Commercial Corporation, North Liberty Resort Ventures, Inc., North Triangle Hotel Ventures, Inc., Northgate Hotel Ventures, Inc., One Makati Hotel Ventures, Inc., Pangulasian Island Resort Corporation, Paragua Eco-Resort Ventures, Inc., Regent Horizons Conservation Company, Inc., Sentera Hotel Ventures, Inc., Sicogon Island Tourism Sicogon Town Hotel, Inc., Estate Corporation, Soltea Commercial Corporation, Southcrest Hotel Ventures, Inc., Ten Knots Development Corporation, Ten Knots Philippines, Inc., Whiteknight Holdings, Inc. and One Makati Residential Ventures, Inc. He

is also Director of the following companies: Accendo Commercial Corporation, Alabang Commercial Corporation, Arca South Integrated Terminal, Inc., Ayagold Retailers, Inc., Ayala Property Management Corporation, Cagayan de Oro Gateway Corporation, Columbus Holdings, Inc., Fort Bonifacio Development Corporation, Makati Cornerstone Leasing Corporation, Makati Development Corporation, Philippine FamilyMart CVS, Inc., Philippine Integrated Energy Solutions, Inc., Station Square East Commercial Corporation. He joined ALI in 1996 and held various positions in the Company. He graduated with a degree of Bachelor of Science in Legal Management from Ateneo de Manila University. He earned his Master's Degree in Business Administration from Asian Institute of Management. He is a Chartered Financial Analyst.

**Laurent P. Lamasuta**, Filipino, 56, was designated as Senior Vice President of Ayala Land, Inc. in 2021 and is currently the President and Chief Executive Officer of Ayala Property Management Corporation (APMC) and the Chairman and President of Prime Support Services, Inc. Prior to joining APMC, he was President and CEO of Ten Knots Development Corporation, developer, operator and manager of El Nido Resorts comprising of four eco-tourism island resorts in Palawan. Mr. Lamasuta has had several posts with the international luxury hotel industry with stints in independent top properties like The Ritz in Paris, the Dorchester in London, The Manila Hotel in Manila as well as international brands like Intercontinental Hotels, Ritz-Carlton Hotels and Le Meridien Hotels. Previously he was a Senior Advisor of Ayala Land for member and customer relations of its Residential Business Group. He joined Ayala Land in 2005 to open Ayala Greenfield Golf and Leisure Club, Inc. and Anvaya Cove Beach and Nature Club. He graduated from Collège "La Rostagne," in Antibes, France, and further gained a degree in tourism and hotel management in 1985 with the following qualifications: Certificat d'Aptitude Professionnelle (C.A.P.), Brevet d'Enseignement Professionnel (B.E.P.), and Brevet de Technicien Hôtelier (B.T.H.) from the Lycée d'Hôtellerie et de Tourisme, in Nice, France. He is a recipient of the Hotel and Catering International Management Association (HCIMA) Certificate and License in Hotel Management given by the Westminster College in London, England.

**Robert S. Lao**, Filipino, 48, has been Senior Vice President of ALI and a member of the Management Committee of Ayala Land, Inc. since April 19, 2017. He is also the Group Head of Ayala Land's Residential Business Group and the Group Head of the Central Land Acquisition Unit. He is concurrently the President of Alveo Land Corp and Amaia Land Corp., BellaVita Land Corporation, AKL Properties Inc., BGSouth Properties, Inc., and President and Chief Operating Officer of Portico Land Corp.; He is the Chairman of the Board of Avida Land Corp. He is also the Chairman of the Board and President of Serendra, Inc. Prior to joining Ayala Land, Inc., he served as a Senior Process Engineer of Fujitsu Computer Products Corporation of the Philippines (FCPP) and Lead Process Engineer of PT. Quantum Electronics in Indonesia. He is a licensed Real Estate Broker. He studied at the University of Santo Tomas (UST) and graduated cum laude in Bachelor of Science in Industrial Engineering in 1995. He completed his Master's in Business Management (MBM) degree in 2001 from the Asian Institute of Management (AIM) and attended the International Student Exchange Program from University of Cologne in Germany.

**Lyle A. Abadia**, Filipino, 64, has served as Vice President of ALI since November 2016. Currently, he is the Head of Special Projects reporting to the Office of the President of ALI. Likewise, he is a Director of ALI's wholly-owned Subsidiaries namely, Amicassa Process Solutions, Inc. and BellaVita Land Corporation. Prior to joining Ayala Land, Inc. in 2004, he held various executive positions in two (2) ALI Subsidiaries, commencing in 1982 under Ayala Theatres Management, Inc. and moved to join Laguna Technopark, Inc. in 1991 as one of the pioneering executive officers who crafted the successful transformation of the 650-hectare former sugarcane plantation into what is now known as one of the world-class industrial estates in the country. He likewise set up BellaVita Land Corporation and took the helm as President from 2011 to 2017. Mr. Abadia holds a degree in Bachelor of Science in Commerce, Major in Accounting at the Colegio De San Jose – Recoletos. He completed a Basic Management Program at the Asian Institute of Management and in-house program for Harvard Leadership Acceleration Program.

**Amelia Ann T. Alipao**, Filipino, 59, is currently Vice President and Chief Information Officer of ALI. She is also the Group Data Protection Officer for ALI Group of Companies and presently a member of the Data Privacy Council for Real Estate of the National Privacy Commission. She sits on the board of APRISA Business Process Solutions, Inc and HCX Technology Partners Inc. She is also Vice President for Ka-uSAP Inc., a non-profit organization for SAP User Group of the Philippines. She is currently a member of the ALI Corporate Bidding Committee. She previously occupied this role in 2009-2011 and

acted as Chairperson. Before joining ALI, she took on dual roles in SAP Philippines as Account Manager, handling government accounts, and project manager for SAP Implementation. She served as Assistant Vice President in Coca-Cola Bottlers Philippines, Inc., where she held various IT systems implementation projects. She started her IT career as an IT Instructor in I/Act of SyCip Gorres Velayo & Co. She holds a Bachelor of Arts in Biology and a Bachelor of Science in Business Management from De La Salle University.

**Aniceto V. Bisnar, Jr.**, Filipino, 58, serves as Vice President of ALI since January 2009 and the Senior Vice President & Chief Operating Officer of Ortigas Land Corporation. His other significant positions are: Chairman of Aduge Commercial Corp., Central Block Developers, Inc. and Amaia Southern Properties, Inc.; Chairman and President of North Point Estate Association, Inc., Asian I-Office Properties, Inc., Cebu Leisure Company, Inc., Cebu Business Park Association, Inc. and Asia Town I.T. Park Association, Inc.; and Vice Chairman of Avenco South Corporation. He is the President of Aviana Development Corporation and Lagdigan Land Corporation. He is also the Vice President of Solinea, Inc. He is a Director of Accendo Commercial Corporation, Cebu District Property Enterprise, Inc., Cagayan de Oro Gateway Corp., Taft Punta Engaño Property, Inc., and a Member of the Board of Trustee of Hero Foundation, Inc.

**Ma. Luisa D. Chiong**, Filipino, 50, is currently a Vice President and the Controller of Ayala Land, Inc. Prior to this role, she was the Chief Finance Officer and Compliance Officer of Cebu Holdings, Inc., a publicly listed company, and Chief Finance Officer of the Estates Group from 2017 to 2020. Her other significant positions include: Director of Cebu Leisure Company, Inc. and Central Block Developers, Inc.; Director and Treasurer of Asian I-Office Properties, Inc., North Point Estate Association, Inc. and Vertis North Estate Association, Inc.; Director, Treasurer & Chief Finance Officer of Aduge Commercial Corporation; Director & Chief Finance Officer of ALInet.com, Inc.; Treasurer and a member of the Board of Trustees of Lakeside Evozone Association, Inc.; Trustee, Treasurer of Altaraza Town Center Estate Association, Inc. and Arca South Estate Association Inc.; Treasurer and Chief Finance Officer of Accendo Commercial Corp., Cagayan de Oro Gateway Corp. and Taft Punta Engano Property, Inc.; Chief Finance Officer of Aurora Properties Incorporated, Aviana Development Corp., CECI Realty Inc. and Vesta Property Holdings, Inc.; and the Comptroller of Nuevocentro, Inc. She completed the academic requirements for a Master in Business Administration degree from De La Salle University in 1998 and obtained her Bachelor of Science in Commerce Major in Accounting degree from the same university in 1991. She is a Certified Public Accountant, garnering 5th place in the May 1992 CPA Board Examinations and is a member of the Philippine Institute of Certified Public Accountants (PICPA).

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

**Dindo R. Fernando**, Filipino, 53, has been Vice President of Ayala Land, Inc. since April 2017. He currently heads the Company's External Affairs Division. Moreover, he is the Treasurer of Anvaya Beach and Nature Club, Corporate Secretary of Santa Rosa (Laguna) Business Club, Board Member of the Calamba City Business Club and Vice President of Avida Towers Makati West Condominium Corporation. Prior to joining ALI, he was Head of Political Research at the Makati Business Club where he oversaw congressional research, analysis and publication. He graduated with a degree in AB Political Science from the Lyceum of the Philippines in 1989.

**Rufino Hermann S. Gutierrez**, Filipino, 49, is a Vice President of ALI effective January 1, 2020, and is currently the Chief Operating Officer and Project Development Group Head of Alveo Land Corp. He is concurrently President of Alveo Federal Land Communities, Inc. and Solinea, Inc. Furthermore, he is currently the Vice Chairman of Ayala Land International Sales, Inc. and a Director of Amicassa Process Solutions, Inc. In his more than 17 years in the company, he has handled and led various functions in residential, commercial, office and leisure development, such as project development, business development, sales, marketing and human resources management. He graduated from the De La Salle University with a degree in BS Industrial Engineering with minor in Mechanical Engineering in 1994 and completed his MBA from the Asian Institute of Management in 2000. He completed the Advanced Management Program from the National University of Singapore in 2016. He is also a licensed Real

Estate Broker.

**Javier D. Hernandez**, Filipino, 53, has been Vice President of ALI since April 2017. He is now the Chief Operating Officer of AyalaLand Hotels & Resorts Corporation concurrent to his present role as President of the Ten Knots Group - Ten Knots Philippines, Inc., Bacuit Bay Development Corporation, Ecoholdings Company, Inc., Regent Horizons Conservation Company, Inc., Lio Tourism Estate Management Corp., Ten Knots Development Corp., Chirica Resorts Corporation, Pangulasian Island Resort Corp., Lio Resort Ventures, Inc., North Liberty Resort Ventures, Inc. and Paragua Eco-Resort Ventures, Inc. He is responsible for the overall management of all Seda properties, El Nido Resorts and LIO Estate in El Nido, Palawan. President and Chief Executive Officer of Sicogon Island Tourism Estate Corp.; Director and Treasurer of El Nido Foundation; and Vice President for Operations of Alabang Commercial Corporation. He is a Director in South Innovative Theater Management Inc., North Triangle Depot Commercial Corporation, Primavera Towncentre, Inc., Ayalaland Malls Vismin, Inc. He has worked for Ayala Land for more than 29 years, spending seven (7) years with Mall Operations, four (4) years with the Sales and Marketing Group, thereafter rejoining the Malls group for another 13 years before transferring to AyalaLand Hotels and Resorts mid-2016. He graduated with a Bachelors Degree in Business Administration from the San Francisco State University.

**Joseph Carmichael Z. Jugo**, Filipino, 47, is a Vice President of Ayala Land, Inc. and President of Ayala Land Premier, Inc. He is concurrently Chairman & President of Roxas Land Corp., OLC Development Corp., Southportal Properties, Inc.; Vice Chairman & President of Ayala Hotels, Inc.; Chairman of Ayala Land Sales, Inc., Ayala Land Club Management, Inc., Verde Golf Development Corp.; President & Chief Executive Officer of Ayala Greenfield Development Corp., Ayala Greenfield Golf & Leisure Club, Inc.; President of BGWest Properties, Inc.; Anvaya Cove Golf & Sports Club, Inc. Director of Anvaya Cove Beach & Nature Club, Inc., Amicassa Process Solutions, Inc., Serendra, Inc. and Ayala Center Estate Association. In his more than 18 years in the company, he has been a part of and handled various business lines including business development for the retail and malls group, project development for the residential business group, project development for the leisure group and sales for the local and international markets. He graduated from the Ateneo de Manila with a degree in Management Economics in 1997 and completed his MBM from the Asian Institute of Management (with Distinction) in 2002. He attended the International Graduate Student Exchange Program at the Tuck School of Business, Dartmouth College in 2002 and completed the INSEAD Asian International Executive Programme (AIEP) in 2015.

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

**Ma. Divina Y. Lopez**, Filipino, 51, is a Vice President of ALI and Chief Finance Officer of the Estates Group. Prior to this she was Chief Audit Executive of ALI. She is a member of the Institute of Internal Auditors Philippines (IIAP). Prior to this post, she was President of Amicassa Process Solutions, Inc. and Chief Finance Officer of the Residential Business Group of ALI. She holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines and placed 11th in the CPA Board Examinations in 1993. She obtained a Master of Science degree in Computational Finance from De La Salle University in 2002.

**Christopher B. Maglanoc**, Filipino, 51, is a Vice President of ALI since April 2013 and is currently President of Ayala Malls, Inc starting January 2021. Prior to this he was the President of Avida Land Corporation. He was Chief Operating Officer and Head of Project and Strategic Management in Avida Land before he was elected as President of the Company on January 1, 2012. Prior to his stint in Avida in 2004, he occupied Management positions in various business units in ALI (i.e. Commercial Centers, Corporate Planning, and Alveo Land, Inc.). His other significant positions are Chairman of Avida Sales Corp.; President of Avencosouth Corp.; and Director of AmicaSSA Process Solutions, Inc., BellaVita, Blue Horizons Holdings Pte Ltd., and BGNorth Properties, Inc. He graduated from UP Los Baños with degrees in BA Sociology and BS Economics in 1990 and 1992, respectively. He finished his MBA from the Asian Institute of Management and attended the International Student Exchange Program in Copenhagen Business School in Denmark in 1997.

**Michael F. Magpusao**, Filipino, 48, was appointed Vice President and Chief Engineer of Ayala Land, Inc. in 2019. He currently serves as the Chief Operating Officer and Corporate Chief Engineer of Ayala Property Management Corporation (APMC) and the President of Philippine Integrated Energy Solutions, Inc. (PhilEnergy). He is also a currently Professor of the Mechanical Engineering Department at the Mapua Institute of Technology, a position he has held since 1996. He is also concurrently APMC's Corporate Safety Officer, Corporate Professional Mechanical Engineer, and Corporate Energy Manager. He is a Professional Mechanical Engineer since 2001, a licensed OSH Consultant as certified by the Department of Labor and Employment, and Certified ASEAN Energy Manager by AEMAS. Mr. Magpusao has over 20 years of industry experience and has held the following positions prior to his appointment: Executive Director and Head of Global Real Estate of JP Morgan Chase & Co. (Philippine Branch) from 2010 to 2016; Vice President and Corporate Realty Services Asset Manager of Citibank, N.A. (Manila Branch) from 2004 to 2010; Property Manager, Technical Support Group Manager and Project Manager of APMC from 1996 to 2004; and Operation Engineer of Procter and Gamble Philippines from 1995 to 1996. He earned his Bachelor of Science Degrees in Mechanical Engineering and Electrical Engineering both from the Mapua Institute of Technology in 1995 and 2001, respectively. He earned his Bachelor of Science Degrees in Mechanical Engineering and Electrical Engineering both from the Mapua Institute of Technology in 1995 and 2001, respectively. He also has a Post Baccalaureate Diploma in Fire Safety Technology from the University of Makati in 2004.

**Ferdie M. Mangali**, 52, Filipino, is a Vice President of ALI effective January 1, 2020. He has headed the Corporate Resource and Services Group of Makati Development Corporation since May 2013 and concurrently acting as Head of Corporate Labor Relations for the Ayala Land Group. He is a member of the Board of MDC Equipment Solutions Inc. and a member of the Board Trustee of the Philippine Constructors Association. He is the former Head of the Corporate Human Resources, Customer Care and Product delivery Group of Avida Land Corporation, Business Group HR Head of the Ayala Land Commercial and Residential Group, HR Head of Amicassa Process Solutions, Inc., Amaia Land Corp., and BelaVita Land Corp. Prior to ALI, he was Labor Relations Manager of Pfizer Inc., HR Manager of Warner Lambert Inc., Business Group HR Officer of Intel Philippines and Manufacturing Plant HR Officer of Matsushita Electric Philippines Corporation (PANASONIC Philippines). He has a total 29 years of experience in Human Resource Management, Labor Relations and Organizational Development. He graduated from Polytechnic University of the Philippines with a degree in Bachelor in Human Behavior Technology major in Clinical Psychology and finished his Masters Degree in Labor and industrial Relations from the University of the Philippines, Diliman.

**Romeo T. Menpin, Jr.**, Filipino, 52, is a Vice President of ALI since January 2014. He is currently the Head of the Construction Methods and Support Group of Makati Development Corporation (MDC). He is also currently the President of MDC Equipment Solutions, Inc. and MDC Concrete, Inc. He is also a Director of Philippine Integrated Energy Solutions, Inc. (PhilEnergy). Before joining MDC, he was a Director, President and Chief Operating Officer of Ayala Property Management Corporation (APMC) and also the President of PhilEnergy. He joined ALI in May 2008 from Kuok Group of Companies where he was a Vice President and Head of Mall Operations of Shangri-la Plaza Corporation. Prior to this, he also held various management positions from APMC and Laguna Technopark, Inc. He graduated with a degree of Bachelor of Science in Mechanical Engineering from Mapua Institute of Technology and completed units in Masters in Business Administration from De La Salle University in 2001.

**Carol T. Mills**, Filipino, 49, has served as Vice President of ALI since November 2016. She is the President of Ayala Land Offices, Inc., Director, President and Chief Executive Officer of AREIT, Inc., Chairman and President of various Ayala Land Offices subsidiaries namely UP North Property Holdings, Inc., First Gateway Real Estate Corp., ALO Prime Realty Corp., Glensworth Development Inc., Hillsford Property Corp., and Sunnyfield E-Office Corp.; President of North Eastern Commercial Corp. and Makati Cornerstone Leasing Corp as well as Director of ALI Capital Corp., DirectPower Services, Inc. and Central Block Developers Inc. She joined ALI in 1993 and prior to her current position, she was Deputy Head of Business Development for Ayala Malls from 2008 to 2013, General Manager for Alabang Town Center from 2004 to 2008, and Operations Manager for Glorietta from 2000 to 2004. She graduated Magna Cum Laude from the University of the Philippines in 1993 with a Bachelor of Science degree in Business Administration and earned her Masters in Business Administration from the Amos Tuck School of Business, Dartmouth College in New Hampshire, USA in 1998.

**June Vee D. Montecarlo-Navarro**, Filipino, 50, is a Vice President, Assistant Corporate Secretary Chief Legal Counsel and Chief Compliance Officer of Ayala Land, Inc. Concurrently, she is the

Corporate Secretary of Cebu Holdings, Inc. and AyalaLand Logistics Holdings Corp. and the Assistant Corporate Secretary of AREIT, Inc. She is also the Corporate Secretary of Alveo Land Corp., Avida Land Corp., AKL Properties, Inc., ALI Eton Property Development Corporation and Altaraza Development Corporation. She served as Director (management position) and Corporate Secretary of AG Counselors Corporation from 2012 to 2020. Prior to joining AG Counselors in 2012, she was a Legal Officer at Ayala Land, Inc. from 2007 to 2012 and Senior Associate at SyCip Salazar Hernandez & Gatmaitan from 1997 to 2002. She graduated from the University of St. La Salle in Bacolod with a Bachelor of Arts with a Major in Economics and a Bachelor of Science in Commerce Major in Data Processing in 1993. She earned a Bachelor of Laws degree from the University of the Philippines in 1997. She finished the Program on Negotiation at Harvard Law School in 2012 and the Leadership in Corporate Counsel Executive Education at Harvard Law School in 2016.

**Rodelito J. Ocampo**, Filipino, 59, is a Vice President of ALI since December 2010. He is currently Makati Development Corporation's (MDC's) Head of Construction Operations Group 1 and the President of MDC BuildPlus, Inc. Before his MDC assignment, he served as Technical Services Head of Avida Land Corp. and Alveo Land Corp., wholly-owned Subsidiaries of ALI, and Head of the Construction Management of ALI Residential Buildings. Prior to joining ALI, he was employed by a construction firm where he held various engineering and project management positions for a period of 10 years. He is a licensed Civil Engineer. He graduated from Mapua Institute of Technology with a degree in BS Civil Engineering in 1983.

**Darwin L. Salipsip**, Filipino, 49 is a Vice President of ALI and is currently the Head of Construction Operations Group 3 of Makati Development Corporation (MDC). He is concurrently a Vice President and member of the Management Committee of MDC. In his more than 20 years with the Company, he has been part of the various business lines of residential and commercial businesses as Construction Management Manager. Prior to his current role, he served as MDC's Construction Management Group Head and Commercial Group Head. He graduated with honors (cum laude) from the University of the Philippines with a Bachelor's degree in Civil Engineering in 1993 and completed his Masters of Engineering from Massachusetts Institute of Technology in 1997. He is a licensed Civil Engineer, ranked Top 2 when he took the National Licensure Examination for Civil Engineers.

**Maria Rowena Victoria M. Tomeldan**, Filipino, 60, is the Vice President and Head of the Real Estate Logistics and Special Investments of ALI. She is the President and Chief Executive of AyalaLand Logistics Holdings Inc., a publicly listed Subsidiary of ALI, which developed and manages Laguna Technopark, Cavite Technopark, Laguindingan Technopark, Mabalacat Technopark, Tutuban Center and Southpark Mall. Her other significant positions include: Chairman of the Board of Laguna Technopark, Inc (LTI); Ecozone Power Management, Inc (EPMI); LCI Commercial Ventures, Inc; Unity Realty & Development Corp. Chairman and President of AMSI, Inc., Orion Property Development, Inc.; FLT Prime Insurance Corporation; ESTA Galleria, a wholesale distributor of premium quality tiles. She was a board member of the International Council of Shopping Centers (ICSC), Asia Pacific Advisory Board from 2008 until 2020. She is a 2015 ICSC Trustees Distinguished Service Awardee. She graduated as cum laude of Bachelor of Arts in Economics from the University of the Philippines in 1983 and earned her Masters in Business Administration degree from the same university in 1988. She finished the Executive Development Program at the Aresty Institute of Executive Education in Wharton University, Pennsylvania, USA in 2005.

**Jennylle S. Tupaz**, Filipino, 49, is Vice President of ALI and Estate Development Head. Prior to this post she was the President of Ayala Land Malls, Inc. Prior to joining the commercial business of ALI in 2018, she was involved in the residential development business for over 21 years. She was president of Alveo Land Corp., ALI's upscale residential brand, where she spent 11 years leading project development. She held earlier positions in Avida and the then Leisure & Lifestyle Communities Group of ALI. She holds a Bachelor of Science degree in Statistics from the University of the Philippines, and a Master's Degree in Business Administration from the University of Chicago Booth School of Business.

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

**Solomon M. Hermosura**, Filipino, 60, has served as the Corporate Secretary of the Company since April 2011 and the Group General Counsel of the Company since April 2014. He is a Managing Director of Ayala Corporation and a member of its Management Committee since 2009 and the Ayala Group Management Committee since 2010. He is the Group Head of Corporate Governance, Chief Legal Officer, Compliance Officer, Corporate Secretary and Data Protection Officer of Ayala Corporation. He is the CEO of Ayala Group Legal. He also serves as Corporate Secretary of Globe Telecom, Inc., Manila Water Company, Inc., Integrated Micro-Electronics, Inc., Ayala Foundation, Inc., AREIT, Inc. and AC Energy Corporation (formerly AC Energy Philippines, Inc.). He also serves as a Corporate Secretary and a member of the Board of Directors of a number of companies in the Ayala Group. Mr. Hermosura is currently a member of the faculty of the College of Law of San Beda University. He graduated valedictorian with a Bachelor of Laws degree from San Beda College in 1986 and placed third in the 1986 Bar Examination.

**Annabeth R. Bernardo**, Filipino, 39, was appointed as Chief Audit Executive of Ayala Land, Inc. (ALI) effective January 2021. Prior to this position she was the Head of Control & Analysis handling management reports and financial analyses of Makati Development Corporation (MDC), a wholly-owned Subsidiary of ALI. She also served as its Head of Internal Audit and as Chief Finance Officer of one of MDC's Construction Divisions. She was the Internal Audit Manager of ALI prior to her secondment to MDC. She is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certification in Control Self-Assessment (CCSA) holder, and a member of the Institute of Internal Auditors Philippines (IIAP). She holds a Bachelor of Science degree in Business Administration and Accountancy, Cum Laude, from the University of the Philippines and was awarded with the Certificate of Honor for being part of the Top 25 successful CIA examinees worldwide back in 2007.

**Maphilindo S. Tandoc**, 59, is currently Ayala Land's Assistant Vice President and Chief Risk Officer under the office of the Chief Finance Officer. He started his career as a registered mechanical engineer and was first engaged in the contracting industry in 1986 at Koldwinds Systems Inc. (KSI), a company specializing in industrial heating, ventilating, air-conditioning and refrigerating (HVACR) systems where he handled installation, retrofit and maintenance projects. He joined PLDT Co., in 1989 as a Safety Engineer and eventually managed PLDT's Corporate Safety, Security and Environmental Management Divisions. In 2000, he was promoted as corporate Risk Manager, a role he performed up to 2004. From 2004 to 2006, he worked for Asian Terminals, Inc. (ATI), then P&O Ports Australian subsidiary, as Risk and Insurance Management Officer. In March 2006 joined Ayala Land, Inc. (ALI) as the company's Risk Insurance Manager. He was promoted in 2012 to be the Company's Chief Risk Officer (CRO) managing enterprise-wide risk programs. He functionally reports directly to the company's Board Risk Oversight Committee and as a Senior Division Head under the Finance Group, he administratively reports to the Chief Finance Officer. Aside from handling enterprise-wide risk management programs, he is also managing on concurrent basis the company's vast portfolio of insurance programs and is designated as the corporate Safety Officer of the company. He is a DOLE accredited occupational safety and health consultant and was one of the founding members of the Association of Safety Practitioners of the Phils., Inc. (ASPPI) in 1999 where he eventually became the Chairman until he exited in 2008. He is currently a Board Director of the Safety Organization of the Phils., Inc. (SOPI) and CRO of both ALI and AREIT.

### **Significant Employees**

Please refer to page 125 of the Second Tranche Offer Supplement.

### **Family Relationships**

Please refer to page 125 of the Second Tranche Offer Supplement.

### **Involvement in Certain Legal Proceedings (over the past 5 years)**

Please refer to page 125 of the Second Tranche Offer Supplement.

## **EXECUTIVE COMPENSATION**

Please refer to pages 126-127 of the Second Tranche Offer Supplement.



## SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN RECORD AND BENEFICIAL OWNERS

### Security Ownership of Certain Record and Beneficial Owners of more than 5% as of April 30, 2022

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (of total outstanding shares)
Common Preferred	Ayala Corporation <sup>12</sup> 32/F to 35/F, Tower One and Exchange Plaza Ayala Triangle Ayala Ave., Makati City	Ayala Corporation <sup>13</sup>	Filipino	6,844,066,579 12,163,180,640	68.2190%
Common	PCD Nominee Corporation (Non-Filipino) <sup>14</sup> G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers <sup>15</sup>	Various Non-Filipino	4,437,652,556	15.9272 %
Common	PCD Nominee Corporation (Filipino) <sup>4</sup> G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers <sup>5</sup>	Filipino	3,185,067,666	11.4315%

### Security Ownership of Directors and Management (Executive Officers) as of April 27, 2022<sup>16</sup>:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of total outstanding shares)
<b>Directors</b>				
Common	Fernando Zobel de Ayala <sup>17</sup>	(direct) 183,000	Filipino	0.0007%
Common	Jaime Augusto Zobel de Ayala <sup>8</sup>	(direct) 12,000	Filipino	0.0000%
Common	Bernard Vincent O. Dy	(direct & indirect) 17,933,945	Filipino	0.0644%
Common	Antonino T. Aquino	(direct & indirect) 20,305,226	Filipino	0.0729%
Common	Arturo G. Corpuz	(direct & indirect) 5,843,711	Filipino	0.0210%
Common	Rizalina G. Mantaring	(direct & indirect) 39,401	Filipino	0.0001%
Common	Rex Ma. A. Mendoza	(direct & indirect) 3,914,201	Filipino	0.0140%
Common	Sherisa P. Nuesa	(direct & indirect) 3,998,509	Filipino	0.0144%
Common	Cesar V. Purisima	(direct) 1	Filipino	0.0000%
<b>CEO and Most Highly Compensated Executive Officers</b>				
Common	Bernard Vincent O. Dy	(direct & indirect) 17,993,945	Filipino	0.0644%
Common	Dante M. Abando	(direct & indirect) 6,299,148	Filipino	0.0226%
Common	Augusto D. Bengzon	(indirect) 3,694,552	Filipino	0.0133%
Common	Anna Ma. Margarita B. Dy	(indirect) 7,482,588	Filipino	0.0269%
Common	Jose Emmanuel H. Jalandoni	(direct & indirect) 8,030,674	Filipino	0.0288%

<sup>12</sup> Ayala Corporation ("AC") is the parent of the Company.

<sup>13</sup> Under the By-Laws of AC and the Revised Corporation Code, the AC Board has the power to decide how AC's shares are to be voted.

<sup>14</sup> PCD is not related to the Company.

<sup>15</sup> Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The beneficial owner, with certification of ownership of shares from the PCD Participant, has the power to vote *in absentia* or through the Chairman of the meeting as proxy. Out of the 7,622,720,222 common shares registered in the name of PCD Nominee Corporation, 1,568,251,204 or 5.6286% of the voting stock is for the account of Standard Chartered Bank (SCB). The Company did not receive any report from SCB or any of its customers stating that they beneficially own more than 5% of the Company's common shares.

<sup>16</sup> 2022 Organizational Board Meeting

<sup>17</sup> Mr. Fernando Zobel de Ayala and Mr. Jaime Zobel de Ayala indirectly owns 12.2163% and 12.2171% of ALI, respectively, pursuant to SEC Memorandum Circular No. 15, series of 2019.

## Security Ownership of Management and Certain Record and Beneficial Owners

<b>Other Executive Officers</b>				
Common	Lyle A. Abadia	(indirect) 1,050,401	Filipino	0.0038%
Common	Amelia Ann T. Alipao	(indirect) 1,743,268	Filipino	0.0063%
Common	Annabeth R. Bernardo	(indirect) 53,200	Filipino	0.0002%
Common	Aniceto V. Bisnar, Jr.	(indirect) 1,863,781	Filipino	0.0067%
Common	Ma. Luisa D. Chiong	direct & indirect 807,276	Filipino	0.0029%
Common	Raquel S. Cruz	(indirect) 486,697	Filipino	0.0017%
Common	Dindo R. Fernando	(indirect) 1,005,585	Filipino	0.0036%
Common	Rufino Hermann S. Gutierrez	(indirect) 777,768	Filipino	0.0028%
Common	Solomon M. Hermosura	(direct) 480	Filipino	0.0000%
Preferred		(direct) 480		0.0000%
Common	Javier D. Hernandez	(indirect) 634,615	Filipino	0.0023%
Common	Joseph Carmichael Z. Jugo	(indirect) 993,208	Filipino	0.0036%
Common	Laurent P. Lamasuta	(indirect) 3,613,692	Filipino	0.0130%
Voting Preferred		(direct) 1,977,234		0.0071%
Common	Robert S. Lao	(indirect) 2,394,283	Filipino	0.0086%
Common	Stephanie J. Lingad	(indirect) 814,640	Filipino	0.0029%
Common	Ma Divina Y. Lopez	(indirect) 639,776	Filipino	0.0023%
Common	Christopher B. Maglanoc	(indirect) 1,230,086	Filipino	0.0044%
Common	Michael F. Magpusao	(indirect) 571,687	Filipino	0.0021%
Common	Ferdie M. Mangali	(indirect) 1,010,860	Filipino	0.0036%
Common	Romeo T. Menpin	(indirect) 612,921	Filipino	0.0022%
Common	Carol T. Mills	(indirect) 860,092	Filipino	0.0031%
Common	June Vee D. Monteclaro-Navarro	(indirect) 402,054	Filipino	0.0014%
Voting Preferred		(direct) 180,218		0.0006%
Common	Rodelito J. Ocampo	(direct & indirect) 2,663,181	Filipino	0.0096%
Common	Darwin L. Salipsip	(indirect) 803,802	Filipino	0.0029%
Common	Maphilindo S. Tandoc	(indirect) 310,395	Filipino	0.0011%
Common	Maria Rowena Victoria M. Tomeldan	(direct & indirect) 1,457,705	Filipino	0.0052%
Common	Jennylle S. Tupaz	(indirect) 1,176,983	Filipino	0.0042%
Common	Richard T. Yap	(direct & indirect) 545,285	Filipino	0.0020%
<b>All Directors and Officers as a group</b>		<b>108,418,609</b>		<b>0.3891%</b>

Note: No change in the number of shareholdings of the directors and officers from April 27, 2022 to April 30, 2022.

None of the members of the Company's directors and management owns 2.0% or more of the outstanding capital stock of the Company.

### Voting Trust Holders of 5% or More

Please refer to page 129 of the Second Tranche Offer Supplement.

### Changes in Control

Please refer to page 129 of the Second Tranche Offer Supplement

### Foreign Ownership level as of April 30, 2022

Security	Total Outstanding Shares	Shares Owned by Foreigners	Foreign Ownership Level
Common Shares	14,795,594,779	4,445,444,303	
Voting Preferred Shares	13,066,494,759	609,377,935	
Total	27,862,089,538	5,054,822,238	18.14%

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Please refer to pages 130 to 131 of the Second Tranche Offer Supplement.

## DESCRIPTION OF DEBT

Please refer to pages 132 to 133 of the Second Tranche Offer Supplement.

## **CORPORATE GOVERNANCE**

Please refer to page 195 of the Prospectus.

## **FINANCIAL INFORMATION**

The following pages set forth Ayala Land's audited consolidated financial statements as at December 31, 2021, 2020, and 2019, and for each of the three (3) years in the period ended December 31, 2021.



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of Ayala Land, Inc. (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the years ended December 31, 2021, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company and its subsidiaries in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
**FERNANDO ZOBEL DE AYALA**  
Chairman, Board of Directors

  
**BERNARD VINCENT O. DY**  
President & Chief Executive Officer

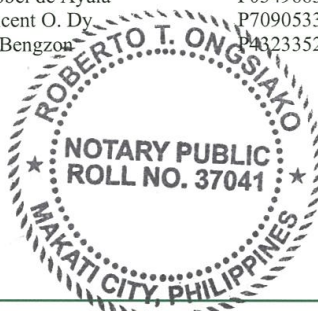
  
**AUGUSTO D. BENGZON**  
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this FEB 24 2022 at Makati City, affiants exhibiting to me their respective Passports, to wit:

Name	Passport No.
Fernando Zobel de Ayala	P0349883B
Bernard Vincent O. Dy	P7090533B
Augusto D. Bengzon	P4323352B

Date & Place of Issue
January 22, 2019 – DFA Manila
July 1, 2021 – DFA Manila
January 8, 2020 – DFA NCR East

Doc. No. 101 ;  
Page No. 22 ;  
Book No. XLII ;  
Series of 2022.



**ROBERTO T. ONGSIAKO**  
Notary Public – Makati City  
Appt. No. M-149 until December 31, 2022  
Roll of Attorneys No. 37041  
Lifetime IBP No. 02163 – RSM Chapter  
PTR No. 8852355MJ – 01/03/2022 - Makati City  
MCLE Compliance No. VII – 0000267 – 07/30/2019  
4th Floor Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines

Notarial DST pursuant to  
Section 188 of the Tax Code  
affixed in Notary Public's copy

**C O V E R   S H E E T**  
for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

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**C O M P A N Y   N A M E**

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I	E	S																											

**PRINCIPAL OFFICE** ( No. / Street / Barangay / City / Town / Province )

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a	l	a		A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y							

Form Type

A	A	F	S
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Department requiring the report

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Secondary License Type, If Applicable

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**C O M P A N Y   I N F O R M A T I O N**

Company's Email Address

**iru@ayalaland.com.ph**

Company's Telephone Number

**7 908-3677**

Mobile Number

No. of Stockholders

**11,789**

Annual Meeting (Month / Day)

**04/27**

Fiscal Year (Month / Day)

**12/31**

**C O N T A C T   P E R S O N   I N F O R M A T I O N**

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

**Ma. Luisa D. Chiong**

Email Address

**chiong.malou@ayalaland.  
com.ph**

Telephone Number/s

**7 908-3681**

Mobile Number

**C O N T A C T   P E R S O N ' s   A D D R E S S**

**30<sup>th</sup> Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City**

**NOTE 1 :** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**2 :** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.







SyCip Gorres Velayo & Co.  
6760 Ayala Avenue  
1226 Makati City  
Philippines

Tel: (632) 8891 0307  
Fax: (632) 8819 0872  
ey.com/ph

## INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
Ayala Land, Inc.  
31st Floor, Tower One and Exchange Plaza, Ayala Triangle  
Ayala Avenue, Makati City

### Opinion

We have audited the accompanying consolidated financial statements of Ayala Land, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

### Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2021 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### **Real Estate Revenue Recognition**

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve the application of significant judgment and estimation on the following: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) application of the output method as the measure of progress in determining real estate revenue; (3) determination of the actual costs incurred as cost of sales; and (4) recognition of cost to obtain a contract.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as past history with buyers, age of residential and office development receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of coronavirus pandemic, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (project engineers). This is based on the monthly project accomplishment report prepared by the third party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the Group itself.

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Group identifies sales commission after contract inception as the cost of obtaining the contract. For contracts which qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain contract and recognizes the related commission payable. The Group uses percentage of completion (POC) method in amortizing sales commission consistent with the Group's revenue recognition policy.

In 2021, the Group adopted the provisions of PFRS 15 covered by Philippine Interpretations Committee (PIC) Q&A 2018-12-E on the treatment of land in the calculation of POC. The Group applied the modified retrospective approach decreasing the beginning retained earnings and non-controlling interests by ₱2.84 billion and ₱16 million, respectively.

The disclosures related to real estate revenue are included in Notes 2 and 3 to the consolidated financial statements.

### **Audit Response**

We obtained an understanding of the Group's real estate revenue recognition process, policies and procedures.

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We also considered the impact of the coronavirus pandemic to the level of cancellations during the year. We traced the analysis to supporting documents such as deed of cancellations.



For the application of the output method, in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC, and performed tests of the relevant controls. We obtained the certified POC reports prepared by the project engineers and assessed their competence and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, including inquiries on how the coronavirus pandemic affected the POC during the period and obtained the supporting details of POC reports showing the completion of the major activities of project construction.

For the cost of real estate sales, we obtained an understanding of the Group's cost accumulation process and performed tests of the relevant controls. For selected projects, we traced costs accumulated, including those incurred but not yet billed, to supporting documents such as invoices and accomplishment reports from the contractors and official receipts.

For the recognition of cost to obtain a contract, we obtained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and the portion recognized in profit or loss, particularly the following: (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (i.e., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from real estate sales.

On the adoption of PIC Q&A 2018-12-E, we obtained and reviewed the computation and supporting documents consisting primarily of the reserves memo, contracts, billings and incurred costs. We recomputed the impact of the change in POC.

***Impairment Testing of Property and Equipment and Right-of-Use Assets of Hotels and Resorts Segment***

In view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported for this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment. These events and conditions are impairment indicators requiring the assessment of the recoverable amount of the property and equipment and right-of-use assets, which involves significant judgment, estimation and assumptions about occupancy rates, average room rates, gross margin, as well as external inputs such as discount rates. In addition, because of the coronavirus pandemic, there is the heightened level of uncertainty on the future economic outlook and market forecast. Accordingly, such impairment assessment and testing is a key audit matter in our audit.

The disclosures in relation to property and equipment and right-of-use assets are included in Note 3 to the consolidated financial statements.

***Audit Response***

We involved our internal specialist in evaluating the methodologies and the assumptions used in estimating the recoverable amount. These assumptions include occupancy rates, average room rates, gross margin as well as external inputs such as discount rate. We compared the key assumptions used such as occupancy rates, average room rates and gross margin against industry forecasts and with historical information, adjusted to take into consideration the impact associated with the coronavirus pandemic. We tested the discount rate by comparing against market data. We also reviewed the Group's disclosures about these assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of property and equipment and right-of-use assets.



### **Consolidation Process**

The consolidated financial statements of the Group represents the consolidation of the financial statements of Ayala Land, Inc. and its various direct and indirect subsidiaries. We consider the Group's consolidation process as a key audit matter because of the complexity arising from the numerous component entities within the Group requiring layers of consolidation, voluminous intercompany transactions within the Group that require elimination, monitoring of fair value adjustments arising from business combinations, and adjustments to non-controlling interests. Note 1 to the consolidated financial statements provides the relevant information on the Group's subsidiaries.

### **Audit Response**

We obtained an understanding of the Group's consolidation process and the Group's process for identifying related parties and related party transactions and the reconciliation of intercompany balances. We tested significant consolidation adjustments, including elimination, deferral and realization of profit or recoveries from intercompany transactions and balances, amortization/depreciation/reversal of fair value adjustments arising from business combinations, the currency translation adjustments, movements in non-controlling interests and other equity adjustments. We evaluated whether the accounting policies of the Group has been consistently applied.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael C. Sabado.

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

February 24, 2022



**AYALA LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Amounts in Thousands)

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 4 and 29)	<b>₱13,971,437</b>	₱17,037,347
Short-term investments (Notes 5 and 29)	<b>325,641</b>	358,120
Financial assets at fair value through profit or loss (Notes 6 and 29)	<b>700,803</b>	965,171
Accounts and notes receivable (Notes 7 and 29)	<b>100,097,451</b>	101,145,909
Inventories (Note 8)	<b>148,156,725</b>	146,743,592
Other current assets (Note 9)	<b>65,300,897</b>	58,020,962
Total Current Assets	<b>328,552,954</b>	324,271,101
<b>Noncurrent Assets</b>		
Noncurrent accounts and notes receivable (Notes 7 and 29)	<b>43,663,620</b>	46,021,255
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 10 and 29)	<b>981,270</b>	1,511,443
Investments in associates and joint ventures (Note 11)	<b>28,152,733</b>	26,601,254
Right-of-use assets (Note 33)	<b>12,156,240</b>	13,008,175
Investment properties (Note 12)	<b>243,397,632</b>	222,684,850
Property and equipment (Note 13)	<b>41,778,353</b>	43,446,968
Deferred tax assets - net (Note 23)	<b>12,890,122</b>	12,121,515
Other noncurrent assets (Notes 14 and 26)	<b>33,891,439</b>	31,827,813
Total Noncurrent Assets	<b>416,911,409</b>	397,223,273
	<b>₱745,464,363</b>	₱721,494,374
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Short-term debt (Notes 16 and 29)	<b>₱16,782,500</b>	₱9,131,325
Accounts and other payables (Notes 15 and 29)	<b>136,690,396</b>	144,625,922
Income tax payable	<b>506,638</b>	1,455,612
Current portion of lease liabilities (Note 33)	<b>599,363</b>	466,801
Current portion of long-term debt (Notes 16 and 29)	<b>26,173,997</b>	18,732,401
Deposits and other current liabilities (Notes 17 and 29)	<b>27,471,315</b>	25,317,246
Total Current Liabilities	<b>208,224,209</b>	199,729,307
<b>Noncurrent Liabilities</b>		
Long-term debt - net of current portion (Notes 16 and 29)	<b>180,140,242</b>	184,087,192
Pension liabilities (Note 26)	<b>2,103,735</b>	3,020,797
Lease liabilities - net of current portion (Note 33)	<b>17,237,991</b>	17,289,042
Deferred tax liabilities - net (Note 23)	<b>6,520,263</b>	7,148,534
Deposits and other noncurrent liabilities (Notes 18 and 29)	<b>60,735,602</b>	50,040,170
Total Noncurrent Liabilities	<b>266,737,833</b>	261,585,735
Total Liabilities	<b>474,962,042</b>	461,315,042

(Forward)



	December 31	
	2021	2020
<b>Equity</b> (Note 19)		
Equity attributable to equity holders of Ayala Land, Inc.		
Paid-in capital	<b>₱79,897,468</b>	₱62,953,585
Retained earnings	<b>168,980,632</b>	161,660,724
Remeasurement loss on defined benefit plans (Note 26)	<b>(33,279)</b>	(818,101)
Fair value reserve of financial assets at FVOCI (Note 10)	<b>(880,895)</b>	(748,220)
Cumulative translation adjustments	<b>261,612</b>	167,395
Equity reserves (Note 1)	<b>1,289,611</b>	585,256
Treasury stock	<b>(16,894,380)</b>	(1,260,780)
	<b>232,620,769</b>	222,539,859
Non-controlling interests (Note 19)	<b>37,881,552</b>	37,639,473
Total Equity	<b>270,502,321</b>	260,179,332
	<b>₱745,464,363</b>	₱721,494,374

See accompanying Notes to Consolidated Financial Statements.





**AYALA LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Amounts in Thousands, Except Earnings Per Share Figures)

	Years Ended December 31		
	2021	2020	2019
<b>REVENUE</b> (Note 20)			
Real estate sales (Notes 20 and 30)	<b>₱96,144,850</b>	₱85,965,453	₱157,848,573
Interest income from real estate sales (Notes 7 and 20)	<b>6,801,012</b>	8,602,775	7,890,972
Equity in net earnings of associates and joint ventures (Notes 11 and 20)	<b>842,565</b>	586,502	965,787
	<b>103,788,427</b>	95,154,730	166,705,332
Interest and investment income (Notes 6, 21 and 25)	<b>253,107</b>	394,701	930,445
Other income (Notes 21 and 24)	<b>2,101,071</b>	723,268	1,157,935
	<b>2,354,178</b>	1,117,969	2,088,380
	<b>106,142,605</b>	96,272,699	168,793,712
<b>COSTS AND EXPENSES</b>			
Cost of real estate sales (Note 22)	<b>64,641,519</b>	56,673,184	94,751,939
General and administrative expenses (Notes 22, 26 and 28)	<b>6,538,859</b>	8,011,813	9,367,359
Interest and other financing charges (Note 22)	<b>11,037,772</b>	12,745,720	12,199,758
Other expenses (Note 22)	<b>3,636,915</b>	3,788,771	1,644,982
	<b>85,855,065</b>	81,219,488	117,964,038
<b>INCOME BEFORE INCOME TAX</b>	<b>20,287,540</b>	15,053,211	50,829,674
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b> (Note 23)			
Current	<b>5,984,642</b>	4,687,956	12,455,010
Deferred	<b>(1,356,465)</b>	(628,983)	859,633
	<b>4,628,177</b>	4,058,973	13,314,643
<b>NET INCOME</b>	<b>₱15,659,363</b>	₱10,994,238	₱37,515,031
Net income attributable to:			
Equity holders of Ayala Land, Inc. (Note 27)	<b>₱12,228,148</b>	₱8,727,155	₱33,188,399
Non-controlling interests	<b>3,431,215</b>	2,267,083	4,326,632
	<b>₱15,659,363</b>	₱10,994,238	₱37,515,031
<b>Earnings Per Share</b> (Note 27)			
Net income attributable to equity holders of Ayala Land, Inc.:			
Basic and diluted	<b>₱0.83</b>	₱0.59	₱2.25

See accompanying Notes to Consolidated Financial Statements.



**AYALA LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019
<b>NET INCOME</b>	<b>₱15,659,363</b>	<b>₱10,994,238</b>	<b>₱37,515,031</b>
<b>Other comprehensive income (loss)</b>			
<i>Item that will be reclassified to profit or loss in subsequent years:</i>			
Cumulative translation adjustment	<b>265,284</b>	(237,531)	(617,831)
<i>Items that will not be reclassified to profit or loss in subsequent years:</i>			
Fair value reserve of financial assets at FVOCI (Note 10)	<b>(97,378)</b>	(426,088)	(3,220)
Remeasurement gain (loss) on pension liabilities (Note 26)	<b>1,099,585</b>	(686,987)	(167,754)
Income tax effect	<b>(274,896)</b>	206,096	50,326
	<b>992,595</b>	(1,144,510)	(738,479)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱16,651,958</b>	<b>₱9,849,728</b>	<b>₱36,776,552</b>
Total comprehensive income attributable to:			
Equity holders of Ayala Land, Inc.	<b>₱13,049,676</b>	₱7,872,357	₱32,449,920
Non-controlling interests	<b>3,602,282</b>	1,977,371	4,326,632
	<b>₱16,651,958</b>	<b>₱9,849,728</b>	<b>₱36,776,552</b>

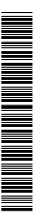
See accompanying Notes to Consolidated Financial Statements.



**AYALA LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Amounts in Thousands)

	Attributable to equity holders of Ayala Land, Inc.										
	Additional Paid-in Capital	Subscription Receivables	Appropriated Retained Earnings	Unappropriated Retained Earnings	Stock Option Outstanding	Gain (Loss) on Benefit Plans	Fair value reserve of Financial FVOCI	Cumulative Translation Adjustments	Equity Reserves	Treasury Stocks	Non-Controlling Interests
<b>As of January 1, 2021, as previously stated</b>	<b>P16,086,829</b>	<b>P49,149,512</b>	<b>P8,000,000</b>	<b>P153,660,724</b>	<b>P-</b>	<b>P(818,101)</b>	<b>P(748,220)</b>	<b>P167,395</b>	<b>P585,256</b>	<b>P(1,260,780)</b>	<b>P37,639,473</b>
<b>Change in accounting policies:</b>	-	-	-	(2,838,041)	-	-	-	-	-	-	(16,298)
Adoption of PFRS 15 covered by PIC O&A 2018-12E	-	-	-	1,993,028	-	(818,101)	(748,220)	167,395	585,256	(1,260,780)	1,993,028
Capitalized borrowing cost	-	-	8,000,000	152,815,712	-	-	-	-	-	-	-
<b>As of January 1, 2021, as restated</b>	<b>16,086,829</b>	<b>49,149,512</b>	<b>(2,262,756)</b>	<b>163,638,495</b>	<b>-</b>	<b>(818,101)</b>	<b>(748,220)</b>	<b>167,395</b>	<b>585,256</b>	<b>(1,260,780)</b>	<b>37,623,175</b>
<b>Net income</b>	-	-	-	12,228,148	-	824,839	(97,378)	94,217	-	-	3,431,215
Other comprehensive income (loss)	-	-	-	12,228,148	-	824,839	(97,378)	94,217	-	-	3,602,592
<b>Total comprehensive income (loss)</b>	-	-	-	24,456,336	-	1,649,678	-	188,434	-	-	7,034,787
Cost of stock options exercised	159,072	-	(17,000,000)	(17,000,000)	-	-	-	-	-	-	-
Stock options exercised	11,389	324,725	-	-	-	-	-	-	-	-	-
Collection of subscription receivable	609,626	(346,603)	-	-	-	(39,867)	(35,297)	-	(276,774)	(13,976,965)	(2,140,183)
Statutory merger	-	18,859,460	-	-	-	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	981,129	(1,656,635)	981,129
Acquisition of non-controlling interest	-	-	-	(4,063,228)	-	-	-	-	-	-	-
Net change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
<b>As of December 31, 2021</b>	<b>P16,887,844</b>	<b>P65,484,253</b>	<b>P(2,264,639)</b>	<b>P235,000,000</b>	<b>P-</b>	<b>P(733,279)</b>	<b>P(880,895)</b>	<b>P261,612</b>	<b>P1,289,611</b>	<b>P(16,594,380)</b>	<b>P37,881,552</b>
<b>As of January 1, 2020</b>	<b>P16,051,984</b>	<b>P48,598,641</b>	<b>P(1,878,179)</b>	<b>P8,000,000</b>	<b>P448,940,236</b>	<b>P42,279</b>	<b>P(837,210)</b>	<b>P(457,358)</b>	<b>P250,440</b>	<b>P(7,056,459)</b>	<b>P211,050,021</b>
Net income	-	-	-	8,727,155	-	(480,881)	(290,862)	(83,045)	-	-	8,727,155
Other comprehensive loss	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	8,727,155	-	(480,881)	(290,862)	(83,045)	-	-	8,727,155
Cost of stock options	154,199	-	-	-	(42,279)	-	-	-	-	-	-
Collection of subscription receivable	14,845	396,672	(411,517)	-	-	-	-	-	-	-	-
Stock options exercised	-	-	-	-	-	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	7,641,715	(156,427)	7,641,715
Disposal of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Net change in non-controlling interest	-	-	-	(4,006,687)	-	-	-	-	-	-	-
Cost of dividends declared	-	-	-	-	-	-	-	-	-	-	-
<b>As of December 31, 2020</b>	<b>P16,086,829</b>	<b>P49,149,512</b>	<b>P(2,262,756)</b>	<b>P8,000,000</b>	<b>P153,660,724</b>	<b>P-</b>	<b>P(818,101)</b>	<b>P(748,220)</b>	<b>P167,395</b>	<b>P585,256</b>	<b>P(1,260,780)</b>
											<b>P222,559,859</b>
											<b>P37,639,473</b>
											<b>P260,179,332</b>

(Forward)



Attributable to equity holders of Ayala Land, Inc.													
	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable	Appropriated Retained Earnings (Note 19)	Unappropriated Retained Earnings (Note 19)	Stock Options Outstanding	Remaining on Defined Benefit Plans (Note 26)	Fair value reserve of financial assets at FVOCI (Note 10)	Cumulative Translation Adjustments (Note 19)	Equity Reserves (Note 19)	Treasury Stocks (Note 19)	Total	Non- Controlling Interests
As of January 1, 2019	P16,041,530	P47,985,990	(P1,876,556)	P8,000,000	P123,473,337	P65,462	(P219,782)	(P454,138)	P868,271	(P7,400,945)	P-	P186,883,169	P32,621,987
Net income	-	-	-	-	33,188,389	-	(117,428)	(3,220)	(617,831)	-	-	33,188,389	4,326,632
Total comprehensive loss	-	-	-	-	-	-	-	-	-	-	-	(721,500)	-
Total comprehensive income	-	-	-	-	33,188,389	-	(117,428)	(3,220)	(617,831)	-	-	32,466,820	4,326,632
Cost of the equity	-	166,039	-	-	-	(23,183)	-	-	-	-	-	142,856	-
Collection of subscription receivable	-	-	255,443	-	-	-	-	-	-	-	-	255,443	-
Stock options exercised	10,454	446,612	(457,066)	-	-	-	-	-	-	-	(1,104,353)	(1,104,353)	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	344,486	-	344,486	(3,991,324)
Acquisition of non-controlling interests	-	-	-	-	(7,721,500)	-	-	-	-	-	-	(7,721,500)	(1,301,758)
Cash dividends declared	-	-	-	-	-	-	-	-	-	-	-	-	-
As of December 31, 2019	P16,051,984	P48,598,641	(P1,878,173)	P8,000,000	P148,940,236	P42,279	(P337,210)	(P457,358)	P250,440	(P7,056,459)	(P1,104,353)	P211,050,021	P31,655,647
													P242,705,668

See accompanying Notes to Consolidated Financial Statements.



**AYALA LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	<b>₱20,287,540</b>	₱15,053,211	₱50,829,674
Adjustments for:			
Interest and other financing charges (Note 22)	<b>11,037,772</b>	12,745,720	12,199,758
Depreciation and amortization (Notes 12, 13, 14, 22 and 33)	<b>8,820,507</b>	9,572,572	9,058,710
Dividends received from investees (Note 11)	<b>321,617</b>	758,714	386,241
Provision for impairment losses (Note 22)	<b>539,692</b>	977,849	568,775
Cost of share-based payments (Note 28)	<b>150,072</b>	111,920	142,856
Unrealized (gain) loss on financial assets at fair value through profit or loss (Note 6)	<b>(99,372)</b>	40,116	1,965
Gain on sale of property and equipment (Note 21)	<b>–</b>	(23,265)	(40,870)
Equity in net earnings of associates and joint ventures (Note 11)	<b>(842,565)</b>	(586,502)	(965,787)
Gain on sale of investment in associates and jointly controlled entities (Note 11)	<b>(807,618)</b>	–	–
Interest income	<b>(7,054,119)</b>	(8,971,289)	(8,780,320)
Operating income before changes in working capital	<b>32,353,526</b>	29,679,046	63,401,002
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts and notes receivable – trade	<b>251,492</b>	683,154	14,849,682
Inventories (Note 8)	<b>(1,459,729)</b>	(10,253,170)	(5,315,783)
Other current assets (Note 9)	<b>(7,279,935)</b>	(8,477,188)	(4,520,502)
Increase (decrease) in:			
Accounts and other payables	<b>(7,690,011)</b>	(16,164,090)	(15,725,408)
Deposits and other current liabilities (Note 17)	<b>2,154,067</b>	(155,341)	(3,071,965)
Pension liabilities (Note 26)	<b>(92,362)</b>	346,206	319,979
Cash generated from operations	<b>18,237,048</b>	(4,341,383)	49,937,005
Interest received	<b>7,008,224</b>	8,925,394	8,768,302
Income tax paid	<b>(6,933,615)</b>	(5,355,723)	(11,683,232)
Interest paid	<b>(10,385,580)</b>	(11,735,785)	(11,009,836)
Net cash provided by (used in) operating activities	<b>7,926,077</b>	(12,507,497)	36,012,239
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from:			
Sale/redemption of short-term investments	<b>41,160</b>	397,875	2,490,543
Sale/redemption of financial assets at FVTPL	<b>1,168,987</b>	1,917,237	765,763
Sale of investments in FVOCI (Note 10)	<b>–</b>	21,112	56,858
Disposal of property and equipment (Note 13)	<b>483,360</b>	161,997	124,832
Disposal of investment properties (Note 12)	<b>294,149</b>	2,203,774	3,669,275
Disposal of investments in associates and jointly controlled entities	<b>807,618</b>	326,602	–

(Forward)



	Years Ended December 31		
	2021	2020	2019
Additions to:			
Short-term investments	(P8,680)	(P138,846)	(P22,293)
Financial assets at fair value through profit or loss	(805,248)	(2,437,088)	(776,919)
Financial assets at FVOCI (Note 10)	-	(98,951)	(93,463)
Investments in associates and joint ventures (Note 11)	(778,748)	(1,837,901)	(1,529,688)
Investment properties (Note 12)	(22,030,868)	(5,544,790)	(29,215,224)
Property and equipment (Note 13)	(3,215,492)	(3,098,436)	(10,519,576)
Net decrease (increase) in:			
Accounts and notes receivable - nontrade (Note 7)	(12,981)	2,046,114	(564,222)
Other noncurrent assets (Note 14)	(2,171,784)	2,865,904	(6,957,950)
Net cash used in investing activities	(26,228,527)	(3,215,397)	(42,572,063)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short and long-term debt (Note 16)	191,282,758	226,900,910	165,401,684
Payments of short and long-term debt (Note 16)	(180,536,836)	(225,720,204)	(140,675,538)
Payments of principal portion of lease liability (Note 33)	(1,432,361)	(1,334,674)	(1,179,645)
Increase (decrease) in deposits and other noncurrent liabilities	10,695,432	5,706,022	(6,241,773)
Acquisition of non-controlling interest (Note 19)	1,534,967	-	(3,646,838)
Increase in non-controlling interests	-	235,994	-
Proceeds from IPO sponsorship (Note 19)	-	12,343,461	-
Proceeds from capital stock subscriptions (Note 19)	324,724	26,940	255,443
Acquisition of treasury shares (Note 19)	(1,656,635)	(156,427)	(1,104,353)
Dividends paid to non-controlling interests	(1,324,396)	(931,185)	(1,301,758)
Dividends paid to equity holders of Ayala Land, Inc. (Note 19)	(4,051,013)	(4,397,061)	(7,754,047)
Net cash provided by financing activities	14,836,640	12,673,776	3,753,175
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,465,810)</b>	<b>(3,049,118)</b>	<b>(2,806,649)</b>
<b>EFFECT OF CHANGES IN FOREIGN CURRENCY</b>	<b>399,900</b>	<b>(326,576)</b>	<b>(776,880)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>17,037,347</b>	<b>20,413,041</b>	<b>23,996,570</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)</b>	<b>P13,971,437</b>	<b>P17,037,347</b>	<b>P20,413,041</b>

See accompanying Notes to Consolidated Financial Statements.



## AYALA LAND, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Corporate Information

Ayala Land, Inc. (the Parent Company or ALI) is domiciled and was incorporated on June 30, 1988 in the Republic of the Philippines with corporate life of fifty years. The Parent Company's parent is Ayala Corporation (AC). AC is a publicly listed company which is 47.87%-owned by Mermac, Inc. and the rest by the public as of December 31, 2021. The Parent Company's registered office and principal place of business is 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The Parent 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 for 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 of other persons; and to engage or act as real estate broker. The Group is also involved in hotels and resorts operations.

The consolidated financial statements of Ayala Land, Inc. and Subsidiaries as of December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021 were endorsed for approval by the Audit Committee on February 18, 2022 and were approved and authorized for issue by the Board of Directors (BOD) on February 24, 2022.

The consolidated financial statements represent the consolidation of the financial statements of the Parent Company and the following domestic and foreign subsidiaries:

	December 31	
	2021*	2020*
Real Estate:		
Alveo Land Corporation (Alveo)	100%	100%
Serendra, Inc.	39	39
Solinea, Inc. (Solinea)	65	65
BGSouth Properties, Inc. (BGSouth)	50	50
Portico Land Corp. (Portico)	60	60
Serendra, Inc.	28	28
Amorsedia Development Corporation (ADC)	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.	100	100
Amicassa Process Solutions, Inc.	100	100
Avencosouth Corp. (Avencosouth)	70	70
BGNorth Properties, Inc. (BGNorth)	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
Ayala Land International Marketing, Inc. (AIMI)	100	100
Ayala Land International (Singapore) Pte. Ltd	100	100
Ayala Land International Marketing (Hong Kong) Ltd	100	100
Ayala Land International Marketing, SRL (ALIM SRL)	100	100
Ayala Land International Marketing London	100	100



	<b>December 31</b>	
	<b>2021*</b>	<b>2020*</b>
Ayala Land Sales, Inc.	100%	100%
Southportal Properties, Inc. (Southportal)	100	65
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 Corporation	100	100
Hillsford Property Corporation (Hillsford)	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. (SBTCI)	100	100
Regent Wise Investments Limited (Regent Wise) (Hongkong company)	100	100
AyalaLand Real Estate Investments Inc. (Canada)	100	100
AyalaLand Advisory Broadway Inc. (Canada)	100	100
AyalaLand Development (Canada) Inc.	100	100
AyalaLand OpenAsia Holdings PTE, Ltd (Singapore)	100	100
Blue Horizons Holdings PTE, Ltd (Singapore)	100	100
Modular Construction Technology (MCT) Bhd. (Malaysia)	66	66
AREIT Fund Manager, 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. (Alviera)	50	50
Cavite Commercial Town Center, Inc. (CCTCI)	100	100
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)	66	54
AyalaLand Offices, Inc. (ALO)	100	100
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. (MCLC)	100	100
Arca South Commercial Ventures Corp. (ASCVC)	-	100
Capitol Central Commercial Ventures Corp.	100	100
Bay City Commercial Venture Corp. (BCCVC)	100	100
Aurora Properties Incorporated	81	81
Soltea Commercial Corp.	16	16
Vesta Property Holdings, Inc. (VPHI)	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. (formerly Next Urban Alliance Development Corp.)	100	100
Accendo Commercial Corp. (Accendo)	67	67
Avencosouth Corp.	20	20
Aviana Development Corporation	7	7
Aviana Development Corporation	50	50





	<b>December 31</b>	
	<b>2021*</b>	<b>2020*</b>
Cagayan de Oro Gateway Corp. (CDOGC)	<b>70%</b>	70%
Ceci Realty, Inc. (Ceci)	<b>60</b>	60
Soltea Commercial Corp.	<b>12</b>	12
Soltea Commercial Corp.	<b>60</b>	60
CMPI Holdings, Inc.	<b>60</b>	60
CMPI Land, Inc.	-	36
ALI-CII Development Corporation (ALI-CII)	<b>50</b>	50
Roxas Land Corporation (RLC)	<b>50</b>	50
Adauge Commercial Corporation (Adauge)	<b>60</b>	60
AyalaLand Estates, Inc.	<b>100</b>	100
Ayalaland MetroNorth, Inc. (AMNI)	<b>100</b>	100
Verde Golf Development Corp.	<b>100</b>	100
North Triangle Depot Commercial Corporation (NTDCC)	<b>73</b>	73
Ayalaland-Tagle Properties, Inc.	<b>55</b>	-
BGWest Properties, Inc. (BGW)	<b>50</b>	50
Lagdigan Land Corp. (Lagdigan)	<b>60</b>	60
Central Block Developers, Inc. (CBDI)	-	45
Central Bloc Hotel Ventures, Inc.	-	45
Central Bloc Hotel Ventures, Inc.	<b>100</b>	100
Cebu Holdings, Inc. (CHI)	-	71
Cebu Leisure Company, Inc.	-	71
CBP Theatre Management Inc.	-	71
Taft Punta Engaño Property Inc. (TPEPI)	-	39
Cebu Insular Hotel Company, Inc. (CIHCI)	-	26
Solinea, Inc.	-	25
Amaia Southern Properties, Inc. (ASPI)	-	25
Southportal Properties, Inc. (Southportal)	-	25
Central Block Developers, Inc. (CBDI)	-	39
Asian I-Office Properties, Inc. (AIOPI)	-	71
Cebu Leisure Company, Inc.	<b>100</b>	-
CBP Theatre Management Inc.	<b>100</b>	-
Taft Punta Engaño Property Inc. (TPEPI)	<b>55</b>	-
Cebu Insular Hotel Company, Inc. (CIHCI)	<b>37</b>	-
Solinea, Inc.	<b>35</b>	-
Amaia Southern Properties, Inc. (ASPI)	<b>35</b>	-
Alabang Commercial Corporation (ACC)	<b>50</b>	50
South Innovative Theater Management (SITMI)	<b>50</b>	50
ALI Commercial Center, Inc.	<b>100</b>	100
AMC Japan Concepts, Inc.	<b>75</b>	75
AyalaLand Logistics Holdings Corp. (ALLHC) (formerly Prime Orion Philippines, Inc.)	<b>71</b>	71
Orion Solutions, Inc.	<b>71</b>	71
Orion I Holdings Philippines, Inc.	<b>71</b>	71
OE Holdings, Inc.	<b>71</b>	71
Orion Land, Inc.	<b>71</b>	71
Lepanto Ceramics, Inc.	<b>71</b>	71
Laguna Technopark, Inc. and Subsidiary	<b>71</b>	68
Unity Realty & Development Corp. (URDC)	<b>71</b>	71
FLT Prime Insurance Corporation	<b>56</b>	56
Ayalaland Malls Synergies, Inc.	<b>100</b>	100
Ayalaland Malls, Inc. (formerly Solerte, Inc.)	<b>100</b>	100
Ayalaland Malls Vismin, Inc.	<b>100</b>	100
Ayalaland Malls NorthEast, Inc.	<b>100</b>	100



	December 31	
	2021*	2020*
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
Regent Horizons Conservation Company, Inc.	100	100
Enjay Hotels, Inc. (Enjay)	100	100
Greenhaven Property Venture, Inc. (GPVI)	100	100
Cebu Insular Hotel Company, Inc. (CIHCI)	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. (MNHVI)	100	100
One Makati Hotel Ventures, Inc. (OMHVI)	100	100
Sicogon Island Tourism Estate Corp. (SITE Corp.)	100	100
Asiatown Hotel Ventures, Inc.	100	100
One Makati Residential Ventures, Inc.	100	100
ALI Makati Hotels & 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 Corporation	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. (ATMI) 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



	December 31	
	2021*	2020*
Others:		
ALInet.com, Inc. (ALInet)	100%	100%
First Longfield Investments Limited (First Longfield) (Hongkong Company)	100	100
Green Horizons Holdings Limited and Subsidiaries	100	100
Aprisa Business Process Solutions, Inc. (Aprisa)	100	100
AyalaLand Club Management, Inc.	100	100
ALI Capital Corp. (formerly Varejo Corp.) (ALICap)	100	100
Airswift Transport, Inc. (formerly Island Transvoyager, Inc.) (Airswift)	100	100
Swift Aerodrome Services, Inc. (SASI)	100	100
Integrated Eco-resort, Inc.	100	100
Arca South Integrated Terminal, Inc. (ASITI)	100	100
Whiteknight Holdings, Inc.	100	100
Ayalaland Medical Facilities Leasing, Inc.	100	100
Anvaya Cove Beach and Nature Club, Inc. (Anvaya Cove Beach)	73	73
Anvaya Cove Golf and Sports Club, Inc. (Anvaya Cove Golf)	76	76

\*represents the Group's percentage and effective ownership

The above companies are domiciled in the Philippines except for the foreign entities which are domiciled and incorporated in the country as mentioned above.

AC owns the other 50.0% of AHI. The Parent Company exercises control over AHI. Likewise, the Parent Company, through its 50.0% effective ownership and by virtue of 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 to the accounts of the Parent Company (see Note 3).

The following were the changes in the group structure during 2021:

On March 16, 2021, AREIT's Board of Directors approved the increase of its authorized capital stock from ₱11,740 million to ₱29,500 million and the subscription of ALI and its subsidiaries to 483,254,375 primary common shares of AREIT in exchange for identified commercial properties valued at ₱15,464 million.

On October 8, 2021, Ayala Land, Inc. and AREIT, Inc. received the approval from the SEC of the property-for-share swap, specifically the subscription of ALI and its subsidiaries namely, Westview Commercial Ventures Corp. and Glensworth Development, Inc. (collectively referred to as Subsidiaries) to 483,254,375 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, under the Deed of Exchange dated June 8, 2021. This resulted in ALI's interest in AREIT from 54% to 66%.

Ayalaland-Tagle Properties, Inc. was incorporated with the SEC on August 27, 2021. The Company is 55% owned by ALI, 35% owned by Griffinstone, Inc. and 10% owned by CTM Management Corp. The primary purpose of the Company is to deal and engage in land or real estate business in all its branches and ramifications.

On December 16, 2021, the SEC 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 direct ownership on the seven companies also increased namely Southportal Properties, Inc. (from 85% 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%).

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## 2. Summary of Significant Accounting Policies

### Basis of Preparation

The consolidated financial statements of the Group have been prepared using the historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and 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 thousand (₱000), except when otherwise indicated.

The 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 pace of recovery remains uncertain.

### Statement of Compliance

The 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 as it 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 2.

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

### Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that 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 returns from its 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 other contractual arrangements
- The Group's 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 Parent 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 are 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 and recognized as equity reserves in the consolidated statement of changes in equity. 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.
- 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. The Group applied the modified retrospective approach to recognize the impact of the change with a reduction in the beginning retained earnings by ₱2,838 million and beginning NCI of ₱16.3 million (see Note 19).

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

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

The changes above did not have any significant impact on the consolidated statement of cash flows of the Group.



Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year except for the adoption of the following new accounting pronouncements which became effective January 1, 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

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

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

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

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

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

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

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The Group adopted the amendments beginning January 1, 2021.



- Adoption of PIC Q&A 2018-14, *Accounting for Cancellation of Real Estate Sales* (as amended by PIC Q&A 2020-05)

On June 27, 2018, PIC Q&A 2018-14 was issued providing guidance on accounting for cancellation of real estate sales. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-14 was deferred until December 31, 2020. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-14 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

On November 11, 2020, PIC Q&A 2020-05 was issued which supersedes PIC Q&A 2018-14. This PIC Q&A adds a new approach where the cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable). Under this approach, revenues and related costs previously recognized shall be reversed in the period of cancellation and the inventory shall be reinstated at cost. PIC Q&A 2020-05 will have to be applied prospectively from approval date of the Financial Reporting Standards Council which was November 11, 2020.

The adoption of this PIC Q&A did not impact the consolidated financial statements of the Group since it has previously adopted approach 3 in its accounting for sales cancellation which records the repossessed inventory at cost.

#### Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

#### *Effective beginning on or after January 1, 2022*

- Amendments to PFRS 3, *Reference to the Conceptual Framework*  
The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

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

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*  
The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.



- **Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract***  
The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.  
  
The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.
- **Annual Improvements to PFRSs 2018-2020 Cycle**
  - **Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter***  
  
The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.  
  
The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.
  - **Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities***  
  
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.  
  
The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.
  - **Amendments to PAS 41, *Agriculture, Taxation in fair value measurements***  
  
The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.  
  
An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.





*Effective beginning on or after January 1, 2023*

- Amendments to PAS 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:

- o What is meant by a right to defer settlement
- o That a right to defer must exist at the end of the reporting period
- o That classification is unaffected by the likelihood that an entity will exercise its deferral right
- o 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. The PIC Q&A provisions covered by the SEC deferral that the Group availed in 2021 follows:

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

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

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

After the deferral period, real estate companies 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 balance of retained earnings. These would have impacted the cash flows from operations and cash flows from financing activities for all years presented. The Group believes that the 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.



#### Current and Noncurrent Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification. An asset is current when it is:

- (a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
- (b) Held primarily for the purpose of trading;
- (c) Expected to be realized within 12 months after reporting date; or
- (d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

#### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by corporate finance after discussion with and approval by the Parent Company's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Group, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

#### Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and that are subject to an insignificant risk of change in value.

#### Financial Instruments

##### *Date of recognition*

The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

##### Financial assets

##### *Initial recognition of financial instruments*

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables, except for contracts with customers in residential, commercial and office development receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.



#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### *Financial assets at amortized cost*

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Interest income and impairment losses or reversals are recognized in the consolidated statement of comprehensive income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments and accounts and notes receivables.

#### *Disposal of financial assets at amortized cost*

When financial assets at amortized cost are disposed, these are assessed whether the Group is consistent with its objective of collecting contractual cash flows until maturity. In the event that disposals have been concluded as infrequent and insignificant, the financial assets continue to be accounted at amortized cost (see Note 7).

#### *Financial assets at fair value through OCI (debt instruments)*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

This category includes investment in bonds classified as financial assets at fair value through OCI.

#### *Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.



Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial assets at fair value through OCI includes investments in quoted and unquoted equity instruments.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of income.

Investments in Unit Investment Trust Fund (UITF), treasury bills and investment in ARCH Capital Asian Partners L.P. (ARCH Capital Fund) are held for trading and classified as financial assets at FVPL.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.



#### Modification of financial assets

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

#### Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for trade receivables and a vintage analysis for residential, commercial and office development receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payments are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.





*Determining the stage for impairment*

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

**Financial liabilities**

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fees and other fees.

The Group's financial liabilities include "Accounts and other payables" (other than "Taxes payable" which is covered by another accounting standard), "Short-term and long-term debts", "Deposits and Other Liabilities" and "Lease liabilities".

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of income.

Only if the criteria in PFRS 9 are satisfied, the designation of financial liabilities at fair value through profit or loss at the initial date of recognition is allowed. The Group has not designated any financial liability as at fair value through profit or loss.

*Loans and borrowings*

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.



Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to short term and long term debt.

#### *Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

#### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position, if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Derivatives

The Group uses derivative financial instruments, such as non-deliverable forwards, cross currency swaps, interest rate swaps and principal only swaps contracts to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### Refundable Deposits

Refundable deposits are measured initially at fair value. After initial recognition, refundable deposits are subsequently measured at amortized cost using the effective interest method.

The difference between the cash received and its fair value is deferred and amortized using the straight-line method under the "Real estate revenue" account in the consolidated statement of income.

Non-refundable deposits that are applicable against costs of services incurred or goods delivered are measured at fair value.

#### Concession Receivable

The Group accounts for its concession arrangement with the DOTr under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial asset for its construction services from or at the direction of the grantor. Under the concession arrangement, the Group is awarded the right to build and operate an integrated transport terminal for Metro Manila and its adjacent provinces. The legal title to these assets shall be transferred to the government at the end of the concession period.

The "Concession Financial Receivable" (shown as part of "Other Noncurrent Assets") pertains to the fair value of the Annual Grantor Payment related to the operating and maintenance services and recovery of construction costs of the terminal facility. These are amortized using the effective interest rate over the life of the related concession.



In addition, the Group recognizes and measures construction revenues and costs in accordance with 'percentage of completion method'. Contract revenue and costs from construction works are recognized as "Construction Revenue" and "Construction Costs", respectively, in profit or loss in the period in which the work is performed.

#### 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 of cost and net realizable value (NRV).

Cost includes:

- Land cost
- Land improvement cost
- Amounts paid to contractors for construction and development
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Inventories that are leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as inventory. The rent income from inventories that are leased out is included in other income in the consolidated statement of comprehensive income.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

#### Prepaid Expenses

Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, and insurance.

With the exception of commission which is amortized using percentage of completion, other prepaid expenses are amortized as incurred.

#### Input Value-Added Tax (VAT)

Input VAT arises from the purchase of goods and services. These are applied against output VAT. The remaining balance is recoverable in future periods. These are carried at cost less allowance for impairment loss, if any. Impairment loss is recognized when input VAT can no longer be recovered.

#### Materials, Parts and Supplies

Materials, parts and supplies are valued at the lower of cost or NRV. Cost is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

An allowance for inventory losses is provided for slow-moving, obsolete and defective materials, parts and supplies based on management's physical inspection and evaluation. When inventories are sold, the cost and related allowance is removed from the account and the difference is charged against operations.

#### Advances to Other Companies and Advances to Contractors and Suppliers

Advances to other companies and advances to contractors and suppliers are carried at cost less impairment losses, if any.

#### Investments in Associates and Joint Ventures

Investments in associates and joint ventures (investee companies) are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. A joint arrangement is a contractual arrangement



whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes an associate or joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as subsumed goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and instead included in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Unless otherwise, additional losses are not recognized when the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Upon loss of significant influence over the investee companies, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of income.

#### Interest in Joint Operation

Makati Development Corporation (MDC), a subsidiary of the Parent Company, has an interest in joint arrangement, whereby the parties have a contractual arrangement that establishes joint control. MDC recognizes its share of jointly held assets, liabilities, income and expenses of the joint operation with similar items, line by line, in its financial statements.

The financial statements of the joint operation are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

#### Investment Properties

Investment properties comprise completed property and property under construction or under re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group.



The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Assets that are under construction are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or under the condition as intended by the Group.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful lives of investment properties which comprised of buildings, range from 20-40 years.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of income in the year of retirement or disposal.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

The Group discloses the fair values of its investment properties in accordance with PAS 40. The Group engages independent valuation specialist to assess the fair values as at December 31, 2021 and 2020. The Group's investment properties consist of land and building pertaining to land properties, retail (malls) and office properties. These are valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property and income approach by reference to the value of income, cash flow or cost saving generated by the asset.

#### Property and Equipment

Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The initial cost of property and equipment comprises its construction cost or purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including borrowing costs.

Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.



Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Buildings and improvements	20-40
Machinery and construction equipment	5
Furniture, fixtures and equipment	3-10
Transportation equipment	3-5
Hotel property and equipment	20-50

The assets' residual values, estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the amounts, periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment items are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

#### Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

Leasehold rights with finite lives are amortized using the straight-line method over the estimated useful life of 20 to 23 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income.

As of December 31, 2021 and 2020 intangible asset pertaining to leasehold right is included under "Other noncurrent assets".

#### Buildings Classified as Held for Sale

Buildings classified as held for sale are stated at the lower of its carrying amount and fair value less costs to sell. These are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.



#### Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method which involves recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interests in the acquiree. The identifiable assets acquired and liabilities assumed of the acquiree are recognized as of the acquisition date and measured at fair value as at that date. For each business combination, the acquirer measures the non-controlling interest in the acquiree at fair value of the acquiree's identifiable net assets. Acquisition related costs are expensed in the period which the costs are incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as bargain purchase gain. The Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure amounts to be recognized at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within twelve (12) months of the acquisition date as follows: (i) the carrying amount of the identifiable asset, liability or contingent liability that is recognized or adjusted as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date; (ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted; and (iii) comparative information presented



for the period before the initial accounting for the combination is complete shall be presented as if the initial accounting has been completed from the acquisition date.

#### Combinations of entities under common control

Business combinations of entities under common control are accounted for using the pooling of interest method. The pooling of interest method is generally considered to involve the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments that are made are those adjustments to harmonize accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is reflected within equity.
- The consolidated statement of income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are presented as if the entities had always been combined.

The effects of intercompany transactions on current assets, current liabilities, revenues, and cost of sales for the current period presented and on retained earnings at the beginning of the current period presented are eliminated to the extent possible.

#### Asset Acquisitions

If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition. The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction or event does not give rise to goodwill. Where the Group acquires a controlling interest in an entity that is not a business, but obtains less than 100% of the entity, after it has allocated the cost to the individual assets acquired, it notionally grosses up those assets and recognizes the difference as non-controlling interests.

#### Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired (e.g. investments in associates and joint ventures, investment properties, property and equipment and right-of-use assets). If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal





is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The following criteria are also applied in assessing impairment of specific assets:

*Investments in associates and joint ventures*

After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the consolidated statement of income.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Pension Cost

Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur. Pension cost includes: a) service costs comprising current service costs, past-service costs, b) gains and losses on curtailments and non-routine settlements, and c) net interest cost on benefit obligation.

Remeasurements, comprising of actuarial gains or losses, the effect of the asset ceiling, excluding net interest cost and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

Share-based Payments

The Group has equity-settled, share-based compensation plans with its employees.

*PFRS 2 Options*

For options granted after November 7, 2002 that have not vested on or before January 1, 2005, the cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the Black-Scholes model, further details of which are given in Note 28.



The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instrument that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

#### *Pre-PFRS 2 Options*

For options granted before November 7, 2002 that has vested before January 1, 2005, the intrinsic value of stock options determined as of grant date is recognized as expense over the vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see Note 28).

#### *Employee Stock Ownership Plan*

The Parent Company has an employee stock ownership plan (ESOWN) which allows the grantees to purchase the Parent Company's shares. The Parent Company recognizes stock compensation expense over the holding period. The Parent Company treats its ESOWN plan as option exercisable within a given period. These are accounted for similar to the PFRS 2 options. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. For the unsubscribed shares where the employees still have the option to subscribe in the future, these are accounted for as options.

#### Equity

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Subscriptions receivable pertains to the uncollected portion of the subscribed shares.

Retained earnings represent accumulated earnings of the Group less dividends declared.

Equity reserves pertain to the excess of the cost of business combinations over the net carrying amounts of the assets and liabilities of the acquired companies. Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid shall be recognized



directly in equity and included under "Equity reserves" account in the equity section of the consolidated statement of financial position.

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

#### Revenue from Contract with Customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Group has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

#### *Real estate sales*

The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue and the related trade receivables on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by the third party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as trade receivables under residential and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the "customer's deposit" account in the liabilities section of the consolidated statement of financial position. The impact of the significant financing component on the transaction price has not been considered since the Group availed of the relief granted by the SEC under Memorandum Circular No. 34, which has been extended until December 31, 2023.

#### *Cost recognition*

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.



Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

*Hotel and resorts revenue (part of real estate sales in the consolidated statement of income)*

The Group recognizes room accommodation services over time since the guest simultaneously receives and consumes the services provided by the Group. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Revenue from banquets and other special events are recognized when the events take place.

*Cost of hotel operations (part of cost of real estate sales in the consolidated statement of income)*

Cost of hotel operations pertains to expenses incurred in relation to sale of goods and rendering of services. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

*Construction revenue (part of real estate sales in the consolidated statement of income) and cost*

Revenue from fixed price construction contracts are recognized over time using the milestone-based revenue recognition which is in reference to the output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

*Rental income (part of real estate sales in the consolidated statement of income)*

Rental income under noncancellable and cancellable leases on investment properties is recognized in the consolidated statement of income on a straight-line basis over the lease term and the terms of the lease, respectively, and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

No rental income is recognized when the Group waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment (see Note 33).

*Rooms revenue* from hotel and resort operations is recognized when the services are rendered. Revenue from banquets and other special events are recognized when the events take place.

*Interest income* is recognized as it accrues using the effective interest method.

*Dividend income* is recognized when the Group's right to receive the payment is established.

Common usage service area (CUSA) charges



The contract for the commercial spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the Buildings, the Group acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air-conditioning charges.

*Customers' deposit*

Customers' deposit is a contract liability which is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a customers' deposit is recognized when the payment is made or the payment is due (whichever is earlier). Customers' deposit are recognized as revenue when the control of the goods or services are transferred to the customers by the Group which is essentially fulfillment of its performance obligation under the contract.

Customers' deposit also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

*Amortization, de-recognition and impairment of capitalized costs to obtain a contract*

Following the pattern of real estate revenue recognition, the Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.



Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

#### Expense Recognition

Expenses are recognized in the consolidated statement of income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the consolidated statement of income as follow:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure has been assessed as no future economic benefits or when, and to the extent that future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Direct operating expenses and general and administrative expenses are recognized as they are incurred.

#### Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Investment properties" and "Property and equipment" accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

#### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *Group as a lessee*

Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of cost to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Building	20-40
Aircraft	10
Others	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of nonfinancial assets section.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

*Group as a lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.



#### Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period.

#### Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and interests in joint ventures.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period (see Note 23).

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

#### Foreign Currency Transactions

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded using the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate prevailing at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the year.

As at reporting date, the assets and liabilities of subsidiaries whose functional currency is not the Philippines Peso are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date, and the consolidated statement of income accounts are translated at monthly weighted average exchange rate. The exchange differences arising on the translation are taken directly to a separate component of equity under "Cumulative translation adjustments" account. Upon disposal of a foreign subsidiary, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the consolidated statement of income.





Investments in foreign associates are translated to Philippine Peso using the closing exchange rate prevailing at reporting date. The Group's share in the results of operations of the foreign investee is translated using the exchange rate at the dates of the transactions or, where practicable, the rate that approximates the exchange rates at the dates of the transactions, such as the average rate for the period. Any resulting exchange difference is recognized as a separate component of equity.

#### Earnings Per Share (EPS)

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. Calculation of dilutive EPS considers the potential ordinary shares of subsidiaries, associates and joint ventures that have dilutive effect on the basic EPS of the Parent Company. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

#### Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 30 to the consolidated financial statements.

#### Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

#### Events after the Reporting Period

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

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### **3. Significant Accounting Judgments and Estimates**

The preparation of the accompanying consolidated financial statements in conformity with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

#### Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:



*Existence of a contract*

The Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

*Revenue recognition method and measure of progress*

The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

The Group has determined that the output method used in measuring the progress of the performance obligation (i.e. percentage of completion) faithfully depicts the Group's performance in transferring control of real estate development to the customers. As discussed in Note 2, Changes in Accounting Policies, the Group adopted the provision of PFRS 15 that covered the treatment of land in the determination of the POC as discussed in PIC Q&A 2018-12-E.

*Distinction of land between real estate inventories and investment properties*

The Group determines whether a property will be classified as real estate inventories or investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. All other properties that are not yet determined to be sold in the normal operating cycle are classified as investment properties.

*Consolidation of entities in which the Group holds only 50% or less than majority of voting rights*

The Group considers that it controls the following entities even though it owns 50% or less than majority of the voting rights. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

**ACC**

For ACC, ALI holds 50% of the voting rights, and is also the single largest shareholder and the remaining 50% of the equity shares are held by several shareholders. The second largest stockholder of ACC holds 8.3% share while the other shareholders' equity interest ranges from 2.1% to 8.3%. In addition, ALI has an existing management services agreement with ACC which gives ALI the exclusive control and decision over the relevant activities of ACC.



**BG Entities (BGWest, BGNorth and BGSouth)**

For the BG entities, wherein ALI and the other shareholder each own 50% of the voting rights, ALI controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

**AHI, RLC, ALI-CII and LAIP**

ALI has an existing management services agreement with AHI, RLC, ALI-CII and LAIP which gives ALI the exclusive control and decision over the relevant activities of AHI, RLC, ALI-CII and LAIP.

***Service concession agreement***

The Group has made a judgment that the concession agreement with DOTr qualifies under Philippine Interpretation IFRIC 12, *Service Concession Arrangements* (see Note 36). Management has assessed that DOTr controls and regulates the service, determines to whom this service will be provided and controls the price. In addition, management has also determined that the DOTr has the significant control over the residual interest of the Terminal at the end of the term. Management has also made a judgment that the Terminal and commercial assets (mall facilities) are physically separable and are capable of being operated independently.

Management has further assessed that said concession agreement qualifies under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial assets (i.e. the Annual Grantor Payment) for its construction, operating and maintenance services directly from DOTr.

***Contingencies***

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's consolidated financial statements (see Note 35).

***Sale of real estate receivables***

The Group has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. The Group believes that the sales transactions are not more than infrequent and that the receivables discounted is insignificant in value both individually and in aggregate. Accordingly, the Group continues to present trade receivables at amortized cost as it remains to hold trade receivables with the objective of collecting contractual cash flows until maturity.

***Definition of default and credit-impaired financial assets***

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria – for residential, commercial and office development receivables, the customer receives a notice of cancellation and does not continue the payments.

**Qualitative criteria**

The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

- a. The customer is experiencing financial difficulty or is insolvent
- b. The customer is in breach of financial covenant(s)
- c. An active market for that financial assets has disappeared because of financial difficulties
- d. Concessions or deferrals have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty (e.g. Bayanihan Acts I and II considerations)
- e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization



The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

*Incorporation of forward-looking information*

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

*Determination of lease term of contracts with renewal and termination options – Group as a lessee*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether the provisions to renew or terminate the lease is enforceable. For leases where the Group has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

*Assessment on whether lease concessions granted constitute a lease modification*

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

The Group applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.



In making this judgment, the Group determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

The rent concessions granted by the Group for the year ended December 31, 2021 and 2020 amounted to ₱7.15 billion and ₱6.15 billion, respectively.

*Judgements made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 122 of PAS 1, Presentation of Financial Statements*

Upon adoption of the Interpretation, the Group has assessed whether it has any uncertain tax position. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined, based on its assessment, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

Management's Use of Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Revenue recognition on real estate projects*

The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Group's revenue from real estate is recognized based on the percentage of completion and this is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management's specialists (project engineers). Prior to 2021, the Group includes land in the calculation of POC since the Group availed the relief granted by the SEC under Memorandum Circular Nos. 14-2018 as of 2018 for the implementation issues of PFRS 15 affecting the real estate industry. In 2021, the Group did not avail of the relief provided by the SEC and adopted the provision on the treatment of land in the determination of POC. See Notes 20 and 22 for the related balances.

Following the pattern of real estate revenue recognition, the cost to obtain a contract (e.g. commission), is determined using the percentage of completion. In view of the continuing community quarantines and restricted mobility, the progress of the Group's performance obligation is adversely affected which resulted to lower percentage-of-completion in 2021 and 2020 as compared to previous years.

*Evaluation of net realizable value of real estate inventories*

The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In line with the impact of COVID-19, the Group experienced limited selling activities that resulted to lower sales in 2021 and 2020. In evaluating NRV, recent market conditions and current market prices have been considered. See Note 8 for the related balances.



*Share-based payments*

The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Group. See Note 28 for the related balances.

*Estimating pension liabilities and other retirement benefits*

The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Significant assumptions are disclosed in Note 26 and include among others, discount rate and salary increase rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on 1994 Group Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect retirement obligations. See Note 26 for the related balances.

*Fair value of financial instruments*

When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology. See Note 29 for the related balances.

*Provision for expected credit losses of trade receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables other than residential, commercial and office development receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for residential, commercial and office development receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.



The Group has considered the impact of COVID-19 pandemic and revised its assumptions in determining the macroeconomic variables and loss rates in the computation of ECL. The changes in the gross carrying amount of receivables from sale of real estate during the year and impact of COVID-19 pandemic did not materially affect the allowance for ECLs.

The information about the ECLs on the Group's trade receivables is disclosed in Notes 7 and 29.

*Estimating the incremental borrowing rate for leases*

The Group uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Group's lease liabilities as of December 31, 2021 and 2020 amounted to ₱17,837.4 million and ₱17,755.8 million, respectively (see Note 33).

*Evaluation of impairment of nonfinancial assets*

The Group assesses whether there are any indicators of impairment for all nonfinancial assets (i.e., property and equipment, investment properties, right of use assets and other current assets) at each financial reporting date. These nonfinancial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported for this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment. In addition, because of the coronavirus pandemic, there is the heightened level of uncertainty on the future economic outlook and market forecast. These events and conditions are impairment indicators requiring the assessment of the recoverable amount of the property and equipment and right-of-use assets.

The carrying value of the property and equipment and right-of-use assets of the hotels and resorts segment amounted to ₱21,219.8 million and ₱1,360.0 million and ₱21,527.0 million and ₱1,034.9 million, respectively, as of December 31, 2021 and 2020. Impairment of investment properties in 2021 and 2020 amounted to ₱129.6 million and ₱225.2 million, respectively (Note 22).

The Group estimates the recoverable amount through value in use. In determining the present value of estimated future cash flows expected to be generated from the continued use of these assets of the hotels and resorts segment, the Group is required to make estimates and assumptions that may affect the nonfinancial assets. The significant assumptions used in the valuation are discount rates of 5.00% to 13.00% with an average growth rate of 3.00%. The Group also considered in its assumptions the impact of the pandemic on the occupancy rate, room rates and gross margin which are not expected to normalize until 2024. No impairment loss was recognized in 2021 and 2020.



#### 4. Cash and Cash Equivalents

This account consists of:

	2021	2020
	(In Thousands)	
Cash on hand	<b>₱66,575</b>	₱64,303
Cash in banks	<b>11,745,823</b>	13,678,488
Cash equivalents	<b>2,159,039</b>	3,294,556
	<b>₱13,971,437</b>	<b>₱17,037,347</b>

Cash in banks earn interest at 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 at the respective short-term rates.

The annual interest rates of the cash equivalents are as follows:

	2021	2020
Philippine Peso	<b>0.35% to 1.2%</b>	0.5% to 1.8%
US Dollar	–	0.1% to 0.25%

There is no restriction on the Group's cash and cash equivalents balances as of December 31, 2021 and 2020.

#### 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:

	2021	2020
Philippine Peso	–	0.75%
US Dollar	–	0.05% to 0.10%
Malaysian Ringgit	<b>1.00% to 1.80%</b>	0.85% to 1.80%

#### 6. Financial Assets at FVTPL

This account consists of:

	2021	2020
	(In Thousands)	
Investment in Unit Investment Trust Funds (UITF)	<b>₱407,025</b>	₱378,066
Investment in ARCH Capital Fund	<b>293,778</b>	327,953
Investment in Treasury Bills	–	259,152
	<b>₱700,803</b>	<b>₱965,171</b>

The Group invests in money market 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.

The Group's investment in UITF includes investment in BPI (Note 25).





As of December 31, 2021, the Group invested in UITF with a fair value of ₱179 million for BPI Money Market Fund, ₱9.6 million for BPI USD Short Term Funds. The Funds' Net Asset Value (NAV) was at ₱61,969.7 million with duration of 241 days and ₱45,783.84 million with duration of 267 days, respectively.

As of December 31, 2020, the Group invested in UITF with a fair value of ₱209 million for BPI Money Market Fund and ₱95 million for BPI USD Short Term Funds. The Funds' Net Asset Value (NAV) was at ₱61,961.9 million with duration of 255 days and ₱41,101.9 million with duration of 307 days, respectively.

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.

In 2020, the Group also invested in Treasury Bills which are short-term secure investments issued by the Philippine government through the Bureau of Treasury (BTr) and these are held for trading. These all matured in 2021.

The following table provides the fair value hierarchy of the Group's financial assets at FVTPL which are measured at fair value as of December 31, 2021 and 2020:

#### 2021

2021		Fair value measurement using			
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Date of Valuation	Total	(In Thousands)		
Investment in Unit Investment Trust Fund (UITF)	December 31, 2021	₱407,025	₱-	₱407,025	₱-
Investment in ARCH Capital Fund	December 31, 2021	293,778	-	-	293,778

#### 2020

2020		Fair value measurement using			
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(In Thousands)					
Investment in Unit Investment Trust Fund (UITF)	December 31, 2020	₱378,066	₱-	₱378,066	₱-
Investment in ARCH Capital Fund	December 31, 2020	327,953	-	-	327,953
Investment in Treasury Bills	December 31, 2020	259,152	-	259,152	-

The fair value of the investment in UITF is based on net asset values as of reporting dates.

The fair value of the investment in ARCH Capital Fund is determined using the discounted cash flow (DCF) method. Under the DCF method in fund fair valuation, it is estimated using assumptions regarding the benefits and liabilities of ownership over the underlying asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream, associated with the underlying asset. The exit yield is normally separately determined and differs from the discount rate. Significant inputs considered were rental, growth and discount rates. The higher the rental and growth rates, the higher the fair value. The higher the discount rates, the lower the fair value.

The fair value of investment in treasury bills is based on BVAL reference rates on government securities. For the year ended December 31, 2020, the BVAL reference rates range from 1.002% to 3.953%.



Reconciliation of fair value measurement of Investment in ARCH Fund is shown below:

	2021	2020
	(In Thousands)	
Balance at beginning of year	<b>₱327,953</b>	₱389,031
Net redemptions	<b>(108,913)</b>	(12,478)
Unrealized gain (loss) included under "Other income"	<b>74,738</b>	(48,600)
Balance at end of year	<b>₱293,778</b>	₱327,953

Reconciliation of fair value measurement of Investment in UITF is shown below:

	2021	2020
	(In Thousands)	
Balance at beginning of year	<b>₱378,066</b>	₱96,405
Redemptions	<b>(800,922)</b>	(1,904,759)
Additions	<b>805,248</b>	2,177,936
Unrealized gains included under "Other income"	<b>24,633</b>	8,484
Balance at end of year	<b>₱407,025</b>	₱378,066

## 7. Accounts and Notes Receivable

Accounts and notes receivable account consists of:

	2021	2020
	(In Thousands)	
Trade:		
Residential, commercial and office development	<b>₱98,489,459</b>	₱101,328,095
Shopping centers	<b>5,654,697</b>	5,414,606
Corporate business	<b>3,041,826</b>	3,948,672
Construction contracts	<b>2,142,028</b>	1,774,741
Management fees	<b>127,766</b>	124,553
Others	<b>4,736,218</b>	4,717,601
Advances to other companies	<b>16,940,104</b>	17,686,292
Accrued receivables	<b>8,208,571</b>	7,786,399
Receivables from related parties (Note 25)	<b>5,958,742</b>	5,489,159
Receivables from employees	<b>755,814</b>	842,506
	<b>146,055,225</b>	149,112,624
Less allowance for impairment losses	<b>2,294,154</b>	1,945,460
	<b>143,761,071</b>	147,167,164
Less noncurrent portion	<b>43,663,620</b>	46,021,255
	<b>₱100,097,451</b>	₱101,145,909

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

- Residential, commercial 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.
- Shopping centers - pertain to lease receivables from retail spaces
- Corporate business - pertain to lease receivables from office and factory buildings and receivables from sale of industrial lots
- Construction contracts - pertain to receivables from third party construction projects
- 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 over a period of one (1) to ten (10) years. These are carried at amortized cost using the effective interest rate method with annual interest rates ranging from 5.50% to 18.00%. Titles to real estate properties are transferred to the buyers only once 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 includes advances made to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The documentation for these advances provides that these will be payable over a fixed term or on demand in order to allow for repayment of the advances when closing does not occur or not settled. The advances are liquidated when proceeds from the sale of the related projects are applied.

Advances to other companies also includes receivables from MRT Development Corporation (MRTDC) shareholders which pertains to interest-bearing advances made by NTDC to MRTDC equivalent to the Pre-2006 Development Rights Payment (DRP) Payables and the Residual Depot DRP which is due more than one year, in relation to the funding and repayment agreement. As of December 31, 2021 and 2020, receivables including interest from MRTDC shareholders amounted to ₱467.9 million and ₱441.1 million, respectively.

On December 17, 2014, NTDC and MRTDC shareholders executed a "funding and repayment agreement" wherein the latter agrees to repay NTDC, for the account of MRTDC, its respective pro rata share in the Total Depot DRP Advances (the Pre-2006 DRP Payables and the Residual Depot DRP, including 15% interest rate accrued on such DRP payables).

Commencing on January 1, 2015, the MRTDC Shareholders shall effect the repayment of their respective pro rata share in the Total Depot DRP Payables, through a set-off against their respective share in the commercial center royalties to be received from the Group.

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 (6.0% per annum) and payable on various maturity dates.



Receivables amounting to ₱2,294.2 million and ₱1,945.5 million as of December 31, 2021 and 2020, respectively, were impaired and fully provided for. Movements in the allowance for impairment losses follow:

## 2021

	Residential and office Development	Trade				Advances to Other Companies		Total
		Shopping Centers	Construction Contracts	Corporate Business	Management Fees	Others	Companies	
				(In Thousands)				
Balance at beginning of year	₱50,767	₱1,060,057	₱37,778	₱519,642	₱6,678	₱149,246	₱121,292	₱1,945,460
Provisions during the year (Note 22)	11,547	56,855	115,398	113,466	9,952	85,462	12,433	405,113
Reversal (Note 22)	-	(35,039)	(945)	-	-	(10,000)	-	(45,984)
Accounts written off	-	(7,215)	-	-	-	(3,220)	-	(10,435)
Balance at end of year	₱62,314	₱1,074,658	₱152,231	₱633,108	₱16,630	₱221,488	₱133,725	₱2,294,154

## 2020

	Residential and office Development	Trade				Advances to Other Companies		Total
		Shopping Centers	Construction Contracts	Corporate Business	Management Fees	Others	Companies	
				(In Thousands)				
Balance at beginning of year	₱13,555	₱772,513	₱37,778	₱182,208	₱6,678	₱110,409	₱63,152	₱1,186,293
Provisions during the year (Note 22)	40,665	298,587	-	338,870	-	69,520	58,165	805,807
Reversal (Note 22)	(3,453)	(11,043)	-	(7,962)	-	(30,683)	(25)	(53,166)
Accounts written off	-	-	-	(2,116)	-	-	-	(2,116)
Translation adjustment	-	-	-	8,642	-	-	-	8,642
Balance at end of year	₱50,767	₱1,060,057	₱37,778	₱519,642	₱6,678	₱149,246	₱121,292	₱1,945,460

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act ("Bayanihan 1 Act") was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act ("Bayanihan 2 Act"), was enacted. Under Bayanihan 2 Act, a one-time sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges.

In 2020, the Group, provided reliefs under Bayanihan 1 Act and Bayanihan 2 Act, which offered financial reliefs to its borrowers/counterparties as a response to the effect of the COVID-19 pandemic. These relief measures included the restructuring of existing receivables including extension of payment terms.

Based on the Group's assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the derecognition of the affected financial assets.

As of December 31, 2021 and 2020, nominal amounts of trade receivables from residential, commercial and office development totaling ₱106,936.8 million and ₱115,407.8 million, respectively, were recorded initially at fair value. The fair values of the receivables were obtained by discounting future cash flows using the applicable rates of similar types of instruments.



Movements in the unamortized discount of the Group's receivables as of December 31, 2021 and 2020 follow:

	2021	2020
	(In Thousands)	
Balance at beginning of year	<b>₱14,079,688</b>	₱17,997,007
Additions during the year	<b>1,168,680</b>	4,685,456
Accretion for the year (Note 20)	<b>(6,801,012)</b>	(8,602,775)
Balance at end of year	<b>₱8,447,356</b>	₱14,079,688

The Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting to ₱43.7 million and ₱16.1 million in 2021 and 2020, respectively. The transactions were without recourse and did not result to any gain or loss.

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 ₱21,884.5 million and ₱20,458.0 million in 2021 and 2020. These were sold at a discount with total proceeds of ₱19,794.7 million and ₱18,431.9 million, respectively. The Group recognized loss on sale (under "Other expenses") amounting to ₱2,089.8 million and ₱2,064.0 million in 2021 and 2020, respectively (see Note 22).

## 8. Inventories

This account consists of:

	2021	2020
	(In Thousands)	
Real estate - at cost		
Residential and condominium units	<b>₱58,590,787</b>	₱84,011,309
Residential and commercial lots	<b>87,509,406</b>	61,137,607
Offices - at cost	<b>2,056,532</b>	1,594,676
	<b>₱148,156,725</b>	₱146,743,592

A summary of the movements in inventories is set out below:

### 2021

	Residential and commercial lots	Residential and condominium units	Offices	Total
	(In Thousands)			
Balances at beginning of year	<b>₱61,137,607</b>	<b>₱84,011,309</b>	<b>₱1,594,676</b>	<b>₱146,743,592</b>
Land acquired during the year	<b>306,263</b>	<b>3,688,555</b>	<b>782,338</b>	<b>4,777,157</b>
Construction/development costs incurred	<b>7,897,509</b>	<b>26,493,655</b>	<b>1,085,374</b>	<b>33,904,330</b>
Disposals (recognized as cost of real estate sales) (Note 22)	<b>(14,903,447)</b>	<b>(22,584,577)</b>	<b>(1,395,940)</b>	<b>(38,883,964)</b>
Transfers from (to) investment properties (Notes 12 and 37)	<b>4,062,855</b>	<b>(4,099,536)</b>	<b>(9,916)</b>	<b>(46,597)</b>
Balances at end of year	<b>₱58,590,787</b>	<b>₱87,509,406</b>	<b>₱2,056,532</b>	<b>₱148,156,725</b>



2020

	Residential and commercial lots	Residential and condominium units	Offices	Total
	(In Thousands)			
Balances at beginning of year	₱52,363,671	₱65,659,786	₱2,264,229	₱120,287,686
Land acquired during the year	3,269,732	17,744,257	-	21,013,989
Construction/development costs incurred	7,148,687	14,786,408	220,314	22,155,409
Disposals (recognized as cost of real estate sales) (Note 22)	(15,932,741)	(16,093,619)	(889,867)	(32,916,227)
Transfers from (to) investment properties (Notes 12 and 37)	14,288,258	1,914,477	-	16,202,735
Balances at end of year	₱61,137,607	₱84,011,309	₱1,594,676	₱146,743,592

The Group has no purchase commitments pertaining to its inventories as of December 31, 2021 and 2020.

There are no liens and encumbrances on the Group's real estate inventories.

**9. Other Current Assets**

This account consists of:

	2021	2020
	(In Thousands)	
Advances to contractors and suppliers	₱23,641,576	₱18,139,411
Prepaid expenses	19,174,874	16,756,037
Value-added input tax	12,387,774	12,575,713
Creditable withholding taxes	8,096,828	8,321,770
Materials, parts and supplies - at cost	810,731	732,881
Buildings classified as held for sale (Notes 12 and 13)	-	952,142
Others	1,189,113	543,008
	₱65,300,897	₱58,020,962

Advances to contractors and suppliers represents prepayments for the construction of inventories. These are recouped from billings which are expected to occur in a short period of time.

Prepaid expenses consist of prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance. The cost to obtain contracts which includes prepaid commissions and advances to brokers amounted to ₱2,866.4 million and ₱3,281.1 million in 2021 and 2020, respectively. In line with the Group's accounting policy, as set out in Note 2, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits (Note 14).

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

Creditable withholding taxes are applied against income tax payable.



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

Buildings classified as held for sale in 2020 include Qualimed Hospitals in Iloilo City, Santa Rosa and San Jose del Monte City which were sold in 2021 in a move to transfer healthcare-related properties to AC Healthcare Holdings, Inc.

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. Financial Assets at Fair Value through OCI

This account consists of:

	2021	2020
	(in Thousands)	
Shares of stock:		
Quoted	<b>₱1,411,239</b>	₱1,578,590
Unquoted	<b>583,543</b>	483,177
	<b>1,994,782</b>	2,061,767
Net unrealized loss	<b>(1,013,512)</b>	(550,324)
	<b>₱981,270</b>	₱1,511,443

Investments in quoted shares of stock include shares held for clubs wherein the Group does not exercise control or demonstrate significant influence.

Investments in unquoted shares of stock include unlisted shares of public utility companies which the Group will continue to carry as part of the infrastructure that it provides to its real estate projects.

In 2020, the Group made additional investments in equity instruments amounting to ₱99.0 million and disposed investments amounting to ₱21.1 million. No gain or loss was recognized from the disposal. There were no additional investment and disposal made in 2021.

Movements in the reserves for financial assets at FVOCI as of December 31, 2021 and 2020 are as follows:

	2021	2020
	(In Thousands)	
Balance at beginning of year	<b>(₱880,837)</b>	(₱454,749)
Fair value changes during the year	<b>(132,675)</b>	(426,088)
Balance at end of year	<b>(₱1,013,512)</b>	(₱880,837)

The Group entered into and designated interest rate swaps as hedging instruments as a cashflow hedge from loans bearing interest at floating rate. The fair value of the interest rate swap is estimated using valuation techniques with observable inputs, which uses present value calculations and incorporate various input including interest rate curves. Total fair value amounted to ₱330 million in 2021 and 2020.

As of December 31, 2021 and 2020 reserves for financial assets at FVOCI attributable to non-controlling interests amounted to ₱132.6 million.



The following table provides the fair value hierarchy of the Group's financial assets at fair value through OCI which are measured at fair value as of December 31, 2021 and 2020 (in thousands):

**December 31, 2021**

		Date of Valuation	Total	Fair value measurement using		
				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:						
Quoted						
Tourism and leisure	December 31, 2021	P287,231	P287,231	P-	P-	
Retail	December 31, 2021	54,499	54,499	-	-	
Real estate	December 31, 2021	18,593	18,593	-	-	
Utilities and energy	December 31, 2021	15,245	15,245	-	-	
Financial asset management	December 31, 2021	14,328	14,328	-	-	
Telecommunication	December 31, 2021	7,831	7,831	-	-	
Unquoted						
Tourism and leisure	Various	478,704	-	-	478,704	
Financial asset management	Various	76,711	-	-	76,711	
Utilities and energy	Various	19,787	-	-	19,787	
Real estate	Various	7,468	-	-	7,468	
Telecommunication	Various	873	-	-	873	
		P981,270	P397,727	P-	P583,543	

**December 31, 2020**

		Date of Valuation	Total	Fair value measurement using		
				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:						
Quoted						
Real estate	December 31, 2020	₱484,705	₱484,705	₱-	₱-	
Tourism and leisure	December 31, 2020	263,041	263,041	-	-	
Retail	December 31, 2020	54,980	54,980	-	-	
Utilities and energy	December 31, 2020	34,300	34,300	-	-	
Telecommunication	December 31, 2020	6,929	6,929	-	-	
Financial asset management	December 31, 2020	500	500	-	-	
Unquoted						
Tourism and leisure	Various	556,260	-	-	556,260	
Financial asset management	Various	82,599	-	-	82,599	
Utilities and energy	Various	19,787	-	-	19,787	
Real estate	Various	7,468	-	-	7,468	
Telecommunication	Various	874	-	-	874	
		₱1,511,443	₱844,455	₱-	₱666,988	





# 11. Investments in Associates and Joint Ventures

This account consists of:

	2021	2020
	(In Thousands)	
Investment in stocks – cost		
Balance at beginning of year	<b>₱22,533,689</b>	₱21,022,390
Additions	<b>778,748</b>	1,837,901
Disposals*	<b>(365,860)</b>	(326,602)
Balance at end of year	<b>22,946,577</b>	22,533,689
Accumulated equity in net earnings:		
Balance at beginning of year	<b>₱4,194,440</b>	₱4,366,651
Equity in net earnings	<b>842,565</b>	586,502
Dividends received	<b>(321,617)</b>	(758,714)
Disposal*	<b>365,860</b>	–
Balance at end of year	<b>5,081,248</b>	4,194,439
Subtotal	<b>28,027,825</b>	26,728,128
Equity share in cumulative translation adjustment	<b>124,908</b>	(126,874)
	<b>₱28,152,733</b>	₱26,601,254

\*MGHI in 2021 and Tianjin Eco-City in 2020

The equity share in 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.

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

	Percentages of Ownership		Carrying Amounts	
	2021	2020	2021	2020
	(In Thousands)			
<b>Joint ventures:</b>				
Emerging City Holdings, Inc. (ECHI)	50%	50%	<b>₱3,871,455</b>	₱3,886,019
ALI-ETON Property Development Corporation (ALI-ETON)	50	50	<b>5,084,364</b>	4,498,958
AKL Properties, Inc. (AKL)	50	50	<b>3,108,096</b>	3,034,209
Berkshires Holdings, Inc. (BHI)	50	50	<b>1,915,164</b>	1,920,659
Cebu District Property Enterprise, Inc. (CDPEI)	50	35	<b>1,629,807</b>	1,426,339
Alveo-Federal Land Communities, Inc.	50	50	<b>1,122,005</b>	928,621
AyaGold Retailers, Inc. (AyaGold)	50	50	<b>145,537</b>	161,407
BYMCW, Inc.	30	30	<b>54,717</b>	51,732
SIAL Specialty Retailers, Inc. (SIAL Specialty)	50	50	<b>26,462</b>	26,461
			<b>16,957,607</b>	15,934,405
<b>Associates:</b>				
OCLP Holdings, Inc.(OHI)	21	21	<b>₱9,016,865</b>	₱8,676,598
Bonifacio Land Corp. (BLC)	10	10	<b>1,401,225</b>	1,405,759
Rize-Ayalaland (Kingsway) GP, Inc. (Rize-Ayalaland)	49	49	<b>541,604</b>	401,194
Tianjin Eco-City Ayala Land Development Co., Ltd (Tianjin Eco-City)	40	40	<b>199,259</b>	153,982
Lagoon Development Corporation	30	30	<b>36,173</b>	29,316
			<b>11,195,126</b>	10,666,849
			<b>₱28,152,733</b>	₱26,601,254

The Parent Company considers an associate and a joint venture with material interest if its net assets exceed 5% of its total consolidated net assets of the Group as of reporting period and considers the relevance of the nature of activities of the associate and joint venture compared to other operations of the Group. The financial information on the Parent Company's significant associates and joint ventures with material interest follows:



Financial information of the associate with material interest

*OHI*

Consistent with its thrust of expanding its operations to other areas within and outside of Metro Manila through partnerships, ALI acquired a 21.1% stake in OHI. The acquisition was made possible via the purchase of shares from existing OHI shareholders. OHI owns 99.5% interest in Ortigas & Company Limited Partnership (OCLP), an entity engaged in real estate development and leasing businesses.

Set out below is the summarized financial information for OHI:

	2021	2020
	(In Thousands)	
Current assets	<b>₱25,229,814</b>	₱17,440,519
Noncurrent assets	<b>19,702,848</b>	22,507,390
Current liabilities	<b>(14,584,974)</b>	(11,410,775)
Noncurrent liabilities	<b>(18,784,134)</b>	(18,597,214)
Equity	<b>11,563,554</b>	9,939,920
Proportion of Group's ownership	<b>21.1%</b>	21.1%
Group's share in identifiable net assets	<b>2,439,910</b>	2,097,323
Carrying amount of the investment	<b>9,016,865</b>	8,676,598
Fair value adjustments	<b>6,602,256</b>	6,589,215
Negative Goodwill	<b>₱148,046</b>	₱148,046
Dividends received	<b>₱33,558</b>	₱33,558

Net assets attributable to the equity holders of OHI amounted to ₱11,563.5 million and ₱9,939.9 million as of December 31, 2021 and 2020, respectively.

	2021	2020
	(In Thousands)	
Revenue	<b>₱8,418,096</b>	₱7,204,436
Cost and expenses	<b>(6,646,415)</b>	(6,398,747)
Net income (continuing operations)	<b>1,771,681</b>	805,689
Group's share in net income for the year	<b>373,825</b>	170,000
Total comprehensive income	<b>1,771,681</b>	805,689
Group's share in total comprehensive income for the year	<b>373,825</b>	170,000

*BLC*

The Group has a 10% interest in BLC, which is involved in the purchase, subscription or otherwise disposal of real and personal properties. BLC 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 is Taguig City, Philippines.

Set out below is the summarized financial information for BLC:

	2021	2020
	(In Thousands)	
Current assets	<b>₱8,474,309</b>	₱3,261,099
Noncurrent assets	<b>32,866,620</b>	38,420,664
Current liabilities	<b>(2,204,975)</b>	(2,534,735)
Noncurrent liabilities	<b>(7,351,740)</b>	(7,285,960)
Equity	<b>31,784,214</b>	31,861,068
Less: noncontrolling interest	<b>14,054,976</b>	14,292,676

(Forward)



	2021	2020
	(In Thousands)	
Equity attributable to Parent Company	<b>₱17,729,238</b>	₱17,568,392
Proportion of Group's ownership	<b>10.1%</b>	10.1%
Group's share in identifiable net assets	<b>1,790,653</b>	1,774,408
Carrying amount of the investment	<b>1,401,225</b>	1,405,759
Negative goodwill	<b>(₱389,428)</b>	(₱368,649)
Dividends received	<b>₱35,125</b>	₱155,508

Net assets attributable to the equity holders of BLC amounted ₱17,729.3 million and ₱17,568.4 million as of December 31, 2021 and 2020, respectively.

	2021	2020
	(In Thousands)	
Revenue	<b>₱3,685,650</b>	₱3,869,359
Cost and expenses	<b>(2,543,308)</b>	(2,466,924)
Net income (continuing operations)	<b>1,142,342</b>	1,402,435
Net loss attributable to minority interest	<b>(526,941)</b>	(590,732)
Net income attributable to parent	<b>615,401</b>	811,703
Group's share in net income for the year	<b>62,156</b>	81,982
Total comprehensive income attributable to equity holders of the Parent Company	<b>615,401</b>	811,703
Group's share in total comprehensive income for the year	<b>62,156</b>	81,982

Aggregate financial information on the associates with immaterial interest (Rize-Ayalaland, Tianjin Eco-City, and LDC) follows:

	2021	2020
	(In Thousands)	
Carrying amount	<b>₱777,036</b>	₱584,492
Share in net loss from continuing operations	<b>(113,230)</b>	(89,529)
Share in total comprehensive loss	<b>(113,230)</b>	(89,529)
Dividends received	<b>9,000</b>	-

#### Financial information of joint ventures

##### ECHI

	2021	2020
	(In Thousands)	
Current assets	<b>₱8,532,495</b>	₱11,741,302
Noncurrent assets	<b>32,871,398</b>	30,017,735
Current liabilities	<b>(2,677,269)</b>	(2,863,497)
Noncurrent liabilities	<b>(7,351,740)</b>	(7,285,960)
Equity	<b>31,374,884</b>	31,609,580
Less: noncontrolling interest	<b>22,230,335</b>	23,307,423
Equity attributable to Parent Company	<b>9,144,549</b>	8,302,157
Proportion of Group's ownership	<b>50%</b>	50%
Group's share in identifiable net assets	<b>4,572,275</b>	4,151,079
Carrying amount of the investment	<b>3,871,455</b>	3,886,019
Dividends received	<b>₱170,750</b>	₱397,854



Net assets attributable to the equity holders of ECHI amounted to ₱9,144.5 million and ₱8,302.2 million as of December 31, 2021 and 2020, respectively.

	2021	2020
	(In Thousands)	
Revenue	<b>₱3,685,991</b>	<b>₱3,872,498</b>
Cost and expenses	<b>(2,546,834)</b>	<b>(2,475,532)</b>
Net income (continuing operations)	<b>1,139,157</b>	1,396,966
Net loss attributable to noncontrolling interest	<b>(826,786)</b>	(980,460)
Net income attributable to parent	<b>312,371</b>	416,506
Group's share in net income for the year	<b>156,186</b>	208,253
Total comprehensive income attributable to equity holders of the Parent Company	<b>312,371</b>	416,506
Group's share in total comprehensive income for the year	<b>156,186</b>	208,253

*ALI Eton*

	2021	2020
	(In Thousands)	
Current assets	<b>₱13,811,748</b>	<b>₱12,838,898</b>
Noncurrent assets	<b>4,014,578</b>	3,985,368
Current liabilities	<b>(5,822,376)</b>	(8,394,044)
Noncurrent liabilities	<b>(928,951)</b>	(3,390,318)
Equity	<b>11,074,998</b>	5,039,904
Proportion of Group's ownership	<b>50%</b>	50%
Group's share in identifiable net assets	<b>5,537,499</b>	2,519,952
Carrying amount of the investment	<b>5,084,364</b>	4,498,958

Net assets attributable to the equity holders of ALI Eton amounted to ₱11,074.9 million and ₱5,039.9 million as of December 31, 2021 and 2020, respectively.

	2021	2020
	(In Thousands)	
Revenue	<b>₱825,159</b>	<b>₱975,701</b>
Cost and expenses	<b>(708,347)</b>	<b>(734,502)</b>
Net income (continuing operations)	<b>116,812</b>	241,199
Group's share in net income for the year	<b>58,406</b>	120,599
Total comprehensive income attributable to equity holders of the Parent Company	<b>116,812</b>	241,199
Group's share in total comprehensive income for the year	<b>58,406</b>	120,599

Aggregate financial information on joint ventures with immaterial interest (BHI, CDPEI, Alveo-Federal, SIAL Specialty, AyaGold and BYMCW, Inc.) is as follows:

	2021	2020
	(In Thousands)	
Carrying amount	<b>₱8,001,788</b>	<b>₱7,549,428</b>
Share in net income from continuing operations	<b>305,223</b>	95,197
Share in total comprehensive income	<b>305,223</b>	95,197
Dividends received	<b>73,185</b>	-



The following are the significant transactions affecting the Group's investments in associates and joint ventures:

Investments in BLC, ECHI, and BHI

As of December 31, 2021 and 2020, the Group's effective interest in BLC is 45.1%. The Parent Company's 5.3% direct investment in BLC and 4.8% through Regent Time are accounted for using the equity method because the Parent Company has significant influence over BLC.

On April 17, 2003, the following transactions were consummated pursuant to the terms and conditions of the Assignment Agreement (Agreement), dated February 8, 2003, among the Parent Company, Evergreen Holdings, Inc. (EHI), Greenfield Development Corporation and Larouge, B.V. (Larouge), as amended, and the Agreement, dated November 23, 2002, among the Company, EHI and Neo Oracle Holdings, Inc. [formerly Metro Pacific Corporation (MPC)] as amended:

- (a) The assignment to the Parent Company and EHI of the rights and obligations of Larouge under the loan agreement between Larouge and MPC, pursuant to which, Larouge extended MPC a loan in the principal amount of US\$90.0 million, together with all the rights, title and interests of Larouge in the pledge constituted on 50.4% of the outstanding shares in BLC. The consideration paid by the Company and EHI for such assignment was approximately US\$90.0 million, subject in part to foreign exchange adjustment.
- (b) The assignment to the Parent Company and EHI, acting in this instance through the joint venture corporation, Columbus Holdings, Inc. (Columbus), of the controlling interest in BLC representing 50.4% of BLC's outstanding capital stock. This assignment was effected by MPC under a dacion en pago arrangement, and included an assignment of payables of BLC in the principal amount of ₱655.0 million together with its underlying security in the form of shares in Fort Bonifacio Development Corporation (FBDC) representing 5.6% of its outstanding capital stock.

The Agreement, as amended, also provides for the constitution of a pledge over 5.0% of BLC's unencumbered shares as security for contingent liabilities and breach of representation and warranties. The pledge lien over the 5.0% BLC shares shall continue to subsist until the third anniversary of the closing date.

The Parent Company and EHI jointly hold the 50.4% equity interest in BLC through ECHI and BHI. The Parent Company and EHI assigned the notes receivable from MPC to ECHI and BHI, which acquired the shares of stock of Columbus. Columbus directly owns the 50.4% interest in BLC. BLC owns 55.0% interest in FBDC, the primary developer of certain areas in Fort Bonifacio Global City for residential, commercial and business development. Columbus accounted for the acquisition of the 50.4% interest in BLC using the purchase method.

Subsequent to this, the Parent Company and EHI acquired additional shares of BLC through a combination of direct acquisition and through its associates at varying dates:

On July 31, 2008, the Group acquired, through the Parent Company, Regent Time and Columbus, additional 4,360,178 shares of BLC from FBDC amounting to ₱689.0 million, equivalent to 7.7% ownership in BLC. In January and October 2009, a total of 2,295,207 BLC shares were acquired from Development Bank of the Philippines and MPC, pertaining to the pledged shares, through Columbus amounting to ₱362.6 million. This resulted in an increase in Group's effective interest in BLC to 45.1% and unchanged thereafter.

Investment in Rize-Ayalaland

Rize-Ayalaland (Kingsway) GP, Inc. was incorporated on January 25, 2013 under the laws of British Columbia, Canada. The Company's effective ownership is 49.0% through its Vancouver-based subsidiary, AyalaLand Real Estate Investments, Inc.



Investment in Tianjin Eco-City

Tianjin Eco-City is a registered Sino-foreign equity joint venture between RWIL and Sino-Singapore Tianjin Eco-City Investment & Development Co. (SSTEC) under the law of the People's Republic of China to operate for 50 years until 2060. The agreement was entered into to develop a 19-tower residential complex in China, marking its initial foray into the growing China market. Its principal activities include property development rental, management property and parking lot management.

In 2020, Tianjin Eco-City reduced its registered capital from RMB292.75 million to RMB176.25 million, with each shareholder getting back capital in proportion to its current share of ownership. After the capital reduction, the shareholders' share of ownership remain unchanged. The Group's share in the capital reduction amounted to ₱326.60 million.

Investment in Cebu District Property Enterprise, Inc.

Cebu District Property Enterprise, Inc. (CDPEI) was incorporated on February 20, 2014 and is a 50:50 joint venture between the Company and Aboitiz Land, Inc. CDPEI's main purpose is to create a mixed-use commercial and residential district with the 15.4 hectare property in Subangdaku, Mandaue. In 2021, the Group made additional equity infusions to CDPEI amounting to ₱217.0 million.

Investment in Alveo-Federal Land Communities, Inc.

Alveo Land Corp. signed a Joint Venture Agreement (JVA) with Federal Land, Inc. last April 29, 2015 for equal ownership over AFLCI. The JV is for the development of Venido and Aveia projects located in Laguna near Nuvali.

Investment in ALI-ETON Property Development Corporation

ALI-ETON Property Development Corporation was incorporated on March 13, 2016. The company is a joint venture between Ayala Land, Inc. and LT Group, Inc. ALI and LT Group, Inc. entered into an agreement on January 21, 2016 to jointly 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.

In 2021 and 2020, the Parent Company and LT Group, Inc. made additional equity infusions to ALI-Eton to fund the development requirements of Parklinks amounting to ₱527.0 million and ₱1,083.5 million as of December 31, 2021 and 2020, respectively.

Investment in BYMCW, Inc.

On August 2, 2017, Bouygues Travaux Publics Philippines Inc. (BYTPPI) incorporated BYMCW Inc. (BYMCW) to engage in general building and contracting business. BYMCW's registered office address is at 2nd floor, Welfare Building, LRTA Compound, Aurora Blvd., Barangay 189, Pasay City, Metro Manila.

Investment in AyaGold Retailers, Inc.

AyaGold Retailers, Inc., a joint venture between Entenso Equities Incorporated (EEI, a wholly owned subsidiary of Puregold Price Club, Inc.) and ALI Capital Corp. (a wholly owned subsidiary of the Company and the holding company for its retail-related initiatives), was incorporated on October 2, 2013. It is organized primarily to finance, build and operate mid-market supermarkets for some of Company's new integrated and mixed-use developments. The mid-market supermarkets will be carried under a new brand to be jointly developed by both ALI Capital Corp. and EEI. The partnership with EEI will enable the Company to support its mixed-use developments and, at the same time, grow its recurring income portfolio.

Investment in SIAL Specialty

SIAL Specialty was incorporated on September 27, 2012 as a joint venture between ALI Capital Corp. and Store Specialist, Inc. (SSI). ALICap is a wholly owned subsidiary of the Parent Company. SSI is one of the largest specialty retail companies in the Philippines with the exclusive distribution rights to a variety of brands from around the world.



The partnership, which combines the ALI Capital Corp.'s expertise in developing mixed-use developments and SSI's proven track record in retail, is aimed at pursuing retail solutions to address the growing and changing lifestyle needs of the market.

SIAL Specialty was organized primarily for the investment and operation of mid-market department stores and to pursue other investment opportunities in the Philippine retail sector.

#### Investment in MGHl

In July 2013, the Parent Company entered into an agreement with the Mercado Family to acquire Whiteknight Holdings, Inc. (WHI), a 33% equity stockholder of MGHl. Its acquisition of WHI will allow the Parent Company to build a strategic partnership with the Mercado Group and support MGHl's future growth. This partnership also enhances the potential of Ayala Land's development of mixed-use communities by offering the critical component of medical services to complement the residential, shopping centers, office and hotel developments therein.

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 network of hospital and clinics to Healthway Philippines Inc., a wholly-owned subsidiary of Ayala Healthcare Holdings, Inc. The original cost of the investment amounted to ₱365.9 million and the sale resulted to a gain of ₱807.6 million recorded under other income account (see Note 21).

#### Investment in AKL

In 2018, the Parent Company invested ₱1,959.7 million in AKL, which is a 50:50 joint venture between the Parent Company and Royal Asia Land, Inc. (RALI), and is organized primarily for future mixed-use development in South Luzon area.

On June 26, 2019, the Parent Company approved the equity call to fund the advance payment to Manila Jockey Club, Inc. (MJCI) upon signing the Memorandum of Agreement (MOA) for the 60 hectares. property in Carmona, Cavite between AKL and MJCI. The Parent Company's share in the additional total capital requirement amounted to ₱250.0 million.

On September 12, 2019, the Parent Company approved the equity call for the minimum subscription to increase the Authorized Capital Stock (ACS) of AKL from ₱4,545.0 million to ₱7,250.0 million which was approved in the AKL board meeting on May 14, 2019. The increase in the ACS shall cover the land acquisition requirements in Carmona and Silang, Cavite for the next 3 years. The 50% share of the Parent Company in the minimum paid-up capital (25% of the minimum subscription) of the increase amounted to ₱84.7 million.

On July 13, 2020, the Parent Company paid the equity call for the existing subscription and for the additional subscription to AKL for a total of ₱508.4 million. The additional subscription will cover the scheduled infusion of the parcels for the first phase of Project Newton Residential as per joint venture agreement (JVA). RALI also entered with the same subscription agreement with AKL.

On December 7, 2020, the Parent Company entered into another subscription agreement with AKL amounting to ₱246.0 million which will cover the amount due for the DOAS of Dolfo and Ledesco parcels of land for the first phase of Project Newton Residential. RALI also entered with the same subscription agreement with AKL.

On January 22, 2021, the Parent Company entered into another subscription agreement with AKL amounting to ₱12.8 million which will cover the amount of parcels of land for the first phase of Project Newton Residential. RALI also entered with the same subscription agreement with AKL.

On November 17, 2021, the Parent Company entered into another subscription agreement with AKL amounting to ₱21.9 million CALAX Link Lots located in Silang, Cavite. RALI also entered with the same subscription agreement with AKL.



## 12. Investment Properties

The rollforward analysis of this account follows:

### 2021

	Land	Buildings	Construction in Progress	Total
	(In Thousands)			
<b>Cost</b>				
Balance at beginning of year	₱70,764,540	₱127,032,731	₱65,938,191	₱263,735,462
Additions (Note 33)	4,024,563	8,824,653	11,332,096	24,181,312
Disposals	(262,952)	(303,472)	—	(566,424)
Cumulative translation difference	(11,993)	30,042	—	18,049
Transfers (Notes 8,13, and 37)	29,315	15,893	—	45,208
Balance at end of year	74,543,473	135,599,847	77,270,287	287,413,607
<b>Accumulated Depreciation</b>				
Balance at beginning of year	—	40,722,579	—	40,722,579
Depreciation (Note 22)	—	3,645,318	—	3,645,318
Disposals	—	(860,573)	—	(860,573)
Cumulative translation difference	—	55	—	55
Balance at end of year	—	43,507,379	—	43,507,379
<b>Accumulated impairment losses</b>				
Balance at beginning of year	102,825	225,208	—	328,033
Impairment losses (Note 22)	57,553	123,010	—	180,563
Balance at the end of year	160,378	348,218	—	508,596
<b>Net Book Value</b>	<b>₱74,383,095</b>	<b>₱91,744,250</b>	<b>₱77,270,287</b>	<b>₱243,397,632</b>

### 2020

	Land	Buildings	Construction in Progress	Total
	(In Thousands)			
<b>Cost</b>				
Balance at beginning of year	₱87,592,430	₱127,132,394	₱64,013,813	₱278,738,637
Additions	1,523,773	2,010,308	2,081,919	5,616,000
Disposals	(562,236)	(1,812,086)	(157,541)	(2,531,863)
Buildings classified as held for sale (Note 9)	—	(1,080,859)	—	(1,080,859)
Cumulative translation difference	(150,753)	(61,320)	—	(212,073)
Transfers (Notes 8,13, and 37)	(17,638,674)	844,294	—	(16,794,380)
Balance at end of year	70,764,540	127,032,731	65,938,191	263,735,462
<b>Accumulated Depreciation</b>				
Balance at beginning of year	—	35,592,364	—	35,592,364
Depreciation (Note 22)	—	5,590,050	—	5,590,050
Disposals	—	(328,089)	—	(328,089)
Buildings classified as held for sale	—	(130,786)	—	(130,786)
Cumulative translation difference	—	(960)	—	(960)
Balance at end of year	—	40,722,579	—	40,722,579
<b>Accumulated impairment losses</b>				
Balance at beginning of year	102,825	—	—	102,825
Impairment losses (Note 22)	—	225,208	—	225,208
Balance at the end of year	102,825	225,208	—	328,033
<b>Net Book Value</b>	<b>₱70,661,715</b>	<b>₱86,084,944</b>	<b>₱65,938,191</b>	<b>₱222,684,850</b>

Certain parcels of land are leased to several individuals and corporations. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove any and all improvements (such as buildings) introduced or built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit.





Construction in progress pertain to buildings under construction to be leased as retail and office spaces upon completion. The development and construction period normally range from three years to five years and depends heavily on the size of the assets.

The aggregate fair value of the Group's investment properties amounted to ₱485,358.7 million and ₱458,146.2 million as of December 31, 2021, and 2020, respectively.

The fair values of the investment properties were determined by independent professionally qualified appraisers.

The following table provides the fair value hierarchy of the Group's investment properties as of December 31, 2021 and 2020:

**2021**

		Fair value measurement using		
Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		(In Thousands)		
Land properties	Various	₱287,151,049	₱-	₱287,151,049
Retail properties	Various	90,873,025	-	90,873,025
Office properties	Various	106,293,498	-	106,293,498
Hospital properties	Various	1,014,323	-	1,014,323

**2020**

		Fair value measurement using		
Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		(In Thousands)		
Land properties	Various	₱266,211,236	₱-	₱266,211,236
Retail properties	Various	84,187,480	-	84,187,480
Office properties	Various	106,441,044	-	106,441,044
Hospital properties	Various	1,306,435	-	1,306,435

The values of the land were arrived using the Market Data Approach. Market Data Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For Market Data Approach, the higher the price per sqm., the higher the fair value.

The values of the buildings (retail, office, hospital) were arrived using the Income Approach. Income Approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

The significant unobservable inputs to valuation of investment properties ranges from ₱1,500-₱278,000 per sqm.

In 2021, the Group started capitalizing borrowing costs to its investment properties under construction. Interest capitalized amounted to ₱574.1 million. For the years 2020, 2019 and 2018, total capitalized interest aggregated to ₱1,993 million (included in additions). The capitalization rates are 3.84% - 4.17% (see Note 16).

Consolidated rental income from investment properties amounted to ₱17,797.7 million, ₱18,468.9 million and ₱31,687.1 million in 2021, 2020 and 2019, respectively (see Note 20). Consolidated direct operating expenses arising from the investment properties in 2021, 2020 and 2019 amounted to ₱7,663.1 million, ₱7,467.0 million and ₱6,822.3 million, respectively (see Note 22).



Depreciation and amortization expense pertaining to investment properties amounted to ₱3,645.3 million, ₱5,590.1 million and ₱4,404.5 million in 2021, 2020 and 2019, respectively (see Note 22).

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Certain short-term and long-term debt 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 investment property amounted to ₱2,907.2 million and ₱2,288.3 million as of December 31, 2021 and 2020, respectively (see Note 16).

### 13. Property and Equipment

The rollforward analysis of this account as of December 31 follow:

#### 2021

	Land, Buildings and Improvements	Machinery and Construction Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Hotel Property and Equipment	Total
(In Thousands)						
<b>Cost</b>						
Balance at beginning of year	₱15,813,109	₱14,333,110	₱9,279,284	₱3,356,921	₱24,933,163	₱67,715,587
Additions	2,450,606	106,158	212,872	160,836	285,022	3,215,494
Disposals	(5,395)	(869,355)	(28,549)	(22,749)	—	(926,048)
Foreign currency exchange difference	80,133	255,048	4,111	1,304	—	340,596
Transfers (Notes 12 and 37)	79,456	—	(77,175)	(893)	—	1,388
Balance at end of year	18,417,909	13,824,961	9,390,543	3,495,419	25,218,185	70,347,017
<b>Accumulated Depreciation and Amortization</b>						
Balance at beginning of year	4,949,034	9,327,981	4,905,266	1,680,185	3,406,153	24,268,619
Depreciation and amortization (Note 22)	2,632,657	868,312	214,016	136,541	592,235	4,443,760
Foreign currency exchange difference	72,119	230,057	(3,204)	—	—	298,972
Disposals	(2,386)	(238,347)	(43,818)	(158,136)	—	(442,687)
Balance at end of year	7,651,424	10,188,003	5,072,260	1,658,590	3,998,388	28,568,665
<b>Net Book Value</b>	<b>₱10,766,485</b>	<b>₱3,636,959</b>	<b>₱4,318,283</b>	<b>₱1,836,829</b>	<b>₱21,219,797</b>	<b>₱41,778,353</b>

#### 2020

	Land, Buildings and Improvements	Machinery and Construction Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Hotel Property and Equipment	Total
(In Thousands)						
<b>Cost</b>						
Balance at beginning of year	₱14,515,989	₱14,435,222	₱8,645,130	₱3,462,991	₱24,049,471	₱65,108,803
Additions	863,343	454,190	850,886	46,325	883,692	3,098,436
Disposals	(67,608)	(293,624)	(212,201)	(150,638)	—	(724,071)
Foreign currency exchange difference	(87,818)	(262,678)	(4,531)	(1,757)	—	(356,784)
Building held for sale (Note 9)	(2,442)	—	—	—	—	(2,442)
Transfers (Notes 12 and 37)	591,645	—	—	—	—	591,645
Balance at end of year	15,813,109	14,333,110	9,279,284	3,356,921	24,933,163	67,715,587
<b>Accumulated Depreciation and Amortization</b>						
Balance at beginning of year	₱4,208,323	₱8,864,301	₱4,687,040	₱1,446,549	₱2,840,233	₱22,046,446
Depreciation and amortization (Note 22)	787,280	961,935	430,778	304,116	565,920	3,050,029
Disposals	(37,863)	(269,194)	(209,348)	(68,934)	—	(585,339)
Foreign currency exchange difference	(8,333)	(229,061)	(3,204)	(1,546)	—	(242,144)
Building held for sale	(373)	—	—	—	—	(373)
Balance at end of year	4,949,034	9,327,981	4,905,266	1,680,185	3,406,153	24,268,619
<b>Net Book Value</b>	<b>₱10,864,075</b>	<b>₱5,005,129</b>	<b>₱4,374,018</b>	<b>₱1,676,736</b>	<b>₱21,527,010</b>	<b>₱43,446,968</b>



The depreciation and amortization of property and equipment (included under various consolidated statements of income accounts) amounted to ₱4,443.8 million, ₱3,050.0 million and ₱3,851.0 million in 2021, 2020 and 2019, respectively. No interest was capitalized in 2021 and 2020 (see Note 16).

The Group has no restrictions on its property and equipment and none of these have been pledged as security for its obligations. Capital expenditures for hotel buildings in the course of construction amounted to ₱1,133.59 and ₱3,103.80 million as of December 31, 2021 and 2020, respectively, and are included in property and equipment. The total contractual commitments arising from awarded contracts for the acquisition, development and construction of property and equipment amounted to ₱368.71 million in 2021.

The Group performed impairment testing on its hotel property and equipment with a carrying value of ₱21,219.8 million and ₱21,527.0 million as of December 31, 2021 and 2020, by assessing its recoverable amount through estimation of its value in use (VIU). VIU is the present value of the future cash flows expected to be derived from an asset. The significant assumptions used in the valuation are discount rates of 5.00% to 13.00% with an average growth rate of 3.00%. The Group also considered in its assumptions the impact of the pandemic on the occupancy rate and room rates which are not expected to normalize until 2024. Based on the impairment testing, there is no impairment loss on the Group's hotel property and equipment (see Note 3).

#### 14. Other Noncurrent Assets

This account consists of:

	2021	2020
	(In Thousands)	
Prepaid expenses	<b>₱14,954,424</b>	₱10,544,253
Advances to contractors and suppliers	<b>8,453,875</b>	9,387,018
Leasehold rights	<b>3,398,659</b>	3,506,816
Investment in bonds	<b>2,309,440</b>	2,309,440
Deposits – others	<b>2,005,003</b>	2,339,575
Deferred input VAT	<b>1,515,092</b>	2,918,601
Development rights	<b>37,678</b>	49,791
Net pension assets (Note 26)	<b>10,961</b>	12,220
Others	<b>1,206,307</b>	760,099
	<b>₱33,891,439</b>	₱31,827,813

Prepaid expenses consist of project costs incurred for unlaunched projects of the Group, advance rental payments and noncurrent prepaid management fees. This also includes the noncurrent portion of cost to obtain contracts (see Note 9) which includes prepaid commissions and advances to brokers, which amounted to ₱1,070.9 million and ₱914.8 million in 2021 and 2020, respectively.

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

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) which amounted to ₱2,748.11 million and ₱2,905.15 million as of December 31, 2021 and 2020, respectively (see Note 33).
- TKPI's leasehold rights pertains to the right to use the property in Apulit Island located in Taytay, Palawan expiring on December 31, 2029 which amounted to ₱53.41 million and ₱60.09 million as of December 31, 2021 and 2020, respectively.



- 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 which amounted to ₱515.93 million and ₱535.91 million as of December 31, 2021 and 2020, respectively.

Movements of leasehold rights follow:

	2021	2020
	(In Thousands)	
As of January 1, 2021	<b>₱3,506,816</b>	₱3,684,840
Additions	<b>—</b>	8,736
Amortizations	<b>(108,157)</b>	(186,760)
Balance at end of year	<b>₱3,398,659</b>	₱3,506,816

Deposits - others pertain to various utility deposits and security deposits for leases.

Investment in bonds pertain to non-interest bearing bonds with a term of 36-months. The Group recorded the investment as financial asset at fair value through other comprehensive income. The fair value of the investment in bonds is determined using the binomial lattice approach. The fair value of the investment is categorized under Level 3.

Deferred input VAT pertains to unamortized VAT portion from purchases of capital goods.

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 amortization of development rights are capitalized as additional cost of the structure once the development commences.

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

#### 15. Accounts and Other Payables

This account consists of:

	2021	2020
	(In Thousands)	
Accounts payable	<b>₱69,486,598</b>	₱77,332,265
Taxes payable	<b>19,413,474</b>	19,215,550
Accrued project costs	<b>17,765,659</b>	18,220,433
Liability for purchased land	<b>9,576,947</b>	9,316,978
Accrued salaries and employee benefits	<b>5,309,047</b>	5,669,563
Retentions payable	<b>5,198,897</b>	4,131,302
Accrued professional and management fees	<b>2,034,248</b>	2,448,396
Accrued repairs and maintenance	<b>2,027,742</b>	1,634,398
Interest payable	<b>1,592,727</b>	1,775,627
Payable to related parties (Note 25)	<b>923,241</b>	1,128,192
Accrued advertising and promotions	<b>922,513</b>	968,291
Dividends payable	<b>686,982</b>	241,604
Accrued utilities	<b>552,337</b>	697,231
Accrued rentals	<b>91,477</b>	369,960
Other accrued expenses	<b>1,108,507</b>	1,476,132
	<b>₱136,690,396</b>	₱144,625,922



Accounts payable and accrued expenses are noninterest-bearing and are normally settled on 30- to 60-day terms.

Taxes payable pertains to the Group's output VAT, expanded withholding tax, capital gains tax and fringe benefit tax.

Accrued project costs are billings not yet received from suppliers for direct materials, and services from subcontractors. These are accruals of project costs such as equipment charges, materials, labor, overhead, and provision for repairs and maintenance.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired payable during the year. These are normally payable in quarterly or annual installment payments or upon demand.

Retentions 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.

Other accrued expenses consist mainly of accruals from commissions, royalty, transportation and travel, janitorial and security, postal and communication and other expenses.

#### 16. Short-term and Long-term Debts

The short-term debt amounting to ₱16,782.5 million and ₱9,131.3 million as of December 31, 2021 and 2020, respectively, represents both peso and foreign currency-denominated bank loans. Peso-denominated short-term loans had a weighted average cost of 2.12% and 4.00% per annum in 2021 and 2020, 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 ₱6,368.9 million and ₱13,231.3 million as of December 31, 2021 and 2020 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 ₱2,907.2 million and ₱2,288.3 million as of December 31, 2021 and 2020, respectively, which is accounted as part of the "Investment properties" account.

Long-term debt consists of:

	2021	2020
	(In Thousands)	
Parent Company:		
Bonds:		
Due 2021	₱-	₱9,000,000
Due 2022	22,650,000	22,650,000
Due 2023	7,000,000	15,000,000
Due 2024	3,000,000	18,000,000
Due 2025	23,250,000	21,250,000
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	-
Due 2033	2,000,000	2,000,000
Fixed rate corporate notes (FXCNs)	4,650,000	5,650,000
Php - denominated long-term loans	76,814,570	41,230,039
US Dollar - denominated long-term loans	6,374,875	6,002,875
	<b>182,739,445</b>	<b>174,782,914</b>



	2021	2020
	(In Thousands)	
Subsidiaries:		
Bank loans - Philippine Peso	<b>₱21,719,292</b>	₱24,152,698
Bonds	<b>3,000,000</b>	5,000,000
Bank loans - Malaysian Ringgit	<b>1,246</b>	1,749
	<b>24,720,538</b>	29,154,447
	<b>207,459,983</b>	203,937,361
Less unamortized transaction costs	<b>1,145,744</b>	1,117,768
	<b>206,314,239</b>	202,819,593
Less current portion	<b>26,173,997</b>	18,732,401
	<b>₱180,140,242</b>	₱184,087,192

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 (In thousands)		Features
				2021	2020	
2012	10	6.00%	5,650,000	<b>₱5,650,000</b>	₱5,650,000	Fixed rate bond due 2022
2013	20	6.00%	2,000,000	<b>1,986,794</b>	1,986,730	Fixed rate bond due 2033
2013	10.5	5.00%	15,000,000	-	14,966,062	Fixed rate bond due 2024
2014	11	5.63%	8,000,000	-	7,968,512	Fixed rate bond due 2025
2015	7	4.50%	7,000,000	<b>6,987,688</b>	6,978,851	Fixed rate bond due 2022
2016	9.5	4.75%	7,000,000	<b>6,969,407</b>	6,962,422	Fixed rate bond due 2025
2016	10	4.85%	8,000,000	<b>7,961,918</b>	7,954,090	Fixed rate bond due 2026
2016	7	3.89%	7,000,000	<b>6,980,787</b>	6,971,017	Fixed rate bond due 2023
2017	10	5.26%	7,000,000	<b>6,979,065</b>	6,975,753	Fixed rate bond due 2027
2018	10	5.92%	10,000,000	<b>9,916,583</b>	9,906,061	Fixed rate bond due 2028
2018	5	7.02%	8,000,000	-	7,962,717	Fixed rate bond due 2023
2019	7	6.37%	8,000,000	<b>7,934,304</b>	7,921,653	Fixed rate bond due 2026
2019	5	4.76%	3,000,000	<b>2,978,436</b>	2,971,294	Fixed rate bond due 2024
2019	2	4.25%	9,000,000	-	8,781,628	Fixed rate bond due 2021
2019	7.3	4.99%	1,000,000	<b>963,622</b>	957,658	Fixed rate bond due 2027
2020	2	3.00%	10,000,000	<b>9,970,491</b>	9,911,380	Fixed rate bond due 2022
2020	5	3.86%	6,250,000	<b>6,192,684</b>	6,178,810	Fixed rate bond due 2025
2021	4	3.63%	10,000,000	<b>9,903,889</b>	-	Fixed rate bond due 2025
2021	10	4.08%	3,000,000	<b>2,977,789</b>	-	Fixed rate bond due 2031
<b>Total</b>				<b>₱94,353,457</b>	<b>₱121,004,638</b>	

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 2-year Bonds due 2021

In November 2019, the Parent Company issued a ₱9,000.0 million fixed rate bond due 2021 at a rate equivalent to 4.25% p.a. The Bonds form part of the third 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 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 2023*

In October 2018, the Parent Company issued a ₱8,000.0 million fixed rate bond due 2023 at a rate equivalent to 7.02% p.a. The Bonds represent the sixth and final 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 on the PDEX. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings. In October 2021, the Bonds were fully redeemed by the Parent Company when it exercised the call option on the 3<sup>rd</sup> anniversary the bonds with a call option price of 101.00% of the outstanding principal amount.

*Philippine Peso 5-year and 10-year and 6-month Bonds due 2024*

In July 2013, the Parent Company issued a total of ₱15,000.0 million bonds due 2024 at a fixed rate equivalent to 5.0% p.a. Credit Rating and Investors Services Philippines, Inc. (CRISP) assigned a "AAA" on the bonds indicating that it has a minimal credit risk owing to the Company's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP. 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. In July 2021, the Parent Company fully redeemed the ₱15,000.0 million bonds due 2024 when it exercised the call option on the 8<sup>th</sup> anniversary of the bonds with a call option price of 101.00% of the outstanding principal amount.

*Philippine Peso 11-year Bonds due 2025*

In April 2014, the Parent Company issued a total of ₱8,000.0 million bonds due 2025 at a fixed rate equivalent to 5.6% p.a. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings. In April 2021, the Parent Company fully redeemed the bonds when it exercised the call option on the 7<sup>th</sup> anniversary of the bonds with a call option price of 102.00% of the outstanding principal amount.



*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.

FXCNs:

*Philippine Peso 5-, 10-, 15-Year FXCN due on 2016, 2021 and 2026*

In January 2011, the Parent Company issued ₱10,000.0 million FXCNs to various financial institutions and retail investors. The notes will mature on various dates up to 2026. The FXCNs bear fixed interest rates ranging from 5.6% to 7.5% p.a. depending on the term of the notes. The Parent Company prepaid ₱1,950.0 million of notes due in 2016 on January 19, 2013. Thereafter, the Parent Company either prepaid the loans before its maturity or paid the loans upon maturity. From 2014 until 2020, the Parent Company paid a total of ₱7,100.0 million, in which ₱10.0 million were each paid in 2020 and 2019. In January 2021, the Parent Company paid in full the remaining balance of ₱950.0 million.

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 December 31, 2021 and 2020, the remaining balance of the note amounted to ₱4,650.0 million and ₱4,700.0 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 repriced quarterly. The loan was prepaid in December 2018. As of December 31, 2021 and 2020, the remaining balance of the assumed long-term facilities amounted to ₱9,820.9 million and ₱11,592.5 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.

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.

In March 2019, the Parent Company executed a ₱13,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn an initial ₱6,500.0 million. The loan carries a fixed interest rate of 6.272% p.a. and a term of 10 years. The ₱6,500.0 million balance was



drawn in April 2019 at an interest rate of 6.307% per annum. In June 2020, the Parent Company prepaid the remaining long-term balance of ₱12,662.0 million with a pre-termination fee of ₱126.6 million recorded under interest expense and other financing charges account.

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 5<sup>th</sup> and 7<sup>th</sup> 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 CDBI 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 CDBI (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 December 31, 2021 and 2020, remaining aggregate balance of the Peso-denominated long-term loans amounted to ₱76,814.6 million and ₱41,230.0 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), repricedable 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 December 31, 2021 and 2020, the remaining aggregate balance of US Dollar-denominated long term loans amounted to ₱6,374.9 million and ₱6,002.9 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) or and fixed interest rates ranging from 1.83% 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 (BSPOvernightRate) 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.



In 2021 and 2020, the subsidiaries made a total bank loan availment of ₱5,830.0 million and ₱9,600.0 million, respectively. In 2021, the subsidiaries paid a total bank loan of ₱7,349.83 million and another ₱5,000.0 million for the matured fixed rate bonds. In 2020, the subsidiaries made a total bank loan payment of ₱9,496.67 million and another ₱1,350.0 million for the matured fixed rate corporate notes. The total outstanding balance of the subsidiaries' loans as of December 31, 2021 and 2020 amounted to ₱21,720.54 million and ₱24,154.45 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.

Interest capitalized amounted to ₱560.14 million, ₱40.1 million, ₱145.5 million in 2021, 2020 and 2019 respectively. The capitalization rates are 2.14% -3.44% in 2021, 2.63% - 5.18% in 2020 and 4.41%-7.01% in 2019 (see Note 8 and 12).

Transaction costs capitalized amounted to ₱500.0 million, ₱423.0 million, ₱333.8 million in 2021, 2020 and 2019, respectively. Amortization amounted to ₱472.07 million, ₱216.93 million and ₱151.9 million in 2021, 2020 and 2019, respectively, and included under "Interest and other financing charges" (see Note 22).

## 17. Deposits and Other Current Liabilities

This account consists of:

	2021	2020
	(In Thousands)	
Current portion of customers' deposits	₱23,858,675	₱19,760,584
Security deposits	3,372,817	5,311,506
Others	239,823	245,156
	<b>₱27,471,315</b>	<b>₱25,317,246</b>

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion.

The amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to ₱30,239.3 million, ₱21,087.9 million and ₱22,826.6 million in 2021, 2020 and 2019, respectively.

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.

Other current liabilities mostly pertain to accrued project costs and unearned income.



# 18. Deposits and Other Noncurrent Liabilities

This account consists of:

	2021	2020
	(In Thousands)	
Deposits	<b>₱21,682,003</b>	<b>₱19,712,684</b>
Customers' deposit - noncurrent portion	<b>17,032,950</b>	13,708,188
Liability for purchased land	<b>12,835,369</b>	2,111,165
Retentions payable	<b>4,174,016</b>	6,058,579
Contractors payable	<b>3,167,215</b>	5,711,140
Deferred output VAT	<b>1,048,615</b>	1,457,411
Subscriptions payable	<b>256,068</b>	498,175
Other liabilities	<b>539,366</b>	782,828
	<b>₱60,735,602</b>	<b>₱50,040,170</b>

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three (3) to six (6) months' rent of long-term tenants with noncancellable leases. This will be refunded to the lessees at the end of the lease term or 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 transfer of title 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 collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion.

Retentions 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 when there are claims for defects in projects requiring rework.

Contractors payable represents accrued costs incurred for property development that are not yet billed.

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.

Deferred output VAT pertains to output VAT on receivables for which sales recognition has been deferred based on sales collection threshold for VAT recognition purposes.

The Group's subscription payable pertains to ALLHC's investment in Cyber Bay.

On April 25, 1995, Central Bay, a wholly owned subsidiary of Cyber Bay, entered into a Joint Venture Agreement with the Philippine Reclamation Authority (PRA; formerly Public Estates Authority) for the complete and entire reclamation and horizontal development of a portion of the Manila-Cavite Coastal Road and Reclamation Project (the Project) consisting of three partially reclaimed and substantially eroded islands (the Three Islands) along Emilio Aguinaldo Boulevard in Parañaque and Las Piñas, Metro Manila with a combined total area of 157.8 hectares, another area of 242.2 hectares contiguous to the Three Islands and, at Central Bay's option as approved by the PRA, an additional 350 hectares more or less to regularize the configuration of the reclaimed area.



On March 30, 1999, the PRA and Central Bay executed an Amended Joint Venture Agreement (AJVA) to enhance the Philippine Government's share and benefits from the Project which was approved by the Office of the President of the Philippines on May 28, 1999.

On July 9, 2002, the Supreme Court (SC) (in the case entitled "Francisco Chavez vs. Amari Coastal Bay and Reclamation Corp.") issued a ruling declaring the AJVA null and void. Accordingly, PRA and Central Bay were permanently enjoined from implementing the AJVA.

On July 26, 2002, Central Bay filed a Motion for Reconsideration (MR) of said SC decision. On May 6, 2003, the SC En Banc denied with finality Central Bay's MR. On May 15, 2003, Central Bay filed a Motion for Leave to Admit Second MR. In an En Banc Resolution of the SC dated July 8, 2003, the SC resolved to admit the Second MR of Central Bay.

On November 11, 2003, the SC rendered a 7-7 split decision on Central Bay's Second MR. Because of the new issues raised in the SC's latest resolution that were never tried or heard in the case, Central Bay was constrained to file on December 5, 2003 a Motion for Re-deliberation of the SC's latest resolution which motion was denied with finality by the SC.

With the nullification of the AJVA, Central Bay has suspended all Project operations. On August 10, 2007, in view of the failure by the PRA to comply with its obligations and representations under the AJVA, Cyber Bay and Central Bay have filed their claims for reimbursement of Project expenses in the amount of ₱10,200.0 million with the PRA. Cyber Bay and Central Bay provided the PRA with the summary and details of their claims on September 5, 2007. On July 15, 2008, Cyber Bay sent a follow-up letter to the PRA. The PRA, in its letter dated July 18, 2008, informed Cyber Bay that its claim is still being evaluated by the PRA.

As at December 31, 2021 and 2020, the Group has unpaid subscription in Cyber Bay amounting to ₱481.7 million. The investment in Cyber Bay under "financial assets through FVOCI" amounted to ₱472.0 million as of December 31, 2020 (nil in 2021) (see Note 10).

Other liabilities include nontrade payables, accrued payables and warranty payables.

## 19. Equity

The details of the number of shares follow:

### December 31, 2021

	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
			(In Thousands)	
Authorized	15,000,000	20,000,000	₱1,500,000	₱20,000,000
Issued*	13,066,495	15,257,294	₱1,306,649	₱15,257,294
Subscribed	—	123,901	—	123,901
	13,066,495	15,381,195	₱1,306,649	₱15,381,195

\*Out of the total issued shares (in thousands), 570,069 shares or ₱16,894.4 million as of December 31, 2021 pertain to Treasury shares

### December 31, 2020

	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
			(In Thousands)	
Authorized	15,000,000	20,000,000	₱1,500,000	₱20,000,000
Issued*	13,066,495	14,635,298	₱1,306,649	₱14,635,298
Subscribed	—	124,882	—	124,882
	13,066,495	14,760,180	₱1,306,649	₱14,760,180

\*Out of the total issued shares (in thousands), 29,785 shares or ₱1,260.8 million as of December 31, 2020 pertain to Treasury shares



December 31, 2019

	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
		(In Thousands)		
Authorized	15,000,000	20,000,000	₱1,500,000	₱20,000,000
Issued*	13,066,495	14,632,062	₱1,306,649	₱14,632,062
Subscribed	–	113,273	–	113,273
	13,066,495	14,745,335	₱1,306,649	₱14,745,335

\*Out of the total issued shares (in thousands), 25,373 shares or ₱1,104.4 million as of December 31, 2019 pertain to Treasury shares

The movement in the Parent Company's treasury shares follows:

	2021		2020		2019	
	Shares In thousand	Amount in millions	Shares In thousand	Amount in millions	Shares In thousand	Amount in millions
At January 1	29,785	₱1,260.8	25,373	₱1,104.4	–	₱–
Additions	540,284	15,633.6	4,412	156.4	25,373	1,104.4
At December 31	570,069	₱16,894.4	29,785	₱1,260.8	25,373	₱1,104.4

Preferred Shares (₱0.10 par value per share)

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

The dividends for preferred shares are declared upon the sole discretion of the Parent Company's BOD.

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

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

On April 18, 2012, the stockholders ratified the BOD resolution on the capital restructuring. The voting preferred shares shall have the following features, rights, and privileges: (a) voting; (b) dividend rate of 4.7% per annum, equivalent to 90.0% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative; (c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (d) no pre-emptive rights; (e) redeemable at par at the sole option of the corporation; (f) non-listed; and, (g) preferred in liquidation to the extent of par value.



The SEC approved on January 31, 2013 the following:

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

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

Common Shares (₱1.00 par value per share)

On April 7, 2014, the stockholders resolved to approve the amendment of the Seventh Article of the Articles of Incorporation exempting from pre-emptive rights (1) the issuance of 1 billion common shares for properties or assets needed for the business of the Parent Company or for cash to acquire properties or assets needed for the business of the Parent Company or in payment of a debt contracted prior to the issuance of such shares, and (2) the issuance of common shares covered by the Parent Company's Stock Option Plans for members of the management committees of the Parent Company's subsidiaries or affiliates.

Likewise, the stockholders resolved to approve the amendment of the Stock Option Plan of the Parent Company to include the members of the Management Committees of the Parent Company's subsidiaries and affiliates as eligible grantees of stock options.

The rollforward analysis of the common shares follows:

	Number of Shares			Amount		
	2021	2020	2019	2021	2020	2019
(In Thousands)						
Issued capital stock*						
At beginning of year	14,635,298	14,632,062	14,614,387	₱14,635,298	₱14,632,062	₱14,614,387
Issued shares	621,995	3,236	17,675	621,995	3,236	17,675
At end of year	15,257,294	14,635,298	14,632,062	15,257,294	14,635,298	14,632,062
Subscribed capital stock						
At beginning of year	124,882	113,273	120,494	124,882	113,273	120,494
Issued shares	(12,369)	(3,236)	(17,675)	(12,369)	(3,236)	(17,675)
Additional subscriptions	11,389	14,845	10,454	11,389	14,845	10,454
At end of year	123,901	124,882	113,273	123,901	124,882	113,273
	15,381,195	14,760,180	14,745,335	₱15,381,195	₱14,760,180	₱14,745,335

\*Out of the total issued shares (in thousands), 570,069 shares or ₱16,894.4 million as of December 31, 2021, 29,785 shares or ₱1,260.1 million as of December 31, 2020 and 25,373 shares or ₱1,104.4 million as of December 31, 2019 pertain to Treasury shares

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Parent Company.

The Parent Company's track record of capital stock is as follows:

Type of Shares	Number of shares registered	Issue/ Offer price	Date of approval	Number of holders of securities as of 2021	Number of holders of securities as of 2020
		Par Value - ₱1.00 /Issue Price			
Class B shares	800,000,000	₱26.00	April 18, 1991	8,926	8,985
Class B shares	400,000,000	Par Value - ₱1.00*	July 06, 1992		
Class A shares	900,000,000	Par Value - ₱1.00**	July 05, 1993		
Class B shares	600,000,000	Par Value - ₱1.00**	July 05, 1993		

Note: Class A Shares and Class B Shares were declassified into one type of Common Shares on September 12, 1997.

\*increase in authorized capital stock, registered to cover the shares held by the directors and 20% stock dividend amounting to ₱108,662,000.00

\*\*increase in authorized capital stock, registered to cover the 20% stock dividend amounting to ₱391,240,953.00



On January 9, 2015, the Executive Committee of the Parent Company approved a top-up placement of 484,848,500 common shares of the Parent Company at a price of ₱33.00 per share. The placement was conducted via an accelerated bookbuilt offering structured as a top-up placement, whereby AC sold 484,848,500 listed common shares of stock to qualified third party buyers and subscribe to the same number of new shares from the Parent Company. The Parent Company completed the placement on January 12, 2015, raising an aggregate of ₱16,000.0 million in paid-up capital. The price was at 3.9% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to ₱194.0 million.

On April 13, 2013, the stockholders resolved to approve the amendment of the Seventh Article of the Company's Articles of Incorporation for the purpose of excluding or exempting treasury shares from the pre-emptive rights of stockholders.

On March 6, 2013, the Parent Company's Board resolved to approve the placement made by AC of its existing 320,000,000 listed common shares of the Company to certain qualified third party buyers or investors at ₱30.50 per share. The Parent Company completed the top-up placement, raising an aggregate of ₱12,200.0 million in paid up capital. The price was at 3.6% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to ₱162.4 million.

On July 10, 2012, the Parent Company's executive committee approved the placement of 680 million listed common shares of stock with par value of ₱1.00 per share, at a price of ₱20.00 per share, and the issuance of equal number of new shares of the Parent Company, at the same price of ₱20.00 per share, with AC as the seller of the placement tranche and subscriber of the subscription tranche. The Parent Company completed the top-up placement, raising an aggregate of ₱13,600 million in paid up capital. The price was at 5.0% discount to the closing price. Transaction cost charged to additional paid-in capital amounted to ₱200.0 million.

On April 2, 2008, the Parent Company's stockholders approved the allotment and subsequent issuance of the shares for the above-mentioned purposes and for the further amendment of the Amended Articles of Incorporation of the Parent Company to exclude the issuance of shares from the pre-emptive rights of the stockholders pursuant to Section 39 of the Philippine Corporation Code.

On February 12, 2008, the BOD approved the allotment and subsequent issuance of up to 1 billion common shares of stock with an aggregate par value of ₱1,000.0 million for the purpose of exchanging such shares for properties or assets and/or to raise funds to acquire properties or assets needed for the business of the Parent Company via issuance of equity or equity-linked instruments, the price and the terms and conditions of which shall be determined by the BOD based on prevailing market conditions or on agreements negotiated.

On July 5, 1991, the Parent Company launched its initial public offering where a total of 400 million common shares were offered at an offering price of ₱26.00 per share. The registration statement was approved on July 20, 1992. The Parent Company has 8,985 and 9,009 existing shareholders as of December 31, 2020 and 2019, respectively.

#### Treasury Shares

In April and December 2021, Ayala Land, Inc. (ALI) purchased a total of 48,976,900 common shares at an average price of ₱33.90/share for a total consideration of ₱1,656.6 million under its share buyback program.

On December 16, 2021, SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). All of the shares of the absorbed entities owned by their respective stockholders prior to the Merger shall be acquired by ALI, and in exchange for the net assets of the absorbed entities, a total of 609,626,351 ALI common shares will be issued to the stockholders of the absorbed entities. Of these shares, 491,306,375 shares shall be issued to ALI itself and shall be treated as treasury shares with a total consideration of ₱13,977.0 million.





On February 28, March 11, March 12, and March 16, 2020, Ayala Land, Inc. purchased a total of 4,412,000 common shares at an average price of ₱35.67 per share for a total consideration of ₱156.4 million, pursuant to its share buyback program.

On February 21, 2020, the Board of Directors of Ayala Land, Inc. at its regular meeting approved the increase of an additional ₱25 billion to the Company's current share buyback program bringing the available balance to ₱26.1 billion. The program will be implemented through open market purchases executed via the trading facilities of the Philippine Stock Exchange.

On March 5, 2019, the Parent Company purchased a total of 10,372,746 of its common shares at ₱43.20 per share through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of ₱448.10 million in relation to its share buyback program. On November 26, 2019, the Parent Company also acquired a total of 15,000,000 of its common shares at ₱43.75 per share for a total purchase price of ₱656.25 million.

The amendment of the Articles of Incorporation on April 17, 2013 allowed the re-selling of the 79,528,299 listed common shares as part of the top-up placement transaction completed in July 2013. Treasury common shares were sold at ₱30.50 per share resulting to additional paid-in capital of ₱1,601.6 million.

On August 12, 2008, the BOD approved a share buyback program. It is part of the Parent Company's balance sheet management program and aims to (i) improve the Parent Company's balance sheet structure and capital efficiency and (ii) enhance shareholder value through the repurchase of shares whenever the stock is trading at a price discount perceived by the Parent Company as not reflective of its fair corporate value.

In 2008, the Parent Company repurchased a total of 79,528,228 of its common shares through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of ₱823.9 million in relation to its share buyback program. These have been reported as treasury shares.

#### Retained Earnings

The BOD approved the declaration and payment from unappropriated retained earnings of cash dividends of ₱0.28, ₱0.27 and ₱0.52 per share in 2021, 2020 and 2019, respectively, to all issued and outstanding shares.

On February 23, 2021, the BOD during its meeting approved the declaration of cash dividends of ₱0.1358 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.

On May 27, 2021, the Board of Directors during its meeting approved the declaration of cash dividends of ₱0.0047 per outstanding preferred share. The cash dividend was paid on June 25, 2021 to stockholders of preferred shares as of record date June 10, 2021.

On October 19, 2021, the BOD during its meeting approved the declaration of cash dividends of ₱0.1360 per outstanding common share. The cash dividend was paid on November 18, 2021 to stockholders of common shares as of record date November 3, 2021.

On February 20, 2020, the BOD during its meeting approved the declaration of cash dividends of ₱0.27 per outstanding common share. The cash dividend was paid on March 20, 2020 to stockholders of common shares as of record date March 6, 2020.

On May 26, 2020, the BOD during its meeting approved the declaration of cash dividends of ₱0.00474786 per outstanding preferred share. The cash dividend was paid on June 25, 2020 to stockholders of preferred shares as of record date June 9, 2020.



On February 27, 2019, the BOD approved the declaration of cash dividends amounting to ₱0.26 per outstanding common share and was paid on March 29, 2019 to the shareholders on record as of March 13, 2019.

On May 24, 2019, the BOD declared annual cash dividends of 4.7% per year or ₱0.0047 per share to all shareholders of the Parent Company's unlisted voting preferred shares. These were paid on June 21, 2019 to the shareholders on record as of June 7, 2019.

On October 31, 2019, the BOD approved the declaration of cash dividends amounting to ₱0.26 per outstanding common share and was paid on November 29, 2019 to the shareholders on record as of November 15, 2019.

Total dividends for common shares declared for 2021, 2020 and 2019 amounted to ₱4,001.1 million, ₱3,944.6 million and ₱7,659.5 million, respectively. Total dividends for preferred shares declared for 2021, 2020 and 2019 amounted to ₱62.0 million each year.

As of December 31, 2021 and 2020, retained earnings of ₱25,000.0 million and ₱8,000.0 million are appropriated for future expansion. The increase of ₱17,000.0 million, as approved by the BOD on November 25, 2021, represents a continuing appropriation for land banking activities and planned building construction projects. Each year, the Parent Company incurs capital expenditures for property development which include among others land banking and building construction projects. The appropriation is being fully utilized to cover part of the annual expenditure requirement of the Parent Company.

The Parent Company has earmarked additional funds for expansion projects in the residential, shopping centers, office and hotel business segments, as well as various infrastructure projects for the Parent Company's mixed-use developments.

The following are among the major capital expenditures of the Parent Company which were approved by the BOD on November 25, 2021:

- a) Arca South, a 74 hectares lifestyle district in the City of Taguig with residential, office, retail, hotel and other commercial component. Phase 1 of the mixed-use development was approved by the board on November 25, 2014. It consists a retail project with 4k sqm GLA, 2 BPO towers with 34k sqm GLA and a 265-room hotel with total estimated cost of ₱11 billion, for completion in 2026.
- b) Vertis North, a 29 hectares estate positioned as the Central Business District of the North with residential, office, retail and hotel component. Phase 1 of the mixed-use development was approved by the board on October 11, 2013. It consists of the completed Vertis mall with 40k sqm GLA, 3 office towers with 125k sqm GLA and a 438 room Seda hotel. For future development consists of the 4th Office Tower with 46k sqm GLA estimated at ₱5 billion, for completion beyond 2026.
- c) Vermosa, 700-hectare estate located south of Ayala Alabang. It is a mixed use development with residential and commercial component. Phase 1 of the mixed-use development consists of residential developments, commercial lots, school and sports and lifestyle complex. For future development consists of a mall with 41k sqm GLA approved by the board on May 19, 2017. Estimated cost for this project is at ₱2.5 billion, for completion in phases by 2022-2024.
- d) Continuing payments for various acquisitions within the country amounting to ₱14.5 billion to be paid until 2024-2026.

Retained earnings also include undistributed net earnings amounting to ₱101,582.19 million and ₱92,123.69 million as of December 31, 2021 and 2020, respectively, representing accumulated equity in the net earnings of subsidiaries, associates and joint ventures. These are not available for dividend distribution unless declared by subsidiaries and other investees.



In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company's retained earnings available for dividend declaration as of December 31, 2021 and 2020 amounted to ₱39.30 billion and ₱67.87 billion, respectively. Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

In 2021, the Group adopted the provision of PFRS 15 covered by PIC Q&A 2018-12-E on the treatment of land in the calculation of POC. The Group applied the modified retrospective approach to recognize the impact of the change with a reduction in the beginning retained earnings by ₱2,838 million and beginning NCI of ₱16.3 million. Further, the Group started capitalizing borrowing costs to its property and equipment and investment properties under construction. The Group recognized the impact of the change against the beginning retained earnings in 2021 amounting to ₱1,993 million.

#### 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.

#### Equity Reserves

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. The impact to equity reserve as a result of the merger amounted to ₱276.8 million.

On October 8, 2021, Ayala Land, Inc. and AREIT, Inc. received the approval from the SEC of the property-for-share swap, specifically the subscription of ALI and its subsidiaries namely, Westview Commercial Ventures Corp. and Glensworth Development, Inc. (collectively referred to as Subsidiaries) to 483,254,375 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, under the Deed of Exchange dated June 8, 2021. This resulted in ALI's interest in AREIT from 54% to 66%. The impact to equity reserve amounted to ₱981.1 million.

On August 13, 2020, ALI sold through a public listing its 49.0% effective noncontrolling interest in AREIT, Inc. at ₱27.0 per share. Subsequently during a one-month stabilization process, BPI Capital Corporation acquired a 3.4% interest in AREIT at an average price of ₱26.0/share and redelivered this to ALI. As a result of the sale and buy-back transactions, ALI's ownership interest in AREIT was diluted from 100.00% to 54.4%. In relation to the dilution without loss of control, the impact to ALI's net equity reserve amounted to ₱7,641.7 million. ALI's non-controlling interest increased by ₱4,701.7 million, as a result of the public offering of AREIT Inc. The difference between the consideration and carrying value of the non-controlling interest was credited to equity reserve as shown below:

		2020	
	Consideration received	Carrying value of Non-controlling interests deemed disposed	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
45.6% in AREIT	₱12,343,461	₱4,701,746	₱7,641,715

In September 2019, ALI purchased additional 648,177 shares of VPHI for ₱799.4 million increasing the Parent Company's ownership to 78.41%.

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 ₱88.7 million resulting in ALI's ownership from 70.4% to 71.1%.



On April 30, 2018, ALI and ALLHC executed a Deed of Exchange where ALI will subscribe to 1,225,370,620 common shares of ALLHC for an aggregate subscription price of ₱3.0 billion in exchange for 30,186 common shares of LTI. The subscription and exchange shall be subject to and deemed effective only upon the issuance by the SEC of the confirmation of valuation of the shares. The SEC issued its approval on February 28, 2019. This increased ALI's ownership to 69.50%. This resulted in a decrease in equity reserve amounting to ₱664.9 million.

On February 4, 2019, The Executive Committee of Ayala Land, Inc. (ALI) approved the purchase of a 20% equity interest owned by Mitsubishi Corporation in Laguna Technopark, Inc. (LTI), equivalent to 8,051 common shares, with a total value of ₱800 million. Subsequently, ALI will exchange the 20% equity interest in LTI for additional shares of stock in Prime Orion Philippines, Inc. (POPI), equivalent to 323,886,640 common shares, subject to conditions to be fulfilled by POPI. On May 10, 2019, Prime Orion Philippines, Inc., changed its corporate name to Ayalaland Logistics Holdings Corp. (ALLHC). On June 10, 2019, ALI sold its 20% equity interest or 8,051 common shares in LTI to ALLHC for a consideration of ₱800 million resulting to increase in ALI's ownership from 69.5% to 70.36%.

On September 9, 2019, OLI sold through a special block sale, 215,090,031 common shares of ALLHC to Avida Land Corporation, a wholly-owned subsidiary of ALI, for a total consideration of ₱628.1 million. Subsequently, these shares were acquired by ALI through a special block sale for a total consideration of ₱628.1 million. This resulted to ALI's effective ownership in ALLHC from 70.36% to 71.46%.

The transactions were accounted for as an equity transaction since there were no changes in control. The movements within equity are accounted for as follows:

	2019		
	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
8.41% in VPHI	₱799,420	₱68,916	₱730,504
0.69% in CHI	88,734	73,977	14,757
0.86% in ALLHC	800,000	825,447	(25,447)
1.10% in ALLHC	628,100	1,033,335	(405,235)
	₱2,316,254	₱2,001,675	₱314,579

In January 2018, ALI purchased additional 202,774,547 shares of ALLHC from Genez Investment Corporation for ₱497.7 million increasing the Parent Company's ownership from 62.9% to 67%.

In December 2018, ALI acquired 8,051 common shares of LTI for ₱800.0 million increasing its ownership from 75% to 95%.

In 2018, ALI acquired additional 59,631,200 common shares of CHI totaling to ₱352.8 million. Further, an additional 77,742,516 shares was acquired as a result of swap of CPVDC shares for a total consideration of ₱229.3 million which brings Parent Company's ownership to 70.4%.

In March 2018, the Irredeemable Convertible Unsecured Loan Stock of Dato Sri Tong and Tan Sri Barry Go, founders of MCT, were converted into 122,218,357 shares. This resulted in a 6.07% dilution of ALI's stake in MCT as of date of share issuance. As such, the current ownership stake of ALI in MCT is 66.25%. This resulted in an increase in Equity reserve amounting to ₱1,044.5 million.



The transactions were accounted for as an equity transaction since there were no changes in control.

The movements within equity are accounted for as follows:

	2018		
	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
4.14% in ALLHC	₱497,652	₱315,951	₱181,701
20.00% in LTI	800,000	528,295	271,705
1.53% net reduction in CHI	582,106	826,752	(244,646)
	₱1,879,758	₱1,670,998	₱208,760

In 2017, ALI purchased additional 97,763,900 common shares of CHI from BPI Securities Corporation totaling ₱575.0 million which increased the Company's ownership to 72% of the total outstanding capital stock of CHI.

In February 2017, ALI purchased additional 631,000 common shares of ALLHC from BPI Securities Corporation for ₱1.26 million. ALI's interest remains at 51% of the total ALLHC's outstanding capital stock.

In June 2017, Orion Land, Inc. (OLI), a subsidiary of ALLHC, acquired 512,480,671 common shares equivalent to 11.69% ownership at ₱2.45 share amounting to ₱1,255.58 million. The acquisition of ALLHC shares by OLI was treated as an acquisition of non-controlling interest resulting to a debit to equity reserve of ₱405.18 million. This increased ALI's effective ownership from 51.36% to 63.05%.

The transactions were accounted for as an equity transaction since there were no change in control. The movements within equity are accounted for as follows:

	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
5.09% in CHI	₱574,994	₱394,907	₱180,087
11.69% in ALLHC	1,258,579	852,656	405,923
	₱1,833,573	₱1,247,563	₱586,010

In August 2017, AHRC entered into a memorandum of agreement with Sicogon Development Corporation (SIDEKO) and an individual to develop Sicogon Island into a new leisure destination. The investment of SIDEKO and an individual to SITEC changed the ownership interest of AHRC in SITEC from 100% to 77% without a loss of control. The difference between the amount by which non-controlling interest of 23% are adjusted and the fair value of consideration paid is recognized directly to equity amounting to ₱134.1 million.

Below are several acquisitions of shares in existing subsidiaries in 2013 up to 2016 that resulted to equity reserves. Details follow:

	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
2016			
10.5% in CHI	₱1,209,784	₱748,746	₱461,038
2015			
6.7% in CHI	₱649,927	₱434,074	₱215,853
9.4% in NTDCC	778,356	174,770	603,586
1.9% in API	58,157	45,540	12,617
	₱1,486,440	₱654,384	₱832,056



	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
	(In Thousands)		
2013			
6.7% in CHI	₱3,520,000	₱797,411	₱2,722,589
9.4% in NTDCC	2,000,000	1,413,960	586,040
	<b>₱5,520,000</b>	<b>₱2,211,371</b>	<b>₱3,308,629</b>

#### Non-controlling interests

The Parent Company considers a subsidiary as a subsidiary with material NCI if its net assets exceed 5% of its total consolidated net assets of the Group as of reporting period and considers the relevance of the nature of activities of the subsidiary compared to other operations of the Group. There are no significant restrictions on the Parent Company's ability to use assets and settle liabilities of the Group. The financial information on the Parent Company's significant subsidiaries with material NCI follows:

#### AREIT, Inc.

AREIT, Inc., was incorporated on September 4, 2006. As of December 31, 2021, it is 53.13% owned by ALI, 6.38% owned by ALO, 4.12% owned by GDI, 2.48% owned by WVCV, and 33.9% public after being listed in the Philippine Stock Exchange (PSE) on August 13, 2020. It was organized primarily as a real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations and other applicable laws.

The related balances for the year ended December 31, 2021 and 2020 follows:

	2021	2020
	(In Thousands, except for %)	
Proportion of equity interests held by non-controlling interests	33.9%	45.6%
Accumulated balances of material non-controlling interests	<b>₱5,040,631</b>	₱4,489,157
Net income allocated to material non-controlling interests	<b>927,789</b>	282,680
Comprehensive income allocated to material non-controlling interests	<b>927,789</b>	282,680

The summarized financial information of AREIT, Inc. as of and for the year ended December 31, 2021 and 2020 are provided below. This information is based on amounts before inter-company eliminations.

	2021	2020
	(In Thousands)	
<b>Statements of financial position</b>		
Current assets	<b>₱1,523,243</b>	₱2,705,442
Noncurrent assets	<b>54,980,285</b>	11,915,782
Current liabilities	<b>(2,257,257)</b>	(722,609)
Noncurrent liabilities	<b>(5,358,681)</b>	(1,560,237)
Total equity	<b>48,887,590</b>	12,338,378
Attributable to:		
Equity holders of AREIT	<b>48,887,590</b>	12,338,378
Non-controlling interests	-	-
Dividends paid to non-controlling interests	-	-



	For the years ended December 31	
	2021	2020
	(In Thousands)	
<b>Statements of comprehensive income</b>		
Revenue	₱3,316,464	₱1,951,625
Cost and expenses	919,264	617,862
Income before income tax	2,433,316	1,333,763
Provision for income tax	(48)	(106,576)
Income from operations	2,433,267	1,227,187
Other comprehensive (loss) income	—	—
Total comprehensive income	2,433,267	1,227,187
Attributable to:		
Equity holders of AREIT	₱2,433,267	₱1,227,187
Non-controlling interests	—	—
	For the years ended December 31	
	2021	2020
	(In Thousands)	
<b>Statements of cash flows</b>		
Operating activities	₱2,145,006	₱1,475,827
Investing activities	(4,137,567)	(1,849,491)
Financing activities	2,025,594	310,461
Effect of exchange rate changes	33,033	(63,203)
Net increase in cash and cash equivalents	₱2,145,006	₱1,475,827

The fair value of the investment in AREIT, Inc. amounted to ₱38,959.8 million and ₱12,526.4 million as of December 31, 2021 and 2020, respectively.

**CHI and Subsidiaries**

CHI, a publicly-listed company, was incorporated in the Republic of the Philippines. It is engaged in real estate development, sale of subdivided land, residential and office condominium units, sports club shares, and lease of commercial spaces. The registered office address of CHI is at 20F ACC Tower, Bohol St., Cebu Business Park, Cebu City, Philippines. CHI was merged to ALI on December 16, 2021.

	2020
Proportion of equity interests held by non-controlling interests	28.9%
Accumulated balances of material non-controlling interests	₱2,528,941
Net income allocated to material non-controlling interests	201,523
Comprehensive income allocated to material non-controlling interests	201,523

Prior to the merger in 2021, the summarized financial information of CHI in 2020 is provided below. This information is based on amounts before inter-company eliminations.

	2020
<b>Statements of financial position</b>	
Current assets	₱4,154,937
Noncurrent assets	24,894,482
Current liabilities	(14,911,598)
Noncurrent liabilities	(1,661,300)
Total equity	12,476,521
Attributable to:	
Equity holders of CHI	9,744,862
Non-controlling interests	2,731,659
Dividends paid to non-controlling interests	—



	2020
Statements of comprehensive income	
Revenue	₱2,933,252
Cost and expenses	(2,506,461)
Income before income tax	426,791
Provision for income tax	(26,374)
Income from operations	400,417
Other comprehensive (loss) income	(48,755)
Total comprehensive income	351,662
Attributable to:	
Equity holders of CHI	₱343,132
Non-controlling interests	8,530
	2020
Statements of cash flows	
Operating activities	₱1,170,848
Investing activities	(1,220,472)
Financing activities	(78,000)
Effect of exchange rate changes	(337)
Net increase in cash and cash equivalents	(₱127,961)

The fair value of the investment in CHI amounted to ₱9,050.7 million as of December 31, 2020, respectively.

*ALLHC and Subsidiaries*

ALLHC was incorporated in the Republic of the Philippines. It is engaged in real estate and property development, manufacturing and retailing/distribution, non-life insurance and other allied services, organized under a number of intermediate holding companies. The Company wholly owns Tutuban Properties, Inc., which holds the lease and development rights over Tutuban Center in downtown Divisoria.

	2021	2020
	(In Thousands, except for %)	
Proportion of equity interests held by non-controlling interests	29.1%	29.1%
Accumulated balances of material non-controlling interests	₱4,412,056	₱4,192,761
Net income allocated to material non-controlling interests	219,295	178,995
Comprehensive income allocated to material non-controlling interests	219,295	178,995





The summarized financial information of ALLHC is provided below. This information is based on amounts before inter-company eliminations (In Thousands).

	December 31, 2021	December 31, 2020
<b>Statements of financial position</b>		
Current assets	<b>₱7,114,121</b>	₱6,652,483
Noncurrent assets	<b>13,244,125</b>	12,768,607
Current liabilities	<b>3,529,675</b>	(5,053,355)
Noncurrent liabilities	<b>4,836,594</b>	(2,526,349)
Total equity	<b>11,991,978</b>	11,841,386
Attributable to:		
Equity holders of ALLHC	<b>11,971,624</b>	₱11,564,113
Non-controlling interests	<b>20,354</b>	138,637
Dividends paid to non-controlling interests	—	—
<b>For the years ended December 31</b>		
	<b>2021</b>	<b>2020</b>
<b>Statements of comprehensive income</b>		
Revenue	<b>₱4,293,068</b>	₱3,751,070
Cost and expenses	<b>3,339,428</b>	(2,915,978)
Income before income tax	<b>876,028</b>	835,092
Provision for income tax	<b>95,474</b>	(133,079)
Income from operations	<b>780,554</b>	702,013
Other comprehensive income	—	—
Total comprehensive income	<b>780,554</b>	702,013
Attributable to:		
Equity holders of ALLHC	<b>784,982</b>	₱680,864
Non-controlling interests	<b>(4,428)</b>	21,149
<b>Statements of cash flows</b>		
Operating activities	<b>₱966,407</b>	₱744,162
Investing activities	<b>(1,768,956)</b>	(883,705)
Financing activities	<b>705,739</b>	139,194
Net decrease in cash and cash equivalents	<b>(₱96,810)</b>	(₱349)

The fair value of the investment in ALLHC amounted to ₱30,068.0 million and ₱15,190.4 million as of December 31, 2021 and 2020, respectively.

#### Capital Management

The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.



The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As of December 31, 2021 and 2020, the Group had the following ratios:

	2021	2020
Debt to equity	<b>0.82:1</b>	0.81:1
Net debt to equity	<b>0.77:1</b>	0.74:1

Debt consists of short-term and long-term debts. Net debt includes short-term and long-term debt less cash and cash equivalents, short-term investments and financial assets at FVPL. Equity, which the Group considers as capital, pertains to the total equity. The Group excludes the "Fair value reserve of financial assets at FVOCI" attributable to the equity holders of the Company in computing the debt to equity ratio.

The Group is subject to externally imposed capital requirements due to loan covenants (see Note 16). No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2021 and 2020.

#### *Financial risk assessment*

The Group's financial condition and operating results would not be materially affected by the current changes in interest, currency, credit, liquidity and market conditions.

Exposure to changes in interest rates is reduced by a debt portfolio mix of both fixed and floating interest rates. The Group's ratio of fixed to floating rate debt stood at 91:9 and 95:5 as of December 31, 2021 and 2020, respectively. As a result, any adverse movement in interest rates is mitigated.

Exposure to foreign currency holdings is at MYR127.3 million and US\$102 million as of December 31, 2021, and MYR193.7 million and US\$18.0 million as of December 31, 2020, respectively.

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Group's base of counterparties remains diverse. As such, it is not exposed to large concentration of credit risk.

Liquidity risk is addressed with long term funding already locked in, while funds are placed on cash equivalents, short term investment and financial assets at FVTPL.

## 20. Revenue

This account consists of:

	2021	2020	2019
		(In Thousand)	
Revenue from contracts with customers			
Residential development	<b>P75,939,410</b>	P66,461,372	P117,580,972
Hotels and resorts	<b>2,833,075</b>	3,388,190	7,624,159
Construction	<b>3,909,051</b>	3,278,557	3,394,744
Others	<b>2,466,666</b>	2,971,238	5,452,595
Rental income (Notes 12 and 33)	<b>17,797,660</b>	18,468,871	31,687,075
Equity in net earnings of associates and joint venture	<b>842,565</b>	586,502	965,787
<b>Total Revenue</b>	<b>P103,788,427</b>	<b>P95,154,730</b>	<b>P166,705,332</b>



The Group derives revenue from the transfer of goods and services over time and at a point in time in different product types. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

*Residential development*

	2021	2020	2019
	(In thousands)		
<b>Type of Product</b>			
Middle income housing	<b>₱24,101,342</b>	₱21,239,940	₱36,023,183
Coremid	<b>19,789,427</b>	20,445,730	34,813,550
Condominium	<b>23,733,274</b>	18,231,721	29,326,334
Lot only	<b>8,315,367</b>	6,543,981	17,417,905
	<b>₱75,939,410</b>	₱66,461,372	₱117,580,972

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time.

*Hotels and resorts*

	2021	2020	2019
	(In thousands)		
<b>Type of Product</b>			
Rooms	<b>₱1,581,171</b>	₱1,775,632	₱4,447,172
Food and beverage	<b>816,326</b>	731,812	2,090,953
Others	<b>213,465</b>	273,424	324,322
Other operated department	<b>222,113</b>	607,322	761,712
	<b>₱2,833,075</b>	₱3,388,190	₱7,624,159

The Group's revenue from hotels and resorts is attributed to the operations from the development and management of hotels and resorts/serviced apartments. In view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported under this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment.

The Group's construction revenue pertains to transactions with related parties such as joint ventures and associates.

Others are mainly composed of property management facilities of the Group and third party projects.

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions. Rent discounts and concessions given vary for merchants that are (1) forced to close and those that are still (2) operational. Rental fees and common charges of merchants who were forced to close during the quarantine period were waived with 50% discount in their common area usage expenses.



Set-out below is the reconciliation of contracts with customers with the amounts disclosed in segment information (in millions):

2021						
	Residential Development	International	Construction	Hotels and Resorts	Property Management and Others	Total
Sales to external customer	P65,260	P3,878	P3,909	P2,833	P2,467	P78,347
Interest	6,801	-	-	-	-	6,801
Total revenue from contracts with customers	P72,061	P3,878	P3,909	P2,833	P2,467	P85,148

2020						
	Residential Development	International	Construction	Hotels and Resorts	Property Management and Others	Total
Sales to external customer	P53,014	P4,845	P3,279	P3,388	P2,971	P67,497
Interest	8,603	-	-	-	-	8,603
Total revenue from contracts with customers	P61,617	P4,845	P3,279	P3,388	P2,971	P76,100

2019						
	Residential Development	International	Construction	Hotels and Resorts	Property Management and Others	Total
Sales to external customer	P102,981	P6,709	P3,395	P7,624	P5,453	P126,162
Interest	7,891	-	-	-	-	7,891
Total revenue from contracts with customers	P110,872	P6,709	P3,395	P7,624	P5,453	P134,053

## 21. Interest and Investment Income and Other Income

Interest and investment income consists of:

	2021	2020	2019
		(In Thousands)	
Gain on sale of equipment and other properties	P106,051	P23,265	P40,870
Interest income from banks	79,765	293,354	724,817
Interest income from advances to officers/employees and other companies	46,546	75,160	164,531
Others	20,745	2,922	227
	P253,107	P394,701	P930,445

Other income consists of:

	2021	2020	2019
		(In Thousands)	
Marketing and management fees	P528,345	P219,937	P297,423
Others - net (Notes 11 and 24)	1,572,726	503,331	860,512
	P2,101,071	P723,268	P1,157,935

Other income mainly consists of gain on business combination, realized and unrealized gain on financial asset at FVTPL, financial impact of net foreign exchange transactions and gain from disposal of associates and subsidiary.



## 22. Costs and Expenses and Other Charges

Real estate costs and expenses consist of:

	2021	2020	2019
		(In Thousands)	
Cost of real estate sales (Note 8)	<b>₱38,883,964</b>	<b>₱32,916,227</b>	<b>₱59,353,001</b>
Depreciation and amortization	<b>7,162,971</b>	7,651,383	7,419,920
Manpower costs	<b>2,654,700</b>	1,925,639	2,046,960
Hotels and resorts operations	<b>1,907,908</b>	2,990,397	3,001,616
Rental	<b>260,548</b>	863,622	483,645
Marketing and management fees	<b>95,753</b>	1,274,861	4,678,323
Materials and overhead	<b>54,636</b>	43,759	999,999
Direct operating expenses:			
Taxes and licenses	<b>3,663,470</b>	4,078,001	3,665,445
Light and water	<b>2,701,440</b>	439,464	3,934,328
Repairs and maintenance	<b>2,643,460</b>	1,663,775	2,213,593
Commission	<b>2,414,648</b>	1,912,056	3,946,907
Professional fees	<b>280,323</b>	245,787	199,848
Insurance	<b>232,980</b>	213,150	204,256
Transportation and travel	<b>137,865</b>	67,353	161,113
Entertainment, amusement and recreation	<b>28,166</b>	14,756	25,971
Others	<b>1,518,687</b>	372,954	2,417,014
	<b>₱64,641,519</b>	<b>₱56,673,184</b>	<b>₱94,751,939</b>

General and administrative expenses consist of:

	2021	2020	2019
		(In Thousands)	
Manpower costs (Notes 26 and 28)	<b>₱3,717,324</b>	<b>₱4,166,178</b>	<b>₱4,719,739</b>
Depreciation and amortization	<b>770,666</b>	945,283	825,766
Taxes and licenses	<b>561,136</b>	1,096,167	1,115,766
Professional fees	<b>484,133</b>	419,557	386,146
Repairs and maintenance	<b>382,734</b>	332,586	324,277
Dues and fees	<b>199,639</b>	52,251	90,733
Security and Janitorial	<b>116,821</b>	274,754	691,011
Utilities	<b>64,717</b>	266,391	340,805
Advertising	<b>53,271</b>	42,970	69,163
Transport and travel	<b>45,038</b>	46,996	96,894
Supplies	<b>42,937</b>	44,393	70,795
Donations and contribution	<b>38,624</b>	57,628	53,482
Insurance	<b>34,998</b>	37,306	23,917
Entertainment, amusement and recreation	<b>12,607</b>	26,047	38,203
Training and seminars	<b>11,635</b>	14,357	46,776
Rent	<b>-</b>	10,642	100,295
Others	<b>2,578</b>	178,307	373,591
	<b>₱6,538,859</b>	<b>₱8,011,813</b>	<b>₱9,367,359</b>



Manpower costs included in the consolidated statements of income follows:

	2021	2020	2019
		(In Thousands)	
Real estate costs and expenses			
Cost of real estate	<b>₱2,475,968</b>	₱1,761,580	₱1,784,450
Hotels and resorts operations	<b>178,732</b>	164,059	262,510
General and administrative expenses	<b>3,717,324</b>	4,166,178	4,719,739
	<b>₱3,896,056</b>	₱6,091,817	₱6,766,699

Depreciation and amortization expense included in the consolidated statements of income follows:

	2021	2020	2019
		(In Thousands)	
Real estate costs and expenses:			
Cost of real estate	<b>₱7,162,971</b>	₱7,651,383	₱7,419,920
Hotels and resorts operations	<b>886,870</b>	975,906	813,024
General and administrative expenses	<b>770,666</b>	945,283	825,766
	<b>₱8,820,507</b>	₱9,572,572	₱9,058,710

Other expenses consist of:

	2021	2020	2019
		(In Thousands)	
Financial expenses and other charges (Note 7)	<b>₱3,097,223</b>	₱2,810,922	₱1,076,207
Net provision for (reversals of) impairment losses on:			
Receivables (Note 7)	<b>359,129</b>	752,641	568,775
Investment properties (Note 12)	<b>180,563</b>	225,208	-
	<b>₱3,636,915</b>	₱3,788,771	₱1,644,982

Interest and other financing charges consist of:

	2021	2020	2019
		(In Thousands)	
Interest expense on:			
Long-term debt	<b>₱8,778,056</b>	₱9,705,852	₱9,153,067
Short-term debt	<b>391,435</b>	1,164,767	1,206,577
Lease liabilities (Note 33)	<b>1,409,177</b>	1,430,607	1,066,543
Other financing charges	<b>459,105</b>	444,494	773,571
	<b>₱11,037,772</b>	₱12,745,720	₱12,199,758



## 23. Income Tax

Net deferred tax assets:

	2021	2020
	(In Thousands)	
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate transactions	<b>₱5,989,367</b>	₱8,678,138
Lease liabilities	<b>5,807,896</b>	3,628,273
Accrued expenses	<b>2,640,103</b>	1,131,316
NOLCO	<b>1,494,484</b>	1,237,134
Retirement benefits	<b>506,871</b>	144,837
Allowance for probable losses	<b>479,781</b>	792,783
Unrealized foreign exchange losses	<b>13,824</b>	105,275
Others	<b>763,946</b>	417,950
	<b>17,696,272</b>	16,135,706
Deferred tax liabilities on:		
Right-of-use assets	<b>(3,686,194)</b>	(3,392,285)
Capitalized interest and other expenses	<b>(539,957)</b>	(436,181)
Unrealized foreign exchange gains	<b>(66,377)</b>	(119,900)
Prepaid expenses	<b>(29,567)</b>	-
Others	<b>(484,055)</b>	(65,825)
	<b>(4,806,150)</b>	(4,014,191)
	<b>₱12,890,122</b>	₱12,121,515

Net deferred tax liabilities:

	2021	2020
	(In Thousands)	
Deferred tax assets on:		
Accrued expense	<b>₱88,082</b>	₱110,114
Unrealized foreign exchange loss	<b>57,461</b>	6,502
NOLCO	<b>23,668</b>	72,669
Allowance for probable losses	<b>20,721</b>	54,074
Difference between tax and book basis of accounting for real estate transactions	<b>16,896</b>	301,965
Lease liabilities	<b>11,913</b>	535,218
Others	<b>64,817</b>	315,267
	<b>283,558</b>	1,395,809
Deferred tax liabilities on:		
Fair value adjustment arising from business combination	<b>(3,260,288)</b>	(3,912,586)
Difference between tax and book basis of accounting for real estate transactions	<b>(3,086,237)</b>	(3,648,480)
Right-of-use assets	<b>(27,280)</b>	(616,339)
Retirement benefits	<b>(17,532)</b>	(23,631)
Capitalized interest and other expenses	<b>(15,126)</b>	(106,013)
Unrealized foreign exchange gain	<b>(5,183)</b>	-
Prepaid expenses	<b>-</b>	(5,357)
Others	<b>(391,975)</b>	(231,937)
	<b>(6,803,621)</b>	(8,544,343)
	<b>(6,520,063)</b>	(₱7,148,534)



As of December 31, 2021 and 2020 deferred tax liabilities have not been recognized on the undistributed earnings and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future.

Certain subsidiaries of the Parent Company have NOLCO amounting to ₱5,732.7 million and ₱4,683.8 million as of December 31, 2021 and 2020, respectively, and MCIT amounting to ₱26.0 million and ₱142.7 million as of December 31, 2021 and 2020, respectively. Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. As of December 31, 2021 and 2020, total unrecognized NOLCO amounted to ₱212.1 million and ₱317.7 million, respectively. As of December 31, 2021 and 2020, total unrecognized MCIT amounted to ₱14.3 million and ₱126.4 million, respectively. The subsidiaries will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2021, the Group has incurred NOLCO which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Amount	Used/Expired (In Thousands)	Balance	Expiry Year
2018	₱990,792	₱990,792	₱-	2021
2019	587,561	-	587,561	2022
	<b>₱1,578,353</b>	<b>₱990,792</b>	<b>₱587,561</b>	

As of December 31, 2021, the Group has incurred NOLCO which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year Incurred	Amount	Used/Expired (In Thousands)	Balance	Expiry Year
2020	₱3,105,402	₱-	₱3,105,402	2025
2021	2,039,719	-	2,039,719	2026
	<b>₱5,145,121</b>	<b>₱-</b>	<b>₱5,145,121</b>	

The carryover MCIT that can be used as deductions against income tax liabilities is as follows:

Year Incurred	Amount	Used/Expired (In Thousands)	Balance	Expiry Year
2018	₱130,127	₱130,127	₱-	2021
2019	5,576	-	5,576	2022
2020	6,992	-	6,992	2023
2021	13,409	-	13,409	2024
	<b>₱156,104</b>	<b>₱130,127</b>	<b>₱25,977</b>	





Reconciliation between the statutory and the effective income tax rates follows:

	2021	2020	2019
Statutory income tax rate	<b>25.00%</b>	30.00%	30.00%
Tax effect of:			
Equity in net earnings of associates and joint ventures	<b>(4.15)</b>	(3.90)	(1.90)
Income under tax holiday and other nontaxable income	<b>(0.13)</b>	(0.88)	(0.96)
Interest income and capital gains taxed at lower rates	<b>(0.56)</b>	(0.25)	(0.53)
Others – net	<b>2.65</b>	1.99	(0.42)
Effective income tax rate	<b>22.81%</b>	26.96%	26.19%

Deferred tax related to remeasurement gain on defined benefit plans recognized in OCI amounted to ₱274.9 million and ₱206.1 million in 2021 and 2020, respectively.

Republic Act (RA) No.10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on December 19, 2017 and took effect January 1, 2018, making the new tax law enacted as of the reporting date. Although the TRAIN changes existing tax law and includes several provisions that will generally affect businesses on a prospective basis, the management assessed that the same will not have any significant impact on the financial statement balances as of the reporting date.

*Corporate Recovery and Tax Incentives for Enterprises Act” or “CREATE”*

President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporation. For domestic corporation with net taxable income not exceeding ₱5.00 million and with total assets not exceeding ₱100.00 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

Imposition of improperly accumulated earnings tax (IAET) is repealed.

Board of Investments (BOI) Incentives

The Board of Investments issued certificates of registrations to the following companies in accordance with the existing Omnibus Investment Code. The projects have been granted an Income Tax Holiday (ITH) for a fixed period from the date of registration or actual start of operations, whichever is earlier.

	Registration Date	Project Location	ITH Start	ITH Period
Econorth Resort Ventures Inc.	November 21, 2017	Seda Lio	March 2018	5 years
Capitol Central Hotel Ventures, Inc.	September 08, 2017	Seda Capitol Central	January 2018	4 years
Bonifacio Hotel Ventures, Inc.	January 11, 2012	Seda BGC	June 2018	6 years
Bonifacio Hotel Ventures, Inc.	May 22, 2019	Seda BGC Expansion	May 2019	3 years
Makati North Hotel Ventures, Inc.	August 16, 2019	Seda Residences Makati	August 2019	4 years



	Registration Date	Project Location	ITH Start	ITH Period
Central Bloc Hotel Ventures, Inc.	June 16, 2020	Seda Central Bloc Cebu	January 2021	4 years
MDC Concrete, Inc.	October 5, 2020	PBU and WallQrete	January 2021	3 years
Amaia Land Corp	October 31, 2020	Amaia Scapes Rizal	October 2020	4 years
Amaia Land Corp	July 18, 2018	Amaia Scapes Bulacan Sector 3B	July 2018	3 years

## 24. Acquisition of Non-controlling Interests

### Avala Land Logistics Holdings Corp. (ALLHC)

On April 30, 2018, ALI and ALLHC executed a Deed of Exchange where ALI will subscribe to 1,225,370,620 common shares of ALLHC for an aggregate subscription price of ₱3.0 billion in exchange for 30,186 common shares of LTI. The subscription and exchange shall be subject to and deemed effective only upon the issuance by the SEC of the confirmation of valuation of the shares. The SEC issued its approval on February 28, 2019. This increased ALI's ownership to 69.50%.

On February 4, 2019, The Executive Committee of ALI approved the purchase of a 20% equity interest owned by Mitsubishi Corporation in LTI, equivalent to 8,051 common shares, with a total value of ₱800.0 million. Subsequently, ALI will exchange the 20% equity interest in LTI for additional shares of stock in ALLHC, equivalent to 323,886,640 common shares, subject to conditions to be fulfilled by ALLHC.

On June 10, 2019, ALI sold its 20% equity interest or 8,051 common shares in LTI to ALLHC for a consideration of ₱800.0 million. This increased ALI's ownership to 70.36%.

On September 9, 2019, OLI sold through a special block sale, 215,090,031 common shares of ALLHC to Avida Land Corporation, a wholly-owned subsidiary of ALI, for a total consideration of ₱628.1 million. Subsequently, these shares were acquired by ALI through a special block sale for a total consideration of ₱628.1 million. This increased ALI's effective ownership in ALLHC from 70.36% to 71.46%.

### Cebu Holdings, Inc. (CHI)

On December 16, 2021, the SEC 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%). Summary of financial information of the merged entities are as follow:

	Amount
	(In Thousands)
Current assets	₱7,039,965
Noncurrent assets	26,786,933
Current liabilities	(15,410,125)
Noncurrent liabilities	(1,272,817)
Equity	(17,143,955)

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 ₱88.7 million resulting sin ALI's ownership from 70.4% to 71.1%.



## 25. 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.

In its regular conduct of business, the Group has entered into transactions with its parent company, 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.

### Terms and Conditions of Transactions with Related Parties

Transactions with related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free and settlement occurs generally in cash, except otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivable from related parties.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year (in thousands):

#### a. Transactions with Bank of the Philippine Islands (BPI), an associate of Ayala Corporation (AC)

Cash and cash equivalents earn interest from 2.5% to 6.0% per annum for Philippine Peso-denominated and 1.0% to 3.0% per annum for USD-denominated investments. Investment in FVPL are UITF which earns interest depending on the duration of time invested in the fund. Interest earned with investments in BPI for the year amounted to ₱24.70 million, ₱125.5 million, and ₱129.3 million in 2020, 2019 and 2018, respectively.

Short-term debts are secured peso denominated bank loans with interest rate ranging from 5.5% to 5.6% while long-term debts bear fixed rates ranging from 4.5% to 6.9% and floating rates ranging from 5.4% to 6.5% per annum with remaining terms ranging from less than a year to 9.9 years. Interest expense incurred on borrowings from BPI amounted to ₱723.29 million, ₱740.8 million, and ₱1,460.0 million for the years ended December 31, 2020, 2019 and 2018, respectively.

As of December 31, 2021 and 2020, the Group maintains current and savings account, money market placements and short-term and long-term debt payable with BPI broken down as follows:

	2021	2020
	(In Thousands)	
Cash in bank	<b>₱3,302,304</b>	₱3,510,108
Cash equivalents	<b>29,181</b>	47,486
Marketable securities	<b>197,432</b>	305,136
Short term debt	<b>1,643,500</b>	2,600,500
Long-term debt	<b>6,366,922</b>	13,196,816



b. Outstanding balances with parent company, associates and other related party

Receivables from/payables to other related parties pertain mostly to advances and reimbursement of operating expenses related to development cost and land acquisitions. Payables to related parties consist of expenses incurred on utilities, professional services and other miscellaneous services as well as purchases of vehicles. These are generally trade-related, noninterest-bearing and settled within one year.

Outstanding balances from/to related parties follow (amounts in thousands):

**2021**

	Receivable from related parties			Payable to related parties		
	Current	Noncurrent	Total	Current	Noncurrent	Total
AC	P85,968	P-	P85,968	P151,145	P-	P151,145
As Associates	4,903,412	-	4,903,412	308,758	-	308,758
Other related parties:						
Globe Telecom (Globe)	172,685	-	172,685	9,542	-	9,542
Bank of the Philippine Islands	149,912	-	149,912	45,537	-	45,537
Columbus	1	-	1	267,355	-	267,355
Manila Water Philippine Ventures, Inc.	144,930	-	144,930	8,381	-	8,381
Michigan Holdings, Inc.	3	-	3	-	-	-
Manila Water Company Inc.	357,441	-	357,441	13,825	-	13,825
Others	144,389	-	144,389	118,698	-	118,698
	969,361	-	969,361	463,338	-	463,338
	P5,958,741	P-	P5,958,741	P923,241	P-	P923,241

**2020**

	Receivable from related parties			Payable to related parties		
	Current	Noncurrent	Total	Current	Noncurrent	Total
AC	P55,316	P-	P55,316	P236,815	P-	P236,815
Associates	4,753,392	-	4,753,392	446,886	-	446,886
Other related parties:						
Globe Telecom (Globe)	148,435	-	148,435	7,164	-	7,164
Bank of the Philippine Islands	84,064	-	84,064	44,811	-	44,811
Columbus	-	-	0	267,355	-	267,355
Manila Water Philippine Ventures Inc.	160,115	-	160,115	67,242	-	67,242
Michigan Holdings, Inc.	330	-	330	-	-	-
Manila Water Company Inc.	9,280	-	9,280	10,288	-	10,288
Others	278,227	-	278,227	47,631	-	47,631
	680,451	-	680,451	444,491	-	444,491
	P5,489,159	P-	P5,489,159	P1,128,192	P-	P1,128,192

c. Revenue and expenses from related parties

The revenue from parent company, associates and other related parties pertains mostly to income from leasing and development projects while expenses composed of management fees and training expenses. These are usually non-interest bearing and not impaired. Transactions are settled within one year.



Revenue and expenses from related parties follow:

Revenue from related parties:

	2021	2020	2019
		(In Thousands)	
<b>AC</b>	<b>₱4,208</b>	<b>₱3,493</b>	<b>₱25,450</b>
<b>Associates</b>	<b>2,660,806</b>	<b>2,253,303</b>	<b>4,128,193</b>
<b>Other Related Parties</b>			
Bank of the Philippine Islands	493,893	378,319	414,609
Manila Water Philippine Ventures, Inc.	134,767	264,628	272,709
Globe Telecom, Inc.	99,099	84,656	185,063
Innovate Communications	7,673	7,982	7,295
Manila Water Company, Inc. (MWC)	619,288	7,151	53,882
Laguna AAA Waterworks Corp. (LAWC)	1,500	1,500	1,500
Michigan Holdings, Inc.	1,203	1,203	179,739
Others	76,144	32,473	1,153
	<b>1,433,567</b>	<b>777,912</b>	<b>1,115,950</b>
<b>Total</b>	<b>₱4,098,581</b>	<b>₱3,034,708</b>	<b>₱5,269,593</b>

Expenses from related parties:

	2021	2020	2019
		(In Thousands)	
<b>AC</b>	<b>₱10,432</b>	<b>₱10,950</b>	<b>₱4,216</b>
<b>Associates</b>	<b>298,823</b>	<b>201,558</b>	<b>322,114</b>
<b>Other Related Parties</b>			
Manila Water Company, Inc.	204,324	234,167	398,648
Bank of the Philippine Islands	299,693	434,707	213,257
Innovate Communications, Inc.	124,233	73,060	92,003
AG Counselors Corp.	41,247	206,354	199,222
5Globe Telecom, Inc.	71,291	66,483	88,188
Manila Water Philippine Ventures, Inc.	187,534	125,617	108,765
Others	1,114,088	988,788	432,865
	<b>2,042,408</b>	<b>2,129,176</b>	<b>1,532,948</b>
<b>Total</b>	<b>₱2,351,664</b>	<b>₱2,341,684</b>	<b>₱1,859,278</b>

The following describe the nature of the material transactions of the Group with related parties as of December 31, 2021 and 2020:

- On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc., for the waterworks of ALI's projects nationwide. The MOA was signed by ALI and its subsidiaries and affiliates, Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Revenue and expense in 2021 amounted to ₱134.8 million and ₱187.5 million, respectively, and ₱264.6 million and ₱125.6 million amounted in 2020, respectively.
- Revenue from Manila Water Company, Inc. (MWC) primarily pertains to MDC's project on the design & build of the Calawis Water Treatment Plant in Antipolo. The project started on March 01, 2021 and expected to be completed by the last quarter of 2022.
- Certain credit facilities with BPI with a total carrying value of ₱6,368.9 million and ₱13,231.3 million as of December 31, 2021 and 2020, respectively, are secured by a real estate mortgage. This is in compliance with BSP ruling on directors, officers, stockholders and related interests.



- In October 2012 and July 2013, BG South, a subsidiary of Alveo, entered into a contract with FBDC for the purchase of land in Bonifacio Global City. Land cost amounting to ₱210.6 million and ₱122.7 million were recognized in profit or loss in 2021 and 2020, respectively.
- On May 20, 2013, DirectPower and its customers, which are all within the Ayala Group, entered into a Retail Electricity Supply contract wherein DirectPower agreed to supply electricity at a specific rate pursuant to the provisions and implementing rules and regulations of R.A. No. 9136 or the Electric Power Industry Reform Acts of 2001. Among the customers of Direct Power are FBDC, LDC, BPI, San Lazaro BPO Complex and 6750 Ayala Ave.
- The Group sold residential receivables on a without recourse basis to BPI Family Savings Bank, Inc., a related party, amounting to ₱19,041.0 million and ₱20,458.0 million in 2021 and 2020, respectively. Proceeds of receivables sold to BPI amounted to ₱17,392.9 million and ₱18,431.9 million in 2021 and 2020, respectively. The Group recognized loss on sale (under "Other charges") amounting to ₱1,648.1 million, ₱2,064.0 million and ₱775.2 million in 2021, 2020 and 2019, respectively.
- The Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting ₱43.7 million and ₱16.1 million in 2021 and 2020, respectively.
- Revenue from Globe pertains to development management fee and for lease of spaces.
- As of December 31, 2021 and 2020, the funds include investment in securities of its related parties with carrying value of ₱0.4 billion and ₱1.5 billion, respectively (see Note 26).

d. Remuneration of Key Management Personnel (KMP)

Key management personnel of the Group include all officers with position of vice president and up. Compensation of key management personnel amounted to ₱179.0 million and ₱207.8 million in 2021 and 2020, respectively.

Compensation of key management personnel by benefit type follows:

	2021	2020
	(In Thousands)	
Short-term employee benefits	<b>₱163,513</b>	₱192,301
Post-employment benefits (Note 26)	<b>15,497</b>	15,497
	<b>₱179,010</b>	<b>₱207,798</b>

The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10%) or more of the total assets of the corporation that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

## 26. Retirement Plan

The Group has funded, noncontributory tax-qualified defined benefit type of retirement plans (the Plan) covering substantially all of their employees. The benefits are based on a defined benefit formula.

The Plan aims to maintain a full funding, i.e., the Plan's assets fully covered the Plan's liabilities, as measured through generally accepted actuarial methodologies. Such will provide a higher level of assurance that all promised benefits can be paid from existing assets and expected investment returns. The target funded status is within the range of 80% to 100%.



The Group's fund is in the form of a trust fund being maintained by the trustee banks such as BPI Asset Management and Trust Corporation (collectively the "Retirement Fund"). The primary objective of the Retirement Fund is to achieve the highest total rate of return possible, consistent with a prudent level of risk. The investment strategy articulated in the asset allocation policy has been developed in the context of long-term capital market expectations, as well as multi-year projections of actuarial liabilities. Accordingly, the investment objectives and strategies emphasize a long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective.

The components of expense (included in manpower costs under "General and administrative expenses") in the consolidated statements of income follows:

	2021	2020	2019
		(In Thousands)	
Current service cost	<b>₱484,161</b>	₱398,979	₱443,364
Past service cost	<b>(27,986)</b>	-	-
Settlement (gain)loss	<b>(11,213)</b>	-	-
Net interest cost on benefit obligation	<b>124,910</b>	104,867	117,607
Total pension expense	<b>₱569,872</b>	₱503,846	₱560,971

The remeasurement effects recognized in other comprehensive income (included in Equity under "Remeasurement loss on defined benefit plans") in the consolidated statements of financial position follow:

	2021	2020	2019
		(In Thousands)	
Return (loss) gain on plan assets (excluding amount included in net interest)	<b>(₱29,028)</b>	(₱15,785)	₱75,922
Remeasurement (loss) gain due to liability experience	<b>709,847</b>	(47,859)	1,544
Remeasurement (loss) gain due to liability assumption changes - demographic	-	(5,641)	145
Remeasurement (loss) gain due to liability assumption changes - economic	<b>418,766</b>	(617,702)	(245,365)
Remeasurements in other comprehensive income (loss)	<b>₱1,099,585</b>	(₱686,987)	(₱167,754)

The funded status and amounts recognized in the consolidated statement of financial position for the retirement plan as of December 31, 2021 and 2020, are as follows:

	2021	2020
	(In Thousands)	
Benefit obligations	<b>₱4,280,435</b>	₱5,094,096
Plan assets	<b>(2,187,661)</b>	(2,085,519)
Net pension liability position	<b>₱2,092,774</b>	₱3,008,577

As of December 31, 2021 and 2020 pension assets (included under "Other noncurrent assets") amounted to ₱11.0 million and ₱12.2 million, respectively, and pension liabilities amounted to ₱2,103.7 million and ₱3,020.8 million, respectively.



Changes in net defined benefit liability of funded plans in 2021 are as follows (in thousands):

	Net benefit cost in consolidated statement of income					Remeasurements in other comprehensive income						
	January 1, 2021	Current cost/ service cost	Past service		Net interest	Subtotal	Remeasurement gain			Net		
			cost	Settlement gain			Return on plan Assets*	liability experience	demographic changes - assumption	changes - economic	remeasure- ment loss	Contribution by employer
Present value of defined benefit												
Fair value of plan assets	¥5,094,096	¥464,161		(¥39,199)	213,192	¥563,154	(¥346,519)			(¥415,766)	(1,129,613)	¥3,313
Net defined benefit liability	(2,085,519)	—	—	—	(83,282)	(83,282)	29,028	—	—	—	29,028	(229,856)
Excluding amount included in net interest	¥3,008,577	¥464,161		(¥39,199)	¥124,910	¥563,872	(¥709,547)	—	—	(¥415,766)	(1,099,585)	(¥229,856)
												¥3,313
												¥4,280,435
												(2,187,661)
												¥2,092,774

Changes in net defined benefit liability of funded plans in 2020 are as follows (in thousands):

	Net benefit cost in consolidated statement of income					Remeasurements in other comprehensive income						
	January 1, 2020	Current service cost	Past service		Net interest	Subtotal	Remeasurement loss			Net		
			cost	cost			Return on plan Assets*	liability experience	demographic changes - assumption	changes - economic	remeasure- ment loss	Contribution by employer
Present value of defined benefit												
Fair value of plan assets	¥4,365,274	¥398,979		—	¥210,090	¥609,069	(¥50,993)			¥617,702	¥671,202	—
Net defined benefit liability	(2,452,003)	—	—	—	(105,223)	(105,223)	15,785	—	—	—	15,785	(242,807)
Excluding amount included in net interest	¥1,913,271	¥398,979		—	¥104,867	¥603,846	¥47,859	—	¥5,641	¥617,702	¥686,987	(¥242,807)
												—
												(¥546)
												¥5,094,096
												(2,085,519)
												¥3,008,577





All equity and debt instruments held have quoted prices in an active market. The remaining plan assets do not have quoted market prices in an active market.

The plan assets have diverse investments and do not have any concentration risk.

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
	(In Thousands)	
<b>Cash and cash equivalents</b>	<b>₱18,209</b>	<b>₱9,246</b>
<b>Equity investments</b>		
Unit Investment Trust Funds	<b>400,919</b>	323,553
Holding firms	<b>176,694</b>	1,455
Property	<b>109,259</b>	78,366
Financials	<b>90,759</b>	15,195
Industrials	<b>17,598</b>	92,005
Services	<b>19,757</b>	17,059
Mutual funds	<b>3,786</b>	131,217
	<b>818,772</b>	658,850
<b>Debt investments</b>		
AAA rated debt securities	<b>503,439</b>	497,130
Government securities	<b>452,261</b>	551,290
Unit Investment Trust Funds	<b>53,977</b>	56,970
Mutual funds	<b>4,032</b>	5,295
Not rated debt securities	<b>336,971</b>	306,738
	<b>1,350,680</b>	1,417,423
	<b>₱2,187,661</b>	<b>₱2,085,519</b>

The Retirement Fund's investments will be appropriately diversified to control overall risk and will exhibit portfolio characteristics similar to the set benchmark for each asset class. In case of securities, the aggregate holdings of any security may not exceed 10% of the Plan assets. The criteria for including an asset class in the strategic policy include: (a) wide recognition and acceptance among institutional investors; (b) low correlation with other accepted asset classes; and (c) a meaningful performance history. The Group expects to make contributions of ₱518.02 million to its retirement fund in 2022.

The allocation of the fair value of plan assets follows:

	<b>2021</b>	<b>2020</b>
Investments in debt securities	<b>61.74%</b>	67.97%
Investments in equity securities	<b>37.43%</b>	31.59%
Others	<b>0.83%</b>	0.44%

Funds invested in debt securities include government securities, corporate notes and bonds and money market placements. Investments in equity securities consist of investments in PSE listed stocks and unit investment trust funds. Others were in the form of cash and cash equivalents.

The Group's transactions with the funds mainly pertain to contributions, benefit payments and settlements.



As of December 31, 2021 and 2020, the funds include investment in securities of its related parties (see Note 25). Details of the investment per type of security are as follows:

	December 31, 2021			December 31, 2020
	Carrying Value	Fair Value	Unrealized (Gain) Loss	Fair Value
			(In Thousands)	
Investments in debt securities	₱39,533	₱41,796	(₱2,264)	₱916,337
Investments in equity securities	289,591	290,310	(719)	624,975
Others	55,379	55,379	-	13,393
	₱384,503	₱387,485	(₱2,983)	₱1,554,705

The plan assets include shares of stock of the Parent Company with fair value amounting to ₱54.03 million and 40.58 million as of December 31, 2021 and 2020, respectively. The Parent Company gives the trustee bank the discretion to exercise voting rights over the shares. The plan assets include debt securities of the Parent Company amounting to ₱31.93 million and ₱68.42 million as of December 31, 2021 and 2020, respectively. The gain of the fund arising from investment in debt and equity securities of the Parent Company is ₱0.89 million.

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension liabilities are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2021	2020
Discount rates	3.65 to 5.83%	3.73 to 5.50%
Future salary increases	3.00 to 8.00%	3.00 to 8.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

#### 2021

	Effect on income before income tax Increase (decrease)	
	+ 100 basis points	- 100 basis points
Change in basis points		
	(In Thousands)	
Discount rate	(₱980,588)	(₱45,965)
Salary increase rate	(79,648)	(970,101)

#### 2020

	Effect on income before income tax Increase (decrease)	
	+ 100 basis points	- 100 basis points
Change in basis points		
	(In Thousands)	
Discount rate	(₱335,855)	₱508,470
Salary increase rate	489,491	(320,960)



Shown below is the maturity analysis of the undiscounted benefit payments:

Year ending:	2021	2020
	(In Thousands)	
1 year and less	<b>₱104,456</b>	₱191,339
more than 1 years to 5 years	<b>722,390</b>	980,921
more than 5 years to 10 years	<b>3,503,290</b>	2,877,953
more than 10 years to 15 years	<b>9,497,759</b>	7,263,178
more than 15 years to 20 years	<b>10,522,147</b>	8,418,881
more than 20 years	<b>18,841,385</b>	14,802,379

The average duration of the defined benefit obligation is 6.0 to 24.0 years and 7.0 to 24.0 years in 2021 and 2020, respectively.

## 27. Earnings Per Share

The following tables present information necessary to compute EPS (amounts in thousands except EPS):

EPS on net income attributable to equity holders of Ayala Land, Inc. are as follows:

	2021	2020	2019
	(In Thousands)		
Net income attributable to equity holders of Ayala Land, Inc.	<b>₱12,228,148</b>	₱8,727,155	₱33,188,399
Less: dividends on preferred stock	<b>(62,038)</b>	(62,038)	(62,038)
Net income attributable to equity holders of the Parent			
Company for basic and diluted earnings per share	<b>₱12,166,110</b>	₱8,665,117	₱33,126,361
Weighted average number of common shares for basic EPS	<b>14,724,716</b>	14,721,234	14,742,690
Add: dilutive shares arising from stock options	<b>(2,143)</b>	2,296	3,783
Adjusted weighted average number of common shares for diluted EPS	<b>14,722,573</b>	14,723,530	14,746,473
Basic and diluted EPS	<b>₱0.83</b>	₱0.59	₱2.25

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

The convertibility of the preferred shares will start on the 10<sup>th</sup> year from the issue date which was in 2012. This has an antidilutive effect on the computation of diluted EPS.

## 28. Stock Options and Ownership Plans

The Parent Company has stock option plans for key employees covering 2.5% of the Parent Company's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a three-year period.



#### ESOP

The ESOP grantees may exercise in whole or in part the vested allocation in accordance with the vesting percentage and vesting schedule stated in the ESOP. Also, the grantee must be an employee of the Parent Company or any of its subsidiaries during the 10-year option period. In case the grantee retires, he is given 3 years to exercise his vested and unvested options. In case the grantee resigns, he is given 90 days to exercise his vested options.

The Parent Company has no ESOP grant and availment during 2021, 2020 and 2019.

#### ESOWN

In November 2001, the Parent Company offered all its ESOWN subscribers with outstanding ESOWN subscriptions the option to cancel the subscriptions within the 5-year holding period. In December 2001, the program for ESOWN was indefinitely suspended.

In 2005, the Parent Company introduced a revised ESOWN Plan (the Plan) wherein grantees may subscribe in whole or in part to the shares awarded to them based on a discounted market price that was determined by the Compensation Committee as the offer price set at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. The subscription is subject to a holding period stated in the plan. To subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the ten (10)-year payment period. In case the grantee resigns, unsubscribed shares are cancelled, while the subscription may be paid up to the percent of holding period completed and payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the Plan are subject to the Parent Company's right to repurchase.

The subscribed shares are effectively treated as options exercisable within a given period which is the same time as the grantee's payment schedule. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula and Binomial Tree Model (BTM), taking into account the terms and conditions upon which the options were granted. The BSM Formula and BTM Model requires six inputs to produce an option stock value namely; market value of the share, book value of the share, time to maturity, volatility rate, dividend yield, and risk free rate. The expected volatility was determined based on an independent valuation.

Movements in the number of options outstanding and weighted average exercise prices (WAEP) under ESOWN follow:

	2021	WAEP	2020	WAEP
At January 1	-	P-	305,415	P35.94
Granted	14,683,519	-	18,194,618	-
Subscribed	(11,389,265)	33.29	(14,845,498)	27.72
Availment	434,218	-	39,436	-
Cancelled	(3,728,472)	-	(3,693,971)	-
At December 31	-	P-	-	P-



The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	Grant Date							
	March 15, 2021	August 17, 2020	March 21, 2019	March 28, 2018	March 01, 2017	April 05, 2016	March 20, 2015	March 20, 2014
Number of unsubscribed shares	-	-	-	-	-	181,304	-	1,369,887
Fair value of each option (BTM)	P--	P--	P--	P--	P8.48	P13.61	P16.03	P12.60
Fair value of each option (BSM)	P9.25	P9.12	P17.13	P12.71	P--	P18.21	P20.63	P12.16
Weighted average share price	P39.17	P32.61	P44.70	P41.02	P39.72	P35.58	P36.53	P31.46
Exercise price	P33.29	P27.72	P44.49	P45.07	P35.81	P26.27	P29.58	P22.55
Expected volatility	27.19%	25.05%	31.48%	34.04%	30.95%	32.03%	31.99%	33.50%
Dividend yield	0.38%	0.81%	1.16%	1.22%	1.34%	1.27%	1.02%	1.42%
Interest rate	1.03%	1.13%	5.57%	4.14%	4.41%	4.75%	4.11%	3.13%

Total expense (included under "General and administrative expenses") recognized in 2021, 2020 and 2019 in the consolidated statements of income arising from share-based payments amounted to P150.07 million, P111.92 million, and P142.86 million, respectively (see Note 22).

#### ALLHC

ALLHC introduced the ESOWN Plan (the Plan) wherein grantees (employees within ALLHC Group) may subscribe in whole or in part to the shares awarded to them based on a discounted market price, but in no case lower than the par value, that was determined at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. To subscribe, the grantee must be an employee, officer or director of ALLHC as of June 30, 2015. In case the grantee resigns, unsubscribed shares are cancelled and returned to the plan pool, while the subscription payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares.

The BOD of ALLHC approved the allocation of 32 million shares (first tranche) for ESOWN plan which will be taken from the remaining unissued shares (with grant date in 2016) and the increase in authorized of stock of ALLHC, which was approved by the SEC in July 2016. In 2017, notice of grant for the 218 million shares (second tranche of ESOWN plan) was issued to employees for the right to subscribe to the common shares of ALLHC at P1.68 per share which were fully availed as of December 31, 2018. In 2021 and 2020, ALLHC has no ESOWN grant.

## 29. Financial Assets and Liabilities

#### 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 December 31, 2021 and 2020:

	December 31, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In Thousands)			
<b>Financial Assets at FVTPL</b>	<b>P700,803</b>	<b>P700,803</b>	<b>P965,171</b>	<b>P965,171</b>
<b>Financial Assets at FVOCI</b>				
Unquoted equity securities	583,543	583,543	666,988	666,988
Quoted equity securities	397,727	397,727	844,455	844,455
	981,270	981,270	1,511,443	1,511,443
<b>Investment in bonds</b>	<b>2,309,440</b>	<b>2,309,440</b>	<b>2,309,440</b>	<b>2,309,440</b>
	<b>P3,991,513</b>	<b>P3,991,513</b>	<b>P4,786,054</b>	<b>P4,786,054</b>



	December 31, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
(In Thousands)				
<b>Financial assets at amortized cost</b>				
Noncurrent trade residential, commercial and office development	₱42,926,431	₱43,149,538	₱42,547,808	₱45,313,900
Receivable from employees	755,814	755,814	842,506	844,542
	<b>₱43,682,245</b>	<b>₱43,905,352</b>	<b>₱43,390,314</b>	<b>₱46,158,442</b>
<b>Other financial liabilities</b>				
Long-term debt	₱206,314,239	₱195,588,364	₱202,819,593	₱211,109,769
Deposits and other noncurrent liabilities	59,686,987	51,360,589	48,582,759	36,367,004
	<b>₱266,001,226</b>	<b>₱246,948,953</b>	<b>₱251,402,352</b>	<b>₱247,476,773</b>

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

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

Financial assets at FVPL - These are investments in fund and treasury bills. Fair value of the funds is based on net asset values as of reporting dates.

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

Financial assets at FVOCI unquoted equity securities – fair values are based on the latest selling price available.

Noncurrent accounts and notes receivables - The fair values of residential, commercial and office development accounts and notes receivable, and receivable from employees, are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used ranged from 5.50% to 18.00% and 5.75% to 16.00% as of December 31, 2021 and 2020.

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

Financial assets at FVOCI unquoted equity securities – fair values are based on the latest selling price available.

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 1.00% to 5.25% and 1.84% to 7.50% as of December 31, 2021 and 2020, respectively. The fair value of noncurrent unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

#### 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 which use inputs which have a significant effect on the recorded fair value that are not based on observable market data



The Group categorizes trade receivable, receivable 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 that the higher the spread, the lower the fair value.

Investment in Arch Capital Fund amounting to ₱293.8 million and ₱328.0 million as of December 31, 2021, and 2020, respectively, were classified under Level 3 (see Note 6).

Investment in Unit Investment Trust Fund (UITF) amounting to ₱407.0 million and ₱378.1 million as of December 31, 2021, and 2020, respectively, were classified under Level 2 (see Note 6).

Investment in Treasury bills amounting to ₱259.2 million as of December 31, 2020 (nil in 2021), were classified under Level 2 (see Note 6).

Quoted FVOCI financial assets amounting to ₱397.7 million and ₱844.5 million as of December 31, 2021, and 2020, respectively, were classified under Level 1 (see Note 10).

Unquoted FVOCI financial assets amounting to ₱583.5 million and ₱667.0 million as of December 31, 2021 and 2020, respectively, were classified under Level 3 (see Note 10).

There have been no reclassifications to and from Level 1, Level 2 and Level 3 categories in 2021 and 2020 for financial assets at FVTPL and FVOCI.

#### Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of 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 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 operates 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 in 2021 and 2020.

#### *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 conversion to cash is possible but at a 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 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 back-up 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 line

The Group has a total short term credit line up to ₱100.8 billion and ₱84.43 billion with various local banks, of which ₱58.9 billion and ₱58.3 billion remain undrawn as of December 31, 2021 and 2020, respectively.

The table summarizes the maturity profile of the Group's financial liabilities at December 31, 2021 and 2020 based on contractual undiscounted payments:

#### December 31, 2021

	< 1 year	>1 to 5 years	> 5 years	Total
	(In Thousands)			
Accounts and other payables	₱115,684,195	₱—	₱—	₱115,684,195
Short-term debt	16,782,500	—	—	16,782,500
Long-term debt	26,173,997	100,766,275	79,373,967	206,314,239
Deposits and other current liabilities	27,231,492	—	—	27,231,492
Deposits and other noncurrent liabilities	—	59,686,987	—	59,686,987
	207,118,208	160,453,262	12,047,706	425,699,413
Interest payable*	₱5,610,541	₱31,522,655	₱9,365,613	₱46,498,809

\*includes future interest payment

#### December 31, 2020

	< 1 year	>1 to 5 years	> 5 years	Total
	(In Thousands)			
Accounts and other payables	₱123,634,745	₱—	₱—	₱123,634,745
Short-term debt	9,131,325	—	—	9,131,325
Long-term debt	18,732,401	127,500,906	56,586,286	202,819,593
Deposits and other current liabilities	25,072,090	—	—	25,072,090
Deposits and other noncurrent liabilities	—	42,521,168	1,771,715	44,292,883
	176,570,561	170,022,074	58,358,001	404,950,636
Interest payable*	₱7,834,302	₱30,705,781	₱14,496,618	₱53,036,701

\*includes future interest payment

Cash and cash equivalents, short-term investments and financial assets at FVTPL are used for the Group's liquidity requirements. Please refer to the terms and maturity profiles of these financial assets shown on the maturity profile of the interest-bearing financial assets and liabilities disclosed in





the interest rate risk section. There are no undrawn loan commitments from long-term credit facilities as of December 31, 2021 and 2020.

*Credit risk*

Credit risk is a risk that a counterparty will not meet its obligation under its financial instrument or customer contract leading to a financial loss.

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 on a continuous basis.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. 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 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. Also, to the extent allowed by regulations, certain payments are not returned which minimizes exposure to bad debts.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with 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 on a continuous basis 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. The amount of exposure from bad debts is minimized to the extent of the advance rentals and security deposits from the tenants.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, short-term investments, financial assets at FVTPL 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 on the basis of 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.

The Group's maximum exposure to credit risk as of December 31, 2021 and 2020 is equal to the carrying values of its financial assets.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The security deposits and advance rental from tenants are considered in the calculation of impairment as recoveries. As of December 31, 2021 and 2020, the exposure at default amounts to ₱25,010.7 million and ₱12,400.1 million, respectively. The expected credit loss rate is 7.2% and 5.3% that resulted in the ECL of ₱2,294.2 million and ₱1,945.5 million as of December 31, 2021 and December 31, 2020, respectively.



As of December 31, 2021 and 2020, the aging analysis of past due but not impaired trade receivables presented per class follow:

**December 31, 2021**

	Neither		Past Due but not impaired					Total
	Past Due nor Impaired	(In Thousands)						
		<30 days	30-60 days	61-90 days	91-120 days	>120 days		
Trade:								
Residential, commercial and office development	P71,715,540	P8,686,656	P1,358,594	P2,615,314	P2,040,476	P12,010,565	P26,711,605	P62,314
Shopping centers	2,908,306	191,539	275,175	13,421	185,070	1,006,528	1,671,733	1,074,658
Corporate business	1,572,835	16,834	49,561	3,774	78,533	687,181	835,883	5,654,697
Construction contracts	1,129,267	348,967	159,900	312,955	38,708	-	860,530	3,041,826
Management fees	38,651	1,780	25,048	13,355	14,272	18,030	72,485	127,766
Others	2,720,870	1,200,224	38,190	56,746	47,535	451,165	1,793,860	4,736,218
Advances to other companies	8,623,005	1,414,578	43,186	14,751	59,887	6,650,972	8,183,374	221,488
Accrued receivables	6,189,054	342,235	43,653	22,440	132,082	1,479,107	2,019,517	133,725
Related parties	5,958,742	-	-	-	-	-	-	-
Receivables from employees	606,397	11,986	22,264	4,596	71,083	39,488	149,417	755,814
	P101,462,667	P12,214,799	P2,015,571	P3,057,352	P2,667,646	P22,343,036	P42,298,404	P2,294,154
								P146,055,225

**December 31, 2020**

	Neither Past Due nor Impaired	Past Due but not impaired				Total	Impaired	Total	
		<30 days	30-60 days	61-90 days	91-120 days				
		(in Thousands)							
Trade:									
Residential, commercial and office development	P87,579,407	P8,312,810	P677,149	P1,854,465	P585,788	P2,267,709	P13,697,921	P50,767	P101,328,095
Shopping centers	2,524,233	195,961	298,868	230,567	203,055	901,865	1,830,316	1,060,057	5,414,606
Construction contracts	949,706	77,648	142,559	49,836	100,432	416,782	787,257	37,778	1,774,741
Corporate business	3,402,084	1,309	1,683	—	1,288	22,666	26,946	519,642	3,948,672
Management fees	31,292	2,464	13,335	13,539	554	56,691	86,583	6,678	124,553
Others	3,821,778	472,721	13,640	53,938	76,192	130,086	746,577	149,246	4,717,601
Advances to other companies	9,973,795	2,025	1,086,998	60,143	23,959	6,418,080	7,591,205	121,292	17,886,292
Accrued receivables	6,311,028	191,008	193,169	21,920	10,473	1,058,801	1,475,371	—	7,786,399
Related parties	5,472,155	86	2,661	86	3,664	10,507	17,004	—	5,489,159
Receivables from employees	709,628	10,631	6,638	4,069	561	110,979	132,878	—	842,506
	P120,775,106	P9,266,663	P2,436,700	P2,288,563	P1,005,966	P11,394,166	P26,392,058	P1,945,460	P149,112,624



The table below shows the credit quality of the Company's financial assets as of December 31, 2021 and 2020:

**December 31, 2021**

	Neither Past Due nor Impaired					Past Due but		Total
	High Grade	Medium Grade	Low Grade	Unrated (In Thousands)	Total	not Impaired	Impaired	
Cash and cash equivalents (excluding cash on hand)	P13,904,862	P-	P-	P-	P13,904,862	P-	P-	P13,904,862
Short-term investments	325,641	-	-	-	325,641	-	-	325,641
Financial assets at FVTPL	700,803	-	-	-	700,803	-	-	700,803
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	61,412,808	7,388,708	2,914,024	-	71,715,540	26,711,605	62,314	98,489,459
Shopping centers	2,141,933	400,914	365,459	-	2,908,306	1,671,733	1,074,658	5,654,697
Construction contracts	1,129,267	-	-	-	1,129,267	860,530	152,231	2,142,028
Corporate business	1,567,085	705	5,045	-	1,572,835	835,883	633,108	3,041,826
Management fees	28,477	4,066	6,108	-	38,651	72,485	16,630	127,766
Others	2,623,734	53,874	43,262	-	2,720,870	1,793,860	221,488	4,736,218
Advances to other companies	8,576,334	16,314	30,357	-	8,623,005	8,183,374	133,725	16,940,104
Accrued receivables	6,140,849	-	48,205	-	6,189,054	2,019,517	-	8,208,571
Related parties	3,522,061	575,391	1,861,270	-	5,958,742	-	-	5,958,742
Receivable from employees	575,514	22,834	8,049	-	606,397	149,417	-	755,814
Financial Assets at FVOCI:								
Unquoted	-	-	-	583,543	583,543	-	-	583,543
Quoted	397,727	-	-	-	397,727	-	-	397,727
	P103,047,115	P8,462,806	P5,281,779	P583,543	P117,375,243	P42,298,404	P2,294,154	P161,967,801



December 31, 2020

	Neither Past Due nor Impaired				Past Due but		Total
	High Grade	Medium Grade	Low Grade	Unrated (in Thousands)	not Impaired	Impaired	
Cash and cash equivalents (excluding cash on hand)	P16,973,044	P-	P-	P-	P-	P-	P16,973,044
Short-term investments	358,120	-	-	-	-	-	358,120
Financial assets at FVTPL	965,171	-	-	-	-	-	965,171
Accounts and notes receivables:							
Trade:							
Residential, commercial and office development	75,749,759	6,844,468	4,985,180	-	13,697,921	50,767	101,328,095
Shopping centers	1,538,614	539,226	446,393	-	1,830,316	1,060,057	5,414,606
Construction contracts	932,957	16,749	-	-	787,257	37,778	1,774,741
Corporate business	3,396,865	1,038	4,181	-	26,946	519,642	3,948,672
Management fees	30,140	-	1,152	-	86,583	6,678	124,553
Others	3,053,903	694,945	72,930	-	3,821,778	149,246	4,717,601
Advances to other companies	9,607,267	6,753	359,775	-	7,591,205	121,292	17,686,292
Accrued receivables	6,300,452	48	10,528	-	1,475,371	-	7,786,399
Related parties	2,282,777	615,718	2,573,660	-	17,004	-	5,489,159
Receivable from employees	706,106	795	2,727	-	132,878	-	842,506
Financial Assets at FVOCI:							
Unquoted	-	-	-	844,455	-	-	844,455
Quoted	666,988	-	-	-	-	-	666,988
	P122,562,163	P8,719,740	P8,456,526	P844,455	P140,582,884	P26,392,058	P1,945,460
							P168,920,402



The credit quality of the financial assets was determined as follows:

Cash and cash equivalents, short-term investments, financial assets at FVTPL, financial assets at FVOCI quoted securities - based on the nature of the counterparty and the Group's internal rating system;

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables with more than 3 defaults in payment;

The unquoted financial assets at FVOCI are unrated.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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 rate as it can cause a change in the amount 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. The Company's ratio of fixed to floating rate debt stood at around 91:9 and 95:5 as of December 31, 2021 and 2020, respectively.

The following tables demonstrate the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on December 31, 2021 and 2020, with all variables held constant, (through the impact on floating rate borrowings):

**December 31, 2021**

	Effect on income before income tax	
	Increase (decrease)	
Change in basis points	+ 100 basis points	- 100 basis points
	(In Thousands)	
Floating rate borrowings	(P194,117)	P194,117

**December 31, 2020**

	Effect on income before income tax	
	Increase (decrease)	
Change in basis points	+ 100 basis points	- 100 basis points
	(In Thousands)	
Floating rate borrowings	(P116,402)	P116,402

The assumed change in rate is based on the currently observable market environment. There is no other impact on the Group's equity other than those already affecting the net income.



The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values are shown in the following table (in thousands):

**December 31, 2021**

Group	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Cash and cash equivalents (excluding cash on hand)	Fixed at the date of investment	Various	₱13,904,862	₱13,904,862	₱-	₱-	₱13,904,862
Short-term investments	Fixed at the date of investment or revaluation cut-off	Various	325,641	325,641	-	-	325,641
Receivables from employees	Fixed at the date of sale	Date of sale	755,815	593,939	161,876	-	755,815
			₱14,986,318	₱14,824,442	₱161,876	₱-	₱14,986,318
<b>Parent Company</b>							
Short-term debt	Variable	Monthly	₱ 8,471,000	₱ 8,471,000	₱-	₱-	₱ 8,471,000
Floating-Peso							
Long-term debt							
Fixed							
Peso	Fixed at 5.00%	10 years	5,650,000	5,650,000	-	-	5,650,000
Peso	Fixed at 5.00%	20 years	2,000,000	-	-	1,986,794	1,986,794
Peso	Fixed at 4.5000%	7 years	7,000,000	6,987,688	-	-	6,987,688
Peso	Fixed at 3.892 to 4.85%	7, 9.5 and 10 years	22,000,000	-	21,912,113	-	21,912,113
Peso	Fixed at 5.2624%	10 years	7,000,000	-	6,979,065	-	6,979,065
Peso	Fixed at 3.75% to 4.95%	Up to 10.5 years	81,158,570	903,471	30,616,372	49,211,500	80,731,343
Peso	Fixed at 5.920%	10 years	10,000,000	-	-	9,916,583	9,916,583
Peso	Fixed at 3.1764% to 3.187%	5 years	6,374,875	-	6,374,875	-	6,374,875
Peso	Fixed at 4.76% to 5.37%	5, 7 and 7.25 years	12,000,000	-	11,876,362	-	11,876,362
Peso	Fixed at 3.00% to 3.86%	2 and 5 years	16,250,000	9,970,491	6,192,694	-	16,163,175
Peso	Fixed at 3.63% to 4.08%	4 and 10 years	13,000,000	-	9,903,889	2,977,789	12,881,678
Floating	Variable	3 months	306,000	16,821	288,263	-	305,084
<b>Subsidiaries</b>							
Short-term debt							
Floating	Variable	Monthly	8,311,500	8,311,500	-	-	8,311,500
Peso							
Long-term debt							
Fixed	Fixed at 3.0445% to 4.75%	2, 5 to 10 years	22,397,309	2,231,816	4,968,133	15,026,300	22,226,249
Floating	Variable	3 months	2,323,220	413,710	1,654,520	255,000	2,323,220
Peso			₱224,242,484	₱42,956,487	₱100,766,276	₱79,373,966	₱223,096,739



December 31, 2020

Group	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Cash and cash equivalents (excluding cash on hand)	Fixed at the date of investment	Various	P16,973,044	P16,973,044	P-	P-	P16,973,044
Short-term investments	Fixed at the date of investment or revaluation cut-off	Various	358,120	358,120	-	-	358,120
Receivables from employees	Fixed at the date of sale	Date of sale	842,506	697,283	145,223	-	842,506
			P18,173,670	P18,028,447	P145,223	P-	P18,173,670
<b>Parent Company</b>							
Short-term debt	Variable	Monthly	P6,640,500	P6,640,500	P-	P-	P6,640,500
Floating-Peso							
Long-term debt							
<i>Fixed</i>							
Peso	Fixed at 6.0000%	10 years	5,650,000	-	5,650,000	-	5,650,000
Peso	Fixed at 5.0% to 6.0%	10.5 and 20 years	17,000,000	-	14,986,062	1,986,730	16,982,792
Peso	Fixed at 5.6250%	11 years	8,000,000	-	7,968,512	-	7,968,512
Peso	Fixed at 4.5000%	7 years	7,000,000	-	6,987,688	-	6,987,688
Peso	Fixed at 5.6250% to 7.5%	5, 10 and 15 years	950,000	9,322	936,778	-	946,100
Peso	Fixed at 4.50 to 6.307%	Up to 10.5 years	45,930,039	2,353,240	17,269,507	26,052,000	45,674,747
Peso	Fixed at 3.8915 to 4.85%	7, 9.5 and 10 years	22,000,000	-	21,912,113	-	21,912,113
Peso	Fixed at 5.2624%	10 years	7,000,000	-	-	6,979,065	6,979,065
Peso	Fixed at 5.9203%	10 years	10,000,000	-	-	9,916,583	9,916,583
Peso	Fixed at 7.0239%	5 years	8,000,000	-	7,962,717	-	7,962,717
Peso	Fixed at 3.1764% to 3.187%	5 years	6,002,875	-	6,002,875	-	6,002,875
Peso	Fixed at 4.2463% to 6.369%	2, 5, 7 and 7.25 years	21,000,000	8,781,628	10,912,739	963,622	20,657,989
Peso	Fixed at 3.00% to 3.86%	2 and 5 years	16,250,000	-	16,163,175	-	16,163,175
<b>Subsidiaries</b>							
Short-term debt							
<i>Floating</i>							
Peso	Variable	Monthly	2,490,825	2,490,825	-	-	2,490,825
Long-term debt							
<i>Fixed</i>							
Peso	Fixed at 4.5% to 5.265%	5 to 10 years	26,349,083	7,412,259	8,999,777	9,828,979	26,241,015
<i>Floating</i>							
Peso	Variable	3 months	2,805,364	175,952	1,768,963	859,307	2,804,222
			P13,088,686	P27,863,726	P127,500,906	P56,586,286	P211,950,918



**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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 amounted to US\$30.73 million and MYR 647.69 million as of December 31, 2021 and US\$140.98 million and MYR 838.17 million as of December 31, 2020. The amount of the Group's foreign currency-denominated debt amounting to US\$132.8 million and MYR 775.08 million as of December 31, 2021 and \$158.68 million and MYR 1,031.9 million as of December 31, 2020. The Group expected a decrease in financial assets due to the impact of COVID-19 outbreak and imposition of community quarantines by the government throughout the Philippines in March 2020, until 2nd and 3rd quarter of 2021. Considering that the Group is in the hospitality sector, the operations of the company were greatly affected. Aside from the aforementioned finding, the Group's foreign currency risk is minimal.

The following table shows the Group's consolidated foreign currency-denominated monetary assets and liabilities and their peso equivalents as of December 31, 2021 and December 31, 2020:

	December 31					
	2021			2020		
	US Dollar	MYR ringgit	Php Equivalent	US Dollar	MYR ringgit	Php Equivalent
<b>Financial Assets</b>						
Cash and cash equivalents	\$5,605	MYR 426,609	₱5,507,493	\$10,616	MYR 562,482	₱7,185,405
Short-term investments	-	26,518	324,580	4,790	38,503	686,990
Accounts and notes receivable - net	23,575	136,883	2,877,537	92,220	184,592	6,619,424
Other current assets	1,168	56,450	750,504	32,856	52,594	2,202,034
Other noncurrent assets	380	1,227	34,395	497	-	23,876
<b>Total</b>	<b>30,728</b>	<b>647,687</b>	<b>9,494,510</b>	<b>140,979</b>	<b>838,171</b>	<b>16,717,729</b>
<b>Financial Liabilities</b>						
Accounts and other payables	4,047	772,864	9,666,212	22,858	971,788	12,631,008
Other current liabilities	463	-	23,608	7,758	-	372,540
Short-term debt	-	-	-	-	25,000	296,703
Long-term debt	125,000	102	6,374,988	125,000	147	6,004,625
Other noncurrent liabilities	3,293	2,118	193,834	3,064	34,961	562,058
<b>Total</b>	<b>132,802</b>	<b>775,083</b>	<b>16,258,653</b>	<b>158,680</b>	<b>1,031,896</b>	<b>19,866,934</b>
Net foreign currency denominated financial instruments	<b>(\$102,074)</b>	<b>(MYR127,396)</b>	<b>(₱6,764,143)</b>	<b>(\$17,701)</b>	<b>(MYR193,725)</b>	<b>(₱3,149,205)</b>

In translating the foreign currency-denominated monetary assets in peso amounts, the exchange rates used were ₱50.99 to US\$1.00 and ₱48.02 to US\$1.00, the Philippine Peso - US dollar exchange rates as of December 31, 2021 and 2020, respectively. The Philippine Peso- MY ringgit exchange rate as of December 31, 2021 and 2020 used was ₱12.24 to MYR1.00 and ₱11.87 to MYR1.00, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso-US dollar exchange rate, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

Change in exchange rate	Effect on income before tax Increase (decrease)	
	2021	2020
<b>USD</b>		
₱1.00	2021	2020
(₱1.00)	(₱102,074)	(₱17,701)
	102,074	17,701
<b>MYR</b>		
₱1.00	(₱127,396)	(₱193,725)
(₱1.00)	₱127,396	₱193,725

There is no other impact on the Group's equity other than those already affecting the net income.





**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.

The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; limits on investment in each country, sector and market.

The analysis below demonstrates the sensitivity to a reasonably possible change of market index with all other variables held constant, of the Group's equity.

Change in PSEi index	Effect on equity Increase (decrease)	
	2021	2020
	(In Thousands)	
+5%	₱—	₱27,247
-5%	—	(27,247)

Quoted financial assets at FVTPL pertain to investment in UITF (Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments.

As of December 31, 2021 and 2020, the fair value, net income and equity of the Group's investment in the Fund where all other variables held constant, will increase or decrease by ₱1.7 million with a duration of 0.66 year and ₱2.6 million with a duration of 0.70 year, respectively, for a 100 basis points decrease or increase in interest rates.

### 30. Segment Information

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

- Property developments - 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; acquisition, development and sale of large-scale, mixed-use, master-planned communities; sale of override units or the Company's share in properties made available to subsidiaries for development
- International – development and sale of residential lots and units in MCT Berhad
- 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, gas stations and carparks in these shopping centers; management and operation of malls which are co-owned with partners
- Offices - development and lease or sale of office buildings; sale of industrial lots and lease of factory building
- Hotels and Resorts - development and management of hotels and resorts/serviced apartments and lease of land to hotel tenants
- Construction - land development and construction of the Group and third-party projects
- Property management and others - facilities management of the Group and third-party projects



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.

Management committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

For the years ended December 31, 2021, 2020 and 2019, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.



### Business segments

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

2021

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
<b>Revenue</b>										
Revenues from contracts with customers	P65,260	P3,878	P-	P-	P2,833	P3,909	P2,467	P-	P-	P78,347
Interest income from real estate sales	6,801	-	-	-	-	-	-	-	-	6,801
Rental revenue	-	-	7,925	9,872	-	-	-	-	-	17,797
Intersegment sales	-	-	-	-	-	36,578	-	-	(36,578)	-
Equity in net earnings of associates and joint ventures	971	-	7	-	-	3	(16)	(122)	-	843
<b>Total revenue</b>	73,032	3,878	7,932	9,872	2,833	40,490	2,451	(122)	(36,578)	103,788
Real estate costs and expenses	49,401	2,897	5,204	2,803	4,095	39,062	2,735	228	(35,254)	71,480
<b>Gross margin (loss)</b>	23,631	982	2,728	7,069	(1,262)	1,428	(285)	(351)	(1,332)	32,308
Interest and investment income										253
Other charges										(3,637)
Interest and other financing charges										(11,038)
Other income										2,101
Provision for income tax										(4,628)
<b>Net income</b>										P15,659
Net income attributable to:										
Equity holders of Ayala Land, Inc.										P12,228
Non-controlling interests										3,431
										P15,659
<b>Other information</b>										
Segment assets	P559,516	P20,190	P226,352	P135,653	P59,038	P48,601	P11,549	P94,146	(P450,625)	P704,422
Investment in associates and joint ventures	28,890	-	36	-	-	55	172	-	-	28,153
Deferred tax assets	587,405	20,190	226,388	135,653	59,038	48,656	11,721	94,146	(450,625)	732,574
	1,900	163	1,732	389	436	114	183	1,299	6,675	12,890
<b>Total assets</b>	P589,306	P20,353	P228,120	P136,042	P59,474	P48,770	P11,904	P95,445	(P443,950)	P745,464
Segment liabilities	235,677	979	95,934	29,687	25,966	38,035	6,158	200,136	(164,449)	468,442
Deferred tax liabilities	2,619	0	177	225	4	0	(2)	(196)	3,683	6,320
<b>Total liabilities</b>	P238,296	P979	P96,111	P29,911	P25,990	P38,035	P6,156	P200,240	(P160,756)	P474,962
Segment additions to:										
Property and equipment	P2,035	P-	P298	P4	P285	P555	P14	P24	P-	P3,215
Investment properties	P12,426	P508	P8,141	P1,100	P146	P103	P-	P1,757	P-	P24,181
Depreciation and amortization	P733	P-	P4,360	P1,908	P867	P237	P475	P221	P-	P8,822
Non-cash expenses other than depreciation and amortization	P-	P-	P-	P-	P-	P-	P-	P-	P-	P-
Impairment losses	P11	P-	P22	P114	P-	P114	P98	P181	P-	P240



2020

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	P53,014	P4,845	P-	P-	P3,388	P3,279	P2,971	P-	P-	P67,497
Interest income from real estate sales	8,603	-	-	-	-	-	-	-	-	8,603
Rental revenue	-	-	9,063	9,405	-	-	-	-	-	18,468
Intersegment sales	-	-	-	-	-	32,601	-	-	(32,601)	-
Equity in net earnings of associates and joint ventures	148	-	2	380	-	(4)	(4)	65	-	587
Total revenue	61,765	4,845	9,065	9,785	3,388	35,876	2,967	65	(32,601)	95,155
Real estate costs and expenses	40,897	3,917	7,156	1,653	4,079	34,886	5,244	225	(33,372)	64,685
Gross margin (loss)	20,868	928	1,909	8,132	(691)	990	(2,277)	(160)	771	30,470
Interest and investment income										395
Other charges										(3,789)
Interest and other financing charges										(12,746)
Other income										723
Provision for income tax										(4,059)
Net income										P10,994
Net income attributable to:										
Equity holders of Ayala Land, Inc.										8,727
Non-controlling interests										2,267
										P10,994
Other information										
Segment assets	P557,840	P23,233	P205,505	P106,848	P55,147	P49,218	P11,607	P93,761	(P420,388)	P682,771
Investment in associates and joint ventures	17,101	-	38	-	-	52	186	9,222	-	26,601
Deferred tax assets	574,941	23,233	205,543	106,848	55,147	49,270	11,795	102,983	(420,388)	706,372
Total assets	1,818	96	1,178	309	324	145	220	1,485	6,547	12,122
Segment liabilities	P576,759	P23,329	P206,721	P107,157	P55,471	P49,415	P12,015	P104,468	(P413,841)	P721,494
Deferred tax liabilities	P235,380	P12,605	P79,334	P24,521	P19,059	P40,451	P5,989	P197,589	(P160,762)	P454,166
Total liabilities	2,888	-	186	127	12	1	21	(112)	4,026	7,149
Segment additions to:	P238,268	P12,605	P79,520	P24,648	P19,071	P40,452	P6,010	P197,477	(P156,736)	P461,315
Property and equipment	P211	P83	P73	P40	P991	P335	P630	P735	P-	P3,098
Investment properties	P1,032	P463	P1,188	P1,030	P46	P68	P23	P1,766	P-	P5,616
Depreciation and amortization	P618	P189	P4,411	P1,779	P875	P998	P483	P220	P-	P9,573
Non-cash expenses other than depreciation and amortization	P-	P-	P-	P-	P-	P-	P-	P-	P-	P-
Impairment losses	P37	P-	P288	P331	P-	P-	P97	P225	P-	P978



2019

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue	P102,961	P6,709	P-	P-	P7,624	P3,395	P5,453	P-	P-	P126,162
Revenues from contracts with customers	7,891	-	-	-	-	-	-	-	-	7,891
Interest income from real estate sales	-	-	22,019	9,668	-	-	-	-	-	31,687
Rental revenue	-	-	-	-	-	61,557	-	-	-	-
Intersegment sales	698	-	14	-	-	-	-	254	(61,557)	966
Equity in net earnings of associates and joint ventures	111,570	6,709	22,033	9,668	7,624	64,952	5,453	254	(61,557)	166,706
Total revenue	75,986	4,665	8,921	3,197	5,667	60,423	5,778	976	(61,494)	104,119
Real estate costs and expenses	35,584	2,044	13,112	6,471	1,957	4,529	(325)	(722)	(63)	62,887
Gross margin (loss)	-	-	-	-	-	-	-	-	-	930
Interest and investment income	-	-	-	-	-	-	-	-	-	(1,845)
Other charges	-	-	-	-	-	-	-	-	-	(12,200)
Interest and other financing charges	-	-	-	-	-	-	-	-	-	1,196
Other income	-	-	-	-	-	-	-	-	-	(13,515)
Provision for income tax	-	-	-	-	-	-	-	-	-	P37,515
Net income	-	-	-	-	-	-	-	-	-	33,188
Net income attributable to:	-	-	-	-	-	-	-	-	-	4,827
Equity holders of Ayala Land, Inc.	-	-	-	-	-	-	-	-	-	P37,515
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other information	-	-	-	-	-	-	-	-	-	-
Segment assets	P556,914	P-	P204,115	P105,863	P81,288	P55,349	P6,731	P63,481	(P396,663)	P677,078
Investment in associates and joint ventures	24,938	-	36	-	-	55	192	97	-	25,318
Deferred tax assets	581,852	-	204,151	105,863	81,288	55,404	6,923	63,578	(396,663)	702,296
Total assets	1,890	-	811	170	333	85	60	1,351	6,827	11,827
Segment liabilities	P242,826	P-	P135,933	P55,563	P64,617	P46,101	P3,274	P52,870	(P136,057)	P465,127
Deferred tax liabilities	1,902	-	169	125	9	-	-	24	3,642	6,091
Total liabilities	P244,728	P-	P136,122	P55,688	P64,626	P46,101	P3,274	P52,894	(P132,215)	P471,218
Segment additions to:	-	-	-	-	-	-	-	-	-	-
Property and equipment	P254	P1,891	P1,652	P41	P4,151	P1,752	P131	P648	P-	P10,520
Investment properties	P4,970	P8,733	P19,446	P3,012	P201	P163	P262	P332	P-	P37,019
Depreciation and amortization	P676	P85	P3,949	P1,769	P783	P975	P454	P368	P-	P9,059
Non-cash expenses other than depreciation and amortization	P-	P-	P-	P-	P-	P-	P-	P-	P-	P-
Impairment losses	P-	P-	P256	P-	P-	P11	P189	P113	P-	P569



### 31. Performance Obligations

Information about the Group's performance obligations are summarized below:

#### *Real estate sales*

The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) service lot and house, and (iii) condominium unit and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule from each of the customer does not necessarily coincide with the progress of construction, which results to either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, the Group provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

#### *Hotels and resorts*

Rooms revenue from hotel and resort operations is recognized when the services are rendered. Revenue from banquets and other special events are recognized when the events take place.

#### *Construction*

Revenue from fixed price construction contracts are recognized overtime using the milestone-based revenue recognition which is in reference to output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2021 and 2020 are as follows:

	2021	2020
	(In Thousands)	
Within one year	<b>₱45,005,469</b>	₱31,535,337
More than one year	<b>55,587,158</b>	62,554,555
	<b>₱100,592,627</b>	<b>₱94,089,892</b>

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.



### 32. Registration with Philippine Economic Zone Authority (PEZA)

Ayala Land Inc., the Parent Company, was registered with PEZA last December 13, 2017 as a Developer/Operator of the Southpark Corporate Center.

North Eastern Commercial Corporation, a wholly owned subsidiary, was registered with PEZA last July 05, 2017 as a Developer/Operator of the 30<sup>th</sup> Corporate Center.

Ayala Land Inc., the Parent Company, was registered with PEZA last November 6, 2017 as a Developer/Operator of the Vertis North IT Park.

Central Block Developers, Inc., a wholly owned subsidiary, was registered with PEZA last June 19, 2017 as a Ecozone Facilities Enterprise of the Central Bloc 1 & 2.

Ayalaland Metro North, Inc., a wholly owned subsidiary, was registered with PEZA last January 16, 2017 as a Developer/Operator of the UP Town Corporate Center.

Pangulasian Island Resort Corporation (PIRC), a subsidiary of Ten Knots Development Corporation which is a subsidiary of Ayala Land, Inc., is registered with the Philippine Economic Zone Authority (PEZA) under the Certificate of Registration number 16-055 and Registration Agreement dated March 21, 2016. The registration shall entitle PIRC to conduct activities limited to resort operations, travel/tours/leisure and recreation-related activities, and the importation of raw materials, machinery, equipment, tools, goods, wares, articles, or merchandise directly used in its registered operations inside the Green Tourism Ecozone - Pangulasian.

Nuevo Centro, a wholly-owned subsidiary of Ayala Land, Inc., is registered with PEZA with Certificate of Registration number EZ 16-30 under Registration Agreement dated July 19, 2016. The registration as a Special Economic Zone Developer/Operator shall entitle Nuevo Centro, Inc. to establish, develop, administer, manage, and operate a Special Economic Zone to be known as Alviera Industrial Park. It has been designated a 311,954-square meter area located at Barangays Dolores and Banaba, Porac, Pampanga. The Company shall be exempt from payment of all national and local taxes, except real property taxes on land and shall pay a 5% final tax on gross income.

### 33. Leases

#### Operating Leases - Group as Lessor

The Group entered into lease agreements with third parties covering its investment property portfolio. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals receivable under noncancellable operating leases of the Group follows:

	2021	2020
	(In Thousands)	
Within one year	<b>₱5,591,888</b>	₱9,961,331
After one year but not more than five years	<b>15,982,405</b>	33,927,015
More than five years	<b>56,106,720</b>	30,014,821
	<b>₱77,681,012</b>	<b>₱73,903,167</b>

In 2021 and 2020, the Group granted rent concessions to its tenants which were affected by the community quarantine imposed by the government amounting to ₱7.15 billion and ₱6.15 billion, respectively. These rent concessions did not qualify as a lease modification, thus, were accounted for as a variable lease payments and reported as reduction of lease income in 2021 and 2020 (see Note 3).



Group as Lessee

The Group entered into lease agreements with third parties. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals payable under noncancellable operating leases of the Group follows:

	2021	2020
	(In Thousands)	
Within one year	<b>₱3,003,107</b>	₱2,761,184
After one year but not more than five years	<b>7,973,751</b>	7,534,150
More than five years	<b>53,597,269</b>	52,179,626
	<b>₱64,574,127</b>	<b>₱62,474,960</b>

Set out below are the carrying amounts of right-of-use assets recognized and the movements in 2021 and 2020:

	2021				
	Land	Building	Aircraft	Others	Total
	(in thousands)				
Cost					
At January 1	<b>₱14,710,930</b>	<b>₱242,324</b>	<b>₱1,701,823</b>	<b>₱284,573</b>	<b>₱16,939,650</b>
Additions	<b>457,725</b>	<b>4,099</b>	<b>-</b>	<b>100,596</b>	<b>562,420</b>
At December 31	<b>14,961,850</b>	<b>246,243</b>	<b>1,701,823</b>	<b>385,169</b>	<b>17,502,070</b>
Accumulated Depreciation and Amortization					
At January 1	<b>3,209,405</b>	<b>178,056</b>	<b>435,794</b>	<b>108,220</b>	<b>3,931,475</b>
Depreciation	<b>274,689</b>	<b>116,442</b>	<b>139,346</b>	<b>92,795</b>	<b>623,272</b>
Adjustments	<b>273,007</b>	<b>115,729</b>	<b>138,492</b>	<b>92,226</b>	<b>619,454</b>
Capitalized as investment property (Note 12)	<b>86,627</b>	<b>78,421</b>	<b>-</b>	<b>6,581</b>	<b>171,629</b>
At December 31	<b>3,843,728</b>	<b>488,648</b>	<b>713,632</b>	<b>299,822</b>	<b>5,345,830</b>
Net Book Value	<b>₱10,867,202</b>	<b>₱242,405</b>	<b>₱988,191</b>	<b>₱85,347</b>	<b>₱12,156,240</b>

	2020				
	Land	Building	Aircraft	Others	Total
	(in thousands)				
Cost					
At January 1	<b>₱14,710,930</b>	<b>₱216,836</b>	<b>₱1,595,614</b>	<b>₱219,920</b>	<b>₱16,743,300</b>
Additions	<b>-</b>	<b>25,488</b>	<b>106,209</b>	<b>64,653</b>	<b>196,350</b>
At December 31	<b>14,710,930</b>	<b>242,324</b>	<b>1,701,823</b>	<b>284,573</b>	<b>16,939,650</b>
Accumulated Depreciation and Amortization					
At January 1	<b>2,769,184</b>	<b>139,603</b>	<b>245,608</b>	<b>24,433</b>	<b>3,178,828</b>
Depreciation	<b>440,221</b>	<b>32,270</b>	<b>190,186</b>	<b>83,056</b>	<b>745,733</b>
Capitalized as investment property	<b>-</b>	<b>6,183</b>	<b>-</b>	<b>731</b>	<b>6,914</b>
At December 31	<b>3,209,405</b>	<b>178,056</b>	<b>435,794</b>	<b>108,220</b>	<b>3,931,475</b>
Net Book Value	<b>₱11,501,525</b>	<b>₱64,268</b>	<b>₱1,266,029</b>	<b>₱176,353</b>	<b>₱13,008,175</b>





The rollforward analysis of lease liabilities follows:

	2021	2020
At January 1	<b>₱17,755,843</b>	₱17,463,705
Additions	<b>104,695</b>	171,901
Accretion of interest expense (Note 22)	<b>1,409,177</b>	1,430,607
Capitalized interest	-	24,210
Foreign exchange gain (loss)	-	94
Payments	<b>(1,432,361)</b>	(1,334,674)
As at December 31	<b>₱17,837,354</b>	₱17,755,843
Current lease liabilities	<b>599,363</b>	466,801
Noncurrent lease liabilities	<b>₱17,237,991</b>	₱17,289,042

The following are the amounts recognized in the consolidated statement of income:

	2021	2020
Depreciation expense of right-of-use assets	<b>₱623,272</b>	₱745,733
Accretion of interest expense on lease liabilities (Note 22)	<b>1,409,177</b>	1,430,607
Rent expense - short-term leases	<b>9,426</b>	4,562
Rent expense - variable lease payments	<b>168,963</b>	306,813
Foreign exchange (gain) loss	<b>210</b>	94
Total amounts recognized in the consolidated statement of income	<b>₱2,213,069</b>	₱2,489,829

The Group has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

	2021		
	Fixed Payments	Variable Payments	Total
Fixed	<b>₱1,471,313</b>	<b>₱-</b>	<b>₱1,471,313</b>
Variable rent with minimum payment	<b>19,533</b>	<b>1,299</b>	<b>20,832</b>
Variable rent only	-	<b>19,543</b>	<b>19,543</b>
At December 31	<b>₱1,490,846</b>	<b>₱20,842</b>	<b>₱1,511,688</b>

	2020		
	Fixed Payments	Variable Payments	Total
Fixed	<b>₱1,504,945</b>	<b>₱-</b>	<b>₱1,504,945</b>
Variable rent with minimum payment	<b>115,669</b>	<b>164,885</b>	<b>280,554</b>
Variable rent only	-	<b>146,490</b>	<b>146,490</b>
At December 31	<b>₱1,620,614</b>	<b>₱311,375</b>	<b>₱1,931,989</b>

The significant leases entered into by the Group are as follows:

#### Parent Company

On January 2017, the Parent Company signed a Lease Agreement with Philippine Racing Club, Inc. for the lease of land located in Circuit Makati, Brgy. Carmona, Makati City with an aggregate area of 12,793 sqm. The term of the lease shall be twenty-three years and three months commencing from Delivery Date. The Lessee shall have the option to renew the lease under the same terms and conditions for another period of five years, provided that renewal period shall be mutually agreed by the Parties. For the period commencing from delivery date until sixty-three (63) months thereafter, the Lessee shall pay the Lessor the rent amounting to ₱100.00 million. Commencing on the sixty fourth



month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

In September 2018, the Parent Company signed a Lease Agreement with Manila Seedling Bank Foundation, Inc. (MSBFI) for the lease of a 4.5-hectare portion of land located at the corner of EDSA and Quezon Avenue, Diliman, Quezon City. The term of the lease shall be coterminous with the Lessor's usufruct over the Leased Premises, or until September 20, 2027.

#### Bay City

On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City with an aggregate area of 92,317 sqm. Parent Company signed a 45-year lease contract with an option to renew for another 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The Parent Company assigned the parcels of land to Bay City in December 2017.

ALI also signed the Air Rights and Basement Rights over the leased property with an aggregate area of 1,686.48 sqm and 8,294 sqm, respectively, subject to the same terms and conditions as the contract of lease dated September 2, 2014.

#### AMNI

On January 28, 2011, the Board of Regents of the University of the Philippines awarded to the Parent Company the ₱4.0 billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. The Parent Company signed a 25-year lease contract for the property last June 22, 2011, with an option to renew for another 25 years subject to mutual agreement of the parties. The lease payments shall commence as soon as sales are registered by the merchants. The rights were subsequently assigned by ALI to the Company in 2015.

A retail establishment with about 63,000 sqm of gross leasable area and an office/BPO building about 8,000 sqm of gross leasable area have been constructed on the property.

#### NTDCC

The Company entered into an assignment agreement with MRTDC wherein the latter has assigned its development rights to the Company in exchange for the Company's assumption of DRP obligation beginning January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration with escalation rate of 3% annually starting inception.

In consideration of the lease, the Group will be charged an annual rent related to the original DRP obligation on the MRTDC and 5% of the rental income from the Group's commercial center business. Of the 5% variable amount due, 2.42% shall be directly paid by the Group to the minority shareholders of Monumento Rail Transit Corporation, 28.47% shall be paid directly to Metro Global Holdings Corporation and the remaining 69.11% shall be applied against receivables.

On January 13, 2006, the deed of assignment between MRTDC and NTDCC was acknowledged by DOTC making MRTDC and NTDCC jointly and severally liable for the DRP and all other obligations attached thereto. NTDCC has been paying rent to DOTC in behalf of MRTDC since January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration. As of December 31, 2020 and 2019, the DRP obligation amounted to ₱3,703.3 million and ₱3,778.2 million, respectively. Total DRP obligation paid amounted to ₱244.0 million and ₱236.4 million in 2020 and 2019, respectively.

On October 29, 2015, the Company entered into a non-cancellable land lease agreement with GERI for the lease of an aggregate of 10,994.86 square meters undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development rights period.



During 2016, the Company entered into non-cancellable land lease agreement with Anglo, DBH and Allante which shall be effective until August 8, 2047.

#### ALICAP

In December 2017, the Company entered into 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1440 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US\$0.42 million. The ATR72-600 with MSN 1440 was delivered to the Company in February 2018 and has started flight operations in March 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term for US\$14.16 million.

In June 2018, the Company entered into another 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1492 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US\$0.42 million. The ATR72-600 with MSN 1492 was delivered to the Company on the same month and has started flight operations in August 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term amounting to US\$14.16 million.

#### AHRC

On January 30, 2018, the Company signed a Lease Agreement with Dunes & Eagle Land Development Corporation for the lease of ten parcels of land located at Barangay Mactan, Lapu-Lapu City, Mactan Island, Cebu with an aggregate area of 144,087 sqm. The term of the lease shall be for a period of fifty (50) years commencing from the date of execution of the agreement. Rent payment should be as follows: (a) ₱70 million per annum for the first 5 years (b) 5% of Gross Revenues or ₱70 million per annum whichever is higher for the 6th year to the 30th year, and (c) 5.5% of Gross Revenues or ₱70 million per annum whichever is higher for the 31st year to the 50th year.

On July 26, 2012, ALI entered into a renewable contract of lease with Province of Negros Occidental for 40,481 square meters area of land with a monthly lease of ₱73.00 per square meter which shall be escalated every five years by ten percent (10%) of the current rate of rent. The term of the lease shall be for a period of fifty (50) years commencing from the date of delivery subject to renewal by mutual agreement of the parties under such terms and conditions as may be mutually acceptable. The Company has assessed that the lease agreement is a non-cancellable lease. On December 23, 2014, ALI assigned its rights and obligations to Capitol Central Hotel Ventures, Inc. under the Contract of Lease Assignment over a portion on which Seda Capitol Central was constructed equivalent to an area of 3,714.80 square meters. The agreement on lease assignment transfers and conveys the Company to take over the lease of the assigned portion subject to the same terms and conditions contained in the contract of lease.

Bonifacio Hotel Ventures, Inc. entered into a non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which Seda BGC Tower 1 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or ₱350 per square meter for the 1st year, ₱375 per square meter for the 2nd year and ₱400 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period. The Company entered into another non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which the Seda BGC Tower 2 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or ₱575 per square meter for the 1st year, ₱616.06 per square meter for the 2nd year and ₱657.15 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period.



#### ALLHC

On August 28, 1990, the Company, through a Deed of Assignment, acquired all the rights, titles, interests and obligations of Gotesco Investment, Inc. in a contract of lease of the land owned by PNR for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental plus a certain percentage of gross sales. The lease covers a period of 25 years until 2014 and is automatically renewable for another 25 years, subject to compliance with the terms and conditions of the lease agreement. On December 22, 2009, ALLHC entered into an agreement with PNR for the renewal of its lease contract for another 25 years beginning September 5, 2014 until 2039.

#### SSECC

The Company has an existing contract with Bases Conversion and Development Authority (BCDA) to develop, under a lease agreement signed on July 2000, a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. Subsequently, the Company transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounts to ₱106.5 million while the variable rent ranges from 5% to 20% of gross revenues.

#### Capitol

On April 26, 2012 Parent Company signed a Lease Agreement with the Province of Negros Occidental for the lease of a parcel of land with an aggregate area of 40,481 sq. m. located along Gatuslao cor. North and South Capitol Roads, Bacolod City, registered in the name of the Province of Negros Occidental. The Parent Company signed a 50-year lease contract with an option to renew as may be mutually agreed upon by the lessor and the Company. The Parent Company assigned the parcels of land to Capitol in December 2017.

#### Arvo

On October 15, 2014, Arvo entered into a property lease agreement with Rotonda Development Corporation for the construction, development and operation of a commercial and mall center. The terms of the lease shall be 42 years, with an option to renew for another 40 years subject to mutual agreement of the parties. The lease agreement provided rent-free period of 2 years and lease payments shall commence thereafter. Lease payments shall be paid annually at ₱60.00 per sqm, subject to an annual escalation of 4%.

The Group performed impairment testing on its right-of-use assets with a carrying value of ₱1,360.0 million and ₱1,034.9 million as of December 31, 2021 and 2020, respectively, by assessing its recoverable amount through estimation of its value in use. Based on the impairment testing, there is no impairment loss on the Group's hotel and resorts right-of-use assets (see Note 3).

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### **34. Interest in Joint Operation**

MDC has a 51.0% interest in Makati Development Corporation - First Balfour, Inc. Joint Venture (the Joint Venture), a joint operation whose purpose is to design and build St. Luke's Medical Center (the Project) in Fort Bonifacio Global City, Taguig. The application of PFRS 11 does not have significant impact on the Group's accounting of its interest in joint operation since it already reported its share in interest in joint operation using proportionate consolidation.

The Project, which started on January 31, 2007, is a world-class medical facility comprising, more or less, of a 611-bed hospital and a 378-unit medical office building, with an approximate gross floor area of 154,000 sqm, which meets international standards, and all standards and guidelines of applicable regulatory codes of the Philippines and complies with the criteria of the Environment of Care of the Joint Commission International Accreditation. The project was completed on October 30, 2009. Activities in 2011 to 2021 mainly pertain to winding down operations.



MDC classified its joint arrangement with First Balfour, Inc. as "Joint Operation" since the joint arrangement's legal form does not confer separation between the parties and separate vehicle, the parties have the rights to the assets and obligations for the liabilities in proportion to the interests agreed by parties and there is an indication that the parties have no rights to the net assets of the Joint Operation.

The share of MDC in the net assets and liabilities of the Joint Operation as at December 31, 2021 and 2020 which are included in the consolidated financial statements follow:

	2021	2020
	(In Thousands)	
Current assets:		
Cash and cash equivalents	<b>₱7,123</b>	₱7,078
Other current assets	<b>37,368</b>	37,368
<b>Total assets</b>	<b>₱44,491</b>	<b>₱44,446</b>
<b>Total liabilities</b>	<b>₱-</b>	<b>₱-</b>

The following is the share of the MDC on the net income of the Joint Operation:

	2021	2020
	(In Thousands)	
Construction costs	<b>₱-</b>	(₱7)
Interest and other income (charges)	<b>46</b>	(14)
Income before income tax	<b>46</b>	(21)
Provision for final tax	<b>(1)</b>	(1)
<b>Net income</b>	<b>₱45</b>	<b>₱45</b>

There were no dividends declared in 2021 and 2020. Provision for income tax pertains to the final tax on interest income.

### 35. Long-term Commitments and Contingencies

#### Commitments

- a. On December 8, 2017, ALI assigned to NTDC development rights on certain portions of the North Triangle lot pads covered by a Deed of Assignment and Encroachment Settlement Agreement amounting to ₱631.2 million.
- b. ALI and LT Group, Inc. (LTG) entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be an estate development that spans portions of Pasig City and Quezon City. A new company named, ALI-ETON Property Development Corporation, was incorporated on May 13, 2016.

On January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of Ayala Land in partnership with Eton Properties Inc. The first residential project of Ayala Land Premier, Parklinks North Tower was launched on the same year, while the Parklinks lifestyle mall broke ground as well, expected to provide a new destination for residents and office workers within the area when it opens in 2025. With the brisk residential sales of ALP's first project, the Parklinks South tower was launched in 2019, together with Alveo's first residential development "The Lattice".

Also set to rise within the estate will be an iconic bridge that will conveniently connect the QC and Pasig parcels, offering a new route that can help ease vehicular traffic in the north eastern and eastern portions of Metro Manila. The bridge is expected to be completed by Q2 of 2022.



- c. On August 11, 2015, the Group won the bid for the Integrated Transport System Project – South Terminal (“ITS South Project”). The Company was awarded by the Department of Transportation and Communications (“DOTC”) with a 35-year concession agreement to build and operate the ITS South Project and will likewise have the right to develop and operate commercial leasing facilities on the same 5.57 hectare former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Company is developing an integrated mixed-use estate.
- d. On June 30, 2015, the Parent Company, through SM-ALI Group Consortium (the Consortium), participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is portion of Cebu City-owned lot located at the South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963. The Consortium is a consortium among SMPHI, the Company and CHI (together with the Company collectively referred to as the “ALI Group”). Consistent with the agreed payment schedule in the Deed of Absolute Sale, as of August 1, 2018 the ALI Group has fully paid ₱4.56 billion, excluding taxes. The SM-ALI Group finished the joint masterplan and secured the development permit last November 2019 from the Cebu City Council.

On January 29, 2020, SM-ALI Group broke ground the 263,384 sqm development and the construction of road networks and underground utilities commence on February 18, 2020.

As of December 2021, the construction completion is at 80% and is forecasted to be finished in June 2022.

The development is positioned to be the Entertainment Capital of the Region which are the epicenter of fun, strategically located and accessible and celebrated Cebu experience.

It is envisioned to create a commercially viable mixed-use development and to create a living, vibrant community with world-class facilities, a well-designed urban setting, and lush, extensive landscaping.

- e. On August 8, 1997, an “Assignment Agreement” was executed between Department of Transportation and Communications (DOTC), Metro Rail and MRTDC whereby MRTDC agreed to be bound by all obligations in respect of the Development Rights and make payments to DOTC.
- f. On June 4, 2014, AHRC, a wholly owned subsidiary of the Parent Company has signed a long-term management agreement with the Mandarin Oriental Hotel Group to develop and operate luxury hotel in Makati City. Set to open its doors by 2023, the new Mandarin Oriental Manila will be featuring 276 spacious rooms complemented by an extensive range of modern amenities including premium selection of restaurants and a signature spa. AHRC is committed to pay US\$5 million (₱223.6 million) to Manila Mandarin Hotel, Inc. upon the opening of the New Hotel or June 30, 2017, whichever is earlier. In 2017, the Group fully paid the said amount.
- g. On May 12, 2014, ALI has signed the terms of reference with Sureste Properties, Inc. (SPI), a wholly owned subsidiary of Bloomberry Resorts Corp. (BLOOM) for the retail area to be opened in the new Phase 1-A of Solaire Resort & Casino. The Company will be the leasing and marketing agent of the said area with gross leasable area of more than 5,000 sqm.
- h. On February 26, 2021, The Group entered into agreements to restructure the long-outstanding receivables from Mercado General Hospital, Inc., Panay Medical Ventures, Inc., Mercado General Hospital Sta. Rosa, Inc. and Mercado General Hospital San Jose Del Monte, Inc. amounting to ₱209.0 million, ₱79.0 million, ₱5.0 million and ₱129.1 million, respectively, to a 5-year loan with interest rate of 4% per annum.



### 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 it may prejudice the Group's position in ongoing claims and it can jeopardize the outcome of the claims and contingencies.

### 36. Concession Agreement with Department of Transportation (DOTr)

On January 26, 2016, the Group through ASITI entered into a Concession Agreement (CA) with the Department of Transportation (DOTr). The CA sets forth the rights and obligations of ASITI as concessionaire, including the construction and operation of the South Integrated Transport System Project (the Project) of DOTr. During the concession period, DOTr will monitor and review the performance of the concessionaire.

The concession will run for a period of 35 years from the start of the construction of the Project. Under the terms of the concession agreement, ASITI will design, engineer, construct, operate and maintain a mass transportation intermodal terminal at the outskirts of Metro Manila. The operation of the Project includes the collection and remittance of terminal fees to DOTr of the concessionaire during the concession period. In addition, ASITI will be permitted to develop and operate commercial leasing facilities.

Upon the start of the construction of the Project, DOTr will give ASITI the full, exclusive and uninterrupted use and possession of a 5.57 hectare property known as the Project Land. Ownership of the Project Land shall remain with DOTr at all times while the possession, custody and risk of loss or deterioration of the Project and commercial assets shall vest in the concessionaire during the concession period. ASITI shall transfer the Project and the related assets, free from any liens or encumbrances, to DOTr at the end of the concession period. ASITI will be entitled to annual payments from DOTr amounting to ₱277.9 million during the 35-year concession period, subject to meeting benchmarks set for certain key performance indicators enumerated in the CA.

As of December 31, 2021, construction of the Project has not yet commenced.

### 37. Notes to Consolidated Statements of Cash Flows

Disclosed below is the rollforward of liabilities under financing activities:

#### 2021

	January 1, 2021	Cash flows	Non-cash changes	Foreign exchange movement	December 31, 2021
			(In Thousands)		
Short-term debt	₱9,131,325	₱7,651,175	₱-	₱-	₱16,782,500
Current long-term debt	18,732,401	(18,732,401)	26,173,997	-	26,173,997
Non-current long-term debt	184,087,192	21,483,082	(25,829,931)	399,899	180,140,242
Dividends payable (Note 15)	241,606	(5,375,409)	5,820,785	-	686,982
Lease liabilities	17,755,843	(1,432,361)	1,513,872	-	17,837,354
Deposits and other noncurrent liabilities	50,040,170	10,695,432	-	-	60,735,602
Total liabilities from financing activities	₱279,988,537	₱14,289,518	₱7,678,723	₱399,899	₱302,356,677



2020

	January 1, 2020	Cash flows	Non-cash changes	Foreign exchange movement	December 31, 2020
			(In Thousands)		
Short-term debt	₱18,032,830	(₱8,901,505)	₱-	₱-	₱9,131,325
Current long-term debt	17,250,706	(17,250,706)	18,732,401	-	18,732,401
Non-current long-term debt	175,813,346	27,332,917	(18,732,401)	(326,670)	184,087,192
Dividends payable (Note 15)	632,000	(5,328,246)	4,937,852	-	241,606
Lease liabilities	17,463,705	(1,334,674)	1,626,718	94	17,755,843
Deposits and other noncurrent liabilities	44,003,636	5,706,022	330,512	-	50,040,170
Total liabilities from financing activities	₱273,196,223	₱223,808	₱6,895,082	(₱326,576)	₱279,988,537

The noncash activities of the Group pertain the following:

2021

- Transfer from investment properties to inventories amounting to ₱4,062.9 million
- Transfer from property and equipment to investment properties amounting to ₱1.2 million
- Transfer from inventories to investment properties amounting to ₱4,106.9 million
- Transfer from inventories to property and equipment amounting ₱2.6 million
- Capitalized interest amounted to ₱745.7 million

2020

- Transfer from investment properties to inventories amounting to ₱18,563.9 million
- Transfer from investment properties to property and equipment amounting to ₱591.6 million
- Transfer from investment properties and property and equipment to building classified as held for sale amounting to ₱950.1 million and ₱2.1 million, respectively
- Transfer from inventories to investment properties amounting to ₱2,361.2 million
- Transfer from right-of-use assets and lease liabilities to investment properties amounting to ₱6.9 million and ₱24.2 million, respectively
- Capitalized interest amounted to ₱40.1 million

### 38. Events After Reporting Date

On January 20, 2022, the Board of Directors of Ayala Land, Inc. approved a property-for-share swap with Ayala Corporation and Mermac, Inc.. Under the transaction, AC and Mermac will transfer assets to ALI in exchange for its primary common shares. The transaction is still subject to the regulatory approvals.

On February 24, 2022, the BOD approved the following:

- The raising of up to ₱45 billion in debt capital to refinance maturing debt and partially finance general corporate requirements through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation and/or execution of bilateral term loans.
- The 2022 stock option program under our Employee Stock Ownership Plan (the "Plan") which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 17,250,890 common shares at a subscription price of ₱30.29 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 30-day trading period as of February 14, 2022, less a 15% discount.
- The declaration of cash dividends of ₱0.1352 per outstanding common share payable on March 25, 2022 to stockholders of common shares as of record date March 11, 2022. This reflects a 49% decrease from the cash dividends declared in the first half of 2020 amounting to ₱0.268 per share.





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**39. 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.

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.





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## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors  
Ayala Land, Inc.  
31st Floor, Tower One and Exchange Plaza, Ayala Triangle  
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and its subsidiaries as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, included in this Form 17-A and have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic.

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

February 24, 2022





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## INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors  
Ayala Land, Inc.  
31st Floor, Tower One and Exchange Plaza, Ayala Triangle  
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and Subsidiaries (the Group) as at December 31, 2021 and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

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  
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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

February 24, 2022



**AYALA LAND, INC. AND SUBSIDIARIES**  
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**  
*As of December 31, 2021*

- A** Financial Assets
- B** Accounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
- C** Accounts Receivable from Related Parties which are eliminated during Consolidation of Financial Statements
- D** Long-Term Debt
- E** Indebtedness to Related Parties
- F** Guarantee of Securities of Other Issuers
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**Other Supporting Schedules**

Reconciliation of Retained Earnings Available for Dividend Declaration  
Financial Soundness Indicators  
Corporate Organizational Chart  
Bond Proceeds

**AYALA LAND, INC. AND SUBSIDIARIES**  
**SCHEDULE A - Financial Assets**  
*As of December 31, 2021*

NAME OF ISSUING ENTITY AND ASSOCIATION OF EACH ISSUE	AMOUNT IN THE STATEMENT OF FINANCIAL POSITION	INCOME RECEIVED & ACCRUED
<b>Loans and Receivables</b>		
<b>A. Cash in Bank</b>	<b>Php 11,745,822,935</b>	<b>Php 78,276,751</b>
BPI		
Peso	3,119,783,906	16,474,846
Foreign Currency	182,520,134	79,517
Other Banks		
Peso	2,765,823,787	11,103,341
Foreign Currency	5,677,695,109	50,619,047
<b>B. Cash Equivalents 1/</b>	<b>2,159,038,815</b>	<b>15,638,899</b>
BPI		
Special Savings Account		16,718
Time Deposits	29,180,776	280
Others		7,908,205
Other Banks		
Special Savings Account		5,848
Time Deposits	2,129,858,040	171,393
Others		7,536,454
<b>C. Loans and receivable</b>	<b>77,915,885,644</b>	<b>4,045,944,491</b>
Trade	77,915,885,644	4,045,944,491
Advances to other companies		
Investment in bonds classified as loans and receivables 2/	-	-
<b>D . Financial Assets at FVPL</b>	<b>700,803,442</b>	<b>5,160,982</b>
Investment in UITF	407,025,084	5,160,982
Investment in Funds	293,778,358	
<b>E. AFS Financial assets</b>	<b>981,270,280</b>	<b>576,379</b>
<b>TOTAL :</b>	<b>Php 93,502,821,117</b>	<b>Php 4,145,597,502</b>

1/ Cash equivalents are short term, highly liquid investments that are made for varying period of up to three (3) months depending on the immediate cash requirements of the group and earn interest at the respective short term rates.

2/ Investment in bonds classified as loans and receivables pertain to the Company's investment in unsecured subordinated notes of Land Bank of the Philippines and Development Bank of the Philippines and Company's investment in collateralized bonds of First Metro Investment Corp.

**AYALA LAND, INC. AND SUBSIDIARIES**

**SCHEDULE B - Amounts Receivable from Directors, Officers, Employees, Related Parties  
and Principal Stockholders (Other than Related Parties)**

*As of December 31, 2021*

NAME AND DESIGNATION OF DEBTOR	BALANCE AT BEGINNING OF PERIOD	ADDITIONS	AMOUNTS COLLECTED	CURRENT	NON-CURRENT	BALANCE AT END OF PERIOD
Employees Notes Receivable	Php 842,505,615	Php 620,792,540	Php 707,483,562	Php 593,938,709	Php 161,875,884	Php 755,814,593

**AYALA LAND INC. AND SUBSIDIARIES**
**Schedule C - Accounts Receivable from Related Parties which are Eliminated during the Consolidation Period**
**As of December 31, 2021**

	Amount Owed by Ayala Land, Inc. (ALI) Subsidiaries to ALI PARENT			
	Receivable Balance per ALI-PARENT	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	1,158,802,160	1,158,802,160	1,158,802,160	
Adauge Commercial Corp.	2,478,538	2,478,538	2,478,538	
Alabang Commercial Corporation (Conso)	39,989,242	39,989,242	39,989,242	
ALI Capital Corp. (Conso)	116,595,094	116,595,094	116,595,094	
ALI Commercial Center, Inc. (Conso)	3,454,749,248	3,454,749,248	3,454,749,248	
ALI-CII Development Corporation	7,666,076	7,666,076	7,666,076	
ALO Prime Realty Corporation	4,595,955	4,595,955	4,595,955	
Altaraza Development Corporation	111,959	111,959	111,959	
Altaraza Prime Realty Corporation	56,000	56,000	56,000	
Alveo Land Corporation (Conso)	4,566,828,611	4,566,828,611	4,566,828,611	
Amaia Land Corporation (Conso)	1,334,159,743	1,334,159,743	1,334,159,743	
Amorsedia Development Corporation (Conso)	524,445,379	524,445,379	524,445,379	
Anvaya Cove Beach and Nature Club Inc	1,101,407	1,101,407	1,101,407	
Anvaya Cove Golf and Sports Club Inc.	79,649,417	79,649,417	79,649,417	
APRISA Business Process Solutions, Inc	1,152,641	1,152,641	1,152,641	
Arca South Integrated Terminal, Inc	13,999,148	13,999,148	13,999,148	
Arvo Commercial Corporation	114,083,300	114,083,300	114,083,300	
Aurora Properties, Inc.	71,764,403	71,764,403	71,764,403	
Aviana Development Corporation	114,751,444	114,751,444	114,751,444	
Avida Land Corporation (Conso)	6,660,217,239	6,660,217,239	6,660,217,239	
Ayala Hotels Inc.	856,336,184	856,336,184	856,336,184	
Ayala Land International Sales, Inc.(Conso)	149,821,260	149,821,260	149,821,260	
Ayala Land Sales Inc.	70,535,127	70,535,127	70,535,127	
Ayala Property Management Corporation (Conso)	79,908,461	79,908,461	79,908,461	
Ayala Theaters Management, Inc.	715,335	715,335	715,335	
AyalaLand Club Management, Inc.	25,309,402	25,309,402	25,309,402	
AREIT Fund Manager, Inc.	30,448,424	30,448,424	30,448,424	
Ayalaland Estates, Inc.	1,999,004,548	1,999,004,548	1,999,004,548	
AyalaLand Hotels and Resorts Corp. (Conso)	1,446,511,451	1,446,511,451	1,446,511,451	
Ayalaland Logistics Holdings Corp. (Conso)	731,844,500	731,844,500	731,844,500	
Ayalaland Malls Synergies, Inc.	43,342,141	43,342,141	43,342,141	
AyalaLand Malls, Inc. (Conso)	29,102,829	29,102,829	29,102,829	
Ayalaland Medical Facilities Leasing Inc.	16,624,055	16,624,055	16,624,055	
Ayalaland Metro North, Inc.	3,212,781	3,212,781	3,212,781	
AyalaLand Offices, Inc. (Conso)	215,984,982	215,984,982	215,984,982	
Ayalaland Premier, Inc.	(9,908,266)	(9,908,266)	(9,908,266)	
Bay City Commercial Ventures Corp.	7,350,980,172	7,350,980,172	7,350,980,172	
BellaVita Land Corp.	1,227,860,816	1,227,860,816	1,227,860,816	
BG West Properties, Inc	1,286,311,676	1,286,311,676	1,286,311,676	
Caayan De Oro Gateway Corporation	75,329,916	75,329,916	75,329,916	
Capitol Central Commercial Ventures Corp.	1,553,469,513	1,553,469,513	1,553,469,513	
Cavite Commercial Towncenter Inc.	860,176,454	860,176,454	860,176,454	
Cebu Holdings, Inc. (Conso)	187,968,968	187,968,968	187,968,968	
CECI Realty Corp.	263,602,870	263,602,870	263,602,870	
Crans Montana Property Holdings Corporation	36,671,290	36,671,290	36,671,290	
Crimson Field Enterprises, Inc.	185,844,313	185,844,313	185,844,313	
Direct Power Services Inc.	15,147,439	15,147,439	15,147,439	
Ecoholdings Company, Inc.	702,706	702,706	702,706	
First Longfield Investments Ltd.	64,753	64,753	64,753	
FIVE STAR Cinema Inc.	65,874	65,874	65,874	
Hillsford Property Corporation	83,799	83,799	83,799	
Integrated Eco-Resort Inc.	179,862	179,862	179,862	
Lagdigan Land Corporation	214,745	214,745	214,745	
Leisure and Allied Industries Phils. Inc.	9,868,813	9,868,813	9,868,813	
Makati Cornerstone Leasing Corp.	5,162,010,500	5,162,010,500	5,162,010,500	
Makati Development Corporation (Conso)	97,582,867	97,582,867	97,582,867	
AREIT Property Managers, Inc.	418,294	418,294	418,294	
North Eastern Commercial Corp.	587,144,966	587,144,966	587,144,966	
North Triangle Depot Commercial Corp	311,401,228	311,401,228	311,401,228	
North Ventures Commercial Corp.	63,706,912	63,706,912	63,706,912	
NorthBeacon Commercial Corporation	10,055,125	10,055,125	10,055,125	
Nuevocentro, Inc. (Conso)	2,380,436,847	2,380,436,847	2,380,436,847	
AREIT, Inc.	859,568,800	859,568,800	859,568,800	

Philippine Integrated Energy Solutions, Inc.	7,993,896	7,993,896	7,993,896	
Primavera Towncentre, Inc.	46,978,754	46,978,754	46,978,754	
Red Creek Properties, Inc.	188,885,437	188,885,437	188,885,437	
Regent Time International, Limited	98,453,320	98,453,320	98,453,320	
Regent Wise Investments Limited(Conso)	6,515,496,019	6,515,496,019	6,515,496,019	
Roxas Land Corp.	4,836,295	4,836,295	4,836,295	
Serendra Inc.	180,397,828	180,397,828	180,397,828	
Soltea Commercial Corp.	63,190,805	63,190,805	63,190,805	
Southportal Properties, Inc.	420,289,070	420,289,070	420,289,070	
Station Square East Commercial Corp	1,217,679,845	1,217,679,845	1,217,679,845	
Subic Bay Town Center Inc.	10,080,226	10,080,226	10,080,226	
Summerhill Commercial Ventures Corp.	46,092,988	46,092,988	46,092,988	
Sunnyfield E-Office Corp	12,406,820	12,406,820	12,406,820	
Ten Knots Development Corporation(Conso)	14,483,791	14,483,791	14,483,791	
Ten Knots Philippines, Inc.(Conso)	79,450,218	79,450,218	79,450,218	
Verde Golf Development Corporation	94,595,188	94,595,188	94,595,188	
Vesta Property Holdings Inc.	29,382,392	29,382,392	29,382,392	
Westview Commercial Ventures Corp.	21,972,227	21,972,227	21,972,227	
Whiteknight Holdings, Inc.	33,219,162	33,219,162	33,219,162	
<b>Sub-Total</b>	<b>55,568,744,018</b>	<b>55,568,744,018</b>	<b>55,568,744,018</b>	-

	Amount Owed by ALI PARENT to ALI SUBSIDIARIES			
	Receivable Balance per ALI SUBSIDIARIES	Payable Balance per ALI PARENT	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	14,275,587	14,275,587	14,275,587	
Adauge Commercial Corp.	15,832,304	15,832,304	15,832,304	
Alabang Commercial Corporation (Conso)	128,278,328	128,278,328	128,278,328	
ALI Capital Corp. (Conso)	168,948,594	168,948,594	168,948,594	
ALI Commercial Center, Inc. (Conso)	140,059,887	140,059,887	140,059,887	
ALI-CII Development Corporation	1,503,250	1,503,250	1,503,250	
ALO Prime Realty Corporation	461,761,948	461,761,948	461,761,948	
Altaraza Prime Realty Corporation	2,502,500	2,502,500	2,502,500	
Alveo Land Corporation (Conso)	2,553,866,478	2,553,866,478	2,553,866,478	
Amaia Land Corporation (Conso)	2,611,255	2,611,255	2,611,255	
Amorsedia Development Corporation (Conso)	120,706,662	120,706,662	120,706,662	
APRISA Business Process Solutions, Inc	21,457,118	21,457,118	21,457,118	
Arvo Commercial Corporation	978,410,844	978,410,844	978,410,844	
Aurora Properties, Inc.	142,041,552	142,041,552	142,041,552	
Avida Land Corporation (Conso)	2,433,575,801	2,433,575,801	2,433,575,801	
Ayala Hotels Inc.	2,390,932,859	2,390,932,859	2,390,932,859	
Ayala Land International Sales, Inc.(Conso)	187,332,321	187,332,321	187,332,321	
Ayala Land Sales Inc.	71,467,508	71,467,508	71,467,508	
Ayala Property Management Corporation (Conso)	255,308,812	255,308,812	255,308,812	
AyalaLand Club Management, Inc.	231,823	231,823	231,823	
AREIT Fund Manager, Inc.	164,714,607	164,714,607	164,714,607	
Ayalaland Estates, Inc.	104,839,581	104,839,581	104,839,581	
Ayalaland Hotels and Resorts Corp. (Conso)	313,546,662	313,546,662	313,546,662	
Ayalaland Logistics Holdings Corp. (Conso)	426,144,420	426,144,420	426,144,420	
Ayalaland Malls Synergies, Inc.	13,022,167	13,022,167	13,022,167	
Ayalaland Malls, Inc. (Conso)	20,846,141	20,846,141	20,846,141	
Ayalaland Medical Facilities Leasing Inc.	120,595,672	120,595,672	120,595,672	
Ayalaland Metro North, Inc.	38,434,068	38,434,068	38,434,068	
Ayalaland Offices, Inc. (Conso)	542,562,920	542,562,920	542,562,920	
Ayalaland Premier, Inc.	32,533,795	32,533,795	32,533,795	
BellaVita Land Corp.	1,730,970	1,730,970	1,730,970	
BG West Properties, Inc	7,253,737	7,253,737	7,253,737	
Cagayan De Oro Gateway Corporation	5,211,326	5,211,326	5,211,326	
Cavite Commercial Towncenter Inc.	23,926	23,926	23,926	
Cebu Holdings, Inc. (Conso)	478,851,341	478,851,341	478,851,341	
CECI Realty Corp.	12,803,096	12,803,096	12,803,096	
Crans Montana Property Holdings Corporation	(5,290)	(5,290)	(5,290)	
Crimson Field Enterprises, Inc.	10,050,000	10,050,000	10,050,000	
Direct Power Services Inc.	49,864,776	49,864,776	49,864,776	
First Longfield Investments Ltd.	189,865,435	189,865,435	189,865,435	
FIVE STAR Cinema Inc.	15,015,000	15,015,000	15,015,000	
Hillsford Property Corporation	20,018,889	20,018,889	20,018,889	
Makati Cornerstone Leasing Corp.	312,980,858	312,980,858	312,980,858	
Makati Development Corporation (Conso)	6,497,647,179	6,497,647,179	6,497,647,179	
North Eastern Commercial Corp.	326,730,272	326,730,272	326,730,272	
North Triangle Depot Commercial Corp	186,301,698	186,301,698	186,301,698	



North Ventures Commercial Corp.	180,892,862	180,892,862	180,892,862	
NorthBeacon Commercial Corporation	136,368,079	136,368,079	136,368,079	
Nuevocentro, Inc. (Conso)	41,447,535	41,447,535	41,447,535	
AREIT, Inc.	284,119,832	284,119,832	284,119,832	
Philippine Integrated Energy Solutions, Inc.	151,416,480	151,416,480	151,416,480	
Primavera Towncentre, Inc.	1,407,328	1,407,328	1,407,328	
Red Creek Properties, Inc.	18,000,592	18,000,592	18,000,592	
Regent Time International, Limited	570,599,365	570,599,365	570,599,365	
Regent Wise Investments Limited(Conso)	294,855,072	294,855,072	294,855,072	
Serendra Inc.	296,762,281	296,762,281	296,762,281	
Soltea Commercial Corp.	1,736,013	1,736,013	1,736,013	
Southportal Properties, Inc.	256,609,347	256,609,347	256,609,347	
Station Square East Commercial Corp	93,610,019	93,610,019	93,610,019	
Subic Bay Town Center Inc.	189,920,474	189,920,474	189,920,474	
Summerhill Commercial Ventures Corp.	111,081,407	111,081,407	111,081,407	
Sunnyfield E-Office Corp	10,005,975	10,005,975	10,005,975	
Ten Knots Development Corporation(Conso)	18,206,556	18,206,556	18,206,556	
Ten Knots Philippines, Inc.(Conso)	8,434,757	8,434,757	8,434,757	
Verde Golf Development Corporation	142,445	142,445	142,445	
Vesta Property Holdings Inc.	280,851,377	280,851,377	280,851,377	
Westview Commercial Ventures Corp.	121,144	121,144	121,144	
Whiteknight Holdings, Inc.	29,034,833	29,034,833	29,034,833	
<b>Sub-Total</b>	<b>22,958,312,444</b>	<b>22,958,312,444</b>	<b>22,958,312,444</b>	-

	Amount Owed by ALI SUBSIDIARIES TO MAKATI DEVELOPMENT CORP. AND SUBSIDIARIES			
	Receivable Balance per MDC & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	469,151,955	469,151,955	469,151,955	
Alabang Commercial Corporation (Conso)	45,209,720	45,209,720	45,209,720	
ALI Capital Corp. (Conso)	843,714,013	843,714,013	843,714,013	
ALI Commercial Center, Inc. (Conso)	235,509,826	235,509,826	235,509,826	
Altaraza Development Corporation	760,969	760,969	760,969	
Alveo Land Corporation (Conso)	4,567,833,962	4,567,833,962	4,567,833,962	
Amaia Land Corporation (Conso)	997,136,988	997,136,988	997,136,988	
Amorsedia Development Corporation (Conso)	128,137,631	128,137,631	128,137,631	
Anvaya Cove Golf and Sports Club Inc.	12,270,749	12,270,749	12,270,749	
Arca South Integrated Terminal, Inc	6,164,764	6,164,764	6,164,764	
Arvo Commercial Corporation	561,992,960	561,992,960	561,992,960	
Aurora Properties, Inc.	16,861,421	16,861,421	16,861,421	
Aviana Development Corporation	485,272,225	485,272,225	485,272,225	
Avida Land Corporation (Conso)	2,878,300,439	2,878,300,439	2,878,300,439	
Ayala Hotels Inc.	1,115,586,502	1,115,586,502	1,115,586,502	
Ayala Land International Sales, Inc.(Conso)	2,713	2,713	2,713	
Ayala Property Management Corporation (Conso)	5,926,329	5,926,329	5,926,329	
Ayalaland Estates, Inc.	139,513,898	139,513,898	139,513,898	
Ayalaland Hotels and Resorts Corp. (Conso)	1,435,170,949	1,435,170,949	1,435,170,949	
Ayalaland Logistics Holdings Corp. (Conso)	459,338,401	459,338,401	459,338,401	
Ayalaland Malls Synergies, Inc.	1,469,109	1,469,109	1,469,109	
Ayalaland Medical Facilities Leasing Inc.	2,455,101	2,455,101	2,455,101	
Bay City Commercial Ventures Corp.	849,403,108	849,403,108	849,403,108	
BellaVita Land Corp.	56,146,214	56,146,214	56,146,214	
BG West Properties, Inc	1,674,374,806	1,674,374,806	1,674,374,806	
Cagayan De Oro Gateway Corporation	339,575,679	339,575,679	339,575,679	
Capitol Central Commercial Ventures Corp.	157,174,119	157,174,119	157,174,119	
Cavite Commercial Towncenter Inc.	64,392,271	64,392,271	64,392,271	
Cebu Holdings, Inc. (Conso)	11,338,017	11,338,017	11,338,017	
CECI Realty Corp.	75,579,673	75,579,673	75,579,673	
Crans Montana Property Holdings Corporation	59,598,937	59,598,937	59,598,937	
Direct Power Services Inc.	357,482	357,482	357,482	
Makati Cornerstone Leasing Corp.	116,638,239	116,638,239	116,638,239	
North Eastern Commercial Corp.	12,689,955	12,689,955	12,689,955	
North Triangle Depot Commercial Corp	557,274,643	557,274,643	557,274,643	
Nuevocentro, Inc. (Conso)	661,093,992	661,093,992	661,093,992	
AREIT, Inc.	2,019,459	2,019,459	2,019,459	
Philippine Integrated Energy Solutions, Inc.	19,677,997	19,677,997	19,677,997	
Primavera Towncentre, Inc.	199,041,145	199,041,145	199,041,145	
Roxas Land Corp.	77,634,154	77,634,154	77,634,154	
Serendra Inc.	84,247,013	84,247,013	84,247,013	
Soltea Commercial Corp.	92,285,228	92,285,228	92,285,228	
Southportal Properties, Inc.	48,922,430	48,922,430	48,922,430	

Summerhill Commercial Ventures Corp.	18,690,343	18,690,343	18,690,343	
Sunnyfield E-Office Corp	2,261,577	2,261,577	2,261,577	
Ten Knots Development Corporation(Conso)	22,161,965	22,161,965	22,161,965	
Ten Knots Philippines, Inc.(Conso)	141,293,438	141,293,438	141,293,438	
Vesta Property Holdings Inc.	7,397,851	7,397,851	7,397,851	
Westview Commercial Ventures Corp.	4,735	4,735	4,735	
<b>Sub-Total</b>	<b>19,759,055,092</b>	<b>19,759,055,092</b>	<b>19,759,055,092</b>	

	Amount Owed by ALI Subsidiaries to ACCENDO COMMERCIAL CORP.			
	Receivable Balance per ACCENDO	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Adauge Commercial Corp.	20,788	20,788	20,788	
Alabang Commercial Corporation (Conso)	6,865	6,865	6,865	
ALI Capital Corp. (Conso)	31,397	31,397	31,397	
ALI Commercial Center, Inc. (Conso)	404,070	404,070	404,070	
Alveo Land Corporation (Conso)	1,895,466	1,895,466	1,895,466	
Amaia Land Corporation (Conso)	10,677	10,677	10,677	
Aviana Development Corporation	2,413,994	2,413,994	2,413,994	
Avida Land Corporation (Conso)	5,415,635	5,415,635	5,415,635	
Ayala Property Management Corporation (Conso)	405,935	405,935	405,935	
Ayalaland Estates, Inc.	10,677	10,677	10,677	
AyalaLand Hotels and Resorts Corp. (Conso)	1,068,810	1,068,810	1,068,810	
Ayalaland Logistics Holdings Corp. (Conso)	37,790	37,790	37,790	
AyalaLand Malls, Inc. (Conso)	132,895	132,895	132,895	
Ayalaland Metro North, Inc.	800	800	800	
AyalaLand Offices, Inc. (Conso)	10,677	10,677	10,677	
Bay City Commercial Ventures Corp.	337,901	337,901	337,901	
Cagayan De Oro Gateway Corporation	159,681	159,681	159,681	
Capitol Central Commercial Ventures Corp.	32,791	32,791	32,791	
Cebu Holdings, Inc. (Conso)	5,080	5,080	5,080	
Leisure and Allied Industries Phils. Inc.	163,866	163,866	163,866	
Makati Development Corporation (Conso)	190,531	190,531	190,531	
North Eastern Commercial Corp.	300	300	300	
North Triangle Depot Commercial Corp	37,985	37,985	37,985	
North Ventures Commercial Corp.	300	300	300	
Philippine Integrated Energy Solutions, Inc.	361	361	361	
Station Square East Commercial Corp	6,050	6,050	6,050	
Ten Knots Development Corporation(Conso)	12,497	12,497	12,497	
Ten Knots Philippines, Inc.(Conso)	2,818	2,818	2,818	
Westview Commercial Ventures Corp.	28,067	28,067	28,067	
<b>Sub-Total</b>	<b>12,844,706</b>	<b>12,844,706</b>	<b>12,844,706</b>	-

	Amount Owed by ALI Subsidiaries to ADAUGE COMMERCIAL CORP.			
	Receivable Balance per ADAUGE	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
ALI Capital Corp. (Conso)	10,758,995	10,758,995.14	10,758,995.14	
ALI Commercial Center, Inc. (Conso)	6,046,093	6,046,092.91	6,046,092.91	
Amaia Land Corporation (Conso)	16,148,575	16,148,574.58	16,148,574.58	
Arvo Commercial Corporation	5,324,448	5,324,448.42	5,324,448.42	
Avida Land Corporation (Conso)	1,122,243	1,122,242.96	1,122,242.96	
AyalaLand Hotels and Resorts Corp. (Conso)	22,138,136	22,138,136.14	22,138,136.14	
Ayalaland Logistics Holdings Corp. (Conso)	52,775	52,775.49	52,775.49	
Ayalaland Metro North, Inc.	1,305	1,305.00	1,305.00	
Bay City Commercial Ventures Corp.	391,965	391,965.38	391,965.38	
Capitol Central Commercial Ventures Corp.	1,581	1,581.24	1,581.24	
Direct Power Services Inc.	2,307	2,307.12	2,307.12	
Soltea Commercial Corp.	4,076,123	4,076,122.63	4,076,122.63	
Sunnyfield E-Office Corp	483,392	483,392.00	483,392.00	
Ten Knots Philippines, Inc.(Conso)	25,190	25,190.09	25,190.09	
<b>Sub-Total</b>	<b>66,573,129</b>	<b>66,573,129</b>	<b>66,573,129</b>	-

	Amount Owed by ALI Subsidiaries to ALABANG COMMERCIAL CORP. & SUBSIDIARIES			
	Receivable Balance per ACC & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	40,093,742	40,093,742	40,093,742	
ALI Capital Corp. (Conso)	35,289,391	35,289,391	35,289,391	
ALI Commercial Center, Inc. (Conso)	36,655,501	36,655,501	36,655,501	
Alveo Land Corporation (Conso)	1,413,070	1,413,070	1,413,070	

Amaia Land Corporation (Conso)	32,643,387	32,643,387	32,643,387	
Amorsedia Development Corporation (Conso)	106,394	106,394	106,394	
Arvo Commercial Corporation	5,389,674	5,389,674	5,389,674	
Avida Land Corporation (Conso)	170,847	170,847	170,847	
Ayala Land Sales Inc.	159,239	159,239	159,239	
AyalaLand Hotels and Resorts Corp. (Conso)	18,056,677	18,056,677	18,056,677	
Ayalaland Logistics Holdings Corp. (Conso)	18,989,351	18,989,351	18,989,351	
AyalaLand Offices, Inc. (Conso)	3,119,469	3,119,469	3,119,469	
Bay City Commercial Ventures Corp.	186,346,068	186,346,068	186,346,068	
BellaVita Land Corp.	9,576	9,576	9,576	
Cagayan De Oro Gateway Corporation	46,187	46,187	46,187	
Capitol Central Commercial Ventures Corp.	10,012,778	10,012,778	10,012,778	
Cavite Commercial Towncenter Inc.	10,506	10,506	10,506	
Cebu Holdings, Inc. (Conso)	30,860	30,860	30,860	
FIVE STAR Cinema Inc.	6,079,248	6,079,248	6,079,248	
Leisure and Allied Industries Phils. Inc.	795,824	795,824	795,824	
North Eastern Commercial Corp.	6,600	6,600	6,600	
North Triangle Depot Commercial Corp	380,305	380,305	380,305	
North Ventures Commercial Corp.	1,600	1,600	1,600	
NorthBeacon Commercial Corporation	41,800	41,800	41,800	
Serendra Inc.	161,620	161,620	161,620	
Soltea Commercial Corp.	6,587,127	6,587,127	6,587,127	
Station Square East Commercial Corp	87,737	87,737	87,737	
Summerhill Commercial Ventures Corp.	900	900	900	
Ten Knots Philippines, Inc.(Conso)	36,207,773	36,207,773	36,207,773	
<b>Sub-Total</b>	<b>438,893,249</b>	<b>438,893,249</b>	<b>438,893,249</b>	

	Amount Owed by ALI Subsidiaries to ALI CAPITAL CORP.			
	Receivable Balance per ALI CAPITAL CORP. & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
ALI Capital Corp. (Conso)	3,954,343	3,954,343	3,954,343	
ALI Commercial Center, Inc. (Conso)	138,375	138,375	138,375	
Amaia Land Corporation (Conso)	147,631	147,631	147,631	
Arvo Commercial Corporation	10,889,660	10,889,660	10,889,660	
AyalaLand Hotels and Resorts Corp. (Conso)	9,154,571	9,154,571	9,154,571	
Ayalaland Medical Facilities Leasing Inc.	304,676	304,676	304,676	
Bay City Commercial Ventures Corp.	75,577,268	75,577,268	75,577,268	
Makati Development Corporation (Conso)	149,165	149,165	149,165	
Ten Knots Development Corporation(Conso)	12,073,105	12,073,105	12,073,105	
Ten Knots Philippines, Inc.(Conso)	5,168,232	5,168,232	5,168,232	
Whiteknight Holdings, Inc.	1,119,717	1,119,717	1,119,717	
<b>Sub-Total</b>	<b>118,676,743</b>	<b>118,676,743</b>	<b>118,676,743</b>	

	Amount Owed by ALI Subsidiaries to ALI COMMERCIAL CENTER INC.			
	Receivable Balance per ACCI & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	2,488,605	2,488,605	2,488,605	
Alabang Commercial Corporation (Conso)	3,543,299	3,543,299	3,543,299	
ALI Capital Corp. (Conso)	1,443,083	1,443,083	1,443,083	
ALI Commercial Center, Inc. (Conso)	9,771,424	9,771,424	9,771,424	
ALI-CII Development Corporation	79,162	79,162	79,162	
Alveo Land Corporation (Conso)	2,290,964	2,290,964	2,290,964	
Amaia Land Corporation (Conso)	489,215	489,215	489,215	
Arca South Commercial Ventures Corp.	3,756,554	3,756,554	3,756,554	
Arca South Integrated Terminal, Inc	50,400	50,400	50,400	
Arvo Commercial Corporation	3,115,609	3,115,609	3,115,609	
Avida Land Corporation (Conso)	5,811,717	5,811,717	5,811,717	
Ayala Hotels Inc.	4,050	4,050	4,050	
Ayala Property Management Corporation (Conso)	29,741,740	29,741,740	29,741,740	
Ayala Theaters Management, Inc.	2,663,251	2,663,251	2,663,251	
AREIT Fund Manager, Inc.	50,400	50,400	50,400	
AyalaLand Hotels and Resorts Corp. (Conso)	3,111,039	3,111,039	3,111,039	
Ayalaland Logistics Holdings Corp. (Conso)	332,212	332,212	332,212	
Ayalaland Malls Synergies, Inc.	3,688,119	3,688,119	3,688,119	
AyalaLand Malls, Inc. (Conso)	5,499,524	5,499,524	5,499,524	
Ayalaland Medical Facilities Leasing Inc.	4,082	4,082	4,082	
Ayalaland Metro North, Inc.	164,259	164,259	164,259	
Bay City Commercial Ventures Corp.	19,526,174	19,526,174	19,526,174	

BellaVita Land Corp.	227,938	227,938	227,938	
Cagayan De Oro Gateway Corporation	2,700,684	2,700,684	2,700,684	
Capitol Central Commercial Ventures Corp.	1,170,277	1,170,277	1,170,277	
Cavite Commercial Towncenter Inc.	388,731	388,731	388,731	
Cebu Holdings, Inc. (Conso)	4,970,344	4,970,344	4,970,344	
Crans Montana Property Holdings Corporation	682,469	682,469	682,469	
Direct Power Services Inc.	12,672	12,672	12,672	
FIVE STAR Cinema Inc.	4,578	4,578	4,578	
Leisure and Allied Industries Phils. Inc.	4,792,159	4,792,159	4,792,159	
Makati Cornerstone Leasing Corp.	867,016	867,016	867,016	
Makati Development Corporation (Conso)	147,564	147,564	147,564	
North Eastern Commercial Corp.	2,515,966	2,515,966	2,515,966	
North Triangle Depot Commercial Corp	7,610,863	7,610,863	7,610,863	
North Ventures Commercial Corp.	1,208,072	1,208,072	1,208,072	
NorthBeacon Commercial Corporation	540,084	540,084	540,084	
AREIT, Inc.	91,424	91,424	91,424	
Primavera Towncentre, Inc.	155,700	155,700	155,700	
Serendra Inc.	103,326	103,326	103,326	
Soltea Commercial Corp.	1,028,366	1,028,366	1,028,366	
Station Square East Commercial Corp	3,268,354	3,268,354	3,268,354	
Subic Bay Town Center Inc.	692,019	692,019	692,019	
Summerhill Commercial Ventures Corp.	1,111,727	1,111,727	1,111,727	
Ten Knots Philippines, Inc.(Conso)	1,327,851	1,327,851	1,327,851	
Westview Commercial Ventures Corp.	183,503	183,503	183,503	
<b>Sub-Total</b>	<b>133,426,570</b>	<b>133,426,570</b>	<b>133,426,570</b>	

	Amount Owed by ALI Subsidiaries to ALI-CII DEVELOPMENT CORP			
	Receivable Balance per ALI-CII	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
ALI Commercial Center, Inc. (Conso)	7,546,977	7,546,977	7,546,977	
Amaia Land Corporation (Conso)	77,270	77,270	77,270	
Arca South Integrated Terminal, Inc	1,227,603	1,227,603	1,227,603	
Arvo Commercial Corporation	1,224,485	1,224,485	1,224,485	
Avida Land Corporation (Conso)	798,287	798,287	798,287	
AyalaLand Hotels and Resorts Corp. (Conso)	93,129	93,129	93,129	
Ayalaland Logistics Holdings Corp. (Conso)	6,092,983	6,092,983	6,092,983	
Bay City Commercial Ventures Corp.	74,199,221	74,199,221	74,199,221	
Cagayan De Oro Gateway Corporation	34,954	34,954	34,954	
Capitol Central Commercial Ventures Corp.	2,007,813	2,007,813	2,007,813	
Cebu Holdings, Inc. (Conso)	0	0	0	
Leisure and Allied Industries Phils. Inc.	18,427	18,427	18,427	
North Triangle Depot Commercial Corp	100	100	100	
Soltea Commercial Corp.	22,332,533	22,332,533	22,332,533	
<b>Sub-Total</b>	<b>115,653,783</b>	<b>115,653,783</b>	<b>115,653,783</b>	-

	Amount Owed by ALI Subsidiaries to ALO PRIME REALTY CORP.			
	Receivable Balance per ALO PRIME REALTY CORP.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
AREIT, Inc.	3,578,088	3,578,088	3,578,088	
<b>Sub-Total</b>	<b>3,578,088</b>	<b>3,578,088</b>	<b>3,578,088</b>	-

	Amount Owed by ALI Subsidiaries to ALVEO LAND CORP. & SUBSIDIARIES			
	Receivable Balance per ALVEO LAND CORP. & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	213,934,605	213,934,605	213,934,605	
Adauge Commercial Corp.	28,238	28,238	28,238	
ALI Capital Corp. (Conso)	6,645,462	6,645,462	6,645,462	
ALI Commercial Center, Inc. (Conso)	167,132	167,132	167,132	
Alveo Land Corporation (Conso)	(1,668,688,715)	(1,668,688,715)	(1,668,688,715)	
Amaia Land Corporation (Conso)	162,692,541	162,692,541	162,692,541	
Amorsedia Development Corporation (Conso)	3,431,536	3,431,536	3,431,536	
Arvo Commercial Corporation	6,460,390	6,460,390	6,460,390	
Aurora Properties, Inc.	11,416,835	11,416,835	11,416,835	
Avida Land Corporation (Conso)	15,663,983	15,663,983	15,663,983	
Ayala Land International Sales, Inc.(Conso)	1,006,491	1,006,491	1,006,491	
Ayala Property Management Corporation (Conso)	4,714,477	4,714,477	4,714,477	
AyalaLand Hotels and Resorts Corp. (Conso)	11,661,420	11,661,420	11,661,420	

Ayalaland Logistics Holdings Corp. (Conso)	6,013,530	6,013,530	6,013,530	
Ayalaland Malls Synergies, Inc.	454,086	454,086	454,086	
Ayalaland Malls, Inc. (Conso)	54,613	54,613	54,613	
Ayalaland Medical Facilities Leasing Inc.	273,487	273,487	273,487	
Bay City Commercial Ventures Corp.	138,097,487	138,097,487	138,097,487	
BellaVita Land Corp.	952,753,060	952,753,060	952,753,060	
BG West Properties, Inc	684,020	684,020	684,020	
Cagayan De Oro Gateway Corporation	134,420	134,420	134,420	
Crans Montana Property Holdings Corporation	2,055,571	2,055,571	2,055,571	
Makati Development Corporation (Conso)	35,368,552	35,368,552	35,368,552	
North Eastern Commercial Corp.	4,987	4,987	4,987	
Nuevocentro, Inc. (Conso)	224,781,926	224,781,926	224,781,926	
AREIT, Inc.	22,177	22,177	22,177	
Primavera Towncentre, Inc.	327,166	327,166	327,166	
Serendra Inc.	48,948,740	48,948,740	48,948,740	
Soltea Commercial Corp.	176,640	176,640	176,640	
Summerhill Commercial Ventures Corp.	12,436,524	12,436,524	12,436,524	
Ten Knots Philippines, Inc.(Conso)	512,843	512,843	512,843	
Vesta Property Holdings Inc.	302,666,668	302,666,668	302,666,668	
Westview Commercial Ventures Corp.	5,021,739	5,021,739	5,021,739	
<b>Sub-Total</b>	<b>499,922,633</b>	<b>499,922,633</b>	<b>499,922,633</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to AMAIA LAND, INC. & SUBSIDIARIES			
	Receivable Balance per AMAIA LAND, INC. & SUBSIDIARIES	Payable Balance per ALI Subsidiaries	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Alveo Land Corporation (Conso)	150,000	150,000	150,000	
Amaia Land Corporation (Conso)	239,059	239,059	239,059	
Avida Land Corporation (Conso)	12,239,317	12,239,317	12,239,317	
Ayala Property Management Corporation (Conso)	(37,946)	(37,946)	(37,946)	
BellaVita Land Corp.	95,163,689	95,163,689	95,163,689	
Makati Development Corporation (Conso)	3,322,901	3,322,901	3,322,901	
<b>Sub-Total</b>	<b>111,077,019</b>	<b>111,077,019</b>	<b>111,077,019</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to AMORSEDIA DEVPT. CORP. & SUBSIDIARIES			
	Receivable Balance per AMORSEDIA DEVPT. CORP. & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Amorsedia Development Corporation (Conso)	-	-	-	
Ayala Land Sales Inc.	413,840	413,840	413,840	
Bay City Commercial Ventures Corp.	68,648,159	68,648,159	68,648,159	
BellaVita Land Corp.	11,890,667	11,890,667	11,890,667	
BG West Properties, Inc	386,551,356	386,551,356	386,551,356	
Cagayan De Oro Gateway Corporation	984,580	984,580	984,580	
AREIT, Inc.	9,182,724	9,182,724	9,182,724	
Ten Knots Development Corporation(Conso)	5,205	5,205	5,205	
<b>Sub-Total</b>	<b>477,676,530</b>	<b>477,676,530</b>	<b>477,676,530</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to ANVAYA COVE BEACH & NATURE CLUB, INC.			
	Receivable Balance per ANVAYA COVE BEACH	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Anvaya Cove Golf and Sports Club Inc.	8,574,432	8,574,432	8,574,432	
Ayala Property Management Corporation (Conso)	89,533	89,533	89,533	
<b>Sub-Total</b>	<b>8,663,965</b>	<b>8,663,965</b>	<b>8,663,965</b>	

	Amount Owed by ALI Subsidiaries to ANVAYA COVE GOLF & NATURE CLUB, INC.			
	Receivable Balance per ANVAYA COVE GOLF	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Anvaya Cove Beach and Nature Club Inc	1,492,585	1,492,585	1,492,585	
Ayala Property Management Corporation (Conso)	4,583	4,583	4,583	
Makati Development Corporation (Conso)	228,311	228,311	228,311	
<b>Sub-Total</b>	<b>1,725,478</b>	<b>1,725,478</b>	<b>1,725,478</b>	

	Amount Owed by ALI Subsidiaries to APRISA BUSINESS SOLUTIONS, INC.			
	Receivable Balance per APRISA	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				

Accendo Commercial Corp	730,901	730,901	730,901
Adauge Commercial Corp.	(20,395)	(20,395)	(20,395)
Alabang Commercial Corporation (Conso)	926,269	926,269	926,269
ALI Capital Corp. (Conso)	7,050,524	7,050,524	7,050,524
ALI Commercial Center, Inc. (Conso)	4,771,133	4,771,133	4,771,133
ALI-CII Development Corporation	84,259	84,259	84,259
ALO Prime Realty Corporation	197,232	197,232	197,232
Alveo Land Corporation (Conso)	723,324	723,324	723,324
Amaia Land Corporation (Conso)	3,010,003	3,010,003	3,010,003
Amorsedia Development Corporation (Conso)	6,791	6,791	6,791
Arvo Commercial Corporation	501,805	501,805	501,805
Aurora Properties, Inc.	95,368	95,368	95,368
Aviana Development Corporation	26,466	26,466	26,466
Avida Land Corporation (Conso)	1,954,030	1,954,030	1,954,030
Ayala Property Management Corporation (Conso)	279,518	279,518	279,518
AREIT Fund Manager, Inc.	97,944	97,944	97,944
Ayalaland Estates, Inc.	73,427	73,427	73,427
AyalaLand Hotels and Resorts Corp. (Conso)	12,485,377	12,485,377	12,485,377
Ayalaland Logistics Holdings Corp. (Conso)	1,661,710	1,661,710	1,661,710
Ayalaland Metro North, Inc.	103,891	103,891	103,891
AyalaLand Offices, Inc. (Conso)	197,952	197,952	197,952
Bay City Commercial Ventures Corp.	70,196,228	70,196,228	70,196,228
BellaVita Land Corp.	7,045,086	7,045,086	7,045,086
Cagayan De Oro Gateway Corporation	862,597	862,597	862,597
Capitol Central Commercial Ventures Corp.	107,330	107,330	107,330
Cavite Commercial Towncenter Inc.	332,985	332,985	332,985
CECI Realty Corp.	157,438	157,438	157,438
Crans Montana Property Holdings Corporation	79,895	79,895	79,895
Makati Cornerstone Leasing Corp.	945,637	945,637	945,637
Makati Development Corporation (Conso)	486,923	486,923	486,923
North Eastern Commercial Corp.	1,058,634	1,058,634	1,058,634
North Triangle Depot Commercial Corp	(19,085)	(19,085)	(19,085)
North Ventures Commercial Corp.	642,309	642,309	642,309
Nuevocentro, Inc. (Conso)	237,082	237,082	237,082
Serendra Inc.	965,143	965,143	965,143
Soltea Commercial Corp.	499,251	499,251	499,251
Station Square East Commercial Corp	2,215,495	2,215,495	2,215,495
Summerhill Commercial Ventures Corp.	866,203	866,203	866,203
Ten Knots Development Corporation(Conso)	25,343	25,343	25,343
Ten Knots Philippines, Inc.(Conso)	5,587,151	5,587,151	5,587,151
Vesta Property Holdings Inc.	70,325	70,325	70,325
Westview Commercial Ventures Corp.	11,872	11,872	11,872
<b>Sub-Total</b>	<b>127,331,373</b>	<b>127,331,373</b>	<b>127,331,373</b>

	Amount Owed by ALI Subsidiaries to AREIT FUND MANAGER, INC.			
	Receivable Balance per AREIT FUND MANAGER, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	(7,446,883)	(7,446,883)	(7,446,883)	
ALI Commercial Center, Inc. (Conso)	8,673	8,673	8,673	
Amaia Land Corporation (Conso)	(73,521,177)	(73,521,177)	(73,521,177)	
Amorsedia Development Corporation (Conso)	(24,885,351)	(24,885,351)	(24,885,351)	
Arca South Commercial Ventures Corp.	7,863	7,863	7,863	
Arvo Commercial Corporation	10,000,000	10,000,000	10,000,000	
Ayala Property Management Corporation (Conso)	9,670,292	9,670,292	9,670,292	
AyalaLand Hotels and Resorts Corp. (Conso)	27,000,000	27,000,000	27,000,000	
Ayalaland Logistics Holdings Corp. (Conso)	(26,979,097)	(26,979,097)	(26,979,097)	
Ayalaland Metro North, Inc.	16,300,000	16,300,000	16,300,000	
Bay City Commercial Ventures Corp.	178,796,496	178,796,496	178,796,496	
Cagayan De Oro Gateway Corporation	103,293	103,293	103,293	
Capitol Central Commercial Ventures Corp.	2,026,567	2,026,567	2,026,567	
Cebu Holdings, Inc. (Conso)	(62,869,978)	(62,869,978)	(62,869,978)	
Crans Montana Property Holdings Corporation	(32,508,760)	(32,508,760)	(32,508,760)	
Direct Power Services Inc.	36,516	36,516	36,516	
AREIT, Inc.	812,955	812,955	812,955	
Soltea Commercial Corp.	40,482,937	40,482,937	40,482,937	
Ten Knots Philippines, Inc.(Conso)	30,453,656	30,453,656	30,453,656	
<b>Sub-Total</b>	<b>87,488,003</b>	<b>87,488,003</b>	<b>87,488,003</b>	

	<b>Amount Owed by ALI Subsidiaries to AREIT PROPERTY MANAGER, INC.</b>
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	Receivable Balance per AREIT PROPERTY MANAGER, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
AREIT, Inc.	132,382,074	132,382,073.62	132,382,073.62	
<b>Sub-Total</b>	<b>132,382,074</b>	<b>132,382,074</b>	<b>132,382,074</b>	

	Amount Owed by ALI Subsidiaries to AREIT, INC.			
	Receivable Balance per AREIT, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	38,116,832	38,116,832	38,116,832	
ALI Capital Corp. (Conso)	35,622,688	35,622,688	35,622,688	
ALI Commercial Center, Inc. (Conso)	11,078,757	11,078,757	11,078,757	
Alveo Land Corporation (Conso)	1,755,974	1,755,974	1,755,974	
Amaia Land Corporation (Conso)	84,119,559	84,119,559	84,119,559	
Amorsedia Development Corporation (Conso)	3,768,013	3,768,013	3,768,013	
Arca South Commercial Ventures Corp.	2,250,258	2,250,258	2,250,258	
Arvo Commercial Corporation	8,768,252	8,768,252	8,768,252	
Ayala Property Management Corporation (Conso)	921,869	921,869	921,869	
AyalaLand Hotels and Resorts Corp. (Conso)	2,335,494,897	2,335,494,897	2,335,494,897	
Ayalaland Logistics Holdings Corp. (Conso)	6,095,684	6,095,684	6,095,684	
Ayalaland Malls Synergies, Inc.	2,464,491	2,464,491	2,464,491	
Bay City Commercial Ventures Corp.	337,982,540	337,982,540	337,982,540	
BellaVita Land Corp.	39,830	39,830	39,830	
Cagayan De Oro Gateway Corporation	537,083	537,083	537,083	
Capitol Central Commercial Ventures Corp.	4,363,618	4,363,618	4,363,618	
Cavite Commercial Towncenter Inc.	657,962	657,962	657,962	
Cebu Holdings, Inc. (Conso)	42,082	42,082	42,082	
Crans Montana Property Holdings Corporation	1,246,956	1,246,956	1,246,956	
North Eastern Commercial Corp.	948,398,284	948,398,284	948,398,284	
North Triangle Depot Commercial Corp	985	985	985	
Soltea Commercial Corp.	3,167,767	3,167,767	3,167,767	
Sunnyfield E-Office Corp	150	150	150	
Westview Commercial Ventures Corp.	9,838,850	9,838,850	9,838,850	
<b>Sub-Total</b>	<b>3,836,733,381</b>	<b>3,836,733,381</b>	<b>3,836,733,381</b>	

	Amount Owed by ALI Subsidiaries to ARVO COMMERCIAL CORP.			
	Receivable Balance per ARVO COMMERCIAL CORP.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Alabang Commercial Corporation (Conso)	1,860	1,860	1,860	
ALI Commercial Center, Inc. (Conso)	35,790	35,790	35,790	
AyalaLand Malls, Inc. (Conso)	4,999	4,999	4,999	
Cavite Commercial Towncenter Inc.	175,908	175,908	175,908	
Leisure and Allied Industries Phils. Inc.	3,753,848	3,753,848	3,753,848	
North Triangle Depot Commercial Corp	6,520	6,520	6,520	
North Ventures Commercial Corp.	4,158	4,158	4,158	
AREIT, Inc.	2,914	2,914	2,914	
Primavera Towncentre, Inc.	308,275	308,275	308,275	
Soltea Commercial Corp.	13,450	13,450	13,450	
Station Square East Commercial Corp	1,670	1,670	1,670	
<b>Sub-Total</b>	<b>4,309,391</b>	<b>4,309,391</b>	<b>4,309,391</b>	

	Amount Owed by ALI Subsidiaries to AURORA PROPERTIES, INC.			
	Receivable Balance per AURORA PROPERTIES, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
ALI Capital Corp. (Conso)	559,161	559,161	559,161	
Alveo Land Corporation (Conso)	1,003,294	1,003,294	1,003,294	
Amaia Land Corporation (Conso)	25,000	25,000	25,000	
Amorsedia Development Corporation (Conso)	155,907,600	155,907,600	155,907,600	
Arvo Commercial Corporation	1,787,177	1,787,177	1,787,177	
Avida Land Corporation (Conso)	8,897,169	8,897,169	8,897,169	
AyalaLand Hotels and Resorts Corp. (Conso)	5,293,839	5,293,839	5,293,839	
Ayalaland Metro North, Inc.	871	871	871	
Bay City Commercial Ventures Corp.	17,931,963	17,931,963	17,931,963	
Cagayan De Oro Gateway Corporation	893,836	893,836	893,836	
Cavite Commercial Towncenter Inc.	637,669	637,669	637,669	

CECI Realty Corp.	167,851	167,851	167,851	
Crans Montana Property Holdings Corporation	80,408,117	80,408,117	80,408,117	
Makati Development Corporation (Conso)	9,180	9,180	9,180	
Nuevocentro, Inc. (Conso)	103,900	103,900	103,900	
Soltea Commercial Corp.	10,851,084	10,851,084	10,851,084	
Ten Knots Development Corporation(Conso)	726	726	726	
Ten Knots Philippines, Inc.(Conso)	2,007,594	2,007,594	2,007,594	
Vesta Property Holdings Inc.	27,739	27,739	27,739	
<b>Sub-Total</b>	<b>286,513,768</b>	<b>286,513,768</b>	<b>286,513,768</b>	

	Amount Owed by ALI Subsidiaries to AVIANA DEVELOPMENT CORP.			
	Receivable Balance per AVIANA DEVELOPMENT CORP.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Alveo Land Corporation (Conso)	216,729,226	216,729,226	216,729,226	
Makati Development Corporation (Conso)	459,839	459,839	459,839	
<b>Sub-Total</b>	<b>217,189,066</b>	<b>217,189,066</b>	<b>217,189,066</b>	

	Amount Owed by ALI Subsidiaries to AVIDA LAND CORP. & SUBSIDIARIES			
	Receivable Balance per AVIDA LAND CORP. & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	136,469,064	136,469,064	136,469,064	
ALI Capital Corp. (Conso)	1,491,212	1,491,212	1,491,212	
ALI Commercial Center, Inc. (Conso)	99,856	99,856	99,856	
ALI-CII Development Corporation	75,000	75,000	75,000	
Alveo Land Corporation (Conso)	122,611,568	122,611,568	122,611,568	
Amaia Land Corporation (Conso)	55,884,968	55,884,968	55,884,968	
Amorsedia Development Corporation (Conso)	2,237,256	2,237,256	2,237,256	
Arvo Commercial Corporation	54,937,974	54,937,974	54,937,974	
Aurora Properties, Inc.	39,638,045	39,638,045	39,638,045	
Avida Land Corporation (Conso)	(1,851,164)	(1,851,164)	(1,851,164)	
Ayala Hotels Inc.	25,702	25,702	25,702	
Ayala Land International Sales, Inc.(Conso)	12,748,830	12,748,830	12,748,830	
Ayala Property Management Corporation (Conso)	9,006,153	9,006,153	9,006,153	
Ayala Theaters Management, Inc.	69,503	69,503	69,503	
Ayalaland Estates, Inc.	234,565,215	234,565,215	234,565,215	
Ayalaland Hotels and Resorts Corp. (Conso)	16,663,362	16,663,362	16,663,362	
Ayalaland Logistics Holdings Corp. (Conso)	5,914,842	5,914,842	5,914,842	
Ayalaland Malls Synergies, Inc.	242,413	242,413	242,413	
AyalaLand Offices, Inc. (Conso)	0	0	0	
Bay City Commercial Ventures Corp.	66,454,175	66,454,175	66,454,175	
BellaVita Land Corp.	438,691,790	438,691,790	438,691,790	
BG West Properties, Inc	1,213,675,050	1,213,675,050	1,213,675,050	
Cagayan De Oro Gateway Corporation	433,681,939	433,681,939	433,681,939	
Cebu Holdings, Inc. (Conso)	35,028,546	35,028,546	35,028,546	
CECI Realty Corp.	257,812	257,812	257,812	
Crans Montana Property Holdings Corporation	47,731	47,731	47,731	
Makati Development Corporation (Conso)	20,928,267	20,928,267	20,928,267	
Nuevocentro, Inc. (Conso)	190,135,970	190,135,970	190,135,970	
Roxas Land Corp.	457,239	457,239	457,239	
Serendra Inc.	2,498,773	2,498,773	2,498,773	
Soltea Commercial Corp.	10,130,531	10,130,531	10,130,531	
Station Square East Commercial Corp	420,337	420,337	420,337	
Summerhill Commercial Ventures Corp.	41,319	41,319	41,319	
Ten Knots Philippines, Inc.(Conso)	19,239,626	19,239,626	19,239,626	
Vesta Property Holdings Inc.	14,801	14,801	14,801	
<b>Sub-Total</b>	<b>3,122,533,706</b>	<b>3,122,533,706</b>	<b>3,122,533,706</b>	-

	Amount Owed by ALI Subsidiaries to AYALA HOTELS, INC.			
	Receivable Balance per AHI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
ALI Capital Corp. (Conso)	82,634,964	82,634,964	82,634,964	
ALI Commercial Center, Inc. (Conso)	110,125	110,125	110,125	
Alveo Land Corporation (Conso)	24,724	24,724	24,724	
Amaia Land Corporation (Conso)	74,459,961	74,459,961	74,459,961	
Amorsedia Development Corporation (Conso)	5,295,694	5,295,694	5,295,694	
Arca South Commercial Ventures Corp.	489,867	489,867	489,867	



Arca South Integrated Terminal, Inc	1,024,433	1,024,433	1,024,433	
Arvo Commercial Corporation	382,729,500	382,729,500	382,729,500	
Avida Land Corporation (Conso)	1,235,591	1,235,591	1,235,591	
Ayala Land International Sales, Inc.(Conso)	4,500,000	4,500,000	4,500,000	
AyalaLand Hotels and Resorts Corp. (Conso)	820,029,173	820,029,173	820,029,173	
Ayalaland Logistics Holdings Corp. (Conso)	8,266,342	8,266,342	8,266,342	
Ayalaland Metro North, Inc.	198,822	198,822	198,822	
Bay City Commercial Ventures Corp.	253,582,211	253,582,211	253,582,211	
BellaVita Land Corp.	17,104	17,104	17,104	
BG West Properties, Inc	1,149,688,521	1,149,688,521	1,149,688,521	
Cagayan De Oro Gateway Corporation	6,490,419	6,490,419	6,490,419	
Capitol Central Commercial Ventures Corp.	209,980,183	209,980,183	209,980,183	
Cavite Commercial Towncenter Inc.	123,699,717	123,699,717	123,699,717	
Cebu Holdings, Inc. (Conso)	320,133	320,133	320,133	
Crans Montana Property Holdings Corporation	147,870	147,870	147,870	
AREIT, Inc.	3,772	3,772	3,772	
Primavera Towncentre, Inc.	48,356,200	48,356,200	48,356,200	
Soltea Commercial Corp.	43,470,206	43,470,206	43,470,206	
Summerhill Commercial Ventures Corp.	695,683	695,683	695,683	
Ten Knots Development Corporation(Conso)	16,117	16,117	16,117	
Ten Knots Philippines, Inc.(Conso)	151,449,249	151,449,249	151,449,249	
<b>Sub-Total</b>	<b>3,368,916,580</b>	<b>3,368,916,580</b>	<b>3,368,916,580</b>	

	Amount Owed by ALI Subsidiaries to AYALA LAND INTERNATIONAL SALES, INC. & SUBS.			
	Receivable Balance per ALISI & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Alveo Land Corporation (Conso)	52,117,864	52,117,864	52,117,864	
Amaia Land Corporation (Conso)	33,057,105	33,057,105	33,057,105	
Amorsedia Development Corporation (Conso)	39,460	39,460	39,460	
Avida Land Corporation (Conso)	92,082,944	92,082,944	92,082,944	
AyalaLand Hotels and Resorts Corp. (Conso)	4,725,818	4,725,818	4,725,818	
BellaVita Land Corp.	1,571,532	1,571,532	1,571,532	
Crans Montana Property Holdings Corporation	15,200	15,200	15,200	
Nuevocentro, Inc. (Conso)	51,928	51,928	51,928	
<b>Sub-Total</b>	<b>183,661,851</b>	<b>183,661,851</b>	<b>183,661,851</b>	

	Amount Owed by ALI Subsidiaries to AYALA LAND SALES, INC.			
	Receivable Balance per ALSI	Payable Balance per ALI Subsidiaries	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Alveo Land Corporation (Conso)	347,840	347,840	347,840	
Amaia Land Corporation (Conso)	13,988,834	13,988,834	13,988,834	
Amorsedia Development Corporation (Conso)	2,650,083	2,650,083	2,650,083	
Arvo Commercial Corporation	108,499	108,499	108,499	
Avida Land Corporation (Conso)	2,772,830	2,772,830	2,772,830	
AyalaLand Hotels and Resorts Corp. (Conso)	298,456	298,456	298,456	
Ayalaland Logistics Holdings Corp. (Conso)	10,843,415	10,843,415	10,843,415	
Bay City Commercial Ventures Corp.	26,902,592	26,902,592	26,902,592	
BellaVita Land Corp.	52,832	52,832	52,832	
Cavite Commercial Towncenter Inc.	5,130,594	5,130,594	5,130,594	
CECI Realty Corp.	2,941,999	2,941,999	2,941,999	
AREIT, Inc.	465	465	465	
Soltea Commercial Corp.	41,278,860	41,278,860	41,278,860	
Ten Knots Philippines, Inc.(Conso)	6,023,117	6,023,117	6,023,117	
<b>Sub-Total</b>	<b>113,340,417</b>	<b>113,340,417</b>	<b>113,340,417</b>	

	Amount Owed by ALI Subsidiaries to AYALA PROPERTY MANAGEMENT CORP. & Subsidiaries			
	Receivable Balance per APMC & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	330,000	330,000	330,000	
Adauge Commercial Corp.	142,944	142,944	142,944	
Alabang Commercial Corporation (Conso)	117,187	117,187	117,187	
ALI Capital Corp. (Conso)	86,492	86,492	86,492	
ALI Commercial Center, Inc. (Conso)	16,023,411	16,023,411	16,023,411	
Alveo Land Corporation (Conso)	32,996,237	32,996,237	32,996,237	
Amaia Land Corporation (Conso)	42,725,842	42,725,842	42,725,842	
Amorsedia Development Corporation (Conso)	23,046,596	23,046,596	23,046,596	
APRISA Business Process Solutions, Inc	2,902,238	2,902,238	2,902,238	
Arca South Integrated Terminal, Inc	106,597	106,597	106,597	

Arvo Commercial Corporation	480,753	480,753	480,753	
Aurora Properties, Inc.	124,240	124,240	124,240	
Aviana Development Corporation	178,853	178,853	178,853	
Avida Land Corporation (Conso)	34,559,483	34,559,483	34,559,483	
Ayala Hotels Inc.	1,430,717	1,430,717	1,430,717	
Ayala Land Sales Inc.	300	300	300	
Ayalaland Estates, Inc.	6,566,432	6,566,432	6,566,432	
AyalaLand Hotels and Resorts Corp. (Conso)	273,956,852	273,956,852	273,956,852	
Ayalaland Logistics Holdings Corp. (Conso)	1,643,253	1,643,253	1,643,253	
AyalaLand Malls, Inc. (Conso)	1,455,525	1,455,525	1,455,525	
Ayalaland Metro North, Inc.	191,442	191,442	191,442	
AyalaLand Offices, Inc. (Conso)	-	-	-	
Bay City Commercial Ventures Corp.	320,268,413	320,268,413	320,268,413	
BG West Properties, Inc.	7,967,153	7,967,153	7,967,153	
Cagayan De Oro Gateway Corporation	1,383,503	1,383,503	1,383,503	
Capitol Central Commercial Ventures Corp.	33,950	33,950	33,950	
Cavite Commercial Towncenter Inc.	196,442	196,442	196,442	
Cebu Holdings, Inc. (Conso)	3,331,778	3,331,778	3,331,778	
Crans Montana Property Holdings Corporation	806,400	806,400	806,400	
Hillsford Property Corporation	81,830	81,830	81,830	
Makati Cornerstone Leasing Corp.	3,116,579	3,116,579	3,116,579	
North Eastern Commercial Corp.	888,534	888,534	888,534	
North Triangle Depot Commercial Corp	191,442	191,442	191,442	
North Ventures Commercial Corp.	13,182,710	13,182,710	13,182,710	
NorthBeacon Commercial Corporation	194,542	194,542	194,542	
Nuevocentro, Inc. (Conso)	8,578,450	8,578,450	8,578,450	
AREIT, Inc.	7,442,296	7,442,296	7,442,296	
Philippine Integrated Energy Solutions, Inc.	90,589,509	90,589,509	90,589,509	
Roxas Land Corp.	66,000	66,000	66,000	
Serendra Inc.	13,488,153	13,488,153	13,488,153	
Soltea Commercial Corp.	111,310,520	111,310,520	111,310,520	
Southportal Properties, Inc.	2,414,342	2,414,342	2,414,342	
Station Square East Commercial Corp	191,442	191,442	191,442	
Subic Bay Town Center Inc.	143,582	143,582	143,582	
Summerhill Commercial Ventures Corp.	191,442	191,442	191,442	
Vesta Property Holdings Inc.	426,700	426,700	426,700	
Westview Commercial Ventures Corp.	5,346,702	5,346,702	5,346,702	
<b>Sub-Total</b>	<b>1,030,897,806</b>	<b>1,030,897,806</b>	<b>1,030,897,806</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to AYALA THEATERS MANAGEMENT, INC.			
	Receivable Balance per ATMI	Payable Balance per ALI Subsidiaries	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
ALI Commercial Center, Inc. (Conso)	3,996	3,996	3,996	
Arvo Commercial Corporation	93,184	93,184	93,184	
AyalaLand Malls, Inc. (Conso)	3,996	3,996	3,996	
Ayalaland Metro North, Inc.	45,640	45,640	45,640	
Bay City Commercial Ventures Corp.	4,042	4,042	4,042	
Makati Cornerstone Leasing Corp.	(1,000)	(1,000)	(1,000)	
North Eastern Commercial Corp.	193,872	193,872	193,872	
North Ventures Commercial Corp.	269,976	269,976	269,976	
Summerhill Commercial Ventures Corp.	44,800	44,800	44,800	
<b>Sub-Total</b>	<b>658,506</b>	<b>658,506</b>	<b>658,506</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to AYALALAND CLUB MANAGEMENT, INC.			
	Receivable Balance per ACMI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Anvaya Cove Beach and Nature Club Inc	6,175,814	6,175,814	6,175,814	
Anvaya Cove Golf and Sports Club Inc.	3,421,075	3,421,075	3,421,075	
APRISA Business Process Solutions, Inc	4,500	4,500	4,500	
Ayala Land Sales Inc.	84,000	84,000	84,000	
Ayalaland Estates, Inc.	73,500	73,500	73,500	
AyalaLand Malls, Inc. (Conso)	500	500	500	
AyalaLand Offices, Inc. (Conso)	1,500	1,500	1,500	
Ayalaland Premier, Inc.	319,500	319,500	319,500	
BellaVita Land Corp.	3,000	3,000	3,000	
Nuevocentro, Inc. (Conso)	2,469,000	2,469,000	2,469,000	
<b>Sub-Total</b>	<b>12,552,389</b>	<b>12,552,389</b>	<b>12,552,389</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to AYALALAND ESTATES, INC.			
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	Receivable Balance per AEI	Payable Balance per ALI Subsidiaries	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
ALI Capital Corp. (Conso)	175,615	175,615	175,615	
ALI Commercial Center, Inc. (Conso)	1,308,888	1,308,888	1,308,888	
Alveo Land Corporation (Conso)	19,400	19,400	19,400	
Amaia Land Corporation (Conso)	5,012,213	5,012,213	5,012,213	
Amorsedia Development Corporation (Conso)	110,101,796	110,101,796	110,101,796	
Arca South Integrated Terminal, Inc	1,993,666	1,993,666	1,993,666	
Arvo Commercial Corporation	1,901,922	1,901,922	1,901,922	
Avida Land Corporation (Conso)	15,032	15,032	15,032	
Ayalaland Estates, Inc.	1,847,520	1,847,520	1,847,520	
Ayalaland Hotels and Resorts Corp. (Conso)	859,136	859,136	859,136	
Ayalaland Logistics Holdings Corp. (Conso)	23,179	23,179	23,179	
Bay City Commercial Ventures Corp.	15,423,898	15,423,898	15,423,898	
Cagayan De Oro Gateway Corporation	353,514	353,514	353,514	
Cebu Holdings, Inc. (Conso)	11,139	11,139	11,139	
CECI Realty Corp.	26,871	26,871	26,871	
Crans Montana Property Holdings Corporation	157,533,093	157,533,093	157,533,093	
Crimson Field Enterprises, Inc.	6,995	6,995	6,995	
Makati Development Corporation (Conso)	33,150	33,150	33,150	
North Eastern Commercial Corp.	52,274,405	52,274,405	52,274,405	
Nuevocentro, Inc. (Conso)	735,008	735,008	735,008	
Red Creek Properties, Inc.	5,852,355	5,852,355	5,852,355	
Soltea Commercial Corp.	136,850	136,850	136,850	
Ten Knots Philippines, Inc.(Conso)	22,229	22,229	22,229	
Vesta Property Holdings Inc.	7,416	7,416	7,416	
<b>Sub-Total</b>	<b>355,675,291</b>	<b>355,675,291</b>	<b>355,675,291</b>	

	Amount Owed by ALI Subsidiaries to AYALA HOTELS & RESORTS GROUP			
	Receivable Balance per AHRC & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
ALI Capital Corp. (Conso)	139,680	139,680	139,680	
Avida Land Corporation (Conso)	19,200	19,200	19,200	
Ayala Hotels Inc.	362	362	362	
Ayala Property Management Corporation (Conso)	370,404	370,404	370,404	
Ayalaland Hotels and Resorts Corp. (Conso)	4,404,794,312	4,404,794,312	4,404,794,312	
Ayalaland Logistics Holdings Corp. (Conso)	143,944	143,944	143,944	
Ayalaland Malls, Inc. (Conso)	139,680	139,680	139,680	
AyalaLand Offices, Inc. (Conso)	142,710	142,710	142,710	
BellaVita Land Corp.	427	427	427	
Cebu Holdings, Inc. (Conso)	8,752,633	8,752,633	8,752,633	
Integrated Eco-Resort Inc.	29,568	29,568	29,568	
Makati Development Corporation (Conso)	4,553	4,553	4,553	
Ten Knots Development Corporation (Conso)	2,902,088	2,902,088	2,902,088	
Ten Knots Philippines, Inc. (Conso)	2,891,108	2,891,108	2,891,108	
AHRC Corporate	2,896,117,466	2,896,117,466	2,896,117,466	
<b>Sub-Total</b>	<b>7,316,448,133</b>	<b>7,316,448,133</b>	<b>7,316,448,133</b>	-

	Amount Owed by ALI Subsidiaries to AYALALAND LOGISTICS HOLDINGS CORP. (Conso)			
	Receivable Balance per ALLHC & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	18,055,765	18,055,765	18,055,765	
Alabang Commercial Corporation (Conso)	35,390	35,390	35,390	
ALI Capital Corp. (Conso)	49,136,662	49,136,662	49,136,662	
ALI Commercial Center, Inc. (Conso)	8,735,180	8,735,180	8,735,180	
Amaia Land Corporation (Conso)	26,980,066	26,980,066	26,980,066	
Amorsedia Development Corporation (Conso)	84,263	84,263	84,263	
Arvo Commercial Corporation	20,754,454	20,754,454	20,754,454	
Avida Land Corporation (Conso)	4,900,978	4,900,978	4,900,978	
Ayala Property Management Corporation (Conso)	1,233	1,233	1,233	
Ayalaland Hotels and Resorts Corp. (Conso)	18,710,573	18,710,573	18,710,573	
Ayalaland Malls Synergies, Inc.	269,437	269,437	269,437	
Ayalaland Metro North, Inc.	14,187,471	14,187,471	14,187,471	
Bay City Commercial Ventures Corp.	620,177,629	620,177,629	620,177,629	
BellaVita Land Corp.	132,839	132,839	132,839	
Cagayan De Oro Gateway Corporation	539,191	539,191	539,191	
Capitol Central Commercial Ventures Corp.	76,522,178	76,522,178	76,522,178	
Cavite Commercial Towncenter Inc.	10,267,682	10,267,682	10,267,682	

Cebu Holdings, Inc. (Conso)	362,890	362,890	362,890
Crans Montana Property Holdings Corporation	4,608	4,608	4,608
Leisure and Allied Industries Phils. Inc.	(50,600)	(50,600)	(50,600)
Makati Development Corporation (Conso)	62,727	62,727	62,727
North Eastern Commercial Corp.	90,580	90,580	90,580
North Triangle Depot Commercial Corp	1,164	1,164	1,164
North Ventures Commercial Corp.	274,320	274,320	274,320
Nuevocentro, Inc. (Conso)	1,628,357	1,628,357	1,628,357
Soltea Commercial Corp.	21,200,467	21,200,467	21,200,467
Station Square East Commercial Corp	400	400	400
Summerhill Commercial Ventures Corp.	112,448	112,448	112,448
Ten Knots Development Corporation(Conso)	8,021,590	8,021,590	8,021,590
Ten Knots Philippines, Inc.(Conso)	4,085,015	4,085,015	4,085,015
<b>Sub-Total</b>	<b>905,284,956</b>	<b>905,284,956</b>	<b>905,284,956</b>

	Amount Owed by ALI Subsidiaries to AYALALAND MALLS SYNERGIES, INC.			
	Receivable Balance per AMSI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
ALI Commercial Center, Inc. (Conso)	2,014,892	2,014,892	2,014,892	
Arca South Commercial Ventures Corp.	129,757	129,757	129,757	
AREIT Fund Manager, Inc.	345	345	345	
Ayalaland Logistics Holdings Corp. (Conso)	6,257,362	6,257,362	6,257,362	
Bay City Commercial Ventures Corp.	5,204,709	5,204,709	5,204,709	
Cebu Holdings, Inc. (Conso)	152,958	152,958	152,958	
North Eastern Commercial Corp.	29,864	29,864	29,864	
Soltea Commercial Corp.	4,058,674	4,058,674	4,058,674	
Ten Knots Philippines, Inc.(Conso)	8,189,443	8,189,443	8,189,443	
<b>Sub-Total</b>	<b>26,038,005</b>	<b>26,038,005</b>	<b>26,038,005</b>	

	Amount Owed by ALI Subsidiaries to AYALALAND MALLS, INC. & Subsidiaries			
	Receivable Balance per ALMI & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	3,949,716	3,949,716	3,949,716	
Adauge Commercial Corp.	586,912	586,912	586,912	
Alabang Commercial Corporation (Conso)	1,770,214	1,770,214	1,770,214	
ALI Commercial Center, Inc. (Conso)	3,759,204	3,759,204	3,759,204	
Arca South Commercial Ventures Corp.	77,786	77,786	77,786	
Arvo Commercial Corporation	5,423,117	5,423,117	5,423,117	
Ayalaland Logistics Holdings Corp. (Conso)	935,084	935,084	935,084	
Ayalaland Malls Synergies, Inc.	239,473	239,473	239,473	
Ayalaland Malls, Inc. (Conso)	3,991,101	3,991,101	3,991,101	
Ayalaland Metro North, Inc.	1,260,705	1,260,705	1,260,705	
Bay City Commercial Ventures Corp.	12,291,476	12,291,476	12,291,476	
Cagayan De Oro Gateway Corporation	1,360,036	1,360,036	1,360,036	
Capitol Central Commercial Ventures Corp.	3,889,018	3,889,018	3,889,018	
Cavite Commercial Towncenter Inc.	3,209,127	3,209,127	3,209,127	
Cebu Holdings, Inc. (Conso)	7,091,692	7,091,692	7,091,692	
Makati Cornerstone Leasing Corp.	2,017,501	2,017,501	2,017,501	
North Eastern Commercial Corp.	8,220,017	8,220,017	8,220,017	
North Triangle Depot Commercial Corp	518,591	518,591	518,591	
North Ventures Commercial Corp.	5,015,865	5,015,865	5,015,865	
NorthBeacon Commercial Corporation	24,273	24,273	24,273	
Nuevocentro, Inc. (Conso)	2,415	2,415	2,415	
AREIT, Inc.	1,354,212	1,354,212	1,354,212	
Primavera Towncentre, Inc.	282,887	282,887	282,887	
Soltea Commercial Corp.	1,713,334	1,713,334	1,713,334	
Station Square East Commercial Corp	5,484,551	5,484,551	5,484,551	
Subic Bay Town Center Inc.	159,622	159,622	159,622	
Summerhill Commercial Ventures Corp.	1,321,875	1,321,875	1,321,875	
Westview Commercial Ventures Corp.	129,611	129,611	129,611	
<b>Sub-Total</b>	<b>76,079,416</b>	<b>76,079,416</b>	<b>76,079,416</b>	

	Amount Owed by ALI Subsidiaries to AYALALAND MEDICAL FACILITIES LEASING, INC.			
	Receivable Balance per AMFLI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Whiteknight Holdings, Inc.	291	291	291	
<b>Sub-Total</b>	<b>291</b>	<b>291</b>	<b>291</b>	

	Amount Owed by ALI Subsidiaries to AYALAND METRO NORTH, INC.			
	Receivable Balance per AMNI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	7,450	7,450	7,450	
ALI Commercial Center, Inc. (Conso)	2,042,794	2,042,794	2,042,794	
Amaia Land Corporation (Conso)	29,520,794	29,520,794	29,520,794	
Amorsedia Development Corporation (Conso)	59,332	59,332	59,332	
Arvo Commercial Corporation	3,557,214	3,557,214	3,557,214	
AyalaLand Hotels and Resorts Corp. (Conso)	3,931,084	3,931,084	3,931,084	
Ayalaland Logistics Holdings Corp. (Conso)	49,769	49,769	49,769	
Bay City Commercial Ventures Corp.	65,550,556	65,550,556	65,550,556	
Cagayan De Oro Gateway Corporation	804,940	804,940	804,940	
Cebu Holdings, Inc. (Conso)	10,248	10,248	10,248	
North Eastern Commercial Corp.	25,243	25,243	25,243	
North Ventures Commercial Corp.	500	500	500	
NorthBeacon Commercial Corporation	1,361	1,361	1,361	
AREIT, Inc.	808	808	808	
Soltea Commercial Corp.	10,012,878	10,012,878	10,012,878	
Station Square East Commercial Corp	5,221	5,221	5,221	
Ten Knots Philippines, Inc.(Conso)	5,551	5,551	5,551	
<b>Sub-Total</b>	<b>115,585,743</b>	<b>115,585,743</b>	<b>115,585,743</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to AYALALAND OFFICES, INC. & Subsidiaries			
	Receivable Balance per ALO & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	11,010,202	11,010,202	11,010,202	
Alabang Commercial Corporation (Conso)	332,837	332,837	332,837	
ALI Capital Corp. (Conso)	41,968,052	41,968,052	41,968,052	
ALI Commercial Center, Inc. (Conso)	92,951,090	92,951,090	92,951,090	
ALO Prime Realty Corporation	3,021,611	3,021,611	3,021,611	
Amaia Land Corporation (Conso)	29,123,460	29,123,460	29,123,460	
Amorsedia Development Corporation (Conso)	40,279	40,279	40,279	
Arca South Integrated Terminal, Inc	2,561,083	2,561,083	2,561,083	
Arvo Commercial Corporation	260,516,388	260,516,388	260,516,388	
Avida Land Corporation (Conso)	24,875,400	24,875,400	24,875,400	
Ayala Land International Sales, Inc.(Conso)	40,320	40,320	40,320	
Ayala Property Management Corporation (Conso)	120,156	120,156	120,156	
Ayalaland Estates, Inc.	(0)	(0)	(0)	
AyalaLand Hotels and Resorts Corp. (Conso)	381,923,782	381,923,782	381,923,782	
Ayalaland Logistics Holdings Corp. (Conso)	110,648,556	110,648,556	110,648,556	
Ayalaland Metro North, Inc.	284,589	284,589	284,589	
AyalaLand Offices, Inc. (Conso)	103,394,166	103,394,166	103,394,166	
Bay City Commercial Ventures Corp.	1,794,982,839	1,794,982,839	1,794,982,839	
BellaVita Land Corp.	3,063,506	3,063,506	3,063,506	
Cagayan De Oro Gateway Corporation	1,497,933	1,497,933	1,497,933	
Capitol Central Commercial Ventures Corp.	326,989,587	326,989,587	326,989,587	
Cavite Commercial Towncenter Inc.	37,814,925	37,814,925	37,814,925	
Cebu Holdings, Inc. (Conso)	4,574,108	4,574,108	4,574,108	
CECI Realty Corp.	4,905,774	4,905,774	4,905,774	
Direct Power Services Inc.	28,234	28,234	28,234	
Hillsford Property Corporation	9,149	9,149	9,149	
Makati Cornerstone Leasing Corp.	3,391,038	3,391,038	3,391,038	
Makati Development Corporation (Conso)	560,464	560,464	560,464	
North Eastern Commercial Corp.	3,628,623	3,628,623	3,628,623	
North Triangle Depot Commercial Corp	185,505,572	185,505,572	185,505,572	
North Ventures Commercial Corp.	129,848	129,848	129,848	
Nuevocentro, Inc. (Conso)	213,017	213,017	213,017	
AREIT, Inc.	6,035,112	6,035,112	6,035,112	
Primavera Towncentre, Inc.	9,999,562	9,999,562	9,999,562	
Soltea Commercial Corp.	85,120,730	85,120,730	85,120,730	
Sunnyfield E-Office Corp	3,078,473	3,078,473	3,078,473	
Ten Knots Development Corporation(Conso)	56,095,667	56,095,667	56,095,667	
Ten Knots Philippines, Inc.(Conso)	184,293,864	184,293,864	184,293,864	
Westview Commercial Ventures Corp.	380,065,112	380,065,112	380,065,112	
<b>Sub-Total</b>	<b>4,154,795,105</b>	<b>4,154,795,105</b>	<b>4,154,795,105</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to AYALALAND PREMIER, INC.			
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	Receivable Balance per AYALALAND PREMIER, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Ayala Property Management Corporation (Conso)	176,551	176,551	176,551	
<b>Sub-Total</b>	<b>176,551</b>	<b>176,551</b>	<b>176,551</b>	-

	Amount Owed by ALI Subsidiaries to BAY CITY COMMERCIAL VENTURES CORP.			
	Receivable Balance per BAY CITY	Payable Balance per ALI Subsidiaries	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Alabang Commercial Corporation (Conso)	500	500	500	
ALI Capital Corp. (Conso)	-	-	-	
ALI Commercial Center, Inc. (Conso)	37,820	37,820	37,820	
Arca South Integrated Terminal, Inc	9,181	9,181	9,181	
Arvo Commercial Corporation	145,869	145,869	145,869	
Avida Land Corporation (Conso)	562,155	562,155	562,155	
AyalaLand Malls, Inc. (Conso)	16,124	16,124	16,124	
Cagayan De Oro Gateway Corporation	17,889	17,889	17,889	
Cebu Holdings, Inc. (Conso)	2,431	2,431	2,431	
Makati Cornerstone Leasing Corp.	10,000,000	10,000,000	10,000,000	
North Eastern Commercial Corp.	146,394	146,394	146,394	
North Triangle Depot Commercial Corp	3,710	3,710	3,710	
Soltea Commercial Corp.	71,955	71,955	71,955	
Station Square East Commercial Corp	3,730	3,730	3,730	
Whiteknight Holdings, Inc.	73,376	73,376	73,376	
<b>Sub-Total</b>	<b>11,091,132</b>	<b>11,091,132</b>	<b>11,091,132</b>	-

	Amount Owed by ALI Subsidiaries to BELLAVITA LAND CORP.			
	Receivable Balance per BELLAVITA	Payable Balance per ALI Subsidiaries	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Amaia Land Corporation (Conso)	19,451	19,451	19,451	
Arvo Commercial Corporation	128,800	128,800	128,800	
Avida Land Corporation (Conso)	846,530	846,530	846,530	
Ayalaland Logistics Holdings Corp. (Conso)	78,740	78,740	78,740	
Bay City Commercial Ventures Corp.	153,540	153,540	153,540	
Makati Development Corporation (Conso)	1,398,985	1,398,985	1,398,985	
Primavera Towncentre, Inc.	1,486,693	1,486,693	1,486,693	
Red Creek Properties, Inc.	1,899,778	1,899,778	1,899,778	
<b>Sub-Total</b>	<b>6,012,517</b>	<b>6,012,517</b>	<b>6,012,517</b>	

	Amount Owed by ALI Subsidiaries to BG WEST PROPERTIES, INC.			
	Receivable Balance per BG WEST	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Amorsedia Development Corporation (Conso)	8,342	8,342	8,342	
Ayala Property Management Corporation (Conso)	60,000	60,000	60,000	
BG West Properties, Inc	194,500	194,500	194,500	
Makati Development Corporation (Conso)	38,850,705	38,850,705	38,850,705	
<b>Sub-Total</b>	<b>39,113,547</b>	<b>39,113,547</b>	<b>39,113,547</b>	

	Amount Owed by ALI Subsidiaries to CAGAYAN DE ORO GATEWAY CORP.			
	Receivable Balance per CDOGC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	48,112	48,112	48,112	
ALI Commercial Center, Inc. (Conso)	41,505	41,505	41,505	
Alveo Land Corporation (Conso)	1,033,554	1,033,554	1,033,554	
Amaia Land Corporation (Conso)	22,000	22,000	22,000	
Arvo Commercial Corporation	180	180	180	
Avida Land Corporation (Conso)	30,000	30,000	30,000	
Ayala Property Management Corporation (Conso)	26,000	26,000	26,000	
AyalaLand Hotels and Resorts Corp. (Conso)	5,617,346	5,617,346	5,617,346	
AyalaLand Malls, Inc. (Conso)	18,142	18,142	18,142	
Ayalaland Metro North, Inc.	200	200	200	
BellaVita Land Corp.	20,000	20,000	20,000	
Cagayan De Oro Gateway Corporation	20,000	20,000	20,000	
Lagdigan Land Corporation	897,009	897,009	897,009	
Leisure and Allied Industries Phils. Inc.	183,720	183,720	183,720	
Makati Development Corporation (Conso)	24,000	24,000	24,000	

North Eastern Commercial Corp.	92,389	92,389	92,389	
North Triangle Depot Commercial Corp	11,520	11,520	11,520	
North Ventures Commercial Corp.	50	50	50	
Philippine Integrated Energy Solutions, Inc.	(2,549,107)	(2,549,107)	(2,549,107)	
Soltea Commercial Corp.	200	200	200	
<b>Sub-Total</b>	<b>5,536,819</b>	<b>5,536,819</b>	<b>5,536,819</b>	

	Amount Owed by ALI Subsidiaries to CAPITOL CENTRAL COMMERCIAL VENTURES CORP.			
	Receivable Balance per CAPITOL CENTRAL	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Adauge Commercial Corp.	820	820	820	
Alabang Commercial Corporation (Conso)	540	540	540	
ALI Commercial Center, Inc. (Conso)	27,290	27,290	27,290	
Arvo Commercial Corporation	22,489	22,489	22,489	
AyalaLand Malls, Inc. (Conso)	7,194	7,194	7,194	
North Triangle Depot Commercial Corp	6,880	6,880	6,880	
Station Square East Commercial Corp	870	870	870	
<b>Sub-Total</b>	<b>66,083</b>	<b>66,083</b>	<b>66,083</b>	

	Amount Owed by ALI Subsidiaries to CAVITE COMMERCIAL TOWNCENTER INC.			
	Receivable Balance per CCTCI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Alveo Land Corporation (Conso)	(124,911)	(124,911)	(124,911)	
Amaia Land Corporation (Conso)	152,209	152,209	152,209	
Avida Land Corporation (Conso)	131,494	131,494	131,494	
Ayala Property Management Corporation (Conso)	564,520	564,520	564,520	
Ayalaland Malls Synergies, Inc.	(17,350)	(17,350)	(17,350)	
AyalaLand Malls, Inc. (Conso)	4,000	4,000	4,000	
Bay City Commercial Ventures Corp.	1,199	1,199	1,199	
Capitol Central Commercial Ventures Corp.	28,644	28,644	28,644	
Leisure and Allied Industries Phils. Inc.	476,483	476,483	476,483	
Makati Cornerstone Leasing Corp.	6,116	6,116	6,116	
Makati Development Corporation (Conso)	39,280	39,280	39,280	
North Ventures Commercial Corp.	4,690	4,690	4,690	
Soltea Commercial Corp.	46,750	46,750	46,750	
Summerhill Commercial Ventures Corp.	137,276	137,276	137,276	
<b>Sub-Total</b>	<b>1,450,401</b>	<b>1,450,401</b>	<b>1,450,401</b>	

	Amount Owed by ALI Subsidiaries to CEBU HOLDINGS, INC. & Subsidiaries			
	Receivable Balance per CHI & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	567,985	567,985	567,985	
Adauge Commercial Corp.	138,412	138,412	138,412	
Alabang Commercial Corporation (Conso)	38,864	38,864	38,864	
ALI Capital Corp. (Conso)	11,275,677	11,275,677	11,275,677	
ALI Commercial Center, Inc. (Conso)	3,370,835	3,370,835	3,370,835	
Alveo Land Corporation (Conso)	252,493,991	252,493,991	252,493,991	
Amaia Land Corporation (Conso)	15,936,606	15,936,606	15,936,606	
Arca South Integrated Terminal, Inc	61,496	61,496	61,496	
Arvo Commercial Corporation	16,510,481	16,510,481	16,510,481	
Aviana Development Corporation	900	900	900	
Avida Land Corporation (Conso)	299,653,475	299,653,475	299,653,475	
Ayala Land International Sales, Inc.(Conso)	29,587	29,587	29,587	
Ayala Land Sales Inc.	4,236,056	4,236,056	4,236,056	
Ayala Property Management Corporation (Conso)	31,191	31,191	31,191	
Ayalaland Estates, Inc.	2,827,049	2,827,049	2,827,049	
AyalaLand Hotels and Resorts Corp. (Conso)	8,655,279	8,655,279	8,655,279	
Ayalaland Logistics Holdings Corp. (Conso)	2,977,041	2,977,041	2,977,041	
AyalaLand Malls, Inc. (Conso)	71,581	71,581	71,581	
Ayalaland Medical Facilities Leasing Inc.	195,797	195,797	195,797	
Ayalaland Metro North, Inc.	(0)	(0)	(0)	
Bay City Commercial Ventures Corp.	50,501,677	50,501,677	50,501,677	
Cagayan De Oro Gateway Corporation	556,598	556,598	556,598	
Capitol Central Commercial Ventures Corp.	8,034,690	8,034,690	8,034,690	
Cebu Holdings, Inc. (Conso)	2,901,414	2,901,414	2,901,414	
Crans Montana Property Holdings Corporation	198,721	198,721	198,721	
Leisure and Allied Industries Phils. Inc.	931,654	931,654	931,654	
Makati Cornerstone Leasing Corp.	16,998	16,998	16,998	

Makati Development Corporation (Conso)	2,560,201	2,560,201	2,560,201	
North Triangle Depot Commercial Corp	853,516	853,516	853,516	
North Ventures Commercial Corp.	200	200	200	
Nuevocentro, Inc. (Conso)	35,633	35,633	35,633	
Serendra Inc.	18,854	18,854	18,854	
Soltea Commercial Corp.	8,143,193	8,143,193	8,143,193	
Southportal Properties, Inc.	532,375	532,375	532,375	
Subic Bay Town Center Inc.	943	943	943	
Summerhill Commercial Ventures Corp.	10,428	10,428	10,428	
Ten Knots Philippines, Inc.(Conso)	19,417,929	19,417,929	19,417,929	
Westview Commercial Ventures Corp.	5,815	5,815	5,815	
<b>Sub-Total</b>	<b>713,793,142</b>	<b>713,793,142</b>	<b>713,793,142</b>	-

	Amount Owed by ALI Subsidiaries to CECI REALTY, INC.			
	Receivable Balance per CECI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
ALI Capital Corp. (Conso)	10,635,056	10,635,056	10,635,056	
ALI Commercial Center, Inc. (Conso)	16,069,505	16,069,505	16,069,505	
Alveo Land Corporation (Conso)	12,282	12,282	12,282	
Amaia Land Corporation (Conso)	8,752,316	8,752,316	8,752,316	
Amorsedia Development Corporation (Conso)	882,214,063	882,214,063	882,214,063	
Arca South Integrated Terminal, Inc	30,195,200	30,195,200	30,195,200	
Arvo Commercial Corporation	25,604,336	25,604,336	25,604,336	
Aurora Properties, Inc.	14,882,016	14,882,016	14,882,016	
Avida Land Corporation (Conso)	5,853,161	5,853,161	5,853,161	
AyalaLand Hotels and Resorts Corp. (Conso)	41,857,042	41,857,042	41,857,042	
Ayalaland Logistics Holdings Corp. (Conso)	9,710,117	9,710,117	9,710,117	
Ayalaland Malls Synergies, Inc.	55,211	55,211	55,211	
AyalaLand Offices, Inc. (Conso)	29,376,509	29,376,509	29,376,509	
Bay City Commercial Ventures Corp.	34,998,354	34,998,354	34,998,354	
Cagayan De Oro Gateway Corporation	34,993	34,993	34,993	
Cavite Commercial Towncenter Inc.	51,360,737	51,360,737	51,360,737	
Crans Montana Property Holdings Corporation	863,870,795	863,870,795	863,870,795	
Direct Power Services Inc.	15,459	15,459	15,459	
Leisure and Allied Industries Phils. Inc.	108,300	108,300	108,300	
Makati Development Corporation (Conso)	4,728,188	4,728,188	4,728,188	
Nuevocentro, Inc. (Conso)	36,202	36,202	36,202	
Soltea Commercial Corp.	33,929,689	33,929,689	33,929,689	
Ten Knots Philippines, Inc.(Conso)	7,630,091	7,630,091	7,630,091	
Vesta Property Holdings Inc.	17,991,937	17,991,937	17,991,937	
<b>Sub-Total</b>	<b>2,089,921,559</b>	<b>2,089,921,559</b>	<b>2,089,921,559</b>	-

	Amount Owed by ALI Subsidiaries to CRANS MONTANA PROPERTY HOLDINGS CORP.			
	Receivable Balance per CRANS MONTANA	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Ayala Property Management Corporation (Conso)	51,337	51,337	51,337	
Ayalaland Medical Facilities Leasing Inc.	627,421	627,421	627,421	
Crans Montana Property Holdings Corporation	100	100	100	
<b>Sub-Total</b>	<b>678,858</b>	<b>678,858</b>	<b>678,858</b>	

	Amount Owed by ALI Subsidiaries to DIRECT POWER SERVICES, INC.			
	Receivable Balance per DPSI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Alabang Commercial Corporation (Conso)	6,913,290	6,913,290	6,913,290	
ALI Capital Corp. (Conso)	240,806	240,806	240,806	
ALI Commercial Center, Inc. (Conso)	16,179,536	16,179,536	16,179,536	
ALI-CII Development Corporation	1,282,107	1,282,107	1,282,107	
Alveo Land Corporation (Conso)	2,517,608	2,517,608	2,517,608	
Arvo Commercial Corporation	2,341,110	2,341,110	2,341,110	
Avida Land Corporation (Conso)	(437,153)	(437,153)	(437,153)	
AyalaLand Hotels and Resorts Corp. (Conso)	1,814,587	1,814,587	1,814,587	
Ayalaland Logistics Holdings Corp. (Conso)	7,325	7,325	7,325	
Ayalaland Metro North, Inc.	(39,290)	(39,290)	(39,290)	
AyalaLand Offices, Inc. (Conso)	14,217,400	14,217,400	14,217,400	
Bay City Commercial Ventures Corp.	20,211,288	20,211,288	20,211,288	
Cagayan De Oro Gateway Corporation	30,070	30,070	30,070	
Capitol Central Commercial Ventures Corp.	2,795,568	2,795,568	2,795,568	



Cavite Commercial Towncenter Inc.	846,670	846,670	846,670	
Cebu Holdings, Inc. (Conso)	(16,361)	(16,361)	(16,361)	
Crans Montana Property Holdings Corporation	(3,342)	(3,342)	(3,342)	
Makati Cornerstone Leasing Corp.	141,185	141,185	141,185	
North Eastern Commercial Corp.	3,551,034	3,551,034	3,551,034	
North Triangle Depot Commercial Corp	8,978,307	8,978,307	8,978,307	
NorthBeacon Commercial Corporation	4,163,927	4,163,927	4,163,927	
AREIT, Inc.	8,699,939	8,699,939	8,699,939	
Philippine Integrated Energy Solutions, Inc.	12,678,936	12,678,936	12,678,936	
Primavera Towncentre, Inc.	34,787	34,787	34,787	
Serendra Inc.	7,627,874	7,627,874	7,627,874	
Station Square East Commercial Corp	9,246,436	9,246,436	9,246,436	
Subic Bay Town Center Inc.	1,877,840	1,877,840	1,877,840	
Summerhill Commercial Ventures Corp.	5,366,704	5,366,704	5,366,704	
Ten Knots Philippines, Inc.(Conso)	(9,023)	(9,023)	(9,023)	
Westview Commercial Ventures Corp.	254,742	254,742	254,742	
<b>Sub-Total</b>	<b>131,513,907</b>	<b>131,513,907</b>	<b>131,513,907</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to ECOHOLDINGS COMPANY, INC.			
	Receivable Balance per ECI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Ten Knots Development Corporation(Conso)	7,013,506	7,013,506	7,013,506	
Ten Knots Philippines, Inc.(Conso)	99,684,058	99,684,058	99,684,058	
<b>Sub-Total</b>	<b>106,697,564</b>	<b>106,697,564</b>	<b>106,697,564</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to FIRST LONGFIELD INVESTMENTS LTD.			
	Receivable Balance per FLIL	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
ALI Capital Corp. (Conso)	81,881,250	81,881,250	81,881,250	
Arca South Integrated Terminal, Inc	10,798,555	10,798,555	10,798,555	
Ayalaland Malls Synergies, Inc.	2,210,503	2,210,503	2,210,503	
<b>Sub-Total</b>	<b>94,890,308</b>	<b>94,890,308</b>	<b>94,890,308</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to FIVE STAR CINEMA, INC.			
	Receivable Balance per FSCI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Alabang Commercial Corporation (Conso)	559,709	559,709	559,709	
ALI Commercial Center, Inc. (Conso)	3,120	3,120	3,120	
Soltea Commercial Corp.	2,790	2,790	2,790	
Summerhill Commercial Ventures Corp.	(49,420)	(49,420)	(49,420)	
<b>Sub-Total</b>	<b>516,199</b>	<b>516,199</b>	<b>516,199</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to HILLSFORD PROPERTY CORP.			
	Receivable Balance per HILLSFORD	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
ALI Commercial Center, Inc. (Conso)	26,082	26,082	26,082	
Amorsedia Development Corporation (Conso)	14,019,444	14,019,444	14,019,444	
AyalaLand Hotels and Resorts Corp. (Conso)	7,078,156	7,078,156	7,078,156	
Bay City Commercial Ventures Corp.	9,094,626	9,094,626	9,094,626	
Capitol Central Commercial Ventures Corp.	3,541	3,541	3,541	
North Eastern Commercial Corp.	1,550	1,550	1,550	
NorthBeacon Commercial Corporation	1,391	1,391	1,391	
Ten Knots Philippines, Inc.(Conso)	2,004,222	2,004,222	2,004,222	
<b>Sub-Total</b>	<b>32,229,013</b>	<b>32,229,013</b>	<b>32,229,013</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to INTEGRATED ECO-RESORT, INC.			
	Receivable Balance per INTEGRATED ECO-RESORT, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
AyalaLand Hotels and Resorts Corp. (Conso)	66,042	66,042	66,042	
Bay City Commercial Ventures Corp.	112,341	112,341	112,341	
Ten Knots Philippines, Inc.(Conso)	533,286,362	533,286,362	533,286,362	
<b>Sub-Total</b>	<b>533,464,744</b>	<b>533,464,744</b>	<b>533,464,744</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to LAGDIGAN LAND CORP.			
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	Receivable Balance per LAGDIGAN	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Bay City Commercial Ventures Corp.	32,829,567	32,829,567	32,829,567	
Cagayan De Oro Gateway Corporation	1,996,449	1,996,449	1,996,449	
<b>Sub-Total</b>	<b>34,826,016</b>	<b>34,826,016</b>	<b>34,826,016</b>	

	Amount Owed by ALI Subsidiaries to LEISURE AND ALLIED INDUSTRIES PHILS., INC.			
	Receivable Balance per LAIP	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
AyalaLand Hotels and Resorts Corp. (Conso)	32,000	32,000	32,000	
Makati Cornerstone Leasing Corp.	6,829	6,829	6,829	
<b>Sub-Total</b>	<b>38,829</b>	<b>38,829</b>	<b>38,829</b>	

	Amount Owed by ALI Subsidiaries to MAKATI CORNERSTONE LEASING CORP.			
	Receivable Balance per MAKATI CORNERSTONE	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	7,015,859	7,015,859	7,015,859	
Alabang Commercial Corporation (Conso)	5,715	5,715	5,715	
ALI Capital Corp. (Conso)	2,378,607	2,378,607	2,378,607	
ALI Commercial Center, Inc. (Conso)	1,051,312	1,051,312	1,051,312	
Amaia Land Corporation (Conso)	102,860	102,860	102,860	
Amorsedia Development Corporation (Conso)	(0)	(0)	(0)	
Arvo Commercial Corporation	258,968	258,968	258,968	
Avida Land Corporation (Conso)	169,001	169,001	169,001	
Ayala Theaters Management, Inc.	2,250	2,250	2,250	
Ayalaland Logistics Holdings Corp. (Conso)	10,334,325	10,334,325	10,334,325	
Ayalaland Metro North, Inc.	(2,530)	(2,530)	(2,530)	
Bay City Commercial Ventures Corp.	32,756,959	32,756,959	32,756,959	
BellaVita Land Corp.	68,800	68,800	68,800	
Cagayan De Oro Gateway Corporation	3,415	3,415	3,415	
Capitol Central Commercial Ventures Corp.	26,375	26,375	26,375	
Cavite Commercial Towncenter Inc.	6,830	6,830	6,830	
Cebu Holdings, Inc. (Conso)	8,215	8,215	8,215	
Makati Development Corporation (Conso)	(0)	(0)	(0)	
North Eastern Commercial Corp.	4,415	4,415	4,415	
North Triangle Depot Commercial Corp	46,950	46,950	46,950	
North Ventures Commercial Corp.	27,195	27,195	27,195	
NorthBeacon Commercial Corporation	3,415	3,415	3,415	
Soltea Commercial Corp.	7,718,969	7,718,969	7,718,969	
Station Square East Commercial Corp	14,730	14,730	14,730	
Ten Knots Philippines, Inc.(Conso)	4,017,169	4,017,169	4,017,169	
<b>Sub-Total</b>	<b>66,019,805</b>	<b>66,019,805</b>	<b>66,019,805</b>	

	Amount Owed by ALI Subsidiaries to NORTH EASTERN COMMERCIAL CORP.			
	Receivable Balance per NECC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	400	400	400	
Alabang Commercial Corporation (Conso)	11,960	11,960	11,960	
ALI Capital Corp. (Conso)	16,534,113	16,534,113	16,534,113	
ALI Commercial Center, Inc. (Conso)	30,897,602	30,897,602	30,897,602	
ALI-CII Development Corporation	470	470	470	
Alveo Land Corporation (Conso)	1,188,022	1,188,022	1,188,022	
Amaia Land Corporation (Conso)	90,582,685	90,582,685	90,582,685	
Amorsedia Development Corporation (Conso)	329,999	329,999	329,999	
Arca South Commercial Ventures Corp.	5,000,000	5,000,000	5,000,000	
Arvo Commercial Corporation	89,565,882	89,565,882	89,565,882	
Avida Land Corporation (Conso)	5,362,729	5,362,729	5,362,729	
Ayalaland Estates, Inc.	2,494,428	2,494,428	2,494,428	
AyalaLand Hotels and Resorts Corp. (Conso)	296,187,838	296,187,838	296,187,838	
Ayalaland Logistics Holdings Corp. (Conso)	16,880,737	16,880,737	16,880,737	
Ayalaland Malls Synergies, Inc.	(144,818)	(144,818)	(144,818)	
AyalaLand Malls, Inc. (Conso)	4,005	4,005	4,005	
Ayalaland Metro North, Inc.	4,949	4,949	4,949	
Bay City Commercial Ventures Corp.	147,093,867	147,093,867	147,093,867	
Cagayan De Oro Gateway Corporation	3,081,362	3,081,362	3,081,362	
Capitol Central Commercial Ventures Corp.	29,172,239	29,172,239	29,172,239	
Cebu Holdings, Inc. (Conso)	5,581,454	5,581,454	5,581,454	

Crans Montana Property Holdings Corporation	21,828	21,828	21,828
Direct Power Services Inc.	23,047	23,047	23,047
Hillsford Property Corporation	3,778	3,778	3,778
Leisure and Allied Industries Phils. Inc.	28,000	28,000	28,000
Makati Development Corporation (Conso)	50,186,307	50,186,307	50,186,307
North Eastern Commercial Corp.	(7,667)	(7,667)	(7,667)
North Triangle Depot Commercial Corp	168,739	168,739	168,739
North Ventures Commercial Corp.	11,811	11,811	11,811
NorthBeacon Commercial Corporation	7,551	7,551	7,551
AREIT, Inc.	49,923,154	49,923,154	49,923,154
Soltea Commercial Corp.	154,010,533	154,010,533	154,010,533
Station Square East Commercial Corp	13,810	13,810	13,810
Subic Bay Town Center Inc.	14,177	14,177	14,177
Summerhill Commercial Ventures Corp.	1,632,884	1,632,884	1,632,884
Ten Knots Philippines, Inc.(Conso)	82,344,488	82,344,488	82,344,488
Westview Commercial Ventures Corp.	819	819	819
<b>Sub-Total</b>	<b>1,078,213,184</b>	<b>1,078,213,184</b>	<b>1,078,213,184</b>

	Amount Owed by ALI Subsidiaries to NORTH TRIANGLE DEPOT COMMERCIAL CORP.			
	Receivable Balance per NTDCC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	8,067	8,067	8,067	
Alabang Commercial Corporation (Conso)	117,060	117,060	117,060	
ALI Capital Corp. (Conso)	875,769	875,769	875,769	
ALI Commercial Center, Inc. (Conso)	3,422,560	3,422,560	3,422,560	
Alveo Land Corporation (Conso)	(86,281)	(86,281)	(86,281)	
Amaia Land Corporation (Conso)	223,794	223,794	223,794	
Amorsedia Development Corporation (Conso)	794,606	794,606	794,606	
Arca South Commercial Ventures Corp.	14,935	14,935	14,935	
Arvo Commercial Corporation	1,844,346	1,844,346	1,844,346	
Avida Land Corporation (Conso)	83,006	83,006	83,006	
AyalaLand Hotels and Resorts Corp. (Conso)	115,415	115,415	115,415	
Ayalaland Logistics Holdings Corp. (Conso)	865,280	865,280	865,280	
AyalaLand Malls, Inc. (Conso)	29,770	29,770	29,770	
Ayalaland Medical Facilities Leasing Inc.	119,340	119,340	119,340	
Ayalaland Metro North, Inc.	8,376	8,376	8,376	
Bay City Commercial Ventures Corp.	293,971	293,971	293,971	
Cagayan De Oro Gateway Corporation	103,944	103,944	103,944	
Cebu Holdings, Inc. (Conso)	1,095,736	1,095,736	1,095,736	
Crans Montana Property Holdings Corporation	145,428	145,428	145,428	
Leisure and Allied Industries Phils. Inc.	1,974,238	1,974,238	1,974,238	
Makati Development Corporation (Conso)	838,832	838,832	838,832	
North Eastern Commercial Corp.	519,386	519,386	519,386	
North Ventures Commercial Corp.	147,206	147,206	147,206	
NorthBeacon Commercial Corporation	1,981	1,981	1,981	
Nuevocentro, Inc. (Conso)	115,145	115,145	115,145	
Soltea Commercial Corp.	416,155	416,155	416,155	
Station Square East Commercial Corp	112,102	112,102	112,102	
Subic Bay Town Center Inc.	542	542	542	
Summerhill Commercial Ventures Corp.	673,602	673,602	673,602	
Ten Knots Development Corporation(Conso)	19,019	19,019	19,019	
Ten Knots Philippines, Inc.(Conso)	160,214	160,214	160,214	
<b>Sub-Total</b>	<b>15,053,546</b>	<b>15,053,546</b>	<b>15,053,546</b>	

	Amount Owed by ALI Subsidiaries to NORTH VENTURES COMMERCIAL CORP.			
	Receivable Balance per NVCC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	1,220	1,220	1,220	
Alabang Commercial Corporation (Conso)	14,690	14,690	14,690	
ALI Capital Corp. (Conso)	53,608,707	53,608,707	53,608,707	
ALI Commercial Center, Inc. (Conso)	42,592,818	42,592,818	42,592,818	
Alveo Land Corporation (Conso)	54,626	54,626	54,626	
Amaia Land Corporation (Conso)	20,786,425	20,786,425	20,786,425	
Amorsedia Development Corporation (Conso)	98,944	98,944	98,944	
Arca South Integrated Terminal, Inc	5,162,275	5,162,275	5,162,275	
Arvo Commercial Corporation	14,923,196	14,923,196	14,923,196	
Avida Land Corporation (Conso)	349,558	349,558	349,558	
Ayala Property Management Corporation (Conso)	1,790,801	1,790,801	1,790,801	
AyalaLand Hotels and Resorts Corp. (Conso)	53,775,814	53,775,814	53,775,814	

Ayalaland Logistics Holdings Corp. (Conso)	2,898,490	2,898,490	2,898,490	
Ayalaland Malls Synergies, Inc.	845	845	845	
Ayalaland Malls, Inc. (Conso)	10,160	10,160	10,160	
Ayalaland Medical Facilities Leasing Inc.	193,932	193,932	193,932	
Ayalaland Metro North, Inc.	2,642	2,642	2,642	
Bay City Commercial Ventures Corp.	226,911,619	226,911,619	226,911,619	
Cagayan De Oro Gateway Corporation	5,800	5,800	5,800	
Capitol Central Commercial Ventures Corp.	95,934,051	95,934,051	95,934,051	
Cebu Holdings, Inc. (Conso)	720	720	720	
Crans Montana Property Holdings Corporation	228,867	228,867	228,867	
Leisure and Allied Industries Phils. Inc.	565,013	565,013	565,013	
Makati Development Corporation (Conso)	2,742,315	2,742,315	2,742,315	
North Eastern Commercial Corp.	137,572	137,572	137,572	
North Triangle Depot Commercial Corp	307,781	307,781	307,781	
NorthBeacon Commercial Corporation	1,600	1,600	1,600	
Soltea Commercial Corp.	24,843,964	24,843,964	24,843,964	
Station Square East Commercial Corp	20,130	20,130	20,130	
Summerhill Commercial Ventures Corp.	282,084	282,084	282,084	
Ten Knots Development Corporation(Conso)	2,294	2,294	2,294	
Ten Knots Philippines, Inc.(Conso)	3,424	3,424	3,424	
<b>Sub-Total</b>	<b>548,252,377</b>	<b>548,252,377</b>	<b>548,252,377</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to NORTH BEACON COMMERCIAL CORP.			
	Receivable Balance per NBCC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	11,252	11,252	11,252	
Alabang Commercial Corporation (Conso)	9,372	9,372	9,372	
ALI Capital Corp. (Conso)	23,502,113	23,502,113	23,502,113	
ALI Commercial Center, Inc. (Conso)	17,295,854	17,295,854	17,295,854	
Alveo Land Corporation (Conso)	575,796	575,796	575,796	
Amaia Land Corporation (Conso)	293,914	293,914	293,914	
APRISA Business Process Solutions, Inc	1,200	1,200	1,200	
Arvo Commercial Corporation	28,305,984	28,305,984	28,305,984	
Avida Land Corporation (Conso)	26,596	26,596	26,596	
AyalaLand Hotels and Resorts Corp. (Conso)	5,194,245	5,194,245	5,194,245	
Ayalaland Logistics Holdings Corp. (Conso)	10,030,611	10,030,611	10,030,611	
AyalaLand Malls, Inc. (Conso)	18,256	18,256	18,256	
Ayalaland Metro North, Inc.	8,222	8,222	8,222	
Bay City Commercial Ventures Corp.	162,372,722	162,372,722	162,372,722	
Cagayan De Oro Gateway Corporation	427,854	427,854	427,854	
Capitol Central Commercial Ventures Corp.	7,174,866	7,174,866	7,174,866	
Cavite Commercial Towncenter Inc.	67,337,304	67,337,304	67,337,304	
Hillsford Property Corporation	5,898	5,898	5,898	
Leisure and Allied Industries Phils. Inc.	127,222	127,222	127,222	
Makati Cornerstone Leasing Corp.	106,486	106,486	106,486	
North Eastern Commercial Corp.	69,958	69,958	69,958	
North Triangle Depot Commercial Corp	103,285	103,285	103,285	
North Ventures Commercial Corp.	10,234	10,234	10,234	
Nuevocentro, Inc. (Conso)	6,338,811	6,338,811	6,338,811	
Soltea Commercial Corp.	36,901,511	36,901,511	36,901,511	
Station Square East Commercial Corp	17,048	17,048	17,048	
Subic Bay Town Center Inc.	5,596	5,596	5,596	
<b>Sub-Total</b>	<b>366,272,210</b>	<b>366,272,210</b>	<b>366,272,210</b>	

	Amount Owed by ALI Subsidiaries to NUEVOCENTRO INC., (Conso)			
	Receivable Balance per NUEVOCENTRO	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Alveo Land Corporation (Conso)	9,000	9,000	9,000	
Amaia Land Corporation (Conso)	8,503	8,503	8,503	
Arvo Commercial Corporation	157,510	157,510	157,510	
Aurora Properties, Inc.	100	100	100	
Avida Land Corporation (Conso)	15,634	15,634	15,634	
Ayalaland Estates, Inc.	65,488	65,488	65,488	
AyalaLand Hotels and Resorts Corp. (Conso)	496,136	496,136	496,136	
Ayalaland Logistics Holdings Corp. (Conso)	3,283,882	3,283,882	3,283,882	
Bay City Commercial Ventures Corp.	381,944	381,944	381,944	
CECI Realty Corp.	154,209	154,209	154,209	
Crans Montana Property Holdings Corporation	151,580	151,580	151,580	
Prow Holdings, Inc.	199,255,639	199,255,639	199,255,639	

Vesta Property Holdings Inc.	26,154	26,154	26,154	
<b>Sub-Total</b>	<b>204,005,779</b>	<b>204,005,779</b>	<b>204,005,779</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to PHILIPPINE INTEGRATED ENERGY SOLUTIONS, INC.			
	Receivable Balance per PHIL. ENERGY	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	9,583,460	9,583,460	9,583,460	
Alabang Commercial Corporation (Conso)	3,387,120	3,387,120	3,387,120	
ALI Capital Corp. (Conso)	667,140	667,140	667,140	
ALI Commercial Center, Inc. (Conso)	14,469,406	14,469,406	14,469,406	
Amaia Land Corporation (Conso)	9,022,352	9,022,352	9,022,352	
Arvo Commercial Corporation	170,407	170,407	170,407	
AyalaLand Hotels and Resorts Corp. (Conso)	11,130,860	11,130,860	11,130,860	
Ayalaland Logistics Holdings Corp. (Conso)	16,706	16,706	16,706	
Bay City Commercial Ventures Corp.	35,935,172	35,935,172	35,935,172	
Cagayan De Oro Gateway Corporation	19,240,379	19,240,379	19,240,379	
Capitol Central Commercial Ventures Corp.	122,149	122,149	122,149	
Cavite Commercial Towncenter Inc.	156,157	156,157	156,157	
Cebu Holdings, Inc. (Conso)	18,879,398	18,879,398	18,879,398	
North Triangle Depot Commercial Corp	6,849,608	6,849,608	6,849,608	
Summerhill Commercial Ventures Corp.	(167,000)	(167,000)	(167,000)	
Ten Knots Philippines, Inc.(Conso)	(27,210)	(27,210)	(27,210)	
Westview Commercial Ventures Corp.	10,060,265	10,060,265	10,060,265	
<b>Sub-Total</b>	<b>139,496,369</b>	<b>139,496,369</b>	<b>139,496,369</b>	<b>-</b>

	Amount Owed by ALI Subsidiaries to PRIMAVER TOWNCENTRE, INC.			
	Receivable Balance per PRIMAVERA	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Amaia Land Corporation (Conso)	127,183	127,183	127,183	
Arvo Commercial Corporation	401,906	401,906	401,906	
Avida Land Corporation (Conso)	93,317	93,317	93,317	
AyalaLand Malls, Inc. (Conso)	5,705	5,705	5,705	
AyalaLand Offices, Inc. (Conso)	837,584	837,584	837,584	
Cavite Commercial Towncenter Inc.	4,554,045	4,554,045	4,554,045	
North Ventures Commercial Corp.	3,749	3,749	3,749	
<b>Sub-Total</b>	<b>6,023,489</b>	<b>6,023,489</b>	<b>6,023,489</b>	<b>-</b>

	Amount Owed by ALI-Subsidiaries to RED CREEK PROPERTIES, INC.			
	Receivable Balance per RCPI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
BellaVita Land Corp.	30,993,560	30,993,560	30,993,560	
<b>Sub-Total</b>	<b>30,993,560</b>	<b>30,993,560</b>	<b>30,993,560</b>	<b>-</b>

	Amount Owed by ALI, ALI-Subsidiaries to REGENT WISE INVESTMENTS, LTD. & Subsidiaries			
	Receivable Balance per RWIL & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Regent Wise Investments Limited(Conso)	(141,034,027)	(141,034,027)	(141,034,027)	
<b>Sub-Total</b>	<b>(141,034,027)</b>	<b>(141,034,027)</b>	<b>(141,034,027)</b>	<b>-</b>

	Amount Owed by ALI, ALI-Subsidiaries to ROXAS LAND CORP.			
	Receivable Balance per RLC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Ayala Property Management Corporation (Conso)	60,000	60,000	60,000	
<b>Sub-Total</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>-</b>

	Amount Owed by ALI, ALI-Subsidiaries to SERENDRA			
	Receivable Balance per SERENDRA	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Alveo Land Corporation (Conso)	2,243,214	2,243,214	2,243,214	
Amaia Land Corporation (Conso)	1,852,783	1,852,783	1,852,783	
Amorsedia Development Corporation (Conso)	2,106	2,106	2,106	
Avida Land Corporation (Conso)	3,591,329	3,591,329	3,591,329	
Ayala Property Management Corporation (Conso)	8,715,077	8,715,077	8,715,077	
Bay City Commercial Ventures Corp.	67,099	67,099	67,099	
BellaVita Land Corp.	958	958	958	

BG West Properties, Inc	17,001,618	17,001,618	17,001,618	
Cagayan De Oro Gateway Corporation	37,862	37,862	37,862	
Crans Montana Property Holdings Corporation	980	980	980	
Leisure and Allied Industries Phils. Inc.	355,950	355,950	355,950	
Makati Development Corporation (Conso)	183,195	183,195	183,195	
<b>Sub-Total</b>	<b>34,052,170</b>	<b>34,052,170</b>	<b>34,052,170</b>	

	Amount Owed by ALI-Subsidiaries to SOLTEA COMMERCIAL CORP.			
	Receivable Balance per SOLTEA	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	15,294	15,294	15,294	
Alabang Commercial Corporation (Conso)	27,124	27,124	27,124	
ALI Commercial Center, Inc. (Conso)	1,050,404	1,050,404	1,050,404	
Alveo Land Corporation (Conso)	2,531,457	2,531,457	2,531,457	
Amaia Land Corporation (Conso)	107,736	107,736	107,736	
Arvo Commercial Corporation	36,154	36,154	36,154	
Avida Land Corporation (Conso)	2,270,962	2,270,962	2,270,962	
Ayalaland Malls Synergies, Inc.	151,065	151,065	151,065	
Ayalaland Malls, Inc. (Conso)	410	410	410	
Bay City Commercial Ventures Corp.	15,294	15,294	15,294	
Cagayan De Oro Gateway Corporation	15,294	15,294	15,294	
Cavite Commercial Towncenter Inc.	82,473	82,473	82,473	
Cebu Holdings, Inc. (Conso)	45,188	45,188	45,188	
Makati Cornerstone Leasing Corp.	15,294	15,294	15,294	
North Eastern Commercial Corp.	52,382	52,382	52,382	
North Triangle Depot Commercial Corp	93,124	93,124	93,124	
North Ventures Commercial Corp.	16,794	16,794	16,794	
NorthBeacon Commercial Corporation	16,164	16,164	16,164	
Serendra Inc.	15,294	15,294	15,294	
Station Square East Commercial Corp	61,640	61,640	61,640	
Summerhill Commercial Ventures Corp.	19,694	19,694	19,694	
<b>Sub-Total</b>	<b>6,639,243</b>	<b>6,639,243</b>	<b>6,639,243</b>	-

	Amount Owed by SOUTHPORTAL PROPERTIES, INC.			
	Receivable Balance per SOUTHPORTAL	Payable Balance per ALI Subsidiaries	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	67,900	67,900	67,900	
ALI Capital Corp. (Conso)	15,811,603	15,811,603	15,811,603	
ALI Commercial Center, Inc. (Conso)	1,537,583	1,537,583	1,537,583	
Alveo Land Corporation (Conso)	304	304	304	
Amaia Land Corporation (Conso)	73,086,161	73,086,161	73,086,161	
Amorsedia Development Corporation (Conso)	3,230	3,230	3,230	
Arca South Commercial Ventures Corp.	170,728	170,728	170,728	
Arvo Commercial Corporation	20,013	20,013	20,013	
Avida Land Corporation (Conso)	34,900	34,900	34,900	
Ayalaland Hotels and Resorts Corp. (Conso)	27,656,051	27,656,051	27,656,051	
Ayalaland Logistics Holdings Corp. (Conso)	9,495,001	9,495,001	9,495,001	
Ayalaland Metro North, Inc.	3,452	3,452	3,452	
Bay City Commercial Ventures Corp.	199,149,033	199,149,033	199,149,033	
Cagayan De Oro Gateway Corporation	150,538	150,538	150,538	
Capitol Central Commercial Ventures Corp.	10,357,150	10,357,150	10,357,150	
Cebu Holdings, Inc. (Conso)	-	-	-	
Soltea Commercial Corp.	27,551,142	27,551,142	27,551,142	
Summerhill Commercial Ventures Corp.	543,740	543,740	543,740	
Ten Knots Development Corporation(Conso)	90,346	90,346	90,346	
Ten Knots Philippines, Inc.(Conso)	2,006,543	2,006,543	2,006,543	
<b>Sub-Total</b>	<b>367,735,418</b>	<b>367,735,418</b>	<b>367,735,418</b>	

	Amount Owed by STATION SQUARE EAST COMMERCIAL CORP.			
	Receivable Balance per SSECC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	7,013	7,013	7,013	
Alabang Commercial Corporation (Conso)	7,630	7,630	7,630	
ALI Capital Corp. (Conso)	48,360,023	48,360,023	48,360,023	
ALI Commercial Center, Inc. (Conso)	26,678,544	26,678,544	26,678,544	
Alveo Land Corporation (Conso)	1,214,374	1,214,374	1,214,374	
Amaia Land Corporation (Conso)	41,026,204	41,026,204	41,026,204	
Amorsedia Development Corporation (Conso)	176,788	176,788	176,788	

APRISA Business Process Solutions, Inc	205,198	205,198	205,198	
Arca South Integrated Terminal, Inc	37,398	37,398	37,398	
Arvo Commercial Corporation	52,429,986	52,429,986	52,429,986	
Avida Land Corporation (Conso)	2,759,442	2,759,442	2,759,442	
AyalaLand Hotels and Resorts Corp. (Conso)	65,761,754	65,761,754	65,761,754	
Ayalaland Logistics Holdings Corp. (Conso)	32,523,082	32,523,082	32,523,082	
Ayalaland Malls, Inc. (Conso)	19,118	19,118	19,118	
Bay City Commercial Ventures Corp.	466,848,004	466,848,004	466,848,004	
BellaVita Land Corp.	16,092	16,092	16,092	
Cagayan De Oro Gateway Corporation	20,702,696	20,702,696	20,702,696	
Capitol Central Commercial Ventures Corp.	68,280,013	68,280,013	68,280,013	
Cavite Commercial Towncenter Inc.	4,500	4,500	4,500	
Cebu Holdings, Inc. (Conso)	1,379,162	1,379,162	1,379,162	
Crans Montana Property Holdings Corporation	2,025,453	2,025,453	2,025,453	
Leisure and Allied Industries Phils. Inc.	3,223,385	3,223,385	3,223,385	
Makati Development Corporation (Conso)	983,593	983,593	983,593	
North Eastern Commercial Corp.	2,061,358	2,061,358	2,061,358	
North Triangle Depot Commercial Corp	276,329	276,329	276,329	
North Ventures Commercial Corp.	8,279	8,279	8,279	
NorthBeacon Commercial Corporation	14,396	14,396	14,396	
Serendra Inc.	729,436	729,436	729,436	
Soltea Commercial Corp.	40,719,285	40,719,285	40,719,285	
Subic Bay Town Center Inc.	1,500	1,500	1,500	
Summerhill Commercial Ventures Corp.	2,954	2,954	2,954	
Ten Knots Philippines, Inc.(Conso)	18,448,232	18,448,232	18,448,232	
<b>Sub-Total</b>	<b>896,931,220</b>	<b>896,931,220</b>	<b>896,931,220</b>	<b>-</b>

	Amount Owed by ALI-Subsidiaries to SUBIC BAY TOWN CENTER, INC.			
	Receivable Balance per SBTCL	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	47,548	47,548	47,548	
Alabang Commercial Corporation (Conso)	1,740	1,740	1,740	
ALI Commercial Center, Inc. (Conso)	6,132,317	6,132,317	6,132,317	
Amaia Land Corporation (Conso)	14,929,567	14,929,567	14,929,567	
Arvo Commercial Corporation	17,886,414	17,886,414	17,886,414	
AyalaLand Hotels and Resorts Corp. (Conso)	17,580,018	17,580,018	17,580,018	
Ayalaland Logistics Holdings Corp. (Conso)	10,370,256	10,370,256	10,370,256	
Bay City Commercial Ventures Corp.	13,342,957	13,342,957	13,342,957	
Crans Montana Property Holdings Corporation	161,546	161,546	161,546	
Leisure and Allied Industries Phils. Inc.	355,703	355,703	355,703	
North Triangle Depot Commercial Corp	20,065	20,065	20,065	
North Ventures Commercial Corp.	1,500	1,500	1,500	
Soltea Commercial Corp.	85,554,737	85,554,737	85,554,737	
Station Square East Commercial Corp	1,000	1,000	1,000	
Ten Knots Philippines, Inc.(Conso)	13,304	13,304	13,304	
<b>Sub-Total</b>	<b>166,398,672</b>	<b>166,398,672</b>	<b>166,398,672</b>	

	Amount Owed by ALI to SUMMERHILL COMMERCIAL VENTURES CORP.			
	Receivable Balance per SUMMERHILL	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI) Subsidiaries:</b>				
Accendo Commercial Corp	870	870	870	
Alabang Commercial Corporation (Conso)	12,150	12,150	12,150	
ALI Capital Corp. (Conso)	60,231,342	60,231,342	60,231,342	
ALI Commercial Center, Inc. (Conso)	268,793,212	268,793,212	268,793,212	
Amaia Land Corporation (Conso)	15,010,018	15,010,018	15,010,018	
Arca South Commercial Ventures Corp.	51,161	51,161	51,161	
Arvo Commercial Corporation	62,788,871	62,788,871	62,788,871	
Avida Land Corporation (Conso)	396,850,864	396,850,864	396,850,864	
AyalaLand Hotels and Resorts Corp. (Conso)	15,070,395	15,070,395	15,070,395	
Ayalaland Logistics Holdings Corp. (Conso)	7,799,873	7,799,873	7,799,873	
Ayalaland Malls Synergies, Inc.	420,527	420,527	420,527	
Ayalaland Metro North, Inc.	600	600	600	
Ayalaland Offices, Inc. (Conso)	1,394	1,394	1,394	
Bay City Commercial Ventures Corp.	89,566,374	89,566,374	89,566,374	
BellaVita Land Corp.	60,050,000	60,050,000	60,050,000	
Cagayan De Oro Gateway Corporation	39,515	39,515	39,515	
Cebu Holdings, Inc. (Conso)	740	740	740	
Direct Power Services Inc.	156,506	156,506	156,506	
Leisure and Allied Industries Phils. Inc.	565,440	565,440	565,440	

Makati Development Corporation (Conso)	843,050	843,050	843,050	
North Eastern Commercial Corp.	25,949	25,949	25,949	
North Triangle Depot Commercial Corp	267,749	267,749	267,749	
North Ventures Commercial Corp.	4,280	4,280	4,280	
Soltea Commercial Corp.	28,826,157	28,826,157	28,826,157	
Station Square East Commercial Corp	36,700	36,700	36,700	
Subic Bay Town Center Inc.	1,380	1,380	1,380	
Ten Knots Philippines, Inc.(Conso)	21,028,413	21,028,413	21,028,413	
<b>Sub-Total</b>	<b>1,028,443,530</b>	<b>1,028,443,530</b>	<b>1,028,443,530</b>	-

	Amount Owed by ALI to SUNNYFIELD E-OFFICE CORP.			
	Receivable Balance per SUNNYFIELD	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI)</b>				
Ayala Land Corporation (Conso)	15,351	15,351	15,351	
<b>Sub-Total</b>	<b>15,351</b>	<b>15,351</b>	<b>15,351</b>	-

	Amount Owed by ALI to TEN KNOTS DEVELOPMENT CORP.			
	Receivable Balance per TKDC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI)</b>				
ALI Capital Corp. (Conso)	2,412,453	2,412,453	2,412,453	
ALI Commercial Center, Inc. (Conso)	10,382	10,382	10,382	
Ayalaland Estates, Inc.	231,759	231,759	231,759	
AyalaLand Hotels and Resorts Corp. (Conso)	187,356,795	187,356,795	187,356,795	
Direct Power Services Inc.	9,458	9,458	9,458	
Ecoholdings Company, Inc.	500	500	500	
Makati Development Corporation (Conso)	103,021	103,021	103,021	
Soltea Commercial Corp.	94,511	94,511	94,511	
Ten Knots Philippines, Inc.(Conso)	277,643,022	277,643,022	277,643,022	
<b>Sub-Total</b>	<b>467,861,901</b>	<b>467,861,901</b>	<b>467,861,901</b>	-

	Amount Owed by ALI to TEN KNOTS PHILIPPINES, INC.			
	Receivable Balance per TKPI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI)</b>				
Adauge Commercial Corp.	9,105	9,105	9,105	
ALI Capital Corp. (Conso)	7,481,620	7,481,620	7,481,620	
ALI Commercial Center, Inc. (Conso)	-	-	-	
Ayala Land Sales Inc.	11,085	11,085	11,085	
AyalaLand Hotels and Resorts Corp. (Conso)	8,437,141	8,437,141	8,437,141	
AyalaLand Malls, Inc. (Conso)	3,000	3,000	3,000	
Cebu Holdings, Inc. (Conso)	57,385	57,385	57,385	
Ecoholdings Company, Inc.	1,848	1,848	1,848	
Integrated Eco-Resort Inc.	750,513	750,513	750,513	
Philippine Integrated Energy Solutions, Inc.	2,675	2,675	2,675	
Ten Knots Development Corporation(Conso)	6,133,699	6,133,699	6,133,699	
Ten Knots Philippines, Inc.(Conso)	1,760	1,760	1,760	
<b>Sub-Total</b>	<b>22,889,832</b>	<b>22,889,832</b>	<b>22,889,832</b>	-

	Amount Owed by ALI to VESTA PROPERTY HOLDINGS, INC.			
	Receivable Balance per VPHI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI)</b>				
ALI Capital Corp. (Conso)	51,761,674	51,761,674	51,761,674	
Alveo Land Corporation (Conso)	112,499,318	112,499,318	112,499,318	
Amorsedia Development Corporation (Conso)	292,339,684	292,339,684	292,339,684	
Arca South Integrated Terminal, Inc	10,223,833	10,223,833	10,223,833	
Arvo Commercial Corporation	118,203,879	118,203,879	118,203,879	
Aurora Properties, Inc.	150	150	150	
Ayala Land Corporation (Conso)	54,490,854	54,490,854	54,490,854	
Ayala Land International Sales, Inc.(Conso)	188,476	188,476	188,476	
AyalaLand Hotels and Resorts Corp. (Conso)	75,668,370	75,668,370	75,668,370	
Ayalaland Logistics Holdings Corp. (Conso)	23,917,325	23,917,325	23,917,325	
Ayalaland Medical Facilities Leasing Inc.	2,795,983	2,795,983	2,795,983	
Bay City Commercial Ventures Corp.	282,404,772	282,404,772	282,404,772	
BellaVita Land Corp.	10,004,888	10,004,888	10,004,888	
Cagayan De Oro Gateway Corporation	58,258	58,258	58,258	
Cavite Commercial Towncenter Inc.	38,692,338	38,692,338	38,692,338	
Crans Montana Property Holdings Corporation	18,116,778	18,116,778	18,116,778	
Direct Power Services Inc.	2,634	2,634	2,634	



Makati Development Corporation (Conso)	18,000	18,000	18,000	
North Eastern Commercial Corp.	35,150	35,150	35,150	
Nuevocentro, Inc. (Conso)	1,535,095	1,535,095	1,535,095	
Soltea Commercial Corp.	2,777,523	2,777,523	2,777,523	
Summerhill Commercial Ventures Corp.	21,624,557	21,624,557	21,624,557	
Ten Knots Development Corporation(Conso)	12,012,000	12,012,000	12,012,000	
Ten Knots Philippines, Inc.(Conso)	347,518,944	347,518,944	347,518,944	
<b>Sub-Total</b>	<b>1,480,946,706</b>	<b>1,480,946,706</b>	<b>1,480,946,706</b>	<b>-</b>

	Amount Owed by ALI to WESTVIEW COMMERCIAL VENTURES CORP.			
	Receivable Balance per WESTVIEW	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI)</b>				
Adauge Commercial Corp.	2,900	2,900	2,900	
Amaia Land Corporation (Conso)	577,624	577,624	577,624	
Avida Land Corporation (Conso)	326,282	326,282	326,282	
Capitol Central Commercial Ventures Corp.	154,518	154,518	154,518	
North Triangle Depot Commercial Corp	5,210	5,210	5,210	
AREIT, Inc.	4,728,703	4,728,703	4,728,703	
Subic Bay Town Center Inc.	9,983	9,983	9,983	
<b>Sub-Total</b>	<b>5,805,220</b>	<b>5,805,220</b>	<b>5,805,220</b>	<b>-</b>

	Amount Owed by ALI to WHITEKNIGHT HOLDINGS, INC.			
	Receivable Balance per WHITEKNIGHT	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
<b>Ayala Land, Inc. (ALI)</b>				
Ayalaland Medical Facilities Leasing Inc.	2,928,214	2,928,214	2,928,214	
Bay City Commercial Ventures Corp.	10,518,356	10,518,356	10,518,356	
Soltea Commercial Corp.	3,007,167	3,007,167	3,007,167	
Summerhill Commercial Ventures Corp.	556,880	556,880	556,880	
<b>Sub-Total</b>	<b>17,010,617</b>	<b>17,010,617</b>	<b>17,010,617</b>	

<b>TOTAL ELIMINATED RECEIVABLES</b>	<b>136,359,342,056</b>	<b>136,359,342,056</b>	<b>136,359,342,056</b>	<b>-</b>
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AYALA LAND, INC. AND SUBSIDIARIES  
SCHEDULE D - LONG-TERM DEBT  
As of December 31, 2021

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE/ FACILITY AGREEMENT	CURRENT PORTION OF LONG- TERM DEBT (in '000)	LONG-TERM DEBT (NET OF CURRENT PORTION) (in '000)	Interest Rate	No. of Periodic Installment	Maturity Date
<b>Ayala Land, Inc.:</b>						
<b>Bonds</b>						
Philippine Peso	5,650,000	5,650,000		6.000%	N/A, Bullet	April 27, 2022
Philippine Peso	7,000,000	6,987,688		4.500%	N/A, Bullet	April 29, 2022
Philippine Peso	10,000,000	9,970,491		3.000%	N/A, Bullet	June 26, 2022
Philippine Peso	7,000,000		6,980,787	3.892%	N/A, Bullet	October 07, 2023
Philippine Peso	3,000,000		2,978,436	4.758%	N/A, Bullet	September 30, 2024
Philippine Peso	10,000,000		9,903,889	3.626%	N/A, Bullet	May 04, 2025
Philippine Peso	6,250,000		6,192,684	3.862%	N/A, Bullet	September 29, 2025
Philippine Peso	7,000,000		6,969,407	4.750%	N/A, Bullet	October 25, 2025
Philippine Peso	8,000,000		7,961,918	4.850%	N/A, Bullet	March 23, 2026
Philippine Peso	8,000,000		7,934,304	6.369%	N/A, Bullet	May 06, 2026
Philippine Peso	1,000,000		963,622	4.990%	N/A, Bullet	February 06, 2027
Philippine Peso	7,000,000		6,979,065	5.262%	N/A, Bullet	May 02, 2027
Philippine Peso	10,000,000		9,916,583	5.920%	N/A, Bullet	April 27, 2028
Philippine Peso	3,000,000		2,977,789	4.078%	N/A, Bullet	October 26, 2031
Philippine Peso	2,000,000		1,986,794	6.000%	N/A, Bullet	October 10, 2033
<b>Fixed rate corporate notes (FXCNs)</b>						
Philippine Peso	5,000,000	150,000	4,500,000	4.500%	30	March 10, 2023
<b>Bank loan -US Dollar</b>						
Bank Loan (MBTC)	6,002,875		6,374,875	Various floating rates	N/A, Bullet	November 06, 2024
<b>Bank loan -Peso</b>						
Bank Loan (BDO)	18,076,000	82,000	17,618,068	Various fixed rates	Various	Various from 2026 to 2031
Bank Loan (BPI)	1,261,000	73,136	1,087,495	Various fixed/floating rates	Various	Various from 2023 to 2027
Bank Loan (CBC)	17,100,000		16,974,741	Various fixed rates	Various	Various from 2029 to 2031
Bank Loan (LBP)	15,000,000	80,644	14,637,561	Various fixed rates	Various	Various from 2028 to 2031
Bank Loan (MBTC)	15,000,000	294,982	14,113,869	Various fixed rates	Various	Various from 2027 to 2030
Bank Loan (PNB)	10,000,000	201,531	9,521,901	4.000%	39	December 18, 2030
Bank Loan (RCBC)	1,900,000	38,000	1,662,500	4.500%	26	March 30, 2023
<b>Sub-Total</b>	<b>184,239,875,000</b>	<b>Php 23,528,471</b>	<b>Php 158,236,290</b>			
<b>Subsidiaries:</b>						
<b>Bonds</b>						
Philippine Peso	3,000,000		2,957,472	3.045%	N/A, Bullet	December 28, 2023
<b>Bank loan -Peso</b>						
Bank Loan (BPI)	7,431,182	1,562,117	3,644,175	Various fixed and floating rates	Various	Various from 2022 to 2028
Bank Loan (BDO)	10,083,000	1,083,000	8,916,657	Various fixed rates	Various	Various from 2022 to 2031
Bank Loan (LandBank of the Phil)	6,430,000		6,384,811	Various fixed rates	Various	Various from 2030 to 2031
<b>Bank loan -MYR</b>	Various	409	837	Various	Various	Various
<b>Sub-Total</b>		<b>2,645,526</b>	<b>21,903,953</b>			
	<b>206,314,239,713</b>	<b>Php 26,173,997</b>	<b>Php 180,140,242</b>			

**AYALA LAND, INC. AND SUBSIDIARIES****SCHEDULE E - Indebtedness to Related Parties (Long-Term Loans from Related Parties)**

(Long Term Loans from Related Companies)

*As of December 31, 2021*

<b>NAME OF RELATED PARTY</b>	<b>BALANCE AT BEGINNING OF PERIOD (in '000)</b>	<b>BALANCE AT END OF PERIOD (in '000)</b>
Bank of the Philippine Islands	Php 13,196,816	Php 6,366,922

**AYALA LAND, INC. AND SUBSIDIARIES**  
**SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS**  
*As of December 31, 2021*

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE COMPANY FOR W/C THIS STATEMENT IS FILED	TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED & OUTSTANDING	AMOUNT OWNED BY PERSON FOR W/C STATEMENT IS FILED	NATURE OF GUARANTEE

AYALA LAND, INC. AND SUBSIDIARIES  
SCHEDULE G- CAPITAL STOCK  
As of December 31, 2021

TITLE OF ISSUE	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED AND OUTSTANDING AT SHOWN UNDER RELATED STATEMENT OF FINANCIAL POSITION CAPTION				NUMBER OF SHARES RESERVED FOR OPTIONS, WARRANTS, CONVERSION AND OTHER RIGHTS	NUMBER OF SHARES HELD BY RELATED PARTIES	DIRECTORS, OFFICERS AND EMPLOYEES	OTHERS
		ISSUED	SUBSCRIBED	TREASURY SHARES	TOTAL				
Common Stock	20,000,000,000	15,257,294,035	123,901,926	(570,069,282)	14,811,126,679	-	6,824,066,579	153,336,849	
Preferred Stock	15,000,000,000	13,066,494,759			13,066,494,759		12,163,180,640	2,157,932	

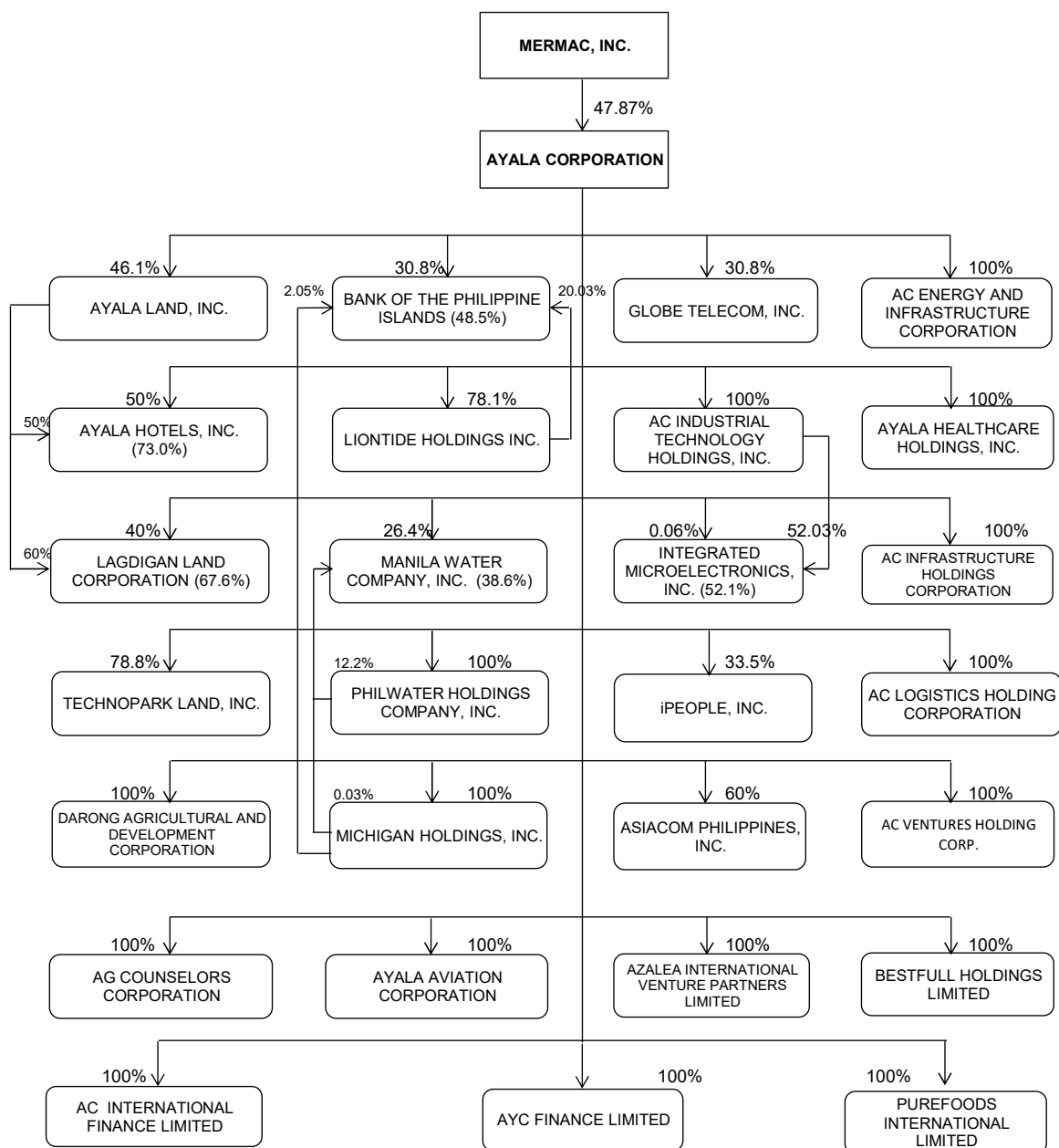
**AYALA LAND, INC.**  
**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION**  
*December 31, 2021*

Items	Amount (in Thousands)
<b>Unappropriated Retained Earnings, beginning</b>	<b>Php 52,902,810,737</b>
<b>Less adjustments:</b>	
Treasury shares	Php -
Deferred tax assets	(2,561,086,834)
Fair Value adjustment	(593,852,588)
<b>Unappropriated Retained Earnings, as adjusted, beginning</b>	<b>49,747,871,315</b>
<b>Net Income based on the face of AFS</b>	<b>Php 8,933,830,352</b>
<b>Less: Non-actual/unrealized income net of tax</b>	
Amount of provision for deferred tax during the year	
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	(845,629,423)
Unrealized actuarial gain	
Fair value adjustment (M2M gains)	
Fair value adjustment of Investment Property resulting to gain adjustment due to deviation from PFRS/GAAP-gain	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	
<b>Add: Non-actual losses</b>	
Depreciation on revaluation increment (after tax)	
Adjustment due to deviation from PFRS/GAAP – loss	
Loss on fair value adjustment of investment property (after tax)	
<b>Net Income Actual/Realized</b>	<b>Php 8,088,200,930</b>
<b>Less: Other adjustments</b>	
Dividend declarations during the period	(4,063,228,352)
Effects of prior period adjustments	-
Related to merger	2,423,959,747
Treasury Shares	(16,894,379,504)
	<b>(10,445,447,180)</b>
<b>Unappropriated Retained Earnings, as adjusted, ending</b>	<b>39,302,424,135</b>

**AYALA LAND, INC. AND SUBSIDIARIES**  
**SCHEDULE FINANCIAL SOUNDNESS INDICATORS**  
*December 31, 2021*

Ratio	Formula	Current Year	Prior Year
Current ratio	Current sssets / Current liabilities	1.58	1.62
Acid test ratio	Quick assets (Total current assets excluding inventory)/ Current liabilities	0.87	0.89
Solvency ratio	EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt)	0.16	0.15
Debt-to-equity ratio	Total debt / Consolidated stockholders' equity	0.82	0.81
Asset-to-equity ratio	Total assets / Consolidated stockholders' equity	2.76	2.77
Interest rate coverage ratio	EBITDA / Interest expense	4.01	2.96
Return on equity	Net income attributable to equity holders of the company / Average total stockholders' equity	0.05	0.04
Return on assets	Net income after tax / Average total assets	0.02	0.02
Net profit margin	Net income attributable to equity holders of the company / Total consolidated revenue	0.12	0.09

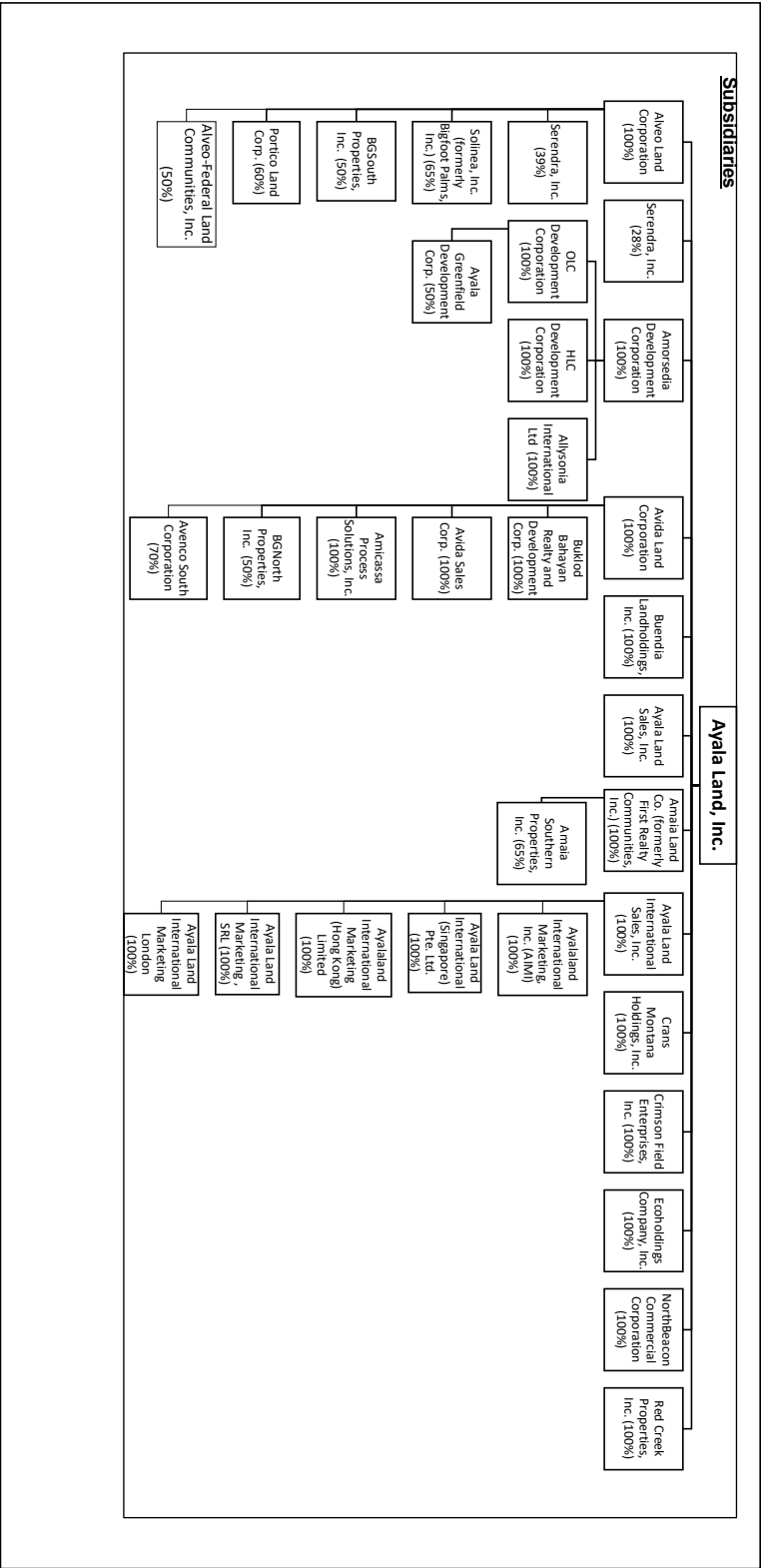
**AYALA LAND, INC. AND SUBSIDIARIES**  
**CORPORATE ORGANIZATIONAL CHART**  
**As of December 31, 2021**

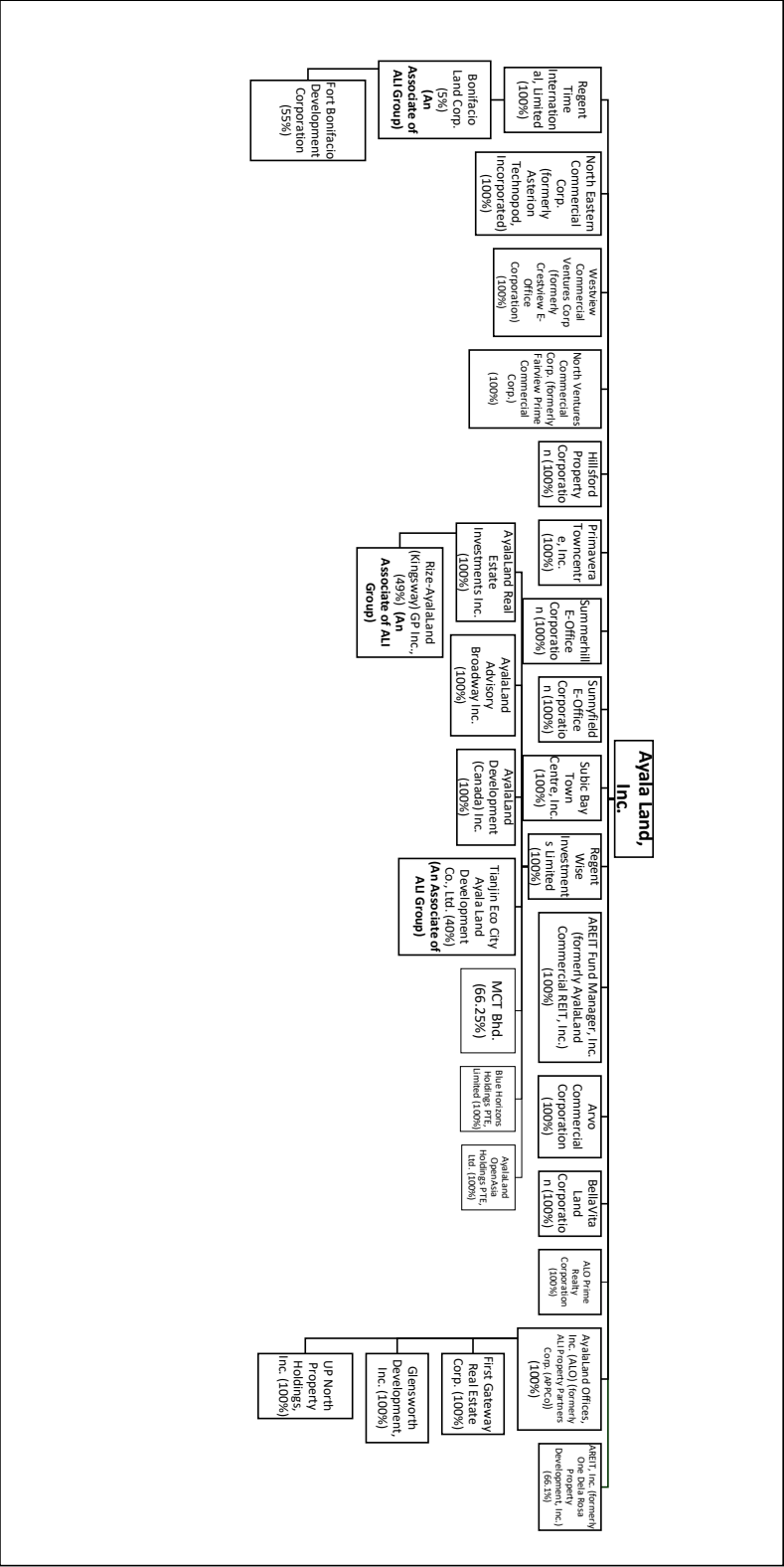


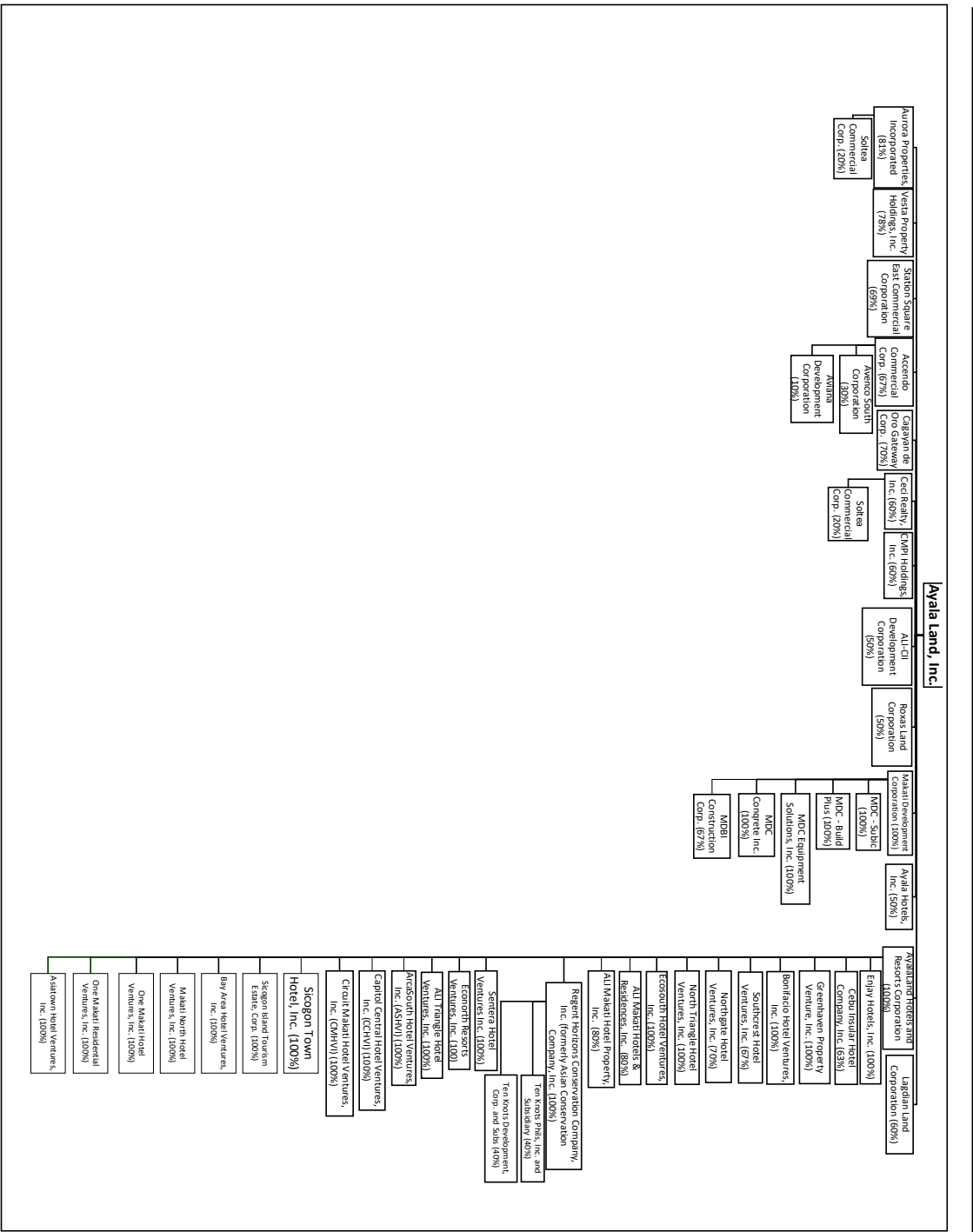
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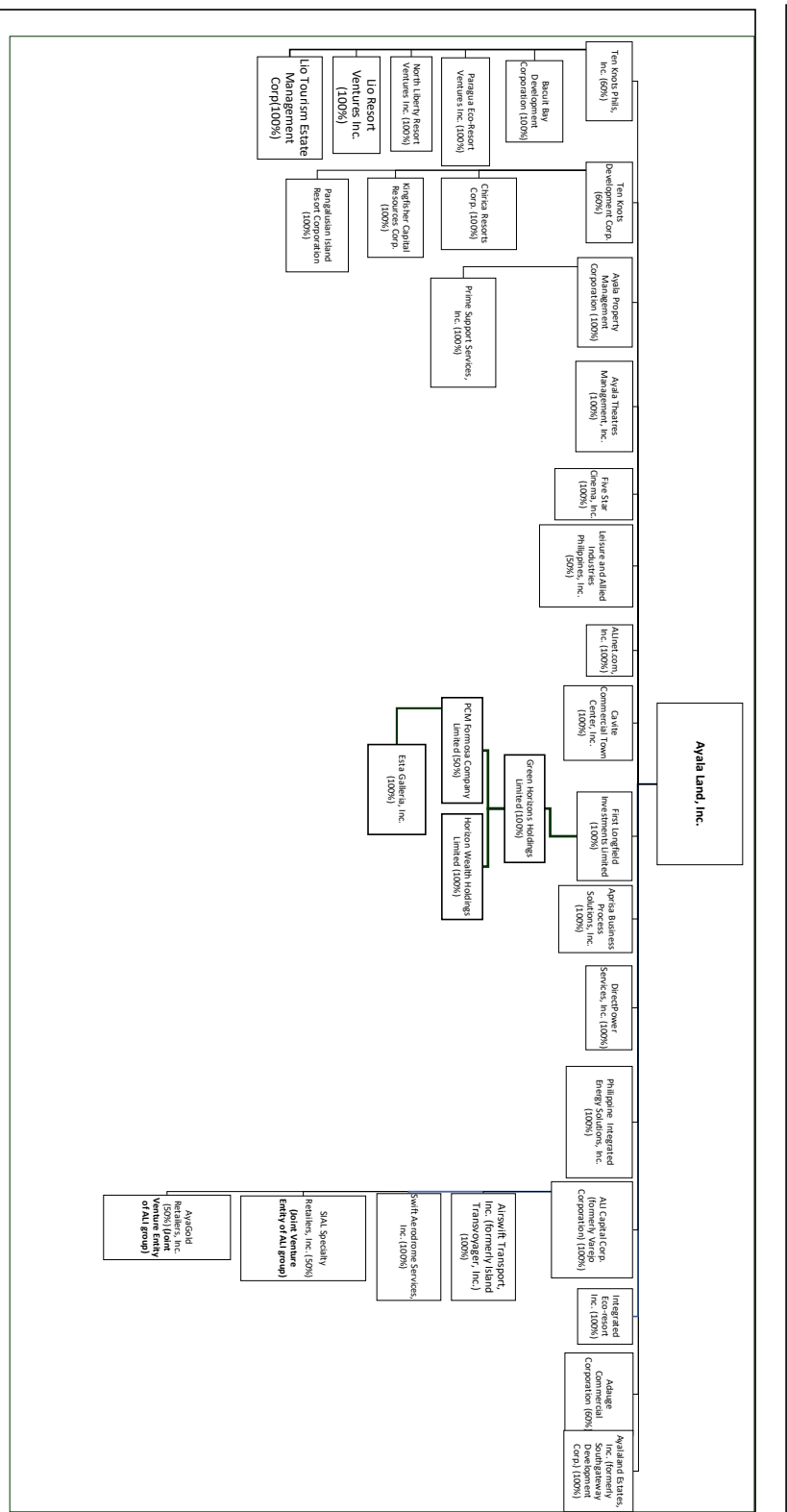
% of ownership appearing outside the box - direct % of economic ownership  
 % of ownership appearing inside the box - effective % of economic ownership

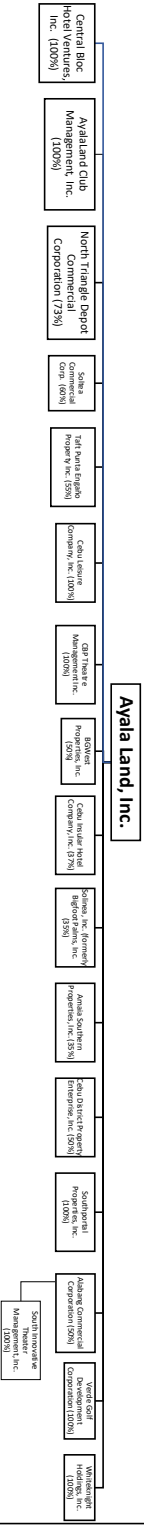


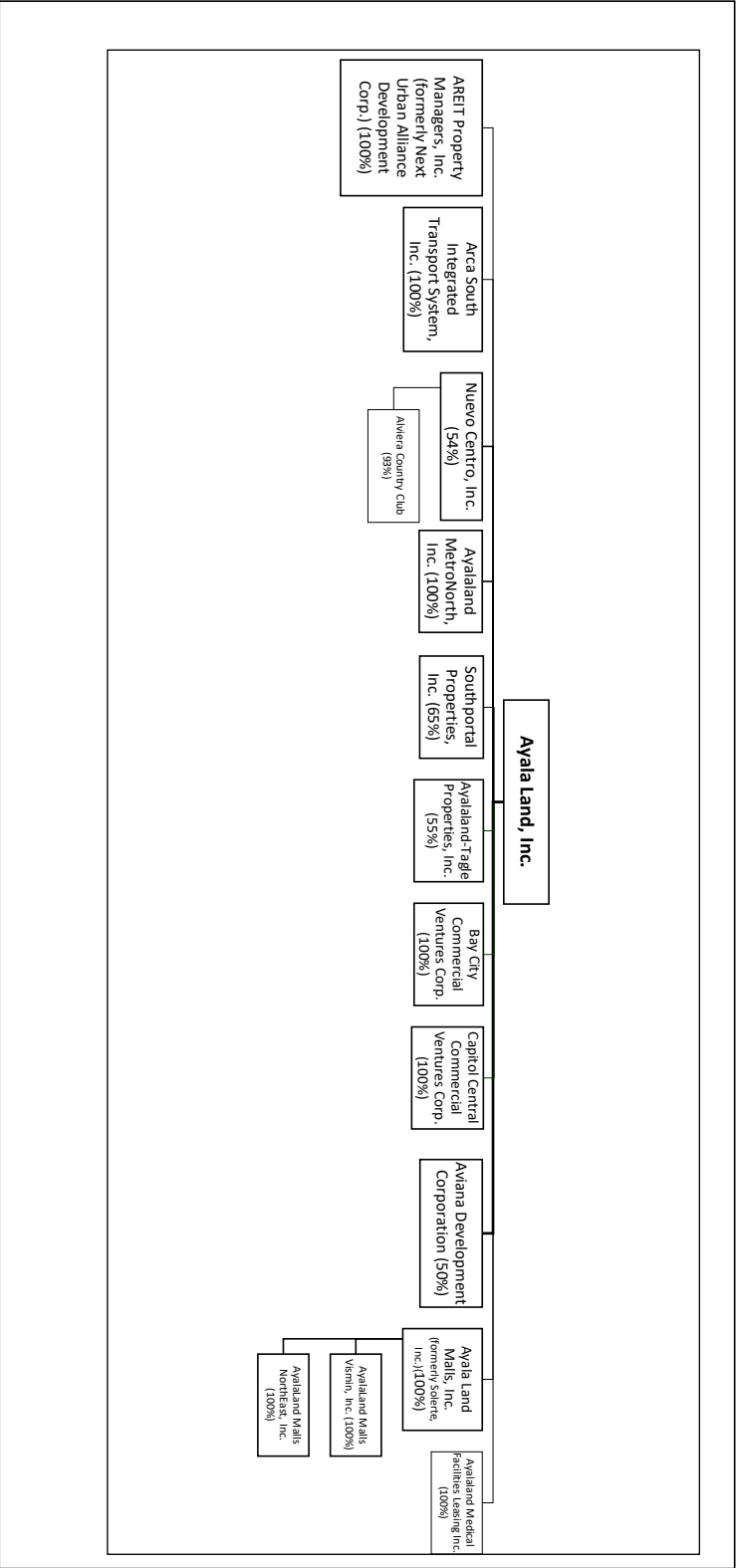


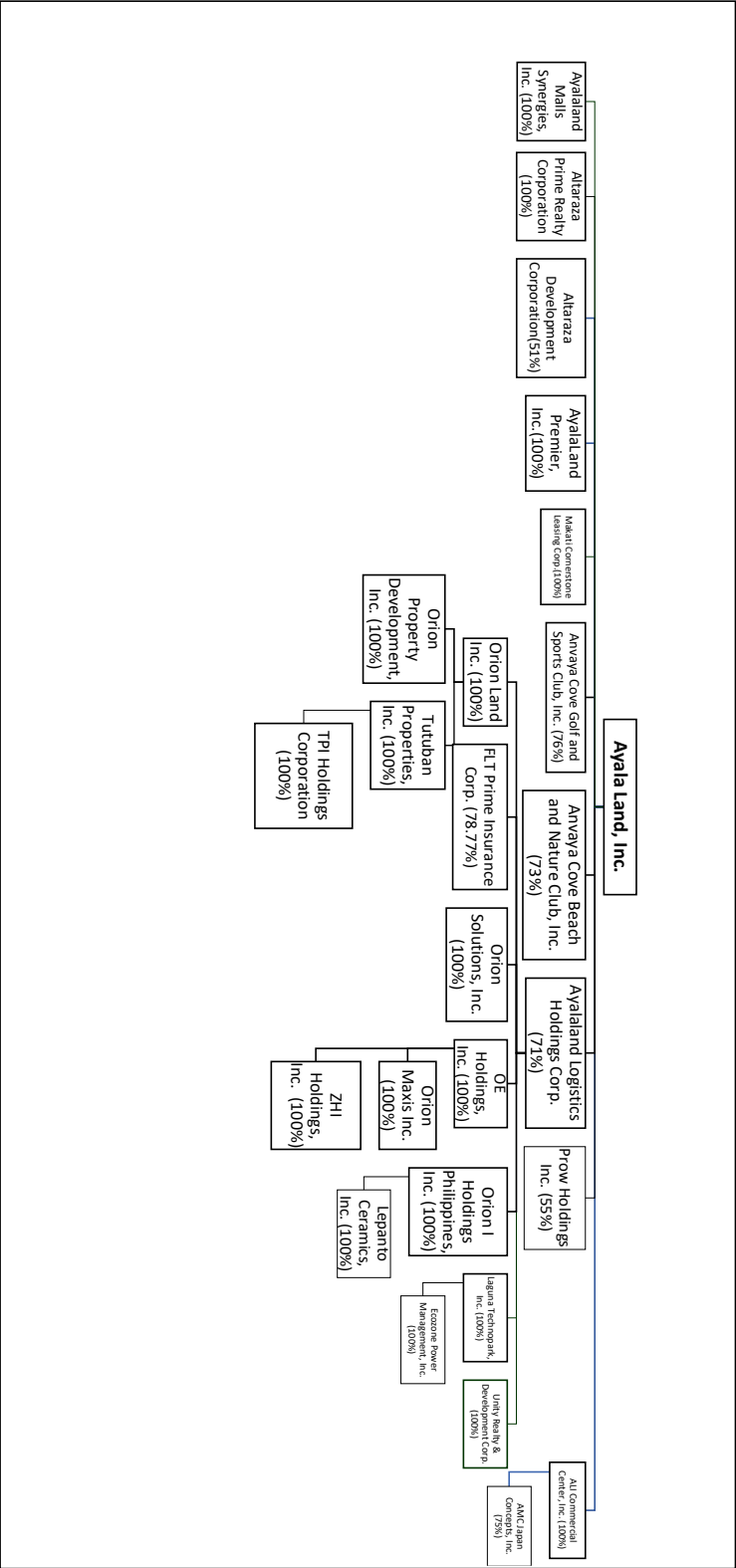






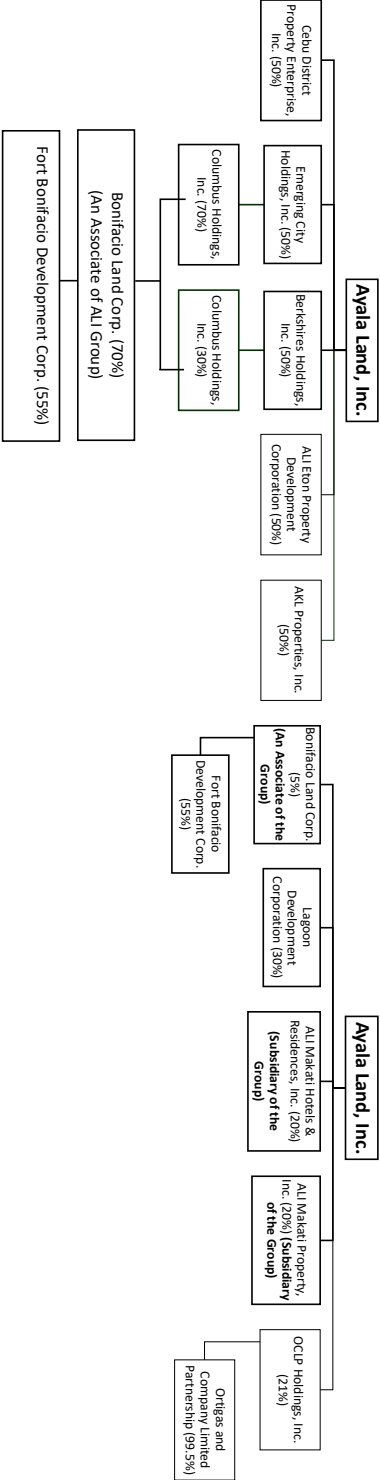






**Direct Investments in Joint Ventures**

**Direct Investments in Associates**





**AYALA LAND, INC. AND SUBSIDIARIES**  
**ANNEX I – BOND PROCEEDS**

**P3.0 Billion Fixed Rate Bonds due 2023**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	3,000,000,000.00	3,000,000,000.00
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,325,625.00	1,325,625.00
Documentary Stamp Tax	22,500,000.00	22,500,000.00
Underwriting Fee	11,250,000.00	11,250,000.00
PDEX Listing Fee	100,000.00	100,000.00
Accounting	3,200,000.00	2,509,500.00
Legal	1,620,000.00	1,877,286.00
Credit Rating	1,280,000.00	1,280,000.00
Registry and Paying Agency	187,500.00	
Trusteeship	240,000.00	
Out-of-pocket expenses	1,000,000.00	177,694.00
Total Estimated Upfront Expenses	42,703,125.00	41,020,105.00
Net Proceeds	2,957,296,875.00	2,958,979,895.00

**Balance of Proceeds as of 12.31.2021**

AREIT, Inc. raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to partially refinance the Philippine peso-denominated 2.0% per annum P4.0 billion short term loan drawn from Rizal Commercial Banking Corporation, an external counterparty bank not related to any of the JLUBs and their related parties, to partially finance the acquisition of The 30th.

**P3.0 Billion Fixed Rate Bonds due 2031**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	2,750,000,000.00	3,000,000,000.00
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,262,500.00	1,956,875.00
Documentary Stamp Tax	20,625,000.00	22,500,000.00
Underwriting Fee	10,312,500.00	11,250,000.00
Estimated Professional Expenses & Agency fees	7,300,000.00	5,733,151.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	334,004.00
Listing Fee	100,000.00	100,000.00
Total Expenses	40,600,000.00	41,874,030.00
Net Proceeds	2,709,400,000.00	2,958,125,970.00

**Balance of Proceeds as of 12.31.2021**

Ayala Land raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to refinance the short-term loan drawn to finance the early redemption of the Company's 7.0239% per annum P8.00 billion fixed-rate bonds due 2023 issued in 2018 on October 5, 2021 (the "7.0239% p.a. 2018 Bonds") and partially finance the Company's capital expenditures.

**P10.0 Billion Fixed Rate Bonds due 2025**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	10,000,000,000.00	10,000,000,000.00
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,030.00	2,525,030.00
Documentary Stamp Tax	75,000,000.00	75,000,000.00
Underwriting Fee	37,500,000.00	37,500,000.00
Estimated Professional Expenses & Agency fees	5,000,000.00	4,758,330.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	176,790.67
Listing Fee	100,000.00	100,000.00
Total Expenses	121,125,030.00	120,060,150.67
Net Proceeds	9,878,874,970.00	9,879,939,849.33

**Balance of Proceeds as of 12.31.2021**

**NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to refinance any short-term loans that will be drawn to finance the early redemption of the Company's 5.625% per annum P8.0 billion fixed-rate bonds due 2025 issued in 2014, and partially finance the Company's general corporate requirements

**P6.3 Billion Fixed Rate Bonds due 2025**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>6,250,000,000.00</b>	<b>6,250,000,000.00</b>
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,578,155.00	1,578,155.00
Documentary Stamp Tax	46,875,000.00	46,875,000.00
Underwriting Fee	23,437,500.00	23,437,500.00
Estimated Professional Expenses & Agency fees	5,000,000.00	5,520,092.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	274,183.33
Listing Fee	100,000.00	100,000.00
Total Expenses	77,990,655.00	77,784,930.33
Net Proceeds	<b>6,172,009,345.00</b>	<b>6,172,215,069.67</b>

**Balance of Proceeds as of 12.31.2021**
**NIL**

Ayala Land raised from the Bonds gross proceeds of P6.3 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.17 billion. Net proceeds were used to refinance the Company's 4.725% per annum P1.8 billion term loan maturity on September 29, 2020, 4.625% per annum P4.0 billion bond maturity on October 10, 2020 and a portion of its existing short-term loans.

**P10.0 Billion Fixed Rate Bonds due 2022**
**NIL**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>10,000,000,000.00</b>	<b>10,000,000,000.00</b>
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,093,125.00	1,578,155.00
Documentary Stamp Tax	75,000,000.00	46,875,000.00
Underwriting Fee	37,500,000.00	23,437,500.00
Estimated Professional Expenses & Agency fees	9,000,000.00	5,478,301.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	428,993.33
Listing Fee	150,000.00	100,000.00
Total Expenses	125,743,125.00	77,897,949.33
Net Proceeds	<b>9,874,256,875.00</b>	<b>9,922,102,050.67</b>

**Balance of Proceeds as of 12.31.2021**
**NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.92 billion. Net proceeds were used to partially finance the Company's general corporate requirements.

**P9.0 Billion Fixed Rate Bonds due 2021 and P1.0 Billion Fixed Rate Bonds due 2027**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>10,000,000,000.00</b>	<b>10,000,000,000.00</b>
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,093,125.00	3,093,125.00
Documentary Stamp Tax	75,000,000.00	75,000,000.00
Underwriting Fee	37,500,000.00	37,500,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	4,206,571.43
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	118,285.00
Listing Fee	150,000.00	253,611.12
Total Expenses	125,743,125.00	124,378,163.98
Net Proceeds	<b>9,874,256,875.00</b>	<b>9,875,621,836.02</b>

**Balance of Proceeds as of 12.31.2021**
**NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to partially finance various projects.

**P3.0 Billion Fixed Rate Bonds due 2024****NIL**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>3,000,000,000.00</b>	<b>3,000,000,000.00</b>
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	757,500.00	757,500.00
Documentary Stamp Tax	22,500,000.00	22,500,000.00
Underwriting Fee	11,250,000.00	11,025,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	3,965,234.71
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	69,300.00
Listing Fee	150,000.00	151,708.34
Total Expenses	44,657,500.00	42,433,977.76
Net Proceeds	<b>2,955,342,500.00</b>	<b>2,957,566,022.24</b>

**Balance of Proceeds as of 12.31.2021****NIL**

Ayala Land raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to partially finance various projects.

**P8.0 Billion Fixed Rate Bonds due 2026****NIL**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>8,000,000,000.00</b>	<b>8,000,000,000.00</b>
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588,125.00	2,588,125.00
Documentary Stamp Tax	60,000,000.00	60,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	6,066,185.05
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	338,659.20
Listing Fee	150,000.00	218,166.66
Total Expenses	106,738,125.00	99,211,135.91
Net Proceeds	<b>7,893,261,875.00</b>	<b>7,900,788,864.09</b>

**Balance of Proceeds as of 12.31.2021****NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.90 billion. Net proceeds were used to partially finance various projects.

**P8.0 Billion Fixed Rate Bonds due 2023****NIL**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>8,000,000,000.00</b>	<b>8,000,000,000.00</b>
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,020,000.00	2,020,000.00
Documentary Stamp Tax	60,000,000.00	60,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	4,044,234.00
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	49,875.00
Listing Fee	100,000.00	100,000.00
Total Expenses	106,120,000.00	96,214,109.00
Net Proceeds	<b>7,893,880,000.00</b>	<b>7,903,785,891.00</b>

**Balance of Proceeds as of 12.31.2021****NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.90 billion. Net proceeds were used to partially finance various projects.

**P10.0 Billion Fixed Rate Bonds due 2028****NIL**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>10,000,000,000.00</b>	<b>10,000,000,000.00</b>
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,000.00	2,525,000.00
Documentary Stamp Tax	75,000,000.00	75,000,000.00
Underwriting Fee	37,500,000.00	37,500,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	4,901,842.56
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	622,938.20
Listing Fee	200,000.00	200,000.00
Total Expenses	129,225,000.00	120,749,780.76
Net Proceeds	<b>9,870,775,000.00</b>	<b>9,879,250,219.24</b>

**Balance of Proceeds as of 12.31.2021****NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to partially finance various projects.

**P7.0 Billion Fixed Rate Bonds due 2027**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>7,000,000,000.00</b>	<b>7,000,000,000.00</b>
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,767,500.00	1,767,500.00
Documentary Stamp Tax	35,000,000.00	35,000,000.00
Underwriting Fee	26,250,000.00	26,250,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	3,161,187.20
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	990,430.17
Listing Fee	100,000.00	100,000.00
Total Expenses	74,617,500.00	67,269,117.37
Net Proceeds	<b>6,925,382,500.00</b>	<b>6,932,730,882.63</b>

**Balance of Proceeds as of 12.31.2021****NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.92 billion. Net proceeds were used to partially finance various projects.

**P7.0 Billion Fixed Rate Bonds due 2023 and P3.0 Billion Homestarter Bonds due 2019**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>10,000,000,000.00</b>	<b>10,000,000,000.00</b>
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,000.00	2,525,000.00
Documentary Stamp Tax	50,000,000.00	50,000,000.00
Underwriting Fee	44,250,000.00	26,250,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	2,960,000.00
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	201,849.33
Listing Fee	200,000.00	200,000.00
Total Expenses	110,975,000.00	82,136,849.33
Net Proceeds	<b>9,889,025,000.00</b>	<b>9,917,863,150.67</b>

**Balance of Proceeds as of 12.31.2021****NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.9 billion. Net proceeds were used to partially finance various projects.

**P7.0 Billion Fixed Rate Bonds due 2025**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>7,000,000,000.00</b>	<b>8,000,000,000.00</b>
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,767,500.00	1,767,500.00
Documentary Stamp Tax	35,000,000.00	35,000,000.00
Underwriting Fee	26,250,000.00	26,250,000.00
Estimated Professional Expenses & Agency fees	7,500,000.00	2,301,963.00
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	248,847.18
Listing Fee	100,000.00	100,000.00
Total Expenses	73,117,500.00	65,668,310.18
Net Proceeds	<b>6,926,882,500.00</b>	<b>6,934,331,689.82</b>

**Balance of Proceeds as of 12.31.2021****NIL**

Ayala Land raised from the Bonds gross proceeds of P7.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.9 billion. Net proceeds were used to partially finance various projects.

**P8.0 Billion Fixed Rate Bonds due 2026****NIL**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>8,000,000,000.00</b>	<b>8,000,000,000.00</b>
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588,125.00	2,588,125.00
Documentary Stamp Tax	40,000,000.00	40,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
Estimated Professional Expenses & Agency fees	7,500,000.00	3,651,246.00
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	398,937.60
Listing Fee	100,000.00	100,000.00
Total Expenses	82,688,125.00	76,738,308.60
Net Proceeds	<b>7,917,311,875.00</b>	<b>7,923,261,691.40</b>

**Balance of Proceeds as of 12.31.2021****NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.9 billion. Net proceeds were used to partially finance various projects.

**P7.0 Billion Fixed Rate Bonds due 2022****NIL**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>7,000,000,000.00</b>	<b>7,000,000,000.00</b>
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	-	-
Documentary Stamp Tax	35,000,000.00	35,000,000.00
Underwriting Fee	26,250,000.00	25,724,999.99
Estimated Professional Expenses & Agency fees	5,740,000.00	3,058,763.32
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	19,307.59
Listing Fee	100,000.00	100,000.00
Total Expenses	69,590,000.00	63,903,070.90
Net Proceeds	<b>6,930,410,000.00</b>	<b>6,936,096,929.10</b>

**Balance of Proceeds as of 12.31.2021****NIL**

Ayala Land raised from the Bonds gross proceeds of P7.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.9 billion. Net proceeds were used to partially finance various projects.

**P5.0 Billion Fixed Rate Bonds due 2021**

<b>(In pesos)</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
Issue Amount	<b>5,000,000,000.00</b>	<b>5,000,000,000.00</b>
Expenses		
Documentary Stamp Tax	25,000,000.00	25,000,000.00
SEC Registration	1,812,500.00	1,812,500.00
Legal Research Fee	18,125.00	18,125.00
Upfront Fees	-	-
Underwriting Fee	18,750,000.00	18,750,000.00
Professional Expenses and Agency Fees	3,828,500.00	4,051,801.20
Out of Pocket Expenses (publication, printing etc.)	2,500,000.00	275,128.39
Total Expenses	<b>52,051,125.00</b>	<b>49,907,554.59</b>
Net Proceeds	<b>4,947,978,875.00</b>	<b>4,950,092,445.41</b>

**Balance of Proceeds as of 12.31.2021****NIL**

Cebu Holdings, Inc. raised from the Bonds gross proceeds of P5.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P4.95 billion. Net proceeds were used to partially finance various projects.

**P8 Billion Fixed Rate Callable Bonds due 2025**

(in pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	8,000,000,000.00	8,000,000,000.00
Expenses		
Documentary Stamp Tax	40,000,000.00	40,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
SEC Registration		
SEC Registration Fee	4,312,500.00	4,312,500.00
SEC Legal Research Fee	43,125.00	43,125.00
Professional Expenses	7,748,500.00	7,178,064.00
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	126,279.00
Listing Fee	168,000.00	100,000.00
Total Expenses	84,772,125.00	81,759,968.00
Net Proceeds	7,915,227,875.00	7,918,240,032.00

**Balance of Proceeds as of 12.31.2021****NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.9 billion. Net proceeds were used to partially finance various projects.

**P4.0 Billion in Fixed Rate Bonds due 2020 and P2.0 Billion Fixed Rate Bonds due 2033**

(in pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	6,000,000,000.00	6,000,000,000.00
Expenses		
Documentary Stamp Tax	30,000,000.00	30,000,000.00
Upfront Fees		
Underwriting Fee (375 bps + GRT)	22,500,000.00	22,500,000.00
Professional Expenses	1,457,500.00	2,517,808.07
Listing Fee	100,000.00	100,000.00
Out of Pocket Expenses (publication, printing etc.)	1,000,000.00	5,530.00
Total Expenses	55,057,500.00	55,123,338.07
Net Proceeds	5,944,942,500.00	5,944,876,661.93

**Balance of Proceeds as of 12.31.2021****NIL**

Ayala Land raised from the Bonds gross proceeds of P6.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P5.9 billion. Net proceeds were used to partially finance various projects.

**P15.0 Billion Fixed Rate Bonds due 2024**

(in pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	15,000,000,000.00	15,000,000,000.00
Expenses		
Documentary Stamp Tax	75,000,000.00	75,000,000.00
SEC Registration	5,812,500.00	5,812,500.00
Legal Research Fee	58,125.00	58,125.00
Upfront Fees		
Underwriting Fee	56,250,000.00	56,250,000.00
Professional Expenses	7,336,000.00	401,082.05
Trustee	20,000.00	20,000.00
Registry Account Opening Fee	150,000.00	150,000.00
Listing Fee	100,000.00	100,000.00
Out of Pocket Expenses (publication, printing etc.)	2,500,000.00	97,807.91
Total Expenses	147,226,625.00	137,889,514.96
Net Proceeds	14,852,773,375.00	14,862,110,485.04

**Balance of Proceeds as of 12.31.2021****NIL**

Ayala Land raised from the Bonds gross proceeds of P15.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P14.9 billion. Net proceeds were used to partially finance various projects.

ISSUER

**Ayala Land, Inc.**  
31<sup>st</sup> Floor, Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue,  
Makati City, 1226, Philippines

TRUSTEE

**Security Bank Corporation - Trust and Asset Management Group**  
7<sup>th</sup> Floor, Security Bank Centre,  
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