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Ayala Triangle, Ayala Avenue,
Makati City 1226
Telephone Number: (632) 7750-6974

Preliminary Prospectus

**Up to ₱[17.00] Billion Fixed-Rate Bonds (“Base Offer”)¹
with an Oversubscription Option of up to ₱[5.00] Billion
(“Oversubscription Option”)²
to be issued
under its existing ₱50.00 Billion Securities Program
rendered effective on October 11, 2021 (“2021 Program”)
and its up to ₱[50.00] Billion Securities Program
to be registered in 2023 (“2023 Program”)**

**Series A: [•]% 5- year Bonds due 2028
Series B: [•]% 10- year Bonds due 2033**

Issue Price: 100% of Face Value

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

Joint Lead Underwriters and Bookrunners³



BPI Capital
Corporation



CHINABANK
CAPITAL



FIRST METRO
INVESTMENT CORPORATION
Metrobank Group



RCBC Capital Corporation



SB CAPITAL
A Subsidiary of Security Bank

Trustee

Rizal Commercial Banking Corporation – Trust and Investments Group

The date of this Preliminary Prospectus is May 10, 2023.

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, ₱9.5 BILLION OF SECURITIES WERE ISSUED ON MAY 05, 2022, AND ₱33 BILLION OF SECURITIES WERE ISSUED ON JULY 4, 2022, WITH THE OFFER SUPPLEMENT ACCESSIBLE AT <https://ir.ayalaland.com.ph/wp-content/uploads/2022/06/Final-Offer-Supplement-for-ALIs-P33.0-Bn-Bond-Offering-consisting-of-3-series-2Y-5Y-and-7Y.pdf>.

A REGISTRATION STATEMENT RELATING TO THE 2023 SHELF REGISTRATION HAS BEEN FILED WITH THE SEC BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PRELIMINARY PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

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

¹ The Base Offer will be comprised of: (i) ₱[4.75] Billion to be issued under its 2021 Program; and (ii) ₱[12.25] Billion to be issued under its 2023 Program.

² If exercised, the Oversubscription Option will be issued under the 2023 Program.

³ BPI Capital Corporation, First Metro Investment Corporation and RCBC Capital Corporation, the Joint Lead Underwriters and Bookrunners, are the wholly owned subsidiaries of Bank of the Philippine Islands (“BPI”), Metropolitan Bank & Trust Company (“MBTC”) and Rizal Commercial Banking Corporation (“RCBC”), respectively. Out of the net proceeds, approximately ₱6.39 billion or, if the Oversubscription Option is exercised, ₱10 billion will be used to partially refinance its 6.25% p.a. ₱5.0 billion loan from BPI, ₱2.04 billion loan with a blended rate of 6.08% p.a. from MBTC, and its 5.90% p.a. ₱1.99 billion loan from RCBC. Additionally, if the Oversubscription Option is exercised, ₱1.33 billion will be used to partially refinance its ₱1.70 billion short-term loan with at a blended rate of 5.87% p.a. with MBTC.

This prospectus (the “**Prospectus**”) relates to Ayala Land, Inc.’s (“**ALI**,” “**Ayala Land**,” the “**Issuer**” or the “**Company**”) proposed public offer and sale of fixed-rate bonds in the principal amount of up to ₱[17.00] Billion (the “**Base Offer**”) with an oversubscription option of up to ₱[5.00] Billion (the “**Oversubscription Option**”; and together with the Base Offer, the “**Offer**”; and the bonds subject to the Offer, the “**Bonds**”). The Base Offer will be comprised of: (i) up to ₱[4.75] Billion Bonds to be issued as the fourth and final Tranche of the Issuer’s existing ₱50.00 Billion shelf registration for the offering and sale of debt and other securities rendered effective by the Securities and Exchange Commission (“**SEC**”) on October 11, 2021 by virtue of SEC MSRD Order No. 65, Series of 2021 (the “**2021 Program**”); and (ii) up to ₱[12.25] Billion Bonds to be issued as the first Tranche of the Issuer’s up to ₱50.00 Billion shelf registration for the offering and sale of debt and other securities to be registered with the SEC in 2023 (“**2023 Program**”) to be issued in one or more tranches (each a “**Tranche**”). If exercised, the Oversubscription Option will form part of the first Tranche of the 2023 Program, which would then be comprised of a total of up to ₱[17.25] Billion, assuming the full exercise of the Oversubscription Option.

The 2023 Program was authorized by a resolution of the Board of Directors of the Company dated November 24, 2022. A registration statement covering the 2023 Program was filed by the Issuer with the SEC on March 13, 2022 and an application for the listing of the Bonds was filed with the Philippine Dealing & Exchange Corp. (“**PDEX**”) on April 20, 2023.

The 2021 Program was 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. A certificate of permit to offer securities for sale (“**SEC Permit**”) for the first Tranche of the 2021 Program with a principal amount of ₱2.75 Billion was issued on October 11, 2021. The SEC Permit for the second Tranche of the 2021 Program with a principal amount of ₱9.50 Billion, was issued on April 11, 2022, and the SEC Permit for the third Tranche of the 2021 Program with a principal amount of ₱33.00 Billion was issued on June 13, 2022.

The Bonds shall be issued on [•], 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 Bonds will be issued in up to two (2) series, at the discretion of the Issuer. The Series A Bonds shall have a term of five (5) years from the Issue Date with a fixed interest rate of [•]% per annum and an optional redemption on the [8th to 19th] Interest Payment Dates of such Series A Bonds (the “**Series A Bonds**”). The Series B Bonds shall have a term of ten (10) years from the Issue Date with a fixed interest rate of [•]% per annum and an optional redemption on the [20th to 39th] Interest Payment Dates of such Series B Bonds (the “**Series B 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 the relevant 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 Aaa by Philippine Rating Services Corporation (“**PhilRatings**”) with a Stable Outlook. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor’s capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings. A Stable Outlook, on the other hand, indicates that the 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 PDEX. A listing application covering the Bonds was filed with PDEX on [●]. The Bonds shall be issued in denominations of Fifty Thousand Pesos (₱50,000.00) each, as a minimum, and in multiples of ₱10,000.00 thereafter, and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

ALI expects to raise gross proceeds of ₱[17.00] Billion from the Base Offer and up to a maximum of ₱[22.00] Billion assuming full exercise of the Oversubscription Option. The net proceeds from the Base Offer are estimated to be ₱[16.79] 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 ₱[21.73] 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.

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

Neither the delivery of the Prospectus 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 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 Prospectus are true and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading in any material respect.

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

information or in his investment decision. Prospective purchasers should conduct due diligence and consult their own counsels, accountants or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Bonds. Investing in the Bonds involves certain risks. For a discussion of certain factors to be considered in respect of an investment in the Bonds, see the section on *“Risk Factors and Other Considerations.”*

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

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

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

AYALA LAND, INC.

By:

BERNARD VINCENT O. DY
President and Chief Executive Officer

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

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

Witness my hand and seal this _____ at Makati City.

Doc No. _____;
Book No. _____;
Page No. _____;
Series of 2023.

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FORWARD-LOOKING STATEMENTS AND PRESENTATION OF FINANCIAL INFORMATION

Forward-Looking Statements

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

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

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

Presentation of Financial Information

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

DEFINITION OF TERMS

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

“2019 Program” means the ₱50,000,000,000.00 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 ₱50,000,000,000.00 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.

“2023 Program” means the ₱50,000,000,000.00 securities program of the Company covered by the registration statement to be filed by Ayala Land with the SEC on or about [•].

“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 for the purchase of the Bonds 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 Seventeen Billion Pesos (₱17,000,000,000.00).

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

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

- d. An insurance company subject to the supervision of the Office of the Insurance Commission;
- e. An investment company registered under the Investment Company Act;
- f. A pension plan subject to regulation and supervision by the BIR and/or the Office of the Insurance Commission or relevant authority; and
- g. A group in which all of the members are persons specified above.

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

“BIR” refers to the Bureau of Internal Revenue.

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

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

“Bondholders” means the holders of the Bonds.

“Bonds” means the fixed-rate bonds in the aggregate principal amount of up to [Seventeen Billion Pesos (₱17,000,000,000.00)] with an Oversubscription Option of up to [Five Billion Pesos (₱5,000,000,000.00)] to be issued by Ayala Land on the Issue Date.

“BPI Capital” refers to BPI Capital Corporation⁴, a corporation duly licensed and authorized to operate in the Philippines, with address at the 11th Floor, Ayala North Exchange (Tower 1), 6796 Ayala Avenue corner Salcedo Street, Makati City.

“BPO” means Business Process Outsourcing.

“BSP” refers to Bangko Sentral ng Pilipinas.

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

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

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

“EastWest” refers to East West Banking Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, 1634 Taguig, Philippines.

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

“Interest Payment Date” means [September 27, 2023] for the first Interest Payment Date and [December 27], [March 27], [June 27], and [September 27] of each year for each subsequent Interest

⁴ BPI Capital Corporation and Ayala Land, Inc are affiliates which are ultimately owned by Ayala Corporation. BPI Capital is 100% owned by the Bank of the Philippine Islands, which is 30.81% owned by Ayala Corporation. On the other hand, as of December 31, 2022, Ayala Land is 50.60% owned by Ayala Corporation with the remainder mainly owned by the public.

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 [June 27, 2023], 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.

“Issue Date” means [June 27, 2023] 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, EastWest, First Metro, RCBC Capital 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 five (5) years after Issue Date for the Series A Bonds and ten (10) years after Issue Date for the Series B 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 14, 2023] and ending at 5:00 p.m. on [June 20, 2023], 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 [Five Billion Pesos (₱5,000,000,000.00)], which if exercised, will form part of the first Tranche to be issued under the 2023 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,” “₱” 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” shall mean this Prospectus and any amendments, supplements and addenda thereto relating to the public offer for sale, distribution, and issuance of the Securities (inclusive of the Bonds).

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

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

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

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

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

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

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

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

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

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

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

“Securities” means when used in connection with the 2021 Program, 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, and when used in connection with the 2023 Program, debt securities, 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 [•].

“Series A Bonds” means the Bonds with a fixed interest rate of [•]% per annum and a term of five (5) years from Issue Date.

“Series B Bonds” means the Bonds with a fixed interest rate of [•]% per annum and a term of ten (10) years from Issue Date.

“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 2023 Program or the 2021 Program.

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

“Trustee” refers to Rizal Commercial Banking Corporation – Trust and Investments Group appointed by the Issuer under the Trust Indenture for the Bonds.

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

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

EXECUTIVE SUMMARY

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

COMPANY OVERVIEW

As of March 31, 2023, Ayala Corporation's effective ownership in Ayala Land is 50.79% while 48.12% is owned by the public. As of March 31, 2023, Ayala Land has 15,010,111,431 outstanding common shares and 12,442,514,223 outstanding voting preferred shares. 14,554,342,880 common shares are listed with the PSE. Foreign equity ownership is 14.47% composed of 3,916,382,699 outstanding common shares and 54,891,473 voting preferred shares as of March 31, 2023. Equity attributable to equity holders of Ayala Land amounted to ₱255.3 Billion. Ayala Land has a total market capitalization of ₱397,767,952,921.50 based on the closing price of ₱26.50 per common share on March 31, 2023, the last trading day of the said month.

Review of 2022 Operations vs 2021

Ayala Land, Inc. bounced back strongly in 2022 on the strength of the Philippines' reopened economy since the 2020 pandemic. Its diversified real-estate portfolio generated a net income of ₱18.61 Billion, 52% higher, while consolidated revenues grew to ₱126.56 Billion, 19% more year-on-year.

Real Estate revenues (composed of Property Development, Commercial Leasing, and Services) amounted to ₱116.36 Billion, 21% higher than ₱96.15 Billion in the previous year led by solid commercial lot sales and recovery in commercial leasing recovery.

Capital expenditures reached ₱72.38 Billion to support the residential and commercial project buildup.

The Company maintained a net gearing ratio of 0.76:1 as it managed debt and liquidity tightly to support the balance sheet.

Recent Developments

2023

On April 26, 2023 at 9:00 a.m., the Company conducted the annual stockholders meeting virtually via <http://www.ayalagroupshareholders.com/> with the following agenda:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of Minutes of Previous Meeting
4. Annual Report
5. Ratification of the Acts of the Board of Directors and Officers
6. Approval of the amendment to the Seventh Article of the Articles of Incorporation to decrease the authorized capital stock from ₱21,500,000,000.00 to ₱21,437,602,946.40 in view of the retirement of the redeemed voting preferred shares, including any additional redeemed voting preferred shares until April 25, 2023
7. Election of Directors (including Independent Directors)
8. Election of External Auditor and Fixing of its Remuneration
9. Consideration of such other business as may properly come before the meeting, and
10. Adjournment

Only stockholders of record as of March 10, 2023 were entitled to notice of, and to vote at, this meeting.

In the said meeting, the stockholders considered and approved the resolution electing the new directors of the Corporation namely Cezar P. Consing as Vice Chairman, and Dennis Gabriel M. Montecillo and Surendra M. Menon as Lead Independent Director and Independent Director, respectively. The Corporation likewise appointed Anna Ma. Margarita B. Dy as Chief Operating Officer and Ma. Florence Therese dG. Martinez-Cruz as the new Assistant Corporate Secretary.⁵

On March 7, 2023, the Related Party Transactions Review Committee of the Company approved and endorsed the subscription of ALI and its subsidiaries, Ayala Land Malls, Inc. ("**ALMI**") and Northbeacon Commercial Corporation ("**NBCC**") to 607,559,380 primary common shares of AREIT, in exchange for the transfer to AREIT, Inc. of identified key commercial properties valued at ₱22,479,697,060, under a property-for-share swap transaction at a final transaction price of ₱37.00 per share, set at a 3% premium over the 30-day VWAP or the market price of ₱35.85 ("AREIT Property-for-Share Swap Transaction"), as validated by a third-party Fairness Opinion issued by FTI Consulting Philippines, Inc. ("**FTI Consulting**"), 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. A copy of the Fairness Opinion and the Valuation Reports may be accessed through the link <https://ir.ayalaland.com>.

Under the AREIT Property-for-Share Swap Transaction, the Company, ALMI, and NBCC shall transfer to AREIT, Inc. the following properties valued at Twenty-Two Billion Four Hundred Seventy-Nine Million Six Hundred Ninety-Seven Thousand Sixty Pesos (₱22,479,697,060.00):

Property	Registered Owner	Transaction Value (in Php)
Glorietta BPO 1	ALI	3,090,625,614
Glorietta BPO 2	ALI	3,265,229,909
One Ayala West Tower	ALMI*	4,955,177,233
One Ayala East Tower	ALMI*	5,670,733,294
Glorietta Mall 1 and 2	ALI	3,448,776,031
Marquee Mall	NBCC*	2,049,154,979
Total		₱22,479,697,060
*ALMI and NBCC are wholly-owned subsidiaries of ALI. (collectively, the "Properties")		

The properties to be infused have been evaluated by AREIT Fund Managers, Inc., and have been appraised by Cuervo Appraisers, Inc. ("**Cuervo**"). The Properties will be used as the Company's payment for the 607,559,380 primary common shares of AREIT, Inc.

The AREIT Property-for-Share Swap is subject to the approval of AREIT, Inc.'s stockholders at its annual stockholders' meeting on April 26, 2023. The exchange of shares for the Properties will qualify as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended, which provides:

(2) Exception. - * * *

No gain or loss shall also be recognized on a corporation or on its stock or securities if such corporation is a party to a reorganization and exchanges property in pursuance to a plan of reorganization solely for stock or securities in another corporation that is a party to the reorganization. A reorganization is defined as: XXX

No gain or loss shall also be recognized if property is transferred to a corporation by a person alone or together with others, not exceeding four (4) persons, in exchange for stock or unit of participation in such a corporation of which as a result of such exchange the transferor or transferors, collectively, gains or maintains control of said corporation: Provided, That stocks issued for services shall not be considered as issued in return for property. XXX"

⁵ See discussion on the Directors, Executive Officers and Control Persons section of the Prospectus on pp. [172].

Section 40 (C) (2) of the Tax Code, as amended, has been interpreted by the Supreme Court in the case of Commissioner of Internal Revenue vs. Filinvest Development Corporation (G.R. No. 167689, 9 July 2011), to mean that a tax-free exchange applies when the controlling person gains “further control” or transfers where the exchanger already has control of the corporation at the time of the exchange.

AREIT expects to execute the Deed of Exchange and file the application for approval of the original issuance of shares with the SEC within May 2023, and the issuance of CAR with the relevant Revenue District Office of the BIR within the first quarter of 2024. The SEC’s approval of the Transaction and the BIR’s issuance of a CAR are expected to be issued within the year. AREIT shall likewise apply for the additional listing of shares with the Exchange by the first quarter of 2024. The indicative timetable for implementation of the Transaction is as follows:

Indicative Timeline for Implementation

Annual Stockholder’s Meeting	26 April 2023
Deed of Exchange Execution	May 2023
SEC Approval (Issuance of Shares and Transaction)	Q2 to Q4 2023
Issuance of CAR	Q1 2024
PSE Listing of Additional Shares	Q1 2024

On February 21, 2023, the Board of Directors, at its regular board meeting approved the following items:

- (a) The appointment of Mr. Fernando Zobel de Ayala as advisor to the Board.
- (b) The decrease in ALI’s authorized capital stock by ₱62,397,053.60, from ₱21,500,000,000.00 to ₱21,437,602,946.40, through the retirement of its redeemed voting preferred shares as of January 31, 2023, and any additional redeemed voting preferred shares until April 25, 2023, as well as the corresponding amendment of the Seventh Article of its Articles of Incorporation. The decrease in authorized capital stock and the amendment of the Seventh Article will be presented to its stockholders for approval at their annual meeting on April 26, 2023.
- (c) The adoption of the 2023 stock option program pursuant to 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 20,200,407 common shares at a subscription price of ₱24.68 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 5-day trading as of February 13, 2023, less a prescribed discount.
- (d) The declaration of cash dividends of ₱0.1495 per outstanding common share payable on March 23, 2023 to stockholders of common shares as of record date March 7, 2023. This reflects an 11% increase from the cash dividends declared in the first half of 2021 amounting to ₱0.1352 per share.
- (e) The amendment to the Audit Committee Charter consisting of the deletion of Annex pertaining to the self-assessment questionnaire for the Audit Committee since the Company already have an established self-assessment process and questionnaire for the Board and its committees including that which is applicable to the Audit Committee.

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 approximately 12,273.8 hectares of landbank composed of 234.8 hectares in Metro Manila, 9,809 hectares in other areas in Luzon and 2,230 hectares in Visayas and Mindanao as of December 31, 2022, 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.

RISKS OF INVESTING

An investment in the Bonds involves a certain degree of risk. A prospective purchaser of the Bonds should carefully consider the following factors, in addition to the other information contained in this Prospectus, in deciding whether or not to invest in the Bonds.

Risks Associated with the Company

- Public health epidemics or outbreaks of diseases
- Highly competitive business environment
- Operating risks due to leverage
- Risks of an asset price bubble
- Political and economic developments risk
- Risks associated with debt covenants
- Risks due to events of default
- Subordination to other debt
- Risks related to business combination alternatives
- Success of projects dependent on various factors
- Regulatory risk
- Risks relating to the Comprehensive Tax Reform Program
- Operational and physical risks
- Natural catastrophes risk
- Political and military instability risks
- Economic risks

Risks Relating to the Securities

- Risks related to activity or liquidity of trading market
- Re-investment risk
- Volatility of market price
- Liquidity risk
- Credit rating risk
- Securities have no preference under Art. 2244(14) of the Civil Code

Summary of Financial Information

	For the years ended December 31			
(in Million Pesos, except Earnings Per Share (EPS))	2022 ¹ Audited	2021 ² Audited	2020 ³ Audited	2019 ⁴ Audited
Income Statement Data				
Revenue				
Real estate Sales	₱116,356	₱96,145	₱85,965	₱157,849
Interest income from real estate sales	6,695	6,801	8,603	7,891
Equity in net earnings of associates and joint ventures	1,430	843	587	966
	₱124,481	₱103,788	₱95,155	₱166,706
Interest and investment income	387	253	395	930
Other income	1,688	2,101	723	1,158
	2,075	2,354	1,118	2,088
	126,556	106,143	96,273	168,794
Costs and expenses				
Cost of real estate sales	75,629	64,642	56,673	94,752
General and administrative expenses	7,264	6,539	8,012	9,367
Interest and other financing charges	11,447	11,038	12,746	12,200
Other expenses	3,996	3,637	3,789	1,645
	98,336	85,855	81,219	117,964

Executive Summary

Income before income tax	28,220	20,288	15,053	50,830
Provision for income tax				
Current	6,943	5,985	4,688	12,455
Deferred	(1,247)	(1,356)	(629)	860
	5,696	4,629	4,059	13,315
Net Income	₱22,524	₱15,659	₱10,994	₱37,515
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	18,617	12,228	8,727	33,188
Non-controlling interests	3,907	3,431	2,267	4,327
Unappropriated retained earnings				
Balance, beginning of year	143,981	153,661	148,940	124,090
Changes in accounting policies:				
Effect of adoption of new accounting standards	-	(2,838)	-	(617)
Balances as restated	143,981	152,816	148,940	123,473
Cash dividends				
Common share	(4,000)	(4,001)	(3,945)	(7,659)
Preferred share	(62)	(62)	(62)	(62)
Net Income attributable to equity holders of Ayala Land, Inc.	18,617	12,228	8,727	33,188
Appropriation during the year	-	(17,000)	-	-
Balance at end of period	158,536	143,981	153,661	148,940
Basic Earnings per share	₱1.25	₱0.83	₱0.59	₱2.25
Diluted Earnings per share	₱1.25	₱0.83	₱0.59	₱2.25

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

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

³Ibid.

⁴Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Amounts presented in the consolidated statements of financial position and consolidated statements of income as at and for the years ended December 31, 2018 and 2017 are based on PAS 17, Leases (superseded by PFRS 16). The comparative financial information for accounts affected by the adoption of PFRS 16 may not be comparable to the information presented for 2019, 2020 and 2021. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus, for the effect of the adoption of PFRS 16.

For the years ended December 31				
(in Million Pesos)	2022 Audited	2021 ¹ Audited	2020 ² Audited	2019 ³ Audited
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ⁴	₱12,508	₱14,998	₱18,361	₱21,516
Investment properties	245,526	243,398	222,685	243,043
Total assets	779,655	745,464	721,494	713,923
Current portion of long-term debt	19,258	26,174	18,732	17,251
Long term debt - net of current portion	210,233	180,140	184,087	175,813
Total liabilities	485,990	474,962	461,315	471,218
Equity attributable to equity holders of				
Ayala Land, Inc.	255,252	232,621	222,540	211,050
Non-controlling interests	38,412	37,882	37,639	31,656

Total equity	₱293,664	₱270,503	₱260,179	₱242,706
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¹In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to the Prospectus

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

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

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Current ratio ¹	1.78:1	1.58:1	1.62:1	1.30:1
Debt-to-equity ratio ²	0.80:1	0.82:1	0.81:1	0.87:1
Net debt-to-equity ratio ³	0.76:1	0.77:1	0.74:1	0.78:1
Return on assets ⁴	2.95%	2.13%	1.53%	5.43%
Return on equity ⁵	7.63%	5.37%	4.03%	16.66%
Asset to Equity ⁶	2.65:1	2.76:1	2.77:1	2.94:1
Interest Rate Coverage ⁷	4.83:1	4.01:1	2.96:1	6.27:1

¹Current assets / current liabilities

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

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

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

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

⁶Total assets / total stockholders' equity

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

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

For the years ended December 31				
(in thousand Pesos, except ratios)	2022 Audited	2021 ¹ Audited	2020 Audited	2019 Audited
Net income	₱22,524,253	₱15,659,363	₱10,994,238	₱37,515,031
Add:				
Provision for income tax	5,695,798	4,628,177	4,058,973	13,314,643
Interest and other financing charges	11,446,669	11,037,772	12,745,720	12,199,758
Other charges	3,996,044	3,636,915	3,788,771	1,644,982
	43,662,764	34,962,227	31,587,702	64,674,414
Less:				
Interest income from real estate sales and interest and investment income	7,082,013	7,054,119	8,997,476	8,821,417
EBIT	36,580,751	27,908,108	22,590,226	55,852,997
Add:	9,688,718	8,820,507	9,572,572	9,058,710

Depreciation and amortization

EBITDA	46,269,469	36,728,615	32,162,798	64,911,707
Divided by:				
Interest expense on				
Short-term debt	383,094	391,435	1,164,767	1,206,577
Long-term debt	9,198,060	8,778,056	9,705,852	9,153,067
	9,581,154	9,169,491	10,870,619	10,359,644
Interest rate coverage ratio	4.83:1	4.01:1	2.96:1	6.27:1

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

	For the years ended December 31			
(in thousand Pesos, except ratios)	2022 Audited	2021 Audited	2020 Audited	2019 Audited
Short-term debt	₱6,574,271	₱16,782,500	₱9,131,325	₱18,032,830
Current portion of long-term debt	19,258,289	26,173,997	18,732,401	17,250,706
Long-term debt – net of current portion	210,233,291	180,140,242	184,087,192	175,813,345
Debt	236,065,851	223,096,739	211,950,918	211,096,881
Equity	293,664,525	270,502,321	260,179,332	242,705,568
Debt-to-equity ratio	0.81	0.82	0.81	0.87
Debt	236,065,851	223,096,739	211,950,918	211,096,881
Cash and cash equivalents	(11,885,329)	(13,971,437)	(17,037,347)	(20,413,041)
Short term investments	(330,500)	(325,641)	(358,120)	(617,149)
Financial assets at FVPL	(291,989)	(700,803)	(965,171)	(485,436)
Net Debt	223,558,033	208,098,858	193,590,280	189,581,255
Equity	293,664,525	270,502,321	260,179,332	242,705,568
Net debt-to-equity ratio	0.76	0.77	0.74	0.78

OVERVIEW OF THE 2023 PROGRAM

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of the 2023 Program, the applicable terms and conditions contained in the relevant offer supplement. In case of conflict between the terms below and those contained in the offer supplement corresponding to a particular Tranche, the latter shall prevail.

Ayala Land is offering the 2023 Program comprised of debt securities as provided by applicable SEC rules and regulations effective at the time of issuance (the “**Securities**”) in the aggregate principal amount of up to [Fifty Billion Pesos (₱50,000,000,000.00)] to be issued in one or more Tranches, which may be comprised of up to two (2) series per Tranche (each a “**Series**”). The following sections outline the description of the 2023 Program followed by specific indicative terms and conditions applicable to a particular Tranche.

The 2023 Securities Program

Issuer:	Ayala Land, Inc.
Facility:	Fifty Billion Pesos (₱50,000,000,000.00) 2023 Program
Purpose:	The intended use of proceeds for each Tranche of the 2023 Program being offered shall be set in the relevant prospectus and/or offer supplement under the “Use of Proceeds” section.
Availability:	The 2023 Program will be continuously available until the expiration of the shelf registration and the permit to offer securities for sale to be issued by the SEC.
Maturity:	Fixed-rate bonds: to be determined per issuance Other Securities: as provided by applicable SEC rules and regulations at the time of issuance
Method of Issue:	Each of the Securities will be issued on a continuous basis in Tranches on different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, interest commencement date, and principal amount of the Tranche, will be similar to the terms of other Tranches of the same Securities) will be set forth in the final prospectus or corresponding offer supplement.
Form of Securities:	Each Tranche of the Securities will be represented by a Master Certificate of Indebtedness to be issued and registered in the name of the Trustee for the Security Holders and by applicable document pursuant to the rules or other relevant regulations as promulgated by the SEC. Legal title to the Securities shall be shown on and recorded in the Register of Security Holders maintained by the Registrar.
Denomination of the tranche Securities to be issued:	Fixed-rate Bonds: minimum of ₱50,000.00 face value and in increments of ₱10,000.00.
Redemption for Taxation Reasons:	If payments under the Securities become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the relevant Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Securities in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days’ prior written notice to the Trustee) at par or 100% face value plus accrued interest.

Final Redemption:	Except when a call option on the fixed-rate bonds is exercised, the Securities will be redeemed at par or 100% face value on the relevant maturity date.
Status of the Securities:	The Securities constitute direct, unconditional and unsecured Peso-denominated obligations of the Issuer and will rank <i>pari passu</i> and ratably without any preference or priority among themselves and at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer, other than obligations mandatorily preferred by law.
Negative Pledge:	The Securities shall have the benefit of a negative pledge on all existing and future assets of the Issuer, subject to certain permitted liens.
Taxation:	<p>Except: (1) tax on a Security Holder's interest income on the Securities which is required to be withheld by the Issuer, and (2) capital gains tax/income tax, documentary stamp tax and other taxes on the transfer of Securities (whether by assignment or donation), if any and as applicable, which are for the account of the Security Holder, all payments of principal and interest will be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines or any political subdivision, agency or instrumentality thereof, including, but not limited to, issue, registration, or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided, however, that the Issuer shall not be liable for, and will not gross-up the payments of interest on the principal amount of the Securities so as to cover any final withholding tax applicable on interest earned on the Securities prescribed under the National Internal Revenue Code of 1997, as amended, and its implementing rules and regulations.</p> <p>Documentary stamp tax on the original issue of the Securities shall be for the Issuer's account.</p> <p>A Security Holder who is exempt from or is not subject to final withholding tax on interest income may claim such exemption by submitting to the relevant Underwriter, together with its Application to Purchase:</p> <ul style="list-style-type: none">(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. The 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 BIR, as required under 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 its authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries 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 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) such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities

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

Governing Law: Philippine Law

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

Issue Price:	The fixed-rate bonds will be issued at 100% of face value.
Fixed-rate Bonds Interest:	Interest on fixed-rate bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrear.
Optional Redemption:	The applicable final terms will indicate either that the relevant fixed-rate bonds cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such fixed-rate bonds will be redeemable at the option of the Issuer and/or the fixed-rate

bondholders upon giving notice to the bondholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant underwriters.

Purchase and
Cancellation:

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

Registrar and Paying
Agent:

Philippine Depository & Trust Corp.

Listing:

Philippine Dealing & Exchange Corp.

SUMMARY OF THE OFFER

This Prospectus and Offer relate to the Bonds with an aggregate principal amount of up to [Seventeen Billion Pesos (₱17,000,000,000.00)], with an oversubscription option of up to [Five Billion Pesos (₱5,000,000,000.00)]. 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 Prospectus. A specific time of day refers to Philippine Standard Time.

Issuer:	Ayala Land, Inc.
Issue:	Fixed-rate bonds (the “ Bonds ”) constituting the direct, unconditional, unsecured and general obligations of the Issuer
Issue Amount:	Up to [Seventeen Billion Pesos (₱17,000,000,000.00)] in aggregate principal amount (the “ Base Offer ”), with an Oversubscription Option of up to [Five Billion Pesos (₱5,000,000,000.00)] (the “ Oversubscription Option ”) to be issued in up to two (2) series, at the discretion of the Issuer.
	The Oversubscription Option is exercisable by the Joint Lead Underwriters and Bookrunners with the consent of the Issuer.
	The Base Offer will be comprised of: (i) up to [Four Billion Seven Hundred Fifty Million Pesos (₱4,750,000,000.00)] Bonds to be issued as the fourth and final Tranche under the Issuer’s 2021 Program, and (ii) up to [Twelve Billion Two Hundred Fifty Million Pesos (₱12,250,000,000.00)] Bonds to be issued as the first Tranche of the 2023 Program. If exercised, the Oversubscription Option will form part of the first Tranche to be issued under the 2023 Program, which would then be comprised of a total of up to [Seventeen Billion Two Hundred Fifty Million Pesos (₱17,250,000,000.00)], assuming the full exercise of the Oversubscription Option.
Use of Proceeds:	Net proceeds will be used to fund general corporate requirements including capital expenditures and debt refinancing (see “Use of Proceeds”).
Joint Lead Underwriters and Bookrunners:	BDO Capital & Investment Corporation, BPI Capital Corporation, China Bank Capital Corporation, East West Banking Corporation, First Metro Investment Corporation, RCBC Capital Corporation, and SB Capital Corporation
Trustee:	Rizal Commercial Banking Corporation – Trust and Investments Group
Offer Period:	The Offer shall commence at 9:00 a.m. on [June 14, 2023] and ending at 5:00 p.m. on [June 20, 2023], or on such other dates as the Issuer and the Joint Lead Underwriters and Bookrunners may agree upon.
Issue Date:	[June 27, 2023], 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:	Series A Bonds: five (5) years from Issue Date Series B Bonds: ten (10) years from Issue Date

provided that, in the event that such Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid.

Interest Rate: Series A Bonds: [●]% per annum
Series B Bonds: [●]% per annum

Issue Price: Par or 100% of face value

Interest Payment Date: Interest on the Bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrear commencing on [September 27, 2023] for the first Interest Payment Date and [December 27], [March 27], [June 27], and [September 27] 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 [June 27, 2023], 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 A Bonds:

Call Option Dates	Call Option Price
8 th to 11 th Interest Payment Date	101.50%
12 th to 15 th Interest Payment Date	101.00%
16 th to 19 th Interest Payment Date	100.50%

For the Series B Bonds:

Call Option Dates	Call Option Price
20 th to 23 rd Interest Payment Date	102.50%
24 th to 27 th Interest Payment Date	102.00%
28 th to 31 st Interest Payment Date	101.50%
32 nd to 35 th Interest Payment Date	101.00%
36 th to 39 th Interest Payment Date	100.50%

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 by PhilRatings, with a Stable Outlook.

NET PROCEEDS FROM THE OFFER

The net proceeds from the Base Offer of ₱17.00 Billion is estimated to be [₱16.79] Billion after deducting expenses related to the Offer. Said expenses are as follows:

	Total
Estimated proceeds from the sale of the Bonds	₱17,000,000,000.00
Less:	
SEC Registration and Legal Research Fee	6,123,185.00
Documentary Stamp Tax	127,500,000.00
Underwriting Fee	63,750,000.00
Estimated Professional Expenses and Agency fees	9,095,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket expenses	1,000,000.00
Listing Fee	200,000.00
Total Estimated Upfront Expenses	207,668,185.00
Estimated net proceeds to Ayala Land	₱16,792,331,815.00

The net proceeds from the ₱22.00 Billion Offer (assuming the Oversubscription Option is fully exercised) is estimated to be [₱21.73] Billion after deducting expenses related to the Offer. Said expenses are as follows:

	Total
Estimated proceeds from the sale of the Bonds	₱22,000,000,000.00
Less:	
SEC Registration and Legal Research Fee	6,123,185.00
Documentary Stamp Tax	165,000,000.00
Underwriting Fee	82,500,000.00
Estimated Professional Expenses and Agency fees	10,220,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket expenses	1,000,000.00
Listing Fee	200,000.00
Total Estimated Upfront Expenses	265,043,185.00
Estimated net proceeds to Ayala Land	₱21,734,956,815.00

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

RISK FACTORS AND OTHER CONSIDERATIONS

GENERAL RISK WARNING

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

PRUDENCE REQUIRED

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

PROFESSIONAL ADVICE

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

RISK FACTORS

An investment in the Bonds described in this Prospectus involves a certain degree of risk. A prospective purchaser of the Bonds should carefully consider the following factors, in addition to the other information contained in this Prospectus, in deciding whether or not to invest in the Bonds. This Prospectus contains forward-looking statements that involve risks and uncertainties. ALI adopts what it considers conservative financial and operational controls and policies to manage its business risks. ALI's actual results may differ significantly from the results discussed in the forward-looking statements. See section "Forward-Looking Statements" of this Prospectus. Factors that might cause such differences, thereby making the offering speculative or risky, may be summarized into those that pertain to the business and operations of ALI, in particular, and those that pertain to the over-all political, economic, and business environment, in general. These risk factors and the manner by which these risks shall be managed are presented below. As the Issuer considers each risk of equal importance, the risks are presented in no particular order.

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 (2) years after the pandemic.

Risk Factors

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.

As of the date of this Prospectus, President Marcos has not appointed a Department of Health Secretary. NCR remains under Alert Level 1 while other areas in the Philippines has been declared by as under Alert Level 2. Given the uncertainty of a resurgence of COVID-19 in the Philippines and the inadequate preparation against a possible mutation of COVID-19, Ayala Land’s performance and business and financial results may be adversely affected.

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

Risk Factors

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. In 2022, 2021 and 2020, the Company granted rent concessions to its tenants which were affected by the community quarantine imposed by the government amounting to ₱2.4 Billion, ₱7.2 Billion and ₱6.2 Billion, respectively.

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

Ayala Land faced 2022 with optimism on the expected return of economic activity as mobility increased. However, the emergence of the COVID-19 Omicron variant in the first quarter created a setback, introducing uncertainty to what could have been a clear growth trajectory. Despite these challenges, the country's successful vaccination campaign led to a significant decrease in COVID-19 cases, allowing the government to ease quarantine restrictions starting in May 22 and allowing the country to return to a path of full reopening.

As quarantines were swiftly loosened, the country was back on track to reopen fully. The full-year GDP growth of 7.6% beat analyst estimates, buoyed by strong domestic consumption. The country also benefitted from Overseas Filipino remittances of US\$36.1 billion, up 4%, and the contribution of BPO revenues of US\$32.5 billion, 10% higher year-on-year. These drivers were offset by high inflation and interest rates, which businesses like ours had to navigate and adjust to.

Risk Factors

The macroeconomic headwinds did not deter Ayala Land from posting strong financial results. The reopened economy also allowed us to expand our nationwide footprint by launching two new estates: Areza and Crossroads. Furthermore, we expanded the reach of our Alagang AyalaLand program, which now supports close to 1,600 social enterprises (SEs) across Ayala Malls nationwide.

Ayala Land continues to monitor and evaluate developments relating to COVID-19 to develop contingency measures.

Ayala Land faces a highly competitive business environment

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

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

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

Land, Residential

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

(a) High-end residential

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

Real estate has always been a major investment vehicle for the affluent. However, in a volatile environment, such as the recent financial crisis and the subsequent global economic downturn, the high-end market tends to “wait and see,” or they simply choose to place their money in other investment instruments. As of December 31, 2022, AyalaLand Premier (“ALP”) recorded revenues of ₱21.44 Billion, 4% higher than the previous year, attributed to higher percentage-of-completion (“POC”) of Andacillo in Nuvali, Lanewood Hills in Silang, Cavite and Parklinks North Tower in Quezon City.

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

(b) Upscale, residential

Risk Factors

In the upscale market segment, Alveo posted revenues of ₱15.52 Billion, an 18% growth from ₱13.12 Billion, owing to higher incremental POC in Corvia at Alviera and Ametrine at Portico, and higher bookings in Parkford Suites in Makati.

(c) Middle-income residential

Avida totaled ₱12.18 Billion in revenues, 10% lower than ₱13.51 Billion due to lower bookings from Avida Towers Sola in Vertis North Quezon City, Riala in Cebu IT Park, Cebu City, Avida Towers Vireo in Arca South, and almost sold-out inventory in Avida Towers Turf in BGC.

(d) Socialized and Economic Housing

Ayala Land entered the socialized housing segment in 2012 with the launch of Amaia Scapes in Laguna under the Company's Subsidiary, Amaia Land Corp., carrying the brand Amaia. For the fiscal year ended December 31, 2022, Amaia meanwhile posted ₱6.90 Billion in revenues, a 52% jump from ₱4.55 Billion due to higher bookings in Scapes General Trias Sectors 3 and 4 in Cavite, Skies Avenida Tower 2 in Sta. Cruz, Manila and Skies Shaw Tower 2 in Mandaluyong City.

In terms of economic housing, Ayala Land formally launched its first socialized housing project in 2012 under the BellaVita brand in Cavite from Subsidiary, BellaVita Land Corp. Ayala Land, through BellaVita, partnered with the Department of Human Settlements and Urban Development (DHSUD) and various local government units to build housing and community-building projects. In partnership with the Department of Agrarian Reform, BellaVita provided 184 houses for the department's BALAI Farmers Housing program. The repair and reconstruction of three mosques in Marawi City, destroyed by Daesh-inspired terrorism in 2017, was undertaken with DHSUD. BellaVita recognized revenues of ₱317 Million, a 72% decline from ₱1.15 billion due to sold out inventory in its project in Tayabas, Quezon Province and Lipa, Batangas and lower bookings in Cabanatuan.

MCT Bhd contributed revenues of ₱2.76 Billion, 29% lower from ₱3.88 Billion, mainly due to sold out inventory of nearly completed legacy projects and early-stage completion of newly launched projects (Aetas and Casa Bayu).

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

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

Office for Sale

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

Revenues from the sale of office units declined by 28% to ₱2.79 Billion in 2022 from ₱3.85 Billion in 2021 due to the full completion of Alveo's Park Triangle Tower at BGC and moderate take-up on remaining inventory.

Commercial and Industrial Lots

Revenues from the sale of commercial and industrial lots surged by 54% to ₱12.65 Billion in 2022 from ₱8.24 Billion due to strong investor demand at Arca South, Nuvali, and Broadfield estates.

Risk Factors

Sales Reservations

With resilient demand amid the higher interest-rate environment, the Company registered ₱104.89 Billion in reservation sales, 14% better than last year. Fourth-quarter sales jumped by 24% to ₱27.57 Billion. Sales from local Filipinos comprised 66% of the total at ₱69.19 Billion, 1% higher than last year. This was complemented by sales to overseas Filipinos of ₱23.03 Billion and other nationalities at ₱12.67 Billion, with a 22% and 13% share, respectively. Sales from overseas Filipinos and other nationalities surged by 59% and 39%, respectively. On sales from other nationalities, 63% were sales to Americans at ₱7.95 Billion, 47% higher year-on-year. Meanwhile, sales to Chinese buyers declined by 40% to ₱730 Million, comprising only 6% of sales to other nationalities and only 1% of total sales reservations.

Commercial Leasing

This segment covers the operation of shopping centers, office buildings, hotels and resorts, standard factory buildings and warehouses, and co-working spaces. Total revenues from commercial leasing accelerated by 62% to ₱33.39 Billion with normalized mall rents and foot traffic, the contribution of new office spaces, and higher hotel room rates.

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

Shopping centers

With foot traffic and mobility resurgence shopping centers revenues more than doubled to ₱16.08 Billion. The average occupancy rate for all malls is 81% and 84% for stable malls. Total Malls GLA stands at 2.1 Million sqm.

Offices

Revenues from office leasing grew by 13% to ₱11.12 Billion primarily coming from the revenue contribution of One Ayala East and West Towers. The average occupancy rate for all offices is 88%. Total office leasing GLA is at 1.36 Million sqm.

Hotels and Resorts

Revenues from hotels and resorts also doubled to ₱6.19 Billion boosted by higher room rates. The average occupancy for all hotels and resorts were at 59% and 29%, respectively. The hotels and resorts segment ended 2022 with a total of 4,058 rooms.

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

There are 11 Seda Hotels, operating 2,804 rooms – Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (242); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214); and Circuit Corporate Residences (255).

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 70 rooms under its Bed and Breakfast (“B&B”) and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 76 B&B rooms.

Services

Risk Factors

This is composed mainly of the construction business represented by Makati Development Corporation (“**MDC**”), property management through Ayala Property Management Corporation, and other companies engaged in power services such as Direct Power Services, Inc. (“**DPSI**”), Ecozone Power Management, Inc. (“**EPMI**”) and Philippine Integrated Energy Solutions, Inc. (“**PhilEnergy**”) and airline for the hotel and resorts business, AirSWIFT. Total revenues amounted to ₱8.42 Billion in 2022, 32% higher than the previous period.

Construction

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

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

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

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

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

Net construction revenues totaled ₱4.24 Billion in 2021, an increase of 19% from the revenues in 2020 at ₱3.3 Billion.

Property Management, AirSwift and Others

APMC, AirSwift and power services companies combined revenues accelerated by 70% to ₱4.18 Billion due to higher AirSwift patronage, parking usage and retail energy demand.

Industrial Property, Factory Buildings and Warehouse Business

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

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

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

Risk Factors

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

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

In May 2022, ALLHC acquired a 55-hectare land parcel in Padre Garcia, Batangas for the development of the future Batangas Technopark, making it ALLHC's fifth industrial estate.

ALLHC continued to expand its ALogis brand of standard factory buildings and warehouses to address the growing demand for industrial ready-built facilities. It added a total 17,000 square meters of GLA in ALogis Biñan at the Laguna Technopark and ALogis Calamba at the Lepanto Industrial Complex, growing its portfolio to 224,000 square meters as of end-2021. ALLHC ended the year with a total warehouse GLA of 309,000 sqm, a 38% growth since last year, with deliveries from ALogis Sto. Tomas and ALogis Naic.

ALLHC broadened its warehouse offering with its entry into cold storage through the ALogis Artico brand. In 2021 it acquired two (2) existing facilities within Laguna Technopark, with a combined pallet position of 7,300 in April and December. In December 2022, ALLHC secured 3,000 pallet positions, increasing its pallet position count by 42% to 10,300. With both cold and dry storage capabilities, ALogis aims to be the full-range brand of choice for real estate logistics.

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

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

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

As of December 31, 2022, Ayala Land's consolidated short-term and long-term debt amounted to an aggregate of ₱236.04 Billion, ₱119.43 Billion of which were evidenced by public instruments.

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

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

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

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

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

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

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 (2) 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 saw uncertainty given the highly polarized political environment. Moreover, market sentiment had dampened amidst rate hikes 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 from Philippine equities in 2022. 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.

Ayala Land is subject to certain debt covenants

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

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

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

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

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

A significant portion of the debt of Ayala Land contains terms which allow a lender to accelerate Ayala Land's debt if any event or change in circumstances occurs which, in the sole opinion of such lender, would materially impair Ayala Land's ability to repay its debt. If any amount outstanding were to be accelerated, it could potentially trigger a cross-default under substantially all of the Company's debt. In which case, it may not be able to perform its payment obligations under the Securities. As of March 31, 2023, ₱186.41 Billion of the Company's outstanding debts (equivalent to 94% of its total debt) contain an acceleration clause.

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

The Securities may be subordinated to other debt

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

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

Risk Factors

Notwithstanding the foregoing, investors are assured of Ayala Land's continuing track record of prudent financial management which has allowed it to be in a net debt-to-equity ratio of 0.76:1 as of December 21, 2022. Thus, in the unlikely event that Ayala Land is dissolved, there will be sufficient assets for disposition that will meet all its debt obligations, whether secured or unsecured.

Ayala Land from time to time considers business combination alternatives

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

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

As will be further discussed herein, in view of the usual volume of the Issuer's transactions, mergers or acquisitions, it would be highly likely that the Issuer will meet the notification threshold under the Philippine Competition Act ("PCA") and its Implementing Rules and Regulations, and the Rules on Merger Procedure (collectively the, "Merger Rules").

The restriction on business combination alternatives under Ayala Land's loan agreements, requires the Lender's written consent in case (i) Ayala Land will not be a surviving entity in case of a merger, (ii) dispose off all or substantially all of its assets except in the ordinary course of its business (except when made as a contribution to REIT).

Alternative business combinations which Ayala Land considers from time to time is the consolidation of its businesses, such as merger of Cebu Holdings, Inc., Asian-I-Office Properties, Inc., Arca South Commercial Ventures Corp., and Central Block Developers, Inc. with and into Ayala Land, with the Ayala Land as the surviving entity.

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

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

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

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

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

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

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

DHSUD issued Department Order (DO) No. 10-2020, which grants a one-time one-year extension for all projects, which have been delayed or affected by the COVID-19 pandemic, with original completion date of March 2020 onwards. Further, DHSUD issued DO No. 2021-009, providing for an additional period of one (1) year for projection completion, reckoned from the end of the time of completion of the project as indicated in the license to sell or availed under DO No. 10-2020.

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

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

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

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

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

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

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

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corporations at a rate of (i) 1% of gross income effective July 1, 2020 until June 30, 2023, and (ii) 2% thereafter.

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

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

Operational and Physical Risk Factors in Ayala Land's Business

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

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

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

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

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

On May 31, 2013, an explosion occurred inside a residential unit in Section B, Two Serendra. Two Serendra is a district of Serendra, a condominium development of Serendra, Inc., a subsidiary of Ayala Land. It is located at the Bonifacio Global City in Taguig City. The incident claimed the lives of four

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persons, including the occupant of the unit in Section B. Initial reports indicate that the explosion may have resulted from an improper accumulation of gas inside the unit. A government inter agency task force investigated the incident and its findings, that the explosion was caused by an accumulation of gas inside the unit due to the lack of care by the unit renovation contractor, and the parties possibly responsible, is still pending review by the Department of Justice as of the date of this Prospectus.

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

Natural catastrophes may affect Ayala Land's businesses adversely

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

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

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

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

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

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

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

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

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

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

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

The government instituted several reform measures in the fiscal and banking sectors, among others, that strengthened the country's economic fundamentals, resulting in improved investor confidence and increased economic activities. In 2019, the Philippines' long-term foreign currency-denominated debt was upgraded by S&P Global ("**S&P**"), to BBB+ with stable outlook, while Fitch Ratings ("**Fitch**"), and Moody's Investors Service ("**Moody's**"), affirmed the Philippines' long-term foreign currency-denominated debt to the investment-grade rating of BBB and Baa2, respectively, with a stable outlook. On February 28, 2020, Fitch revised its rating of Philippines long-term foreign currency-denominated debt to BBB, with a positive outlook, following its expectation that sound macroeconomic management will continue to support high growth rates with stable inflation while ongoing tax reforms were expected to improve fiscal finances. In May 2020, S&P and Moody's affirmed its rating of BBB+ and Baa2, with stable outlook, respectively, for the Philippines' long-term foreign currency-denominated debt. On May 7, 2020, Fitch affirmed its rating of Philippines long-term foreign currency-denominated debt to BBB, but revised the outlook to stable, to reflect the deterioration in the Philippines' near term macroeconomic and fiscal outlook as a result of the impact of the COVID-19 pandemic and domestic lockdown to contain the spread of the virus. On July 12, 2021, Fitch affirmed its rating of Philippines' long-term foreign currency-denominated debt to BBB, but revised the outlook to negative, to reflect the increasing risks to the credit profile from the impact of the COVID-19 pandemic and its aftermath on policy-making. In January 2023, Moody's affirmed the country's long-term credit rating at Baa2 with a stable outlook for both the local and foreign currency-denominated debt. While the prolonged lockdowns and effects of the pandemic eroded the assessment of the country's economic strength, Moody's expects that economic rebound will remain strong with a faster growth relative to its peers. S&P upheld the country's BBB+ rating with a stable outlook in November 2022, also citing the country's above-average economic growth potential kept afloat by the resiliency of consumer spending amid high inflation. Meanwhile, Fitch kept its BBB rating with a negative outlook in October 2022, keeping a close eye on the BSP's aggressive interest rate hikes.

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

To mitigate the abovementioned risks, Ayala Land shall continue to adopt what it considers conservative financial and operational controls and policies within the context of the prevailing business, economic,

and political environments taking into consideration the interests of its customers, stakeholders and creditors.

RISKS RELATING TO THE SECURITIES

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

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

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

The Issuer may have the option, but not the obligation, to redeem in whole (and not in part), the outstanding Securities prior to the relevant maturity dates of certain tranches of the Securities. Prior to the Maturity Date, the Issuer has the option, but not the obligation, to redeem in whole (and not in part) the outstanding Bonds on the relevant Call Option Dates (see “Description of the Bonds – Call Option” on page [59] of this Prospectus). In the event that the Company exercises this call option, the relevant series of the Securities, such as the Bonds will be redeemed and the Company will pay the amounts to which holders would be entitled. The date on which the Issuer elects to redeem the Securities may not accord with the preference of individual holders of the Securities. This may be disadvantageous to them in light of market conditions or their individual circumstances. Following such redemption and payment, there can be no assurance that investors in the redeemed Bonds will be able to re-invest such amounts in securities that would offer a comparative or better yield or terms, at such time. No assurance can be given of adequate mitigation of such risk.

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

As with all fixed income securities, the Securities’ market values move (either up or down) depending on the change in interest rates. The Securities when sold in the secondary market are worth more if interest rates decrease since the Securities have a higher interest rate relative to the market. Likewise, if the prevailing interest rate increases, the Securities are worth less when sold in the secondary market. Therefore, holders may either make a gain or incur a loss when they decide to sell the Securities. No assurance can be given of adequate mitigation of such risk.

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

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

The Securities may not be able to retain its credit rating

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

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

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

USE OF PROCEEDS

Following the offer and sale of the Bonds in the aggregate principal amount of up to ₱[17.00] Billion with an Oversubscription Option of up to ₱[5.00] Billion, ALI expects that the net proceeds of the Offer shall amount to approximately ₱[16.79] Billion for a ₱17.00 Billion issue size or ₱[21.73] Billion for a ₱22.00 Billion issue size, assuming full exercise of the Oversubscription Option, and after deducting fees, commissions and expenses.

Based on an issue size of ₱17,000,000,000.00:

	Total
Estimated proceeds from the sale of the Bonds	₱17,000,000,000.00
Less:	
SEC Registration and Legal Research Fee	6,123,185.00
Documentary Stamp Tax	127,500,000.00
Fees to be paid to the Joint Lead Underwriters and Bookrunners ¹	63,750,000.00
Estimated Auditor's fee	2,500,000.00
Estimated Legal fee	2,650,000.00
Estimated Professional Expenses and Agency fees ²	3,945,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket Expenses ³	1,000,000.00
Listing Fee	200,000.00
Total Estimated Upfront Expenses	207,668,185.00
Estimated net proceeds to Ayala Land	₱16,792,331,815.00

¹This includes the Underwriting Fee at a rate of [0.375]% on the final aggregate nominal principal amount of the Bonds

²This includes rating agency (₱3,400,000.00), registry and paying agency (₱425,000.00), and trusteeship (₱120,000.00) upfront fees.

³This includes publication fees and out-of-pocket-expenses of ₱500,000.00 each.

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

	Total
Estimated proceeds from the sale of the Bonds	₱22,000,000,000.00
Less:	
SEC Registration and Legal Research Fee	6,123,185.00
Documentary Stamp Tax	165,000,000.00
Fees to be paid to the Joint Lead Underwriters and Bookrunners ¹	82,500,000.00
Estimated Auditor's fee	2,500,000.00
Estimated Legal fee	2,650,000.00
Estimated Professional Expenses and Agency fees ²	5,070,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket Expenses ³	1,000,000.00
Listing Fee	200,000.00
Total Estimated Upfront Expenses	265,043,185.00
Estimated net proceeds to Ayala Land	₱21,734,956,815.00

¹This includes (i) the Underwriting Fee at a rate of [0.375]% on the final aggregate nominal principal amount of the Bonds

²This includes rating agency (₱4,400,000.00), registry and paying agency (₱550,000.00), and trusteeship (₱120,000.00) upfront fees.

³This includes publication fees and out-of-pocket-expenses of ₱500,000.00 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 ₱120,000.00.

Use of Proceeds

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 ₱16.79 billion net proceeds from the Base Offer, the Company plans to use approximately ₱6.39 billion to partially refinance the Short Term Loans⁶ that were drawn to finance the early redemption of the Company's 5.92% per annum ₱10.0 billion fixed-rate bonds issued in 2018 settled on April 27, 2023 (the "**5.92% p.a. 2018 Bonds**").⁷ The balance of the amount to be refinanced under the Short Term Loan will be funded from internally generated funds and/or other credit facilities, which may include bank borrowings, as the Issuer may consider commercially favorable.

Approximately ₱10.40 billion of the net proceeds will be used to fund capital expenditures ("**CAPEX**"), including but not limited to the following:

(in billion Pesos)

Location	Disbursing Company	Total Investment	Total Spent to Date	To Go	Remaining Planned Use in 2023*	Brief Description	Estimated Date of Development/ Completion	POC**
Quezon City	Alveo Land Corporation	3.81	-	3.81	0.45	Land acquisition	2024	N/A
Cavite	Alveo Land Corporation	0.10	0.09	0.01	0.01	Land acquisition	2017	100%
Cavite	Alveo Land Corporation	0.53	0.33	0.20	0.20	Land acquisition	2019	97%
Cavite	Alveo Land Corporation	1.19	-	1.19	0.10	Land acquisition	2023	N/A
Cavite	Alveo Land Corporation	1.38	0.64	0.74	0.20	Land acquisition	2030	N/A
Caloocan City	Ayala Land, Inc.	3.64	-	3.64	1.07	Land acquisition	2024	N/A
Bulacan	Altaraza Development Corporation	18.09	0.10	17.99	0.70	Land acquisition	2022	5%
Tarlac	Ayala Land, Inc.	2.29	1.28	1.02	0.50	Land acquisition	2019	77%
Bulacan	Ayalaland Estates, Inc.	2.15	1.51	0.65	0.40	Land acquisition	2022	5%
Makati	ALI Commercial Center, Inc	10.29	7.78	2.51	0.60	3-tower office development	2023	86%
Makati	ALI Commercial Center, Inc	8.46	6.44	2.01	0.80	51k GLA retail development	2023	87%
Makati	One Makati Hotel Ventures, Inc.	4.87	1.44	3.43	0.60	26-floor hotel	2024	83%
Makati	Crans Montana Property Holdings Corp.	1.25	0.85	0.40	0.22	14-floor dorm/studio/hostel development	2024	75%
Tarlac	Ayala Land, Inc.	8.65	2.53	6.12	1.00	290 ha mixed use development	2023	77%
Cebu	Avida Land Corporation	1.89	1.01	0.88	0.54	36-storey residential tower	2024	60%
Mandaluyong	Avida Land Corporation	1.96	1.44	0.52	0.30	40-storey residential tower	2023	87%
Mandaluyong	Avida Land Corporation	2.09	0.54	1.55	0.50	40-storey residential tower	2025	41%
Makati	Avida Land Corporation	1.86	1.30	0.56	0.40	32-storey residential tower	2023	91%
Makati	Avida Land Corporation	2.23	0.66	1.56	0.60	32-storey residential tower	2026	42%
Tagaytay	Avida Land Corporation	1.43	0.68	0.76	0.50	19-storey residential tower	2024	64%
Tagaytay	Avida Land Corporation	1.35	0.17	1.17	0.21	15-storey residential tower	2026	15%
Davao	Accendo Commercial Corp	1.67	1.13	0.54	0.20	25-storey residential tower	2023	97%
Davao	Accendo Commercial Corp	1.67	0.69	0.98	0.30	26-storey residential tower	2024	49%
Total		82.85	30.61	52.24	10.40			

*Refers to the approximate amount intended to be used for each project. The remaining balance of the total investment (after deducting the total amount spent to date and the remaining planned use in 2023 will be funded by operating cash flows. To the extent necessary that is, in the event that the subsidiaries' operating cash flows and external borrowings will be insufficient to cover the development cost, the Company will extend funding to the subsidiaries either through intercompany borrowing or equity infusion. If funding is extended by way of intercompany borrowing, the subsidiaries will repay the relevant amounts to Ayala Land. In the event that Ayala Land extends funding by way of equity infusion, it anticipates that the aforementioned subsidiaries will later return such equity infusion to it by way of dividends.

** Ayala Land tracks the percentage of completion ("**POC**") of its launched projects for revenue and expense recognition purposes based on the current construction progress. Unlaunched or projects not yet for sale and have no construction works ongoing do not have POCs.

If the Oversubscription Option is fully exercised, out of the net proceeds of ₱21.73 billion, approximately (i) ₱10.40 billion will be used to fund the above-mentioned capital expenditures, (ii) ₱10.0 billion will be used to refinance the Short Term Loans that were drawn to finance the early redemption of the Company's 5.92% p.a. 2018 Bonds⁸ and (iii) ₱1.33 billion will be used to partially refinance the Company's outstanding short-term loans including but not limited to short term loans drawn from Metropolitan Bank and Trust Company (₱1.70 billion at a blended rate of 5.87% p.a.) and The Hongkong and Shanghai Banking Corporation Limited (₱0.07 billion with a rate of 5.95% p.a.). If any material amounts of other funds are necessary to accomplish the CAPEX funding and debt refinancing,

⁶ Refers to the loans availed from Bank of the Philippine Islands (₱5.0 billion with a rate of 6.25% p.a.), Metropolitan Bank and Trust Company (₱2.04 billion at a blended rate of 6.08% p.a.), Rizal Commercial Banking Corporation (₱1.99 billion with a rate of 5.90% p.a.) and The Hongkong and Shanghai Banking Corporation Limited (₱0.98 billion at a blended rate of 5.99% p.a.) each (collectively the "**Short Term Loans**").

⁷ The prospectus dated April 12, 2018 is posted in the Company's website and can be downloaded <https://ir.ayalaland.com.ph/wp-content/uploads/2018/04/P10bn-Fixed-Rate-Bonds-due-2028-Final-Prospectus-dtd-12-April-2018.pdf>

⁸ Ibid.

Use of Proceeds

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.

In the event that the Oversubscription Option is not exercised in full or the net proceeds are less than the above total, the Company shall allocate the proceeds in the following order of priority: (i) to fund the above-mentioned capital expenditures and (ii) to partially refinance the short-term loan that will be drawn to finance the early redemption of the Company's 5.92% p.a. 2018 Bonds.

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, 2022. These tables should be read in conjunction with the more detailed information and audited financial statements, including notes thereto, found in this Prospectus.

(in ₱ Millions)	As of December 31, 2022 (Audited)	Adjustment	Notes	As adjusted for Issue Amount of ₱17.00 Billion (Upon issuance of the Bonds)
Current Liabilities				
Short-term Debt	₱6,547			₱6,547
Accounts and other payables	143,952			143,952
Income tax payable	845			845
Current portion of lease liabilities	710			710
Current portion of long-term debt	19,258			19,258
Deposits and other current liabilities	31,211			31,211
Total Current Liabilities	202,523			202,523
Non-current Liabilities				
Long-term debt – net of current portion	210,233	17,000	1	227,233
Pension liabilities	1,871			1,871
Lease liabilities – net of Current Portion	17,992			17,992
Deferred tax liabilities – net	5,849			5,849
Deposits and other non-current liabilities	47,520			47,520
Total Non-current Liabilities	283,465	17,000	1	300,465
Total Liabilities	₱485,988	17,000	1	₱502,988
Equity				
Equity attributable to equity holders of Ayala Land, Inc.				
Paid-up capital	97,637			97,637
Retained earnings	183,536			183,536
Remeasurement loss on defined benefit plans	107			107
Fair value reserve of financial assets at FVOCI	(878)			(878)
Cumulative translations adjustments	438			438
Equity reserves	(6,507)			(6,507)
Treasury Stock	(19,081)			(19,081)
Non-controlling interests	38,412			38,412
Total Equity	₱293,664			₱293,664
Total Capitalization	₱779,652	17,000	2	₱796,652

Notes:

1. Reflects gross proceeds of ₱17.00 Billion assuming an issue size of ₱17.00 Billion of Bonds.
2. Total Capitalization is the sum of Total Liabilities and Total Equity

(in ₱ Millions)	As of December 31, 2022 (Audited)	Adjustment	Notes	As adjusted for Issue Amount of ₱17.00 Billion (Upon issuance of the Bonds)
Short-term Debt	₱6,547			₱6,547
Current portion of long-term debt	19,258			19,258
Long-term debt – net of current portion	210,233	17,000	1	227,233
Total Debt	₱236,038			₱253,038
Total Equity	₱293,664			₱293,664
Debt-to-Equity Ratio	0.80			0.86

Notes:

1. Reflects gross proceeds of ₱17.00 Billion assuming an issue size of ₱17.00 Billion of Bonds.

The following table sets forth the audited consolidated short-term and long-term debt and capitalization of ALI as of December 31, 2022, assuming the full exercise of the Oversubscription Option.

(in ₱ Millions)	As of December 31, 2022 (Audited)	Adjustment	Notes	As adjusted for Issue Amount of ₱22.00 Billion (Upon issuance of the Bonds)
Current Liabilities				
Short-term Debt	₱6,547			₱6,547
Accounts and other payables	143,952			143,952
Income tax payable	845			845
Current portion of lease liabilities	710			710
Current portion of long-term debt	19,258			19,258
Deposits and other current liabilities	31,211			31,211
Total Current Liabilities	202,523			202,523
Non-current Liabilities				
Long-term debt – net of current portion	210,233	22,000	1	232,233
Pension liabilities	1,871			1,871
Lease liabilities – net of Current Portion	17,992			17,992
Deferred tax liabilities – net	5,849			5,849
Deposits and other non-current liabilities	47,520			47,520
Total Non-current Liabilities	283,465	22,000	1	305,465
Total Liabilities	₱485,988	22,000	1	₱507,988
Equity				
Equity attributable to equity holders of Ayala Land, Inc.				
Paid-up capital	97,637			97,637
Retained earnings	183,536			183,536
Remeasurement loss on defined benefit plans	107			107
Fair value reserve of	(878)			(878)

Capitalization

financial assets at FVOCI				
Cumulative translations adjustments	438			438
Equity reserves	(6,507)			(6,507)
Treasury Stock	(19,081)			(19,081)
Non-controlling interests	38,412			38,412
Total Equity	₱293,664			₱293,664
Total Capitalization	₱779,652	22,000	2	801,652

Notes:

1. Reflects gross proceeds of ₱22.00 Billion assuming an issue size of ₱22.00 Billion of Bonds.
2. Total Capitalization is the sum of Total Liabilities and Total Equity

(in ₱ Millions)	As of December 31, 2022 (Audited)	Adjustment	Notes	As adjusted for Issue Amount of ₱22.00 Billion (Upon issuance of the Bonds)
Short-term Debt	₱6,547			₱6,547
Current portion of long-term debt	19,258			19,258
Long-term debt – net of current portion	210,233	22,000	1	232,233
Total Debt	₱236,038			₱258,038
Total Equity	₱293,664			₱293,664
Debt-to-Equity Ratio	0.80			0.88

Notes:

1. Reflects gross proceeds of ₱22.00 Billion assuming an issue size of ₱22.00 Billion of Bonds

DETERMINATION OF OFFERING PRICE

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

The interest rate per annum of the Series A Bonds will be computed based on the simple average of the five (5)-year PHP BVAL reference rates (or if the applicable BVAL is not available or cannot be determined, any such successor rate as determined by the Bankers Association of the Philippines (“**BAP**”) or the BSP, as shown on the PDS Group page (or such successor page) of Bloomberg (or such successor electronic service provider) at approximately 5:00 p.m. for the three (3) consecutive Banking Days immediately preceding and ending on the Interest Rate Setting Date, plus the final spread, which will be determined via a bookbuilding process.

The interest rate per annum of the Series B Bonds will be computed based on the simple average of the ten (10)-year PHP BVAL reference rates (or if the applicable BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP, as shown on the PDS Group page (or such successor page) of Bloomberg (or such successor electronic service provider) at approximately 5:00 p.m. for the three (3) consecutive Banking Days immediately preceding and ending on the Interest Rate Setting Date, plus the final spread which will be determined via a bookbuilding process.

PLAN OF DISTRIBUTION OF THE BONDS

THE OFFER

The Bonds will be issued with an aggregate principal amount of up to [Seventeen Billion Pesos (₱17,000,000,000.00)], with an oversubscription option of up to [Five Billion Pesos (₱5,000,000,000.00)] to be issued in up to two (2) series, at the discretion of the Issuer. The Base Offer will be comprised of: (i) up to [Four Billion Seven Hundred Fifty Million Pesos (₱4,750,000,000.00)] Bonds to be issued as the fourth and final Tranche of the 2021 Program, and (ii) up to [Twelve Billion Two Hundred Fifty Million Pesos (₱12,250,000,000.00)] Bonds to be issued as the first Tranche under the Issuer's 2023 Program. If exercised, the Oversubscription Option will form part of the first Tranche to be issued under the 2023 Program, which would then be comprised of a total of up to [Seventeen Billion Two Hundred Fifty Million Pesos (₱17,250,000,000.00)], assuming the full exercise of the Oversubscription Option.

The following summary of the offer does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus.

THE 2021 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 (3)-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.⁹ On June 13, 2022, the SEC Permit for the third Tranche of the 2021 Program with a principal amount of ₱33.0 Billion was issued.

THE 2023 PROGRAM

On [•], Ayala Land filed a Registration Statement in connection with the offer and sale to the public of Securities under the 2023 Program to be issued in one or more Tranches within a three (3)-year period from its effectivity.

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 2023 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 2023 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

⁹ 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 ₱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.

within the three (3)-year effectivity of the 2023 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, EastWest Bank, First Metro, RCBC Capital and SB Capital, pursuant to an Underwriting Agreement with Ayala Land dated [•], (the "**Underwriting Agreement**"), have agreed to act as the Joint Lead Underwriters and Bookrunners for the Offer and as such, offer, distribute and sell the Bonds at the Issue Price, and have also committed jointly, and not solidarily, to underwrite a total of [Seventeen Billion Pesos (₱17,000,000,000.00)] of the Offer on a firm basis, in either case subject to the satisfaction of certain conditions and in consideration for certain fees and expenses.

For the Offer, the Joint Lead Underwriters and Bookrunners will receive a fee of [0.375]% on the underwritten principal amount of the Bonds issued. Such fee shall be inclusive of underwriting fees and/or selling fees of other participating underwriters or selling agents, if any. The amount of the firm commitments of the Joint Lead Underwriters and Bookrunners are as follows:

Joint Lead Underwriters and Bookrunners	Commitment
BDO Capital	₱[2,428,500,000.00]
BPI Capital	[2,429,000,000.00]
China Bank Capital	[2,428,500,000.00]
EastWest	[2,428,500,000.00]
First Metro	[2,428,500,000.00]
RCBC Capital	[2,428,500,000.00]
SB Capital	[2,428,500,000.00]
Total	₱[17,000,000,000.00]

The Oversubscription Option, once exercised during the Offer Period, shall be deemed firmly underwritten by the Joint Lead Underwriters and Bookrunners, in addition to the amounts above. Any Bonds issued under the Oversubscription Option will be allocated subject to the discretion of the Joint Lead Underwriters and Bookrunners, with the consent of the Issuer.

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 and their respective parent banks, as applicable, 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.

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 30, 2022, its total assets amounted to ₱4.19 Billion and its capital base amounted to ₱3.84 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, 2022, its total assets amounted to ₱3.86 Billion and its capital base amounted to ₱3.75 Billion.

China Bank Capital 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 Banking Corporation's Investment Banking Group. The firm offers a full suite of investment banking solutions that enable clients to achieve their fundraising objectives and strategic goals. The company's services include arranging, managing, and underwriting debt and equity transactions, such as 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 deal structuring, valuation, and execution of mergers, acquisitions, divestitures, joint ventures, and other corporate transactions. As of December 31, 2022, it has total assets of ₱3.09 Billion and a capital base of ₱3.00 Billion.

East West Banking Corporation is a subsidiary of Filinvest Development Corporation. East West Bank is a universal bank providing a wide range of banking services to retail, commercial, and corporate clients. It was established as a commercial bank in July 1994 and received its universal banking license from the BSP in July 2012. East West Bank is licensed by the SEC to engage in the underwriting or distribution of securities to the public. As of December 31, 2022, its total assets amounted to ₱421.37 Billion and its capital base amounted to ₱61.03 Billion.

First Metro is a leading investment bank in the Philippines with nearly sixty years of service in the development of the country's capital markets. It is a wholly-owned subsidiary of Metropolitan Bank & Trust Company and is the investment banking arm of the Metrobank Group, one of the largest financial conglomerates in the country. First Metro is licensed by the Securities & Exchange Commission 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, 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, 2022, its total assets stood at ₱31.78 Billion with a capital base amounting to ₱15.59 Billion.

RCBC Capital is a licensed investment house providing a complete range of capital raising and financial advisory services. Established in 1974, RCBC Capital has over 49 years of experience in underwriting of equity, quasi-equity and debt securities, as well as in managing and arranging the syndication of loans, and in financial advisory. RCBC Capital is a wholly-owned subsidiary of the Rizal Commercial Banking Corporation and a part of the Yuchengco Group of Companies, one of the country's largest fully integrated financial services conglomerates. As of December 31, 2022, its total assets amounted to ₱3.23 Billion and its capital base amounted to ₱3.16 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, 2022, its total assets amounted to ₱[1.46] Billion and its capital base amounted to ₱[1.43] Billion.

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

major shareholder.¹⁰

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 Circular Letter No. 2022-23 dated May 18, 2022 specific to the Bonds, such insurance companies may consider their purchase and holdings of the Bonds as admitted assets and allowable investments without needing prior approval from 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 [•] 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 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 14, 2023] and ending at 5:00 p.m. on [June 20, 2023], or on such other dates as the Issuer and the Joint Lead Underwriters and Bookrunners may agree upon.

¹⁰ 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 30.81% owned by Ayala Corporation. On the other hand, as of December 31, 2022, Ayala Land is 50.60% owned by Ayala Corporation with the remainder mainly owned by the public.

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 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. The 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 the said certification's validity;

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

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 up to [Seventeen Billion Pesos (₱17,000,000,000.00)] (the “**Base Offer**”), with an oversubscription option of up to [Five Billion Pesos (₱5,000,000,000.00)] (the “**Oversubscription Option**”, together with the Base Offer, the “**Offer**” or the “**Bonds**”) in up to two (2) series, at the discretion of the Issuer, for public offer and sale in the Philippines under the prospectus dated [•].

2021 Program

A registration statement filed by the Issuer covering the 2021 Program was rendered effective by the SEC by its order dated October 11, 2021. The first Tranche of the 2021 Program of Two Billion Seven Hundred Fifty Million Pesos (₱2,750,000,000.00) was issued on October 26, 2021 under the Prospectus. The second Tranche 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 of the 2021 Program of Thirty-three Billion Pesos (₱33,000,000,000.00) was issued on July 4, 2022. The fourth and final Tranche to be issued under the 2021 Program will be comprised of [Four Billion Seven Hundred Fifty Million Pesos (₱4,750,000,000.00)] forming part of the Base Offer.

2023 Program

On [•], Ayala Land applied with the SEC to register up to Fifty Billion Pesos (₱50,000,000,000.00) aggregate principal amount of debt securities and other securities, to be issued in one or more Tranches, under a new securities program (the “**2023 Program**”). The first Tranche of the 2023 Program will be comprised of (i) up to Twelve Billion Two Hundred Fifty Million Pesos (₱12,250,000,000.00) forming part of the Base Offer, and (ii) the Oversubscription Option. Assuming the full exercise of the Oversubscription Option, a total of Seventeen Billion Two Hundred Million Pesos (₱17,250,000,000.00) will comprise the first Tranche of the 2023 Program.

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

Philippine Depository & Trust Corp. (“**PDTC**”) has no interest in or relation to Ayala Land which may conflict with its roles as Registrar and Paying Agent for the Offer. Rizal Commercial Banking Corporation – Trust and Investments Group has no interest in or relation to Ayala Land which may conflict with its role as Trustee for the Offer. RCBC Capital is a wholly owned subsidiary of Rizal Commercial Banking Corporation.

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 March 23, 2023. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings. A Stable Outlook, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months. PhilRatings took into account the following major rating factors in assigning the ratings and the corresponding Outlook: a) a well-diversified portfolio, complemented by strong brand equity; b) an experienced and competent management team and synergies with the Ayala Group; c) the continued rebound in earnings, supporting healthy cash flows; and d) its sound capital structure and well-managed debt portfolio.

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

2. Transfer of the Bonds

(a) Register of Bondholders

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

(b) Transfers; Tax Status

Transfers across Tax Categories shall not be allowed except on Interest Payment Dates that fall on a Business Day, provided however that transfers from a tax-exempt category to a taxable tax category on a non-Interest Payment Date shall be allowed using the applicable tax on the

PDEX Trading System, ensuring the computations are based on the final withholding tax rate of the taxable party to the trade. Should this transaction occur, the tax-exempt entity shall be treated as being of the same Tax Category as its taxable counterpart for the interest period within which such transfer occurred. For purposes hereof, "Tax Categories" refer to the three (3) final withholding tax categories covering, particularly, tax-exempt entities, 20% tax-withheld entities and 25% tax-withheld entities. This restriction shall be in force until a non-restricted trading & settlement environment for corporate securities is implemented. Transfers taking place in the Register of Bondholders after the Bonds are listed on PDEX may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when allowed under and are in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC. Transfers to or from Bondholders claiming the benefit of any tax treaty which subjects the interest income to a final withholding tax rate other than the final withholding tax categories indicated above shall only be allowed on Interest Payment Dates that fall on a Business Day.

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

(c) Registrar

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

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

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

(d) Secondary Trading of the Bonds

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

3. Ranking

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

4. Interest

(a) Interest Payment Dates

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

Series A Bonds	[•]%
Series B Bonds	[•]%

Interest on the Bonds is payable quarterly in arrear on [December 27], [March 27], [June 27] and [September 27] of each year while the Bonds are outstanding (each of which, for purposes of this section is an “**Interest Payment Date**”) commencing on [September 27, 2023]. 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 [June 27, 2023], 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 A Bonds:

Call Option Dates	Call Option Price
8 th to 11 th Interest Payment Date	101.50%
12 th to 15 th Interest Payment Date	101.00%
16 th to 19 th Interest Payment Date	100.50%

For the Series B Bonds:

Call Option Dates	Call Option Price
20 th to 23 rd Interest Payment Date	102.50%
24 th to 27 th Interest Payment Date	102.00%
28 th to 31 st Interest Payment Date	101.50%
32 nd to 35 th Interest Payment Date	101.00%
36 th to 39 th Interest Payment Date	100.50%

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. The 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; (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; and

- (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities.
- (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 (i) 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 (ii) 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, and the Issuer's affirmative covenant to pay principal and interest, net of applicable withholding taxes, on the Bonds, more particularly set forth in the Registry and Paying Agency Agreement, 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 Terms and Conditions of the Bonds.

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 Prospectus, and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee: RIZAL COMMERCIAL BANKING CORPORATION

Trust and Investments Group

Attention: Ryan Roy W. Sinaon

Subject: ALI Series A and B Bonds due 2028 and 2033

Address: 9th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City

Telephone No.: 8894 – 9000 local 1278

Email: rwsinaon@rcbc.com

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 Prospectus shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.
- (d) The Trustee, in the performance of its duties, shall exercise such rights and powers vested in it by the Trust Indenture and 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. Subject to the provisions of Subsection (e) below, such successor trustee must possess all the qualifications required under pertinent laws.
- (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; 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 for which custodial services the Trustee shall be entitled to the same fee it was receiving before its resignation until full and complete release or turnover of the documents, instruments, certifications, and other pertinent documents to the successor trustee; 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) From the relevant Issue Date until full payment of the Bonds, in the event that there are:
 - (i) property and funds physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report as confirmed in writing whether in electronic or originally signed form issued by the Paying Agent to the Issuer or Trustee; or
 - (ii) action/s 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,

the Trustee shall submit to the Bondholders, on or before February 28 of each year, a brief report dated as of December 31 of the immediately preceding year respecting such matters.

- (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;
 - (v) Registration Statement relating to the 2023 Program; and
 - (vi) Opinions of the legal counsel with respect to the Issuer and the Bonds.

26. Meetings of the Bondholders

A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or in behalf of the Bondholders of any specified aggregate principal

amount of Bonds under any other provisions of the Trust Indenture or under the law and such other matters related to the rights and interests of the Bondholders under the Bonds.

(a) Notice of Meetings

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

(b) Failure of the Trustee to Call a Meeting

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

(c) Quorum

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

(d) Procedure for Meetings

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

(e) Voting Rights

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

meeting and any representatives of the Issuer and its legal counsel.

(f) Voting Requirement

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

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

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

27. Evidence Supporting the Action of the Bondholders

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

28. Non-Reliance

Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that it has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations hereunder, except for its gross negligence or 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 Philippines are hereby absolutely and unconditionally waived and renounced. This waiver and renunciation of the priority or preference under Article 2244, paragraph 14 of the Civil Code of the Philippines shall be revoked if it be shown that an indebtedness of the Issuer for borrowed money has a priority or preference under the said provision.

33. Certain Defined Terms

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

- (a) **Affiliate** means any corporation, directly or indirectly controlled by the Issuer, whether by way of ownership of at least twenty percent (20%) of the total issued and outstanding capital stock of such corporation, or the right to elect at least twenty percent (20%) of the number of directors in such corporation, or the right to control the operation and management of such corporation by reason of contract or authority granted by said corporation to the Issuer.
- (b) **Bankruptcy** means, with respect to a Person, (a) that such Person has (i) made an assignment for the benefit of creditors; (ii) filed a voluntary petition in bankruptcy; (iii) been adjudged bankrupt, or insolvent; or had entered against such Person an order of relief in any bankruptcy or insolvency proceeding; (iv) filed a petition or an answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or filed an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of such nature; or (v) sought, consented to, or acquiesced in the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties; (b) sixty (60) days have elapsed after the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation and such proceeding has not been dismissed; or (c) sixty (60) days have elapsed since the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties and such appointment has not been vacated or stayed or the appointment is not vacated within sixty (60) days after the expiration of such stay.
- (c) **BIR** refers to the Bureau of Internal Revenue of the Republic of the Philippines.
- (d) **Debt** includes short-term debt, long-term debt and current portion of long-term debt..
- (e) **Debt to Equity Ratio** means the ratio which Total Debt bears to Total Stockholders' Equity.
- (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 Debt** includes short-term debt, long-term debt and current portion of long-term debt.
- (i) **Total Stockholders' Equity** means the aggregate (as of the relevant date for calculation) of the par value of the outstanding common stock, preferred stock, capital surplus, retained earnings appraisal surplus arising from past appraisal and any further appraisal surplus arising from subsequent independent certified appraisal of the property, plant and equipment of the Issuer effected in compliance with the Philippine Financial Reporting Standards, and any reserve for expansion projects, less treasury stocks.

PHILIPPINE TAXATION

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

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

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

*The following is a general description of certain Philippine tax aspects of the Bonds. It is based on the present provisions of the National Internal Revenue Code of 1997, as amended by Republic Act No. 10963 and Republic Act No. 11534 (the "**Philippine Tax Code**"), the regulations promulgated thereunder and judicial and ruling authorities in force as of the date of this Prospectus, all of which are subject to changes occurring after such date, which changes could be made on a retroactive basis.*

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

TAXATION OF INTEREST

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

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

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

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

Other guidelines regarding the TTRA are provided under Revenue Memorandum Circular Nos. 77-2021 and 20-2022. Under Revenue Memorandum Circular No. 20-2022, once a Certificate of Entitlement ("COE") has been previously issued to a taxpayer, to allow the ruling to be applied to subsequent or future income payments.

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

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

- A. General Requirements
 1. Letter-request
 2. Application Form duly signed by the nonresident Bondholder or its/his/her authorized representative
 3. Tax Residency Certificate for the relevant period, duly issued by the tax authority of the foreign country in which the Bondholder is a resident
 4. Bank documents/certificate of deposit/telegraphic transfer/telex/money transfer evidencing the payment/remittance of income
 5. Withholding tax return with Alphabetical List of Payees
 6. Proof of payment of withholding tax
 7. Notarized Special Power of Attorney issued by the nonresident Bondholder to its/his/her authorized representative(s), which shall expressly state the authority to sign the Application Form as well as to file the tax treaty relief application or request for confirmation
- B. Additional general requirements for legal persons and arrangements, and individuals:
 1. Authenticated copy of the nonresident legal person or arrangement's Articles/Memorandum of Incorporation/Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language
 2. Original copy of the Certificate of Non-Registration of the Bondholder or certified true copy of License to Do Business in the Philippines duly issued by the SEC for legal persons and arrangements, or original copy of the Certificate of Business Registration/Presence duly issued by the Department of Trade and Industry for individuals

C. Additional general requirements for fiscally transparent entities:

1. A copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the foreign fiscally transparent entity;
2. List of owners/beneficiaries of the foreign entity;
3. Proof of ownership of the foreign entity; and
4. Tax Residency Certificate issued by the concerned foreign tax authority to the owners or beneficiaries of the fiscally transparent entity.

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

If the income of the nonresident Bondholder has been subjected to regular withholding rates, the Bondholder may file a claim for refund with the BIR independently of, or simultaneously with, the TTRA. Nonetheless, all claims for refund shall be filed within the two (2)-year prescriptive period provided under Section 229 of the National Internal Revenue Code, as amended.

TAX EXEMPT STATUS

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

- i. a copy of 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 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 as being a true copy of the original on file with the Bondholder. The 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; 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 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; and
- iii. such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities;

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

DOCUMENTARY STAMP TAX

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

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

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

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

Income Tax

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

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

and effective January 2, 2023 and onwards:

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

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

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

Gains derived by domestic or resident foreign corporations on the sale or other disposition of the bonds or other deposit substitutes are subject to regular corporate income tax at a rate of 20% for corporations with a net taxable income not exceeding ₱5 Million and with total assets not exceeding ₱100 Million or 25% for all other corporations, or minimum corporate income tax ("MCIT") at a rate of (i) 1% of gross income effective July 1, 2020 until June 30, 2023 and (ii) 2% thereafter. Gross income derived by non-resident foreign corporations on the sale or other disposition of the bonds or other deposit substitutes is subject to a 25% income tax unless a preferential rate is allowed under a tax treaty subject to such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

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

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

Estate and Donor's Tax

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

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

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

Value- Added Tax

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

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

INDEPENDENT AUDITORS AND COUNSEL

LEGAL MATTERS

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

INDEPENDENT AUDITORS

SyCip Gorres Velayo & Co. (“**SGV & Co.**”), independent auditors and a member firm of Ernst & Young Global Limited audited Ayala Land, Inc. and Subsidiaries’ annual consolidated financial statements as at December 31, 2022, 2021, 2020, and 2019, and for each of the four (4) years in the period ended December 31, 2022 as included in this Prospectus.

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

a. Audit and Audit-Related Fees

Ayala Land and its Subsidiaries paid its independent auditors the following fees in the past two (2) years: *(in ₱ Million)*

Year	Audit & Audit-related Fees	Tax Fees	Other Fees
2021	34.61*	—	13.13**
2022	34.54*	—	8.48**

* Pertains to audit fees.

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

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

b. Tax Fees

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

CHANGES IN AND DISAGREEMENTS WITH INDEPENDENT AUDITORS

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

DESCRIPTION OF BUSINESS

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

Overview

As of December 31, 2022, Ayala Corporation's effective ownership in Ayala Land is 50.60% while 48.34% is owned by the public. As of December 31, 2022, Ayala Land has 15,064,662,731 outstanding common shares and 12,524,223 outstanding voting preferred shares. 14,554,334,801 common shares are listed with the PSE. Foreign equity ownership is 14.30% composed of 3,878,693,663 outstanding common shares and 54,979,729 voting preferred shares as of December 31, 2022. Equity attributable to equity holders of Ayala Land amounted to ₱225.3. Ayala Land has a total market capitalization of ₱397,767,952,921.50 based on the closing price of ₱26.50 per common share on March 31, 2023, the last trading day of the said month.

Ayala Land's Businesses

Ayala Land is the largest and most diversified real estate conglomerate in the Philippines. It is engaged in land acquisition, planning, and development of large scale, integrated, mixed-use, and sustainable estates, industrial estates, development and sale of residential and office condominiums, house and lots, and commercial and industrial lots, development and lease of shopping centers and offices, co-working spaces, and standard factory buildings and warehouses, and the development, management, and operation of hotels and resorts and co-living spaces. The Company is also engaged in construction, property management, retail electricity supply and airline services. It also has investments in AyalaLand Logistics Holdings Corp., Cebu Holdings, Inc., Ortigas Land Corp., MCT Bhd., Qualimed and Mercado Supermarket. Ayala Land has 49 estates, is present in about 57 growth centers nationwide and has a total land bank of approximately 12,273.8 hectares as of December 31, 2022 composed of about 234.8 hectares in Metro Manila, around 9,809 hectares in other areas in Luzon and about 2,230 hectares in Visayas and Mindanao.

Property Development

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

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

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

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

Commercial Leasing

Commercial Leasing involves the development and lease of shopping centers through Ayala Malls, and offices, through Ayala Land Offices, co-working spaces through the “Clock-In” brand, and standard

factory buildings and warehouses under the “ALogis” brand, and the development, management, and operation of hotels and resorts through AyalaLand Hotels and Resorts, Inc. and co-living spaces through “The Flats” brand.

Services

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

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

Strategic Investments

Ayala Land’s strategic investments include AREIT, Inc. (66.00%), AyalaLand Logistics Holdings Corp. (71.46%), MCT Bhd. (66.25%), Merkado Supermarket (50.00%), and OCLP Holdings, Inc. (21.10%).

Vision

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

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

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

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

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

Competitive Strengths

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

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

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

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

Substantial and Strategically Located Landbank. With control of 12,273 hectares of land across various strategic locations in the Philippines, Ayala Land is a primary beneficiary of the country's asset reflation story. Ayala Land is well positioned to take advantage of the growth prospects in the real estate sector in the Philippines. It is currently present across 57 identified growth centers in the country.

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

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

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

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

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

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

Strategy

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

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

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

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

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

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

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

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

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

Lastly, after successfully assuring financial sustainability and caring for its stakeholders, Ayala Land is now preparing for a V-shaped recovery—it is expected that it would take two (2) to three (3) years to bring profitability back to 2019 levels. To reach this goal, the organization is preparing plans and strategies to strengthen its brand positioning and reinvent some business models to adapt to the new environment. It will take advantage of the prospects created by the crisis, and focus on business continuity, stabilization, and growth opportunities.

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

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

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

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

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

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

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

Products / Business and Recent Updates

To carry on its business in an organized and efficient manner, Ayala Land structured its operations into key strategic business lines such as Property Development, Commercial Leasing, Services and Strategic Investments. Currently, ALI has 196 projects pending, domestically and internationally.

PROPERTY DEVELOPMENT

Residential Development

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

In recent years, overall growth of the residential market has been strong largely as a result of a huge housing backlog of 3.9 Million units and affordable mortgage loans. On the international front, the continued growth of OFW remittances has injected new demand into the residential market. In response to these opportunities, Ayala Land will continue to grow its residential business line, which accounted for 55%, 58%, 60%, and 64% of consolidated revenues (which includes real estate sales, interest income from real estate sales, equity in net earnings, interest and investment income and other income) as of December 2019, December 31, 2020, December 31, 2021 and December 31, 2022, respectively. A robust project pipeline will enable the Company to expand its product offerings in existing areas and accelerate geographic expansion, aided by strategic landbanking and mixed-use development and project management projects.

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

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

The Company's ongoing residential projects under the ALP brand include Park Central Towers North & South, Andacillo, One Vertis Plaza and Ayala Greenfield Estates. These projects are currently under construction and are in various stages of completion ranging from 65% to 81%. Under the Alveo brand, key ongoing projects include Broadfield, Corvia, Cerule in Solinea and Callisto Tower 2. These projects are currently under construction and are in various stages of completion ranging from 45% to 72%. Under the Avida brands, key ongoing projects include Averdeen Estates Phase 1, Avida Settings Alviera Phase 3, Cloverleaf Tower 2 and Verge Tower 1. These projects are currently under construction and are in various stages of completion ranging from 50% to 90%. Under the Amaia brand, key ongoing projects include Skies Shaw Tower 2, Scapes General Trias, Skies Avenida T2, and Series Vermosa S1. These projects are currently under construction and are in various stages of completion ranging from 48% to 98%. Under the Bellavita brand, key ongoing projects include BV Naga, BV Cabanatuan 2 and BV Alaminos 2. These projects are currently under construction and are in various stages of completion ranging from 25% to 98%.

International Sales accounted for 34% of total sales for the fiscal year ended December 31, 2022.

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

Strategic Landbank Management

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

With a long-term horizon, SLMG views its key landbank areas as launching pads for decades of development. Its approach to landbanking is oriented towards value creation and realization. SLMG applies financial discipline with a focus on yields, cashflows, and the judicious buying and selling of lots at the opportune time. The group develops, updates and refines masterplans, providing clear framework for decision making. It also engages community-based stakeholders such as local government units and other government entities to assure that vital infrastructure is in place to support the long-term development plans. Embedded in all these, and central to value creation and retention over time, is the concept of sustainability.

As of December 31, 2022, Ayala Land's land bank portfolio of approximately 12,273.8 hectares is composed of 234.8 hectares in Metro Manila, 9,809 hectares in other areas in Luzon and 2,230 hectares in Visayas and Mindanao.

COMMERCIAL LEASING

Shopping Centers

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

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

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

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

Recognizing the impact of COVID-19 on its merchants, Ayala Malls provided rent condonation and subsidy for the duration of the various community quarantines. In 2020, the total support extended amounted to ₱6.2 Billion and in 2021 and 2022, the total support extended amounted to ₱7.2 Billion and approximately ₱2.9 Billion, respectively. Health and safety measures were strictly implemented in accordance with government protocols to protect mall patrons.

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

Offices Group

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

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

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

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

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

Hotels and Resorts

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

In 2010, Ayala Land successfully ventured into eco-tourism via the partnership with the Ten Knots Group for a 60% stake in the world-famous El Nido Resorts in Palawan. As of end of 2016, there are

213 island resort rooms available from Miniloc, Lagen, Apulit (previously Club Noah), and Pangulasian Islands in the province of Palawan.

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

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

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

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

Emerging Leasing Formats

Co-Living Space (The Flats)

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

The Flats currently has two (2) branches located in the Makati CBD and BGC, with a total bed count of 2,032 as of end-2022. More branches are being planned for opening in the next few years to offer affordable residential leasing arrangements for professionals in city centers.

Co-Working Space (Clock In)

Clock In provides flexible, co-working and serviced office facilities to start-ups, small, and mid-sized enterprises. With eight facilities located in the Makati CBD, BGC, Quezon City, Pasig City, Alabang, and Lio Palawan. Clock In offers a total of 1,411 seats as of end-2022.

Factory Buildings and Warehouses (ALogis)

Standard Factory Buildings and Warehouses (ALogis) Listed Subsidiary AyalaLand Logistics Holdings Corp. (ALLHC) established the ALogis brand for its industrial leasing business. It has standard factory buildings that cater to locators that need ready-built industrial facilities. As of December 31, 2022, total GLA of ALogis reached 309,000 sqm.

SERVICES

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

Construction

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

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

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

Property Management

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

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

Power Distribution

Power distribution Subsidiaries provided uninterrupted service to the commercial leasing assets and industrial park locators during the quarantine. Direct Power Services, Inc. (DPSI), Ecozone Power Management Inc. (EPMI), and Philippine Integrated Energy Solution Inc. (PhilEnergy) altogether served approximately 122 customers in 2022 and delivered about 865.8 gigawatts (GW) of electricity, achieving net revenues of around ₱1.1 Billion. DPSI served around 78 clients and delivered 427.4 GW; EPMI, 39 clients and 399.5 GW; and PhilEnergy, about five clients and 38.9 GW.

AirSWIFT

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

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

STRATEGIC INVESTMENTS

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

AREIT

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

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

In 2020, AREIT recorded revenues of ₱2.0 Billion and EBITDA of ₱1.6 Billion, 3% and 4% higher than its REIT plan, respectively. The company's full-year net income ended at ₱1.2 Billion on account of stable operations during the pandemic. It ended the year with a total GLA of 170,848 sqm. Demonstrating its commitment to deliver value to its shareholders, AREIT declared full-year dividends of ₱1.32 per share, slightly higher than its REIT plan projection during its IPO. The AREIT IPO has been

recognized by various award-giving bodies after it garnered the Best IPO in the Philippines at The Asset 2020 Country Awards, Equity Market Deal of the Year at the 5th Annual ALB Philippine Law Awards 2020, and Equity Deal of the Year at the Annual International Finance Law Review (IFLR) Awards.

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

In 2022, recorded revenues of ₱5.1 Billion and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of ₱3.6 Billion in 2022, 53% and 52% higher year-on-year, respectively, because of stable operations with a 98% occupancy and strong collection performance. The company's full-year net income reached ₱2.9 Billion, inclusive of a net fair value change in investment properties of (₱549 Million) on account of the higher interest rate environment. Excluding the net fair value change in investment properties, net income registered at ₱3.4 Billion, 55% higher year-on-year.

AREIT received the Securities and Exchange Commission's (SEC) approval last December 2022 for the property-for-share swap with ALI, in exchange for six Cebu-based office buildings, particularly eBloc Towers 1 to 4 located at Cebu IT Park, ACC Tower and Tech Tower located at Ayala Center Cebu. The recognition of income from these new assets accrued beginning October 01, 2022, capping the year with a total GLA of 673 thousand sqm from 549 thousand sqm and Assets Under Management ("AUM") of ₱64 Billion from ₱53 Billion in 2021. With the recently concluded acquisition, AREIT outperformed its target to reach ₱60 Billion in AUM by 2022 but maintains its aspiration to further grow its asset portfolio at an average of 100,000 sqm of GLA from 2023 to 2025, translating to an increase of ₱10-15 Billion in its AUM annually during the period. The company maintains its thrust to grow and diversify its asset portfolio by sector, location, and income contribution and achieve a total shareholder return range of 10-12%.

AREIT was awarded Best Premier REIT and Most Innovative REIT Offering in the Philippines by International Finance Awards 2022 and received a two golden arrow award from the Institute of Corporate Directors based on the 2021 ASEAN Corporate Governance Scorecard. AREIT became the first Philippine REIT included in the FTSE EPRA Nareit Asia ex-Japan REITs 10% capped Index in 2021. It is a constituent of the MSCI Philippine Small Cap Index, the FTSE Small Cap Index and the Philippine Property Index.

ALLHC

AyalaLand Logistics Holdings Corporation (ALLHC) registered sustained growth on account of resilient operations and the country's reopened economy in 2022. The company posted a net income of ₱1.01 Billion, 29% higher year-on-year, and consolidated revenues of ₱4.20 Billion.

In May 2022, ALLHC acquired a 55-hectare land parcel in Padre Garcia, Batangas for the development of the future Batangas Technopark, making it ALLHC's fifth industrial estate.

ALLHC continued to expand its ALogis brand of standard factory buildings and warehouses to address the growing demand for industrial ready-built facilities. It added a total 17,000 square meters of GLA in ALogis Biñan at the Laguna Technopark and ALogis Calamba at the Lepanto Industrial Complex, growing its portfolio to 224,000 square meters as of end-2021. ALLHC ended the year with a total warehouse GLA of 309,000 sqm, a 38% growth since last year, with deliveries from ALogis Sto. Tomas and ALogis Naic.

ALLHC broadened its warehouse offering with its entry into cold storage through the ALogis Artico brand. In 2021 it acquired two (2) existing facilities within Laguna Technopark, with a combined pallet position of 7,300 in April and December. In December 2022, ALLHC secured 3,000 pallet positions,

increasing its pallet position count by 42% to 10,300. With both cold and dry storage capabilities, ALogis aims to be the full-range brand of choice for real estate logistics. Embracing digitalization, ALLHC also launched a number of online platforms, namely virtual tours for prospective locators, and TutuBuy and ANA South Park Personal Shopper for retail customers. ALLHC extended assistance to its affected stakeholders and communities. It granted rent reprieve to mall merchants and provided assistance to its employees and frontliners throughout the year. Aside from pledging donations to ALI Pays It Forward campaign and raising funds for Project Ugnayan, ALLHC also assisted in the procurement of medical equipment and supplies for designated COVID-19 referral hospitals.

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

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

MCT Bhd

MCT Berhad (Malaysia) contributed revenues of ₱2.76 Billion, 29% lower than ₱3.88 Billion the previous year, due to inventory sellout of nearly completed legacy projects and incremental POC of newly launched projects (Aetas and Casa Bayu).

Merkado

Merkado, Ayala Land's 50-50 joint venture with Puregold, , with three stores in UP Town Center, Vertis North, and Avida Asten in Makati City. Conveniently located as a retail amenity, these stores serve the consumer needs in our developments. across Ayala Malls nationwide. It recorded average daily sales of ₱1.0 Million, 36% lower than the previous year, across its three operating branches in Vertis North and UP Town Center, both in Quezon City, and Avida Towers Asten in Makati City. Avida Towers Asten branch opened in December 2021.

Ortigas

Ortigas Land Corp. (OLC) generated revenues and a net income of ₱11.0 billion and ₱2.6 billion, posting solid growth rates of 32% and 48%, respectively, driven by the higher incremental POC of its residential business, supplemented by higher mall sales owing to the economic reopening.

Sales reservations grew by 20% to ₱2.0 billion as OLC focused on selling its existing inventory. During the year, two projects were completed and turned over to buyers: The Imperium, located at Capital Commons and The Glaston Tower at Ortigas East, both in Pasig City.

Other Revenue

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

Contributions to Revenue

The table below illustrates the amounts of revenue, profitability, and identifiable assets attributable to domestic and foreign operations for the years ended December 31, 2022, 2021, 2020, and 2019:

	Dec 2022		Dec 2021		Dec 2020		Dec 2019	
	In ₱'000	In %	In ₱'000	In %	In ₱'000	In %	In ₱'000	In %
Revenues								
<i>Domestic</i>	121,749,465	97.81%	99,908,093	96.26%	90,342,858	94.9%	160,143,686	96.1%

Description of Business

<i>Foreign</i>	2,731,641	2.19%	3,880,333	3.74%	4,811,872	5.1%	6,561,646	3.9%
Total	124,481,106	100.00%	103,788,427	100.00%	95,154,730	100.0%	166,705,332	100.0%
Net operating income								
<i>Domestic</i>	41,568,898	99.95%	32,386,064	99.32%	30,342,384	99.6%	61,357,618	98.0%
<i>Foreign</i>	19,158	0.05%	221,984	0.68%	127,350	0.4%	1,228,417	2.0%
Total	41,588,056	100.00%	32,608,048	100.00%	30,469,734	100.0%	62,586,035	100.0%
Net Income Attributable to Equity Holders of ALI								
<i>Domestic</i>	18,703,909	100.47%	12,341,379	100.93%	9,157,663	104.9%	32,321,166	97.4%
<i>Foreign</i>	(86,673)	(0.47%)	(113,231)	(0.93%)	(430,508)	(4.9%)	867,233	2.6%
Total	18,617,236	100.00%	12,228,148	100.00%	8,727,155	100.0%	33,188,399	100.0%
Total Assets								
<i>Domestic</i>	749,404,896	96.12%	712,602,771	95.59%	685,707,254	95.0%	678,162,085	95.0%
<i>Foreign</i>	30,249,625	3.88%	32,861,591	4.41%	35,787,120	5.0%	35,761,193	5.0%
Total	779,654,521	100.00%	745,464,363	100.00%	721,494,374	100.0%	713,923,278	100.0%

The table below presents the top contributors to revenue (before elimination of intercompany transactions) for the year ended December 31, 2022, 2021, 2020, and 2019:

(in thousand Pesos)	<u>Dec 2022</u> <u>Audited*/</u> <u>Unaudited</u>	<u>Dec 2021</u> <u>Audited</u>	<u>Dec 2020</u> <u>Audited</u>	<u>Dec 2019</u> <u>Audited</u>
Ayala Land Inc. ¹	61,169,820	28,599,729	23,459,789	40,052,606
Makati Development Corporation ¹	39,748,475*	37,402,698	34,207,866	60,886,129
Alveo Land Corporation ¹	14,958,381*	11,914,656	8,243,681	19,352,516
Amaia Land Corporation ¹	6,949,672*	4,509,850	4,580,443	6,859,802
Avida Land Corporation ¹	6,762,162	37,402,698	7,930,030	14,677,374
Ayala Hotels Inc.	5,751,930*	5,273,791	3,866,293	6,006,642
MDBI Construction Corp.	5,386,267*	6,119,130	5,759,687	9,358,614
ALI Commercial Center, Inc. ¹	4,694,848	1,958,981	1,773,410	4,829,325
AREIT, Inc.	5,072,847*	3,316,464	1,951,625	1,563,081
MDC Build Plus, Inc.	3,750,573*	3,529,661	2,219,513	4,934,906
Nuevocentro, Inc. ¹	3,815,038	3,133,533	2,397,971	4,020,835
MDC Concrete, Inc.	3,074,674*	2,795,822	1,651,178	3,278,477
MCT Bhd (Malaysia)	2,780,914	4,014,589	5,503,016	5,369,675
CECI Realty Corp.	2,115,735	1,546,090	3,345,693	1,472,915
Ayala Property Management Corporation ¹	2,028,670	1,580,476	1,586,582	2,009,187
AyalaLand Offices, Inc. ¹	869,863*	871,671	1,129,353	1,564,473
Ayala Greenfield Development Corp	1,649,896	2,769,107	1,585,498	1,101,773
Ayalaland Estates, Inc. ¹	1,501,649	1,471,901	1,462,761	2,115,238
North Eastern Commercial Corp.	834,935	1,612,903	2,011,308	2,364,581
BG West Properties, Inc	610,053*	2,007,451	932,098	4,100,029
Ecozone Power Management, Inc.	495,321	1,115,251	1,568,434	2,395,977

¹Pertains to revenues of the parent entity only

Material Reclassification, Merger, Consolidation, or Purchase or Sale of a Significant Amount of Assets over the past three (3) years

2023:

On March 7, 2023, the Related Party Transactions Review Committee of the Company approved and endorsed the subscription of ALI and its subsidiaries, Ayalaland Malls, Inc. ("**ALMI**") and Northbeacon Commercial Corporation ("**NBCC**") to 607,559,380 primary common shares of AREIT, in exchange for the transfer to AREIT, Inc. of identified key commercial properties valued at ₱22,479,697,060, under a property-for-share swap transaction at a final transaction price of ₱37.00 per share, set at a 3% premium over the 30-day VWAP or the market price of ₱35.85 ("AREIT Property-for-Share Swap Transaction"), as validated by a third-party Fairness Opinion issued by FTI Consulting Philippines, Inc.. ("FTI Consulting"), 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. A copy of the Fairness Opinion and the Valuation Reports may be accessed through the link <https://ir.ayalaland.com>.

Under the AREIT Property-for-Share Swap Transaction, the Company, ALMI, and NBCC shall transfer to AREIT, Inc. the following properties valued at Twenty-Two Billion Four Hundred Seventy-Nine Million Six Hundred Ninety-Seven Thousand Sixty Pesos (₱22,479,697,060.00):

Property	Registered Owner	Transaction Value (in Php)
Glorietta BPO 1	ALI	3,090,625,614
Glorietta BPO 2	ALI	3,265,229,909
One Ayala West Tower	ALMI*	4,955,177,233
One Ayala East Tower	ALMI*	5,670,733,294
Glorietta Mall 1 and 2	ALI	3,448,776,031
Marquee Mall	NBCC*	2,049,154,979
Total		₱22,479,697,060
*ALMI and NBCC are wholly-owned subsidiaries of ALI. (collectively, the "Properties")		

The properties to be infused have been evaluated by AREIT Fund Managers, Inc., and have been appraised by Cuervo Appraisers, Inc. ("Cuervo"). The Properties will be used as the Company's payment for the 607,559,380 primary common shares of AREIT, Inc.

The AREIT Property-for-Share Swap is subject to the approval of AREIT, Inc.'s stockholders at its annual stockholders' meeting on April 26, 2023. The exchange of shares for the Properties will qualify as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended, which provides:

(2) Exception. - * * *

No gain or loss shall also be recognized on a corporation or on its stock or securities if such corporation is a party to a reorganization and exchanges property in pursuance to a plan of reorganization solely for stock or securities in another corporation that is a party to the reorganization. A reorganization is defined as: XXX

No gain or loss shall also be recognized if property is transferred to a corporation by a person alone or together with others, not exceeding four (4) persons, in exchange for stock or unit of participation in such a corporation of which as a result of such exchange the transferor or transferors, collectively, gains or maintains control of said corporation: Provided, That stocks issued for services shall not be considered as issued in return for property. XXX"

Section 40 (C) (2) of the Tax Code, as amended, has been interpreted by the Supreme Court in the case of Commissioner of Internal Revenue vs. Filinvest Development Corporation (G.R. No. 167689, 9 July 2011), to mean that a tax-free exchange applies when the controlling person gains "further control" or transfers where the exchanger

already has control of the corporation at the time of the exchange.

AREIT expects to execute the Deed of Exchange and file the application for approval of the original issuance of shares with the SEC within May 2023, and the issuance of CAR with the relevant Revenue District Office of the BIR within the first quarter of 2024. The SEC's approval of the Transaction and the BIR's issuance of a CAR are expected to be issued within the year. AREIT shall likewise apply for the additional listing of shares with the Exchange by the first quarter of 2024. The indicative timetable for implementation of the Transaction is as follows:

Indicative Timeline for Implementation

Annual Stockholder's Meeting	26 April 2023
Deed of Exchange Execution	May 2023
SEC Approval (Issuance of Shares and Transaction)	Q2 to Q4 2023
Issuance of CAR	Q1 2024
PSE Listing of Additional Shares	Q1 2024

On February 21, 2023, the Board of Directors, at its regular board meeting approved the decrease in ALI's authorized capital stock by ₱62,397,053.60, from ₱21,500,000,000.00 to ₱21,437,602,946.40, through the retirement of its redeemed voting preferred shares as of January 31, 2023, and any additional redeemed voting preferred shares until April 25, 2023, as well as the corresponding amendment of the Seventh Article of its Articles of Incorporation. The decrease in authorized capital stock and the amendment of the Seventh Article will be presented to its stockholders for approval at their annual meeting on April 26, 2023.

The Board likewise approved adoption of the 2023 stock option program pursuant to 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 20,200,407 common shares at a subscription price of ₱24.68 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 5-day trading as of February 13, 2023, less a prescribed discount.

2022:

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

On January 20, 2022, the Board of Directors approved a property-for-share swap with Ayala Corporation ("**AC**") and Mermac, Inc. ("**Mermac**"). Under the transaction, AC and Mermac will transfer assets to ALI in exchange for its primary common shares. Subject to regulatory approvals, AC will subscribe to 309, 597, 711 primary common shares for assets valued at ₱17,275,552,274, and Mermac will subscribe to 1,982,289 primary common shares for assets worth ₱110,611,726, totaling 311,580,000 primary common shares at a value of ₱55.80 per share, as validated by a third-party fairness opinion.

Under the ALI Asset-for-Share Swap Transaction, AC and Mermac shall transfer to the Company the following properties valued at Seventeen Billion Three Hundred Eighty-Six Million One Hundred Sixty Four Thousand Pesos (₱17,386,164,000.00):

Asset	Registered Owner	Transaction Value (in Php)
50% ownership in Ayala Hotels, Inc. (Owner of the Manila Peninsula property and ALI partner in Ayalaland Premier's Park Central Towers Project)	AC	13,198,623,695.00
100% ownership in Darong Agricultural and Development Corp (an operating company with land assets)	AC	1,722,601,620.00
Office units and parking slots at Tower One 32nd to 35th floors (One floor is 62.65% owned by AC, 37.35% Mermac)	AC and Mermac	1,283,128,273.80 110,611,726.20
Honda Pasig Property	AC	993,135,000.00
Calauan Property	AC	78,063,685.00
Total		17,386,164,000.00

The properties to be infused have been appraised by Cuervo Appraisers, Inc. ("**Cuervo**"). The Assets will be used as AC and Mermac's payment for the total 311,580,000 primary common shares of the Company. A copy of the Fairness Opinion and the Valuation Reports may be accessed through the link <https://ir.ayalaland.com.ph/wp-content/uploads/2022/04/AC-ALI-Property-for-Share-Swap-Fairness-Opinion-Appraisal-and-Valuation-Reports.pdf>

The primary common shares to be issued by the Company to AC and Mermac will come from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of Ayala Land, Inc. The exchange of shares for the Assets will qualify as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended, which provides:

(2) Exception. - * * *

No gain or loss shall also be recognized on a corporation or on its stock or securities if such corporation is a party to a reorganization and exchanges property in pursuance to a plan of reorganization solely for stock or securities in another corporation that is a party to the reorganization. A reorganization is defined as: XXX

No gain or loss shall also be recognized if property is transferred to a corporation by a person alone or together with others, not exceeding four (4) persons, in exchange for stock or unit of participation in such a corporation of which as a result of such exchange the transferor or transferors, collectively, gains or maintains control of said corporation: Provided, That stocks issued for services shall not be considered as issued in return for property. XXX"

Section 40 (C) (2) of the Tax Code, as amended, has been interpreted by the Supreme Court in the case of Commissioner of Internal Revenue vs. Filinvest Development Corporation (G.R. No. 167689, 9 July 2011), to mean that a tax-free exchange applies when the controlling person gains "further control" or transfers where the exchanger already has control of the corporation at the time of the exchange. Even prior to the Transaction, AC (directly) and Mermac (indirectly) already have control of ALI.

The Company executed the Deed of Exchange on January 31, 2022 and filed the application for confirmation of the valuation of the properties which will be the consideration for its original issuance of shares, with the SEC on February 3, 2022. After SEC approves the Transaction, applications for

Certificates Authorizing Registration ("**CAR**") to be issued by BIR will be made. The Company shall likewise apply for the additional listing of shares with the Exchange upon CAR issuance.

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

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

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 Eleven Billion Two Hundred Fifty-Seven Million Eight Hundred Eighty-Nine Thousand Five Hundred Thirty-Five and 91/100 Pesos (₱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. A copy of the Fairness Opinion and the Valuation Reports may be accessed through the link:

<https://ir.ayalaland.com.ph/wp-content/uploads/2022/03/ALI-AREIT-Fairness-Opinion-and-Valuation-Report.pdf>.

Under the AREIT Property-for-Share Swap Transaction, the Company shall transfer to AREIT, Inc. the following properties valued at Eleven Billion Two Hundred Fifty-Seven Million Eight Hundred Eighty-Nine Thousand Five Hundred Thirty-Five and 91/100 Pesos (₱11,257,889,535.91):

Property	Registered Owner	Transaction Value (in ₱)
eBloc 1	Ayala Land, Inc.	2,120,348,829.91
eBloc 2	Ayala Land, Inc.	2,659,373,160.10
eBloc 3	Ayala Land, Inc.	1,384,962,336.23
eBloc 4	Ayala Land, Inc.	1,748,801,500.40
ACC Tower	Ayala Land, Inc.	2,185,801,355.37
Tech Tower	Ayala Land, Inc.	1,158,602,353.92
Total		11,257,889,535.91

The properties to be infused have been evaluated by AREIT Fund Managers, Inc., and have been appraised by Asian Appraisal Company, Inc. ("**Asian Appraisal**"). The Properties will be used as the Company's payment for the 252,136,383 primary common shares of AREIT, Inc.

The AREIT Property-for-Share Swap is subject to the approval of AREIT, Inc.'s stockholders at its annual stockholders' meeting on April 21, 2022. The exchange of shares for the Properties will qualify as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended, which provides:

(2) Exception. - * * *

No gain or loss shall also be recognized on a corporation or on its stock or securities if such corporation is a party to a reorganization and exchanges property in pursuance to a plan of reorganization solely for stock or securities in another corporation that is a party to the reorganization. A reorganization is defined as: XXX

No gain or loss shall also be recognized if property is transferred to a corporation by a person alone or together with others, not exceeding four (4) persons, in exchange for stock or unit of participation in such a corporation of which as a result of such exchange the transferor or transferors, collectively, gains or maintains control of said corporation: Provided, That stocks issued for services shall not be considered as issued in return for property. XXX"

Section 40 (C) (2) of the Tax Code, as amended, has been interpreted by the Supreme Court in the case of Commissioner of Internal Revenue vs. Filinvest Development Corporation (G.R. No. 167689, 9 July 2011), to mean that a tax-free exchange applies when the controlling person gains "further control" or transfers where the exchanger already has control of the corporation at the time of the exchange.

AREIT expects to execute the Deed of Exchange and file the application for approval of the original issuance of shares with the SEC within May 2022, and the issuance of CAR with the relevant Revenue District Office of the Bureau of Internal Revenue ("BIR") within the fourth quarter of 2022. The SEC's approval of the Transaction and the BIR's issuance of a CAR are expected to be issued within the year. AREIT shall likewise apply for the additional listing of shares with the Exchange by the first quarter of 2023. The indicative timetable for implementation of the Transaction is as follows:

Indicative Timetable for Implementation

AREIT Annual Stockholders' Meeting	April 21, 2022
Deed of Exchange Execution	May 2022
SEC Approval (Issuance of Shares, and Transaction)	Q2 to Q3 2022
Issuance of CAR	Q4 2022
PSE Listing of Additional Shares	Q1 2023

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.

2021:

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

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

On February 23, 2021, the Board of Directors approved the merger of the Company and its listed Subsidiary, CHI as well as its other subsidiaries, AiO, ASCVC and CBDI, with Ayala Land as the surviving entity. Ayala Land has a 71% stake in CHI. ASCVC is Ayala Land's wholly-owned subsidiary, while AiO is a wholly-owned subsidiary of CHI. CBDI is 55% owned by CHI and 45% owned by ALI. The merger is an internal restructuring as well as a consolidation of Ayala Land's Cebu portfolio under one listed entity. The merger is expected to result in operational synergies, efficient funds management and simplified reporting to government agencies. The plan of merger was executed on April 5, 2021, and the articles of merger was executed on April 28, 2021.

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

On April 30, 2021, ALI sold 44,000,000 shares of AREIT at a transaction price of ₱32.00 per share, equivalent to ₱1.4 Billion (exclusive of fees and taxes). This transaction was executed in relation to the property-for-share swap between ALI, and its Subsidiaries, Westview Commercial Ventures Corp (Westview), and Glensworth Development, Inc. (Glensworth), and AREIT. As disclosed by AREIT last March 16, 2021, under the property-for-share swap, AREIT will issue 483,254,375 primary common shares of stock (swap shares) to ALI, Westview, and Glensworth, at an issue price of ₱32.00 per share, in exchange for identified ALI properties valued at ₱15,464,140,000, in accordance with the Fairness Opinion issued by PwC – Isla Lipana & Co. The swap shares will be issued from AREIT's increased authorized capital stock of ₱29.5 Billion. On June 8, 2021, ALI, Westview, and Glensworth executed the Deed of Exchange with AREIT on the property-for-share swap transaction. The property-for-share swap is intended to be completed by the end of the year.

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

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

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

On December 16, 2021, the SEC approved and made effective the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "**Merger**"). ALI shall be the surviving entity in the Merger and shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CBDI (the "**Absorbed Corporations**"), and all properties and liabilities, and all and every other interest of or

belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed. ALI shall secure PSE approval for the additional listing of shares to cover the shares to be issued pursuant to the Merger. Though not a condition precedent to the effectivity of the Merger, ALI shall secure from the BIR the Certificates Authorizing Registration (CAR) for the registration in its name, of the real properties and shares of stock of the absorbed corporations, as applicable. ALI endeavors to complete the process of securing the PSE approval for the additional listing of shares and secure from the BIR the CARs within the first half of 2022.

2020:

AREIT (formerly One Dela Rosa Property Development, Inc.) was incorporated on September 4, 2006 and was listed on the PSE on August 13, 2020. Effectively, ALI's effective ownership is now at 66.11%. The company was organized primarily as a real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations and other applicable laws.

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

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

Reinvestment Plan

Pursuant to the REIT Law, the Company is required to submit a Reinvestment Plan with the SEC with a firm undertaking to reinvest (a) any proceeds realized by the Company from the sale of its shares in AREIT, Inc. or issued in exchange for income-generating real estate transferred to AREIT, and (b) any money raised by the Company from the sale of its income-generating real estate to the REIT, in any real estate, including any redevelopment thereof, and/or infrastructure projects in the Philippines. The reinvestment shall be made within one (1) year from date of receipts of proceeds or money by the Company.

Since AREIT's initial public offering, ALI has raised a total of ₱22.22 Billion from the secondary offering of its shares in AREIT during the initial public offering, sale of assets Teleperformance Cebu and The 30th Commercial Development, and the sale of ALI's 44 Million and 87.37 Million shares in AREIT last May 2021 and May 2022, respectively. As of December 31, 2022, ALI has already reinvested 100%, of the proceeds in various real estate investments in the Philippines. To date, ALI has been compliant with the requirement to reinvest the proceeds within one year from date of receipt.

Description of Proceeds	Date Received	End of Reinvestment Period	Total Proceeds (In ₱ Millions)
1. IPO Primary Proceeds	13-Aug-20	12-Aug-21	11,350
2. TP Cebu Sale	24-Sep-20	12-Sep-21	290
	07-Oct-20	06-Oct-21	1,160
3. The 30th Sale	15-Jan-21	14-Jan-22	913
	29-Jan-21	28-Jan-22	3,651
4. AREIT Shares Block Sale	05-May-21	04-May-22	1,408
5. AREIT Shares Block Sale 2	02-May-22	01-May-23	3,444
TOTAL			22,216

Copies of Ayala Land's Reinvestment Plans and Progress Reports can be accessed through: <https://ir.ayalaland.com.ph/category/disclosures/other-disclosures/>

Distribution Methods of Products

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

Ayala Land (parent company) has its own in-house sales team. In addition, it has a wholly-owned subsidiary, ALSI, which employs mission-based sales people. Ayala Land uses a sales force of about 11,000 brokers and sales agents guided by a strict Code of Ethics.

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

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

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

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

As part of Ayala Land's thrust on becoming digital-first, it has recently launched a ground-breaking innovation that will change the way home seekers and discerning investors search and reserve their property investments in an integrated and seamless experience.

The ReserveNow Portal is a digital platform dedicated for buyers who are interested to search for Ayala Land properties and its available units in thriving locations.

With Avida Land pioneering the launch of the said platform, new features have been added to ease the selection of a property. First, buyers can compare 2 - 3 units of their preferred property at the same time to help with their decision on which unit best suits their needs and lifestyles. Second, OFWs and foreign investors can access currency conversions that will convert the selling price into currencies that apply to them. Third, buyers can easily upload the reservation requirements such as valid IDs, and they can electronically sign the documents to complete their reservation. Lastly, the ReserveNow Portal is seamlessly integrated to multiple payment channels to accommodate the reservation fee via credit card, PayPal, Maya, GCash, and BPI online at their most convenient time.

Competition

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

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

For office rental properties, Ayala Land sees competition in smaller developers such as Kuok Properties (developer of Enterprise Building), Robinsons Land (developer of Robinsons Summit Center) and non-traditional developers such as the AIG Group (developer of Philam Towers) and RCBC (developer of RCBC towers). For BPO office buildings, Ayala Land competes with the likes of Megaworld, SM Prime and Robinsons Land. Ayala Land is able to effectively compete for tenants primarily based upon the quality and location of its buildings, reputation as a building owner, and quality of support services provided by its property manager, rental and other charges.

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

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

For the economic housing segment, Amaia competes 8990 Holdings, Cebu Landmasters and Camella Homes.

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

Capital Expenditures (Consolidated)

Capital expenditures reached ₱64.0 Billion for the full year of 2022, mainly to support the buildout of our residential and commercial leasing assets. 50% was spent on residential projects, 19% for land acquisition, 11% for commercial leasing projects, 16% for estate development and 4% was spent for other investments.

Subsidiaries, Associates and Joint Ventures

As of December 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 below.

Subsidiaries

	Date of Incorporation	Effective Ownership (%)*
Real Estate:		
Alveo Land Corporation (Alveo)	September 29, 1995	100
Serendra, Inc.	June 7, 1994	39
Solinea, Inc. (Solinea)	April 2, 2007	65

Description of Business

BGSouth Properties, Inc. (BGS)	August 10, 2011	50
Portico Land Corp. (Portico)	October 2, 2013	60
Serendra, Inc.	June 7, 1994	28
Amorsedia Development Corporation (ADC)	March 6, 1996	100
OLC Development Corporation and Subsidiary	June 28, 1996	100
HLC Development Corporation	June 28, 1996	100
Allysonia International Ltd.	February 18, 2000	100
Avida Land Corporation (Avida)	October 30, 1990	100
Buklod Bahayan Realty and Development Corp.	November 5, 1996	100
Avida Sales Corp. and Subsidiaries	December 22, 2004	100
Amicassa Process Solutions, Inc.	June 2, 2008	100
Avencosouth Corp. (Avencosouth)	April 26, 2012	70
BGNorth Properties, Inc. (BGN)	August 5, 2011	50
Amaia Land Co. (Amaia)	May 29, 2000	100
Amaia Southern Properties, Inc. (ASPI)	February 12, 2013	65
AyalaLand Premier, Inc.	July 7, 2017	100
Ayala Land International Sales, Inc. (ALISI)	March 29, 2005	100
Ayala Land International Marketing, Inc. (AIMI)	February 28, 2012	100
Ayala Land International (Singapore) Pte. Ltd	July 4, 2013	100
Ayala Land International Marketing (Hong Kong) Ltd	November 20, 2013	100
Ayala Land International Marketing, SRL	April 9, 2014	100
Ayala Land International Marketing, London	December 10, 2014	100
Ayala Land Sales, Inc.	March 6, 2002	100
Southportal Properties, Inc. (Southportal)	December 1, 2014	100
Buendia Landholdings, Inc.	October 27, 1995	100
Crans Montana Holdings, Inc.	December 28, 2004	100
Crimson Field Enterprises, Inc.	October 26, 1995	100
Ecoholdings Company, Inc. (ECI)	September 25, 2008	100
NorthBeacon Commercial Corporation (NBCC)	August 13, 1970	100
Red Creek Properties, Inc.	October 17, 1994	100
Regent Time International, Limited (Regent Time) (British Virgin Islands)	March 28, 2003	100
North Eastern Commercial Corp. (NECC) (formerly Asterion Technopod, Incorporated (ATI))	July 8, 2008	100
Westview Commercial Ventures Corp. (Westview) (formerly Crestview E-Office Corporation)	July 8, 2008	100
North Ventures Commercial Corp. (formerly Fairview Prime Commercial Corp.) (formerly Gisborne Property Holdings, Inc.)	August 24, 2007	100
Hillsford Property Corporation (HPC)	August 24, 2007	100
Primavera Towncentre, Inc. (PTI)	December 18, 2009	100
Summerhill E-Office Corporation (Summerhill)	July 7, 2008	100
Sunnyfield E-Office Corporation (Sunnyfield)	July 7, 2008	100
Subic Bay Town Centre, Inc. (SBTCI)	March 9, 2010	100
Regent Wise Investments Limited (Regent Wise) (Hongkong Company)	May 12, 2010	100
AyalaLand Real Estate Investments, Inc. (Canada)	February 4, 2013	100
AyalaLand Advisory Broadway, Inc. (Canada)	February 4, 2013	100
AyalaLand Development (Canada), Inc.	February 15, 2013	100
AyalaLand OpenAsia Holdings PTE, Limited (Singapore)	July 6, 2012	100
Blue Horizons Holdings PTE, Limited	September 20, 2013	100
Modular Construction Technology (MCT) Bhd. (Malaysia)	April 6, 2015	66
AREIT, Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	September 30, 2010	100
Arvo Commercial Corporation (Arvo)	June 23, 2011	100
BellaVita Land Corporation (BellaVita)	March 21, 1995	100
Nuevo Centro, Inc. (Nuevo Centro)	April 15, 2011	54
Alviera Country Club, Inc. (Alviera)	July 9, 2014	50

Description of Business

Cavite Commercial Town Center, Inc. (CCTCI)	July 31, 2009	100
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)	September 4, 2006	66
AyalaLand Offices, Inc. (ALO) (formerly ALI Property Partners Corp. (APPCo))	July 26, 2006	100
First Gateway Real Estate Corp.	September 4, 2006	100
Glensworth Development, Inc. (Glensworth)	August 23, 2007	100
UP North Property Holdings, Inc.	March 26, 2007	100
ALO Prime Realty Corporation	April 23, 2008	100
Makati Cornerstone Leasing Corp. (MCLC)	June 5, 2017	100
Arca South Commercial Ventures Corp.	November 16, 2017	100
Capitol Central Commercial Ventures Corp.	December 4, 2017	100
Bay City Commercial Venture Corp. (BCCVC)	November 3, 2017	100
Aurora Properties Incorporated	December 3, 1992	81
Soltea Commercial Corp.	June 13, 2013	16
Vesta Property Holdings, Inc. (VPHI)	October 22, 1993	84
Altaraza Prime Realty Corporation	March 9, 2016	100
Altaraza Development Corporation	May 27, 2020	51
Prow Holdings, Inc.	May 24, 2013	55
Station Square East Commercial Corporation (SSECC)	March 17, 1989	69
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.)	May 4, 2015	100
Accendo Commercial Corp. (Accendo)	December 17, 2007	67
Avencosouth Corp.	April 26, 2012	20
Aviana Development Corporation	September 17, 2013	7
Aviana Development Corporation	September 17, 2013	50
Cagayan de Oro Gateway Corp. (CDOGC)	March 3, 2010	70
Ceci Realty, Inc. (Ceci)	August 22, 1974	60
Soltea Commercial Corp.	June 13, 2013	12
Soltea Commercial Corp.	June 13, 2013	60
CMPI Holdings, Inc.	May 30, 1997	60
CMPI Land, Inc.	March 27, 1998	-
ALI-CII Development Corporation (ALI-CII)	August 6, 1997	50
Roxas Land Corporation (RLC)	March 18, 1996	50
Adauge Commercial Corporation (Adauge)	September 5, 2012	60
Ayalaland Estates, Inc. (formerly Southgateway Development Corp. (SDC))	October 19, 2012	100
Ayalaland MetroNorth, Inc. (AMNI)	November 29, 2012	100
Verde Golf Development Corporation	August 8, 2013	100
North Triangle Depot Commercial Corporation (NTDCC)	March 20, 2001	73
Ayalaland-Tagle Properties, Inc.	August 27, 2021	55
BGWest Properties, Inc. (BGW)	August 5, 2011	50
Lagdigan Land Corp. (Lagdigan)	March 17, 2014	60
Central Bloc Hotel Ventures, Inc.	October 28, 2019	100
Cebu Leisure Company, Inc.	January 31, 1994	100
CBP Theatre Management Inc.	February 1, 1994	100
Taft Punta Engaño Property, Inc. (TPEPI)	September 8, 2011	55
Cebu Insular Hotel Company, Inc. (CIHCI)	April 6, 1995	37
Solinea, Inc.	April 2, 2007	35
Amaia Southern Properties, Inc. (ASPI)	February 12, 2013	35
Alabang Commercial Corporation (ACC)	June 28, 1978	50
South Innovative Theater Management (SITMI)	February 2, 2001	50
ALI Commercial Center, Inc.	October 13, 2014	100
AMC Japan Concepts, Inc.	November 15, 2018	75
AyalaLand Logistics Holdings Corp. (formerly Prime Orion Philippines Inc.)	May 19, 1989	71
A-Flow Land I Corp.	August 2, 2022	60

Description of Business

Orion Solutions, Inc.	October 12, 1994	71
Orion I Holdings Philippines, Inc.	March 9, 1993	71
OE Holdings, Inc.	August 6, 1993	71
Orion Land, Inc.	April 22, 1996	71
Lepanto Ceramics, Inc.	March 26, 1990	71
Laguna Technopark, Inc. (LTI)	November 15, 1990	71
Unity Realty & Development Corp. (URDC)	April 11, 1997	71
FLT Prime Insurance Corporation	February 22, 1977	56
Ayalaland Malls Synergies, Inc.	June 1, 2016	100
Ayala Malls Zing (AMZING), Inc.	December 3, 2021	100
Ayalaland Malls, Inc. (formerly Solerte, Inc.)	February 19, 2013	-
Ayalaland Malls Vismin, Inc.	October 15, 2015	-
Ayalaland Malls Northeast, Inc.	October 15, 2015	-
Construction:		
Makati Development Corporation (MDC)	August 15, 1974	100
MDC Subic, Inc.	June 28, 2010	100
MDC Build Plus, Inc.	October 17, 2011	100
MDC Concrete, Inc. (MCI)	August 12, 2013	100
MDC Equipment Solutions, Inc. (MESI)	September 16, 2013	100
MDBI Construction Corp. (formerly MDC Triangle, Inc.)	March 1, 2017	67
Hotels and Resorts:		
Ayala Hotels, Inc. (AHI)	April 11, 1991	100
AyalaLand Hotels and Resorts Corporation (AHRC) and Subsidiaries	September 21, 2010	100
ALI Makati Hotels & Residences, Inc. (formerly KHI-ALI Manila, Inc.)	January 30, 2007	80
ALI Makati Hotel Property, Inc. (formerly KHI Manila Property, Inc.)	August 13, 2007	80
Regent Horizons Conservation Company, Inc. (formerly Asian Conservation Company Limited and Subsidiary)	March 22, 2001	100
Enjay Hotels, Inc. (Enjay)	July 12, 1990	100
Greenhaven Property Ventures, Inc. (GPVI)	July 9, 2008	100
Cebu Insular Hotel Company, Inc. (CIHCI)	April 6, 1995	63
Bonifacio Hotel Ventures, Inc.	October 13, 2010	100
Southcrest Hotel Ventures, Inc.	October 18, 2010	67
Northgate Hotel Ventures, Inc.	October 18, 2010	70
North Triangle Hotel Ventures, Inc.	October 18, 2010	100
Ecosouth Hotel Ventures, Inc.	May 19, 2011	100
Sentera Hotel Ventures, Inc.	June 19, 2014	100
Econorth Resorts Ventures, Inc.	October 8, 2014	100
ALI Triangle Hotel Ventures, Inc.	March 4, 2014	100
Circuit Makati Hotel Ventures, Inc.	October 20, 2014	100
Capitol Central Hotel Ventures, Inc.	October 20, 2014	100
Arca South Hotel Ventures, Inc.	October 17, 2014	100
Sicogon Town Hotel, Inc.	September 29, 2015	100
Bay Area Hotel Ventures, Inc.	September 6, 2017	100
Makati North Hotel Ventures, Inc. (MNHVI)	October 10, 2017	100
One Makati Hotel Ventures, Inc. (OMHVI)	September 28, 2017	100
Sicogon Island Tourism Estate, Corp.	July 8, 2015	77
Asiatown Hotel Ventures, Inc.	December 17, 2018	100
One Makati Residential Ventures, Inc.	September 12, 2018	100
ALI Makati Hotels & Residences, Inc. (formerly KHI-ALI Manila, Inc.)	January 30, 2007	20
ALI Makati Hotel Property, Inc. (formerly KHI Manila Property,	August 13, 2007	20

Description of Business

Inc.)		
Ten Knots Phils., Inc. (TKPI)	November 22, 1979	60
Bacuit Bay Development Corporation	April 28, 1997	60
Lio Resort Ventures, Inc.	October 27, 2015	60
North Liberty Resort Ventures, Inc.	October 27, 2015	60
Turista.ph (formerly Paragua Eco-Resort Ventures, Inc.)	October 27, 2015	60
Lio Tourism Estate Management Corp.	October 10, 2016	60
Ten Knots Development Corp. (TKDC)	August 22, 1992	60
Chirica Resorts Corp.	September 25, 2009	60
Kingfisher Capital Resources Corp.	August 20, 2002	60
Pangulasian Island Resort Corporation	September 18, 2015	60
Integrated Eco-resort Inc.	May 27, 2015	100
Property Management:		
Ayala Property Management Corporation (APMC)	July 25, 1951 (Extended for another term of 50 years as approved on October 13, 2003)	100
Prime Support Services, Inc.	October 14, 2015	100
Ayala Theatres Management, Inc. and Subsidiaries	August 10, 1984	100
DirectPower Services, Inc. (DirectPower)	September 14, 2011	100
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	September 21, 2010	100
Entertainment:		
Five Star Cinema, Inc.	December 18, 2000	100
Leisure and Allied Industries Philippines, Inc. (LAIP)	October 10, 1997	50
Others:		
ALInet.com, Inc. (ALInet)	May 5, 2000	-
Darong Agricultural Development Corporation (DADC)		100
First Longfield Investments Limited (First Longfield)	October 23, 2006	100
Green Horizons Holdings Limited	October 25, 2006	100
PCM Formosa Company Limited**	September 8, 2016	50
Esta Galleria, Inc.**	July 12, 2018	50
Horizon Wealth Holding Ltd.	March 28, 2018	100
Aprisa Business Process Solutions, Inc. (Aprisa)	September 21, 2010	100
AyalaLand Club Management, Inc.	December 26, 2011	100
ALI Capital Corp. (formerly Varejo Corp.)	June 25, 2012	100
Airswift Transport Inc. (formerly Island Transvoyager, Inc.) (Airswift)	October 2, 2002	100
Swift Aerodrome Services, Inc.	January 20, 2020	100
Arca South Integrated Terminal, Inc.	November 27, 2015	100
Whiteknight Holdings, Inc. (WHI)	May 14, 2013	100
Ayalaland Medical Facilities Leasing Inc.	April 13, 2015	100
Anvaya Cove Beach and Nature Club, Inc. (Anvaya Cove Beach)**	March 28, 2005	73
Anvaya Cove Golf and Sports Club, Inc. (Anvaya Cove Golf)**	September 21, 2010	76

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

**Not consolidated because these are only investment in joint ventures.

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) and Alviera

For the BG entities and Alviera, 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.

RLC, ALI-CII and LAIP

ALI has an existing management services agreement with RLC, ALI-CII and LAIP which gives ALI the exclusive control and decision over the relevant activities of RLC, ALI-CII and LAIP.

Joint Ventures

	Date of Incorporation	Effective Ownership (%)[*]
Emerging City Holdings, Inc. (ECHI)	September 29, 1995	50
ALI-ETON Property Development Corporation (ALI ETON)	March 13, 2016	50
AKL Properties, Inc. (AKL)	May 28, 2018	50
Berkshires Holdings, Inc. (BHI)	December 4, 2002	50
Cebu District Property Enterprise, Inc. (CDPEI)	February 20, 2014	50
Alveo-Federal Land Communities, Inc.	June 16, 2015	50
AyaGold Retailers, Inc. (AyaGold)	October 2, 2013	50
BYMCW, Inc.	August 2, 2017	30
SIAL Specialty Retailers, Inc. (SIAL Specialty)	September 27, 2012	50
A-FLOW Properties I Corp	August 2, 2022	50

^{*} Includes Ayala Land and its Subsidiaries' related percentages of ownership

Associates

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

Suppliers

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

Customers

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

Research and Development

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

Employees

Ayala Land had a total workforce of 278 regular employees as of December 31, 2022.

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

Senior Management	30
Middle Management	196
Staff	52
Total	278

Ayala Land anticipates that it will have a total workforce of 272 regular employees by the end of December 31, 2023.

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, 2023 to December 31, 2024. There have been no strikes in the last two (2) years.

Intellectual Property

Intellectual Property

The Company has a License Agreement with its parent holding company, Ayala Corporation, whereby it was granted the license to use the composite marks "Ayala Land" and "AyalaLand". However, except








for certain cases as stated in the License Agreement, the Company cannot use the mark “Ayala” without the prior written consent of Ayala Corporation.

Ayala Land (by itself or through its subsidiaries) has secured trademark registrations for its major residential brands Ayala Land Premier, Alveo, Avida, Amaia, BellaVita, and its commercial business group, including major brands in its Ayala Malls group, Hotels and Resorts, AyalaLand Logistics, and AREIT.

The registered trademarks of the Company and its subsidiaries are valuable intellectual property assets, the continued use and ownership of which by the Company and its subsidiaries represent the long-standing goodwill and brand reputation associated with these registered trademarks. The following are the major registered trademarks owned by the Company and its subsidiaries:

Registered Owner	Registered Trademark	Date of Registration
Ayala Land, Inc.		August 7, 2014
Ayala Land, Inc.		October 16, 2014
Ayala Land, Inc.	AyalaLand Premier	August 2, 2018
Ayala Land, Inc.		September 13, 2018
Ayala Land, Inc.	Garden Towers	February 14, 2020
Ayala Land, Inc.		
Ayala Land, Inc.	ARBOR LANES ARCA	June 18, 2015
Ayala Land, Inc.	Ayala Malls	November 3, 2019
Ayala Land, Inc.		November 3, 2019
Ayala Land, Inc.		March 29, 2012
Ayala Land, Inc.	Nuvali	December 28, 2018
Ayala Land, Inc.		March 8, 2018
Ayala Land, Inc.		Dec 28, 2017
Ayala Land, Inc.	Andacillo	March 9, 2019
Ayala Land, Inc.		March 9, 2019
Ayala Land, Inc.	Lanewood Hills	August 1, 2022

Ayala Land, Inc.		August 1, 2022
Ayala Land, Inc.		May 24, 2018
Alveo Land Corp.	Alveo	March 12, 2015
Alveo Land Corp.		June 22, 2017
Alveo Land Corp.	High Park	December 29, 2016
Alveo Land Corp.		October 12, 2017
Alveo Land Corp.	Orean Place	September 14, 2017
Alveo Land Corp.		May 25, 2017
Alveo Land Corp.	Venido	November 29, 2018
Alveo Land Corp.		November 29, 2018
Alveo Land Corp.	Corvia (Alviera)	August 6, 2021
Alveo Land Corp.	The Ametrine (Portico)	March 10, 2019
Alveo Land Corp.	Parkford Suites	December 29, 2019
Avida Land Corp.	Avida	October 2, 2014
Avida Land Corp.		September 14, 2017
Avida Land Corp.		September 14, 2017
Avida Land Corp.	Avida Towers Asten	August 10, 2017
Avida Land Corp.		August 10, 2017
Avida Land Corp.	Avida Towers Sola	October 12, 2017
Avida Land Corp.	Avida Northdale Settings Nuvali	August 4, 2019
Avida Land Corp.		August 4, 2019
Avida Land Corp.	Avida Towers Vireo	September 11, 2020
Avida Land Corp.		September 11, 2020
Avida Land Corp.	Avida Towers Prime Taft	March 24, 2019
Avida Land Corp.		March 24, 2019
Avida Land Corp.		April 11, 2020
Avida Land Corp.	Avida Towers Riala	October 6, 2019
Avida Land Corp.		October 6, 2019
BG North Properties, Inc.	Avida Towers Turf	August 4, 2019

BG North Properties, Inc.		March 30, 2020
Amaia Land Corp.	Amaia Skies	March 12, 2015
Amaia Land Corp.		April 16, 2015
Amaia Land Corp.		March 12, 2015
Alveo Land Corp.		December 29, 2019
Alveo Land Corp.	Evo City	April 13, 2017
AyalaLand Logistics Holdings Corp.	AyalaLand Logistics Holdings Corp.	January 2, 2020
AyalaLand Logistics Holdings Corp.		November 28, 2019
AyalaLand Logistics Holdings Corp.	ALogis	June 11, 2021
AyalaLand Logistics Holdings Corp.		June 11, 2021
AyalaLand Logistics Holdings Corp.	AyalaLand Logistics Holdings Laguna Technopark Inc.	March 21, 2021
AyalaLand Logistics Holdings Corp.		March 21, 2021

Licenses

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

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

Regulations

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

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

- The land use planning and monitoring function, including the imposition of penalties for noncompliance to ensure that local government units ("LGUs") follow the planning

guidelines and implement their Comprehensive Land Use Plan (“**CLUP**”) and zoning ordinances are transferred to the DHSUD;

- b. The regulatory function, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums and similar real estate developments are transferred to DHSUD;
- c. The registration, regulation and supervision of homeowners’ associations are transferred to DHSUD; and
- d. The adjudicatory mandate is hereby transferred to the Commission.

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

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

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

Project permits and licenses to sell may be suspended, cancelled or revoked by the DHSUD by itself or upon complaint from an interested party. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the DHSUD’s rules of procedure and other applicable laws.

Under the law, should the owner/dealer sell or offer to sell subdivision lots or condominium units without obtaining a certificate of registration and LTS, or violate any other provision under Presidential Decree No. 957, the owner/dealer may be subject to an administrative fine imposed by the DHSUD, or to criminal penalty of a fine of not more than Twenty Thousand Pesos (₱20,000.00) and/or imprisonment of not more than ten (10) years. In case of corporations, the president, manager or administrator or the person who has charge of the administration of the business shall be criminally responsible.

The Supreme Court has affirmed that while the law penalizes the selling of subdivision lots or condominium units without a certificate of registration and LTS, it does not provide that the absence thereof will automatically render a contract void.

Dealers, brokers and salesmen of real estate projects of ALI are also required to register with the Professional Regulation Commission, as provided under the Real Estate Service Act of the Philippines or Republic Act No. 9646 (“**RESA**”). The unauthorized practice of real estate service or any other violation of the RESA shall be meted the penalty of a fine of not less than One Hundred Thousand Pesos (₱100,000.00) and/or imprisonment of not less than two (2) years. In case the violation is committed by a corporation, the president, director, or manager who has committed or consented to or knowingly tolerated such violation shall be held directly liable and responsible for the acts as principal or as a co-principal with the other participants, if any.

ALI has been able to maintain these permits and licenses.

Under current regulations, ALI as developer of subdivision projects having an area of one (1) hectare or more is required to reserve at least thirty percent (30%) of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. ALI, as a developer of

subdivision projects with twenty (20) lots and below per hectare, is required to reserve at least 3.5% of the gross land area for parks or playgrounds. ALI has been compliant with these requirements.

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

While the 1987 Philippine Constitution prohibits foreigners from owning land, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to forty percent (40%).

Republic Act No. 7279, or the Urban Development and Housing Act of 1992, as amended by Republic Act No. 10884, requires developers of proposed subdivision and condominium projects to develop an area for socialized housing equivalent to at least fifteen percent (15%) of the total subdivision area or total subdivision project cost, and at least five percent (5%) of condominium area or project cost, at the option of the developer, and in accordance with the standards as provided by law. ALI has been compliant with this requirement in accordance with the Implementing Rules and Regulations of Republic Act No. 7279, as amended by Republic Act No. 10884.

On January 29, 2021, Republic Act No. 11521, which amended Republic Act No. 9160 or otherwise known as the Anti-Money Laundering Act of 2001 (“AMLA”), was passed into law, which included real estate developers and brokers as covered persons. Thus, ALI, and its relevant subsidiaries engaged in development of real estate for sale and/or lease became covered persons under the AMLA. Covered persons are required to register with the Anti-Money Laundering Council (“AMLC”), and report single cash transaction involving an amount in excess of Seven Million Five Hundred Thousand Pesos (₱7,500,000.00) and suspicious transactions. ALI and its relevant subsidiaries have been taking steps to ensure compliance with AMLC rules.

Construction

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

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

Under the Contractors' License Law or Republic Act No. 4566, as amended by Republic Act No. 11711, a contractor that operates without first securing a license shall be penalized according to the Contractors' License Law depending on the act committed.

Minimum Philippine Ownership Requirement. Under Philippine law, in order to bid on publicly funded government contracts, a contractor must be at least 75%-owned by Philippine nationals. In this connection, ALI has maintained at least 60% ownership by Philippine nationals. As of March 31, 2023, ALI's foreign ownership is at 14.5%.

Real Estate Sales on Installments

The provisions of Republic Act No. 6552, otherwise known as Realty Installment Buyer Act (“Maceda Law”), apply to all transactions or contracts involving the sale or financing of real estate on instalment payments (including residential condominium units but excluding industrial lots and commercial

buildings and sales to tenants under Republic Act No. 3844, as amended). Under the provisions of the Maceda Law, where a buyer of real estate has paid at least two (2) years of instalments, the buyer is entitled to the following rights in case of a default in the payment of succeeding instalments:

- * To pay, without additional interest, the unpaid instalments due within the total grace period earned by him, which is fixed at the rate of one (1) month grace period for every one (1) year of instalment payments made. However, this right may be exercised by the buyer only once every five (5) years during the term of the contract and its extensions, if any.
- * If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to fifty percent (50%) of the total payments made, and in cases where five (5) years of instalments have been paid, an additional five percent (5%) every year (but with a total not to exceed 90% of the total payments). However, the actual cancellation of the contract shall take place after thirty (30) days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act and upon full payment of the cash surrender value to the buyer.

In the event that the buyer has paid less than two (2) years of instalments, the seller shall give the buyer a grace period of not less than sixty (60) days from the date the instalment became due. If the buyer fails to pay the instalments due at the expiration of the grace period, the seller may cancel the contract after thirty (30) days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act.

Shopping Malls

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

Material Permits and Licenses

As of the date of this Prospectus, the Company and its subsidiaries' material permits and licenses of projects indicated in this Prospectus, are as follows:

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
Ayala Land, Inc.	SEC	Certificate of Incorporation	June 30, 1988	Not Applicable
	BIR	Certificate of Registration	December 1, 1997	Not Applicable
	LGU of Makati City	Business Permit	January 30, 2023	December 31, 2023
	DHSUD	License to Sell for the following Projects:		
		· West Gallery Place in BGC	July 1, 2016	Not Applicable
		· Garden Tower 2 in Makati CBD	September 3, 2013	Not Applicable
		· Arbor Lanes in Arca South	February 25, 2014	Not Applicable
		· Altaraza	February 13, 2018	Not Applicable
		· Arcilo in Nuvali	January 25, 2023	Permanent LTS: Not Applicable
		· Ciela at Aéra Heights in Carmona, Cavite	Phase 1 LTS: November 17, 2021 Phase 2 TLTS: November 11, 2022	Phase 1 LTS: Not Applicable Phase 2 TLTS: November 10, 2023
		· Miravera in Altaraza, Bulacan	Phase 1 LTS: December 1, 2022	Phase 1 LTS: Not Applicable
		· Andacillo in Nuvali, Laguna	September 19, 2019	Not Applicable
		· Lanewood Hills in Silang, Cavite	Phase 1A-1B LTS: February 10, 2021 Phase 2 LTS: August 6, 2021 Phase 3A LTS: December 9, 2022 Phase 3B LTS: November 4, 2022	Not Applicable
		· Parklinks North Tower in Quezon City	November 6, 2018	Not Applicable
		Arca South (Commercial Lots)		
		Nuvali (Commercial Lots)		
	DENR EMB	Environment Compliance Certificate		
		· West Gallery Place in BGC	August 27, 2015	Not Applicable
		· Garden Tower 2 in Makati CBD	October 18, 2012	Not Applicable
		· Arbor Lanes in Arca South	February 9, 2018	Not Applicable
		· Altaraza	February 19, 2013	Not Applicable
		· Arcilo in Nuvali	April 8, 1996	Not Applicable
		· Ciela at Aéra Heights in Carmona, Cavite	Phase 1 ECC: November 29, 2021 Phase 2 ECC: July 26, 2022	Not Applicable

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
		· Miravera in Altaraza, Bulacan	February 5, 2016	Not Applicable
		· Andacillo in Nuvali, Laguna	September 23, 2019	Not Applicable
		· Lanewood Hills in Silang, Cavite	Phase 1 ECC: March 22, 2019 Phase 2 ECC: April 21, 2019 Phase 3 ECC: May 22, 2019	Not Applicable
		· Parklinks North Tower in Quezon City	September 18, 2018	Not Applicable
Alveo Land, Corp.	SEC	Certificate of Incorporation	September 29, 1995	Not Applicable
	BIR	Certificate of Registration	January 1, 1997	Not Applicable
	LGU of Taguig City	Business Permit	February 21, 2023	December 31, 2023
	DHSUD	License to Sell for the following Projects:		
		· High Park 2 in Vertis North	May 18, 2016	Not Applicable
		· Orea Place 1 & 2 in Vertis North	October 19, 2018	Not Applicable
		· The Residences at Evo City	Ph1 : May 05, 2017 Ph2 : Oct 17, 2019 Ph3 : Jul 13, 2020 Ph4 : Nov 18, 2020 Ph5 : Nov 23, 2021	Ph1 : Nov 2020* Ph2 : Dec 31, 2022* Ph3 : Dec 31, 2022* Ph4 : Dec 31, 2022* Ph5 : Mar 31, 2024
		· Venido in Biñan Laguna	August 28, 2018	Not Applicable
		· Alveo Financial Tower in Makati CBD	September 22, 2016	Not Applicable
		Verdea in Silang, Cavite		
		South Palmgrove in Lipa, Batangas	TLS: Nov. 24, 2022	TLS: Nov. 23, 2023
		· Corvia at Alviera	Feb 18, 2021	Not Applicable
		· Ametrine at Portico	December 21, 2018	Not Applicable
		· Parkford Suites in Makati	Sept. 27, 2019	Feb. 28, 2026
		Broadfield Estates		
	DENR EMB	Environment Compliance Certificate		
		· High Park 2 in Vertis North	July 11, 2019	Not Applicable
		· Orea Place 1 & 2 in Vertis North	November 21, 2016	Not Applicable
		· The Residences at Evo City	December 4, 2019	Not Applicable
		· Venido in Biñan Laguna	February 23, 2005	Not Applicable

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
		· Alveo Financial Tower in Makati CBD	June 17, 2015	Not Applicable
		Verdea in Silang, Cavite		
		South Palmgrove in Lipa, Batangas	June 18, 2021	Not Applicable
		· Corvia at Alviera	Mar 3, 2021	Not Applicable
		· Ametrine at Portico	August 20, 2018	Not Applicable
		· Parkford Suites in Makati	June 6, 2019	Not Applicable
		Broadfield Estates		
Avida Land, Corp.	SEC	Certificate of Incorporation	October 30, 1990	Not Applicable
	BIR	Certificate of Registration	January 1, 1997	Not Applicable
	LGU of Taguig City	Business Permit	January 23, 2023	December 31, 2023
	DHSUD	License to Sell for the following Projects:		
		· Asten 3 in Makati	January 31, 2017	Not Applicable
		· Avida Towers Sola 1	October 27, 2016	Not Applicable
		· Avida Towers Sola 2 in Vertis North	February 22, 2018	Not Applicable
		· Avida Southdale Settings in Nuvali	June 21, 2021	Not Applicable
		· Avida Towers Vireo 1 in Arca South	July 30, 2019	Not Applicable
		· Avida Towers Prime Taft 3 in Manila	August 26, 2015	Not Applicable
		· Avida Towers Riala in Cebu IT Park, Cebu City	Riala T1 - Sept 18, 2013 Riala T2 - June 9, 2015 Riala T3 - Oct 27, 2015 Riala T4 - Sept 04, 2017 Riala T5 - July 20, 2022	Not Applicable
		· Avida Towers Turf in BGC	Turf T1 - Dec 31, 2019 Turf T2 - Oct 31, 2021	Not Applicable
	DENR EMB	Environment Compliance Certificate		
		· Asten 3 in Makati	February 23, 2013	Not Applicable
		· Avida Towers Sola 1 and 2 in Vertis North	June 4, 2014	Not Applicable
		· Avida Southdale Settings in Nuvali	September 20, 2019	Not Applicable
		· Avida Towers Vireo 1 in Arca South	September 27, 2016	Not Applicable
		· Avida Towers Prime Taft 3 in Manila	August 27, 2011	Not Applicable

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
		· Avida Towers Riala in Cebu IT Park, Cebu City	Sept 12, 2011	Not Applicable
		· Avida Towers Turf in BGC	Aug 20, 2014	Not Applicable
Amaia Land Corp.	SEC	Certificate of Incorporation	May 29, 2000	Not Applicable
	BIR	Certificate of Registration	June 13, 2000	Not Applicable
	LGU of Muntinlupa City	Business Permit	January 20, 2023	December 31, 2023
	DHSUD	License to Sell for the following Projects:		
		· Skies Cubao Tower 2	November 26, 2015	Not Applicable
		· Skies Shaw Tower 1	May 29, 2014	Not Applicable
		· Skies Sta. Mesa	January 24, 2013	Not Applicable
		· Skies Avenida Tower 1	September 2, 2020	Not Applicable
		· Skies Avenida Tower 2	December 13, 2019	Not Applicable
		· Skies Shaw Tower 2	September 27, 2019	Not Applicable
		· Scapes General Trias Sectors 3 and 4	October 30, 2020	Not Applicable
	DENR EMB	Environment Compliance Certificate		
		· Skies Cubao Tower 2	June 13, 2011	Not Applicable
		· Skies Shaw Tower 1	May 17, 2013	Not Applicable
		· Skies Sta. Mesa	February 16, 2012	Not Applicable
		· Skies Avenida Tower 1	February 16, 2012	Not Applicable
		· Skies Avenida Tower 2	February 16, 2012 (ECC covers 2 blds)	Not Applicable
		· Skies Shaw Tower 2	May 17, 2013 (ECC covers 3 blds)	Not Applicable
		· Scapes General Trias Sectors 3 and 4	S3 – April 4, 2019 S4 – July 22, 2020	Not Applicable
Makati Development Corporation	SEC	Certificate of Incorporation	August 15, 1974	Not Applicable
	BIR	Certificate of Registration	December 9, 2021	Not Applicable
	LGU of Taguig City	Business Permit	February 7, 2023	December 31, 2023
MBDI Construction Corp.	SEC	Certificate of Incorporation	March 1, 2017	Not Applicable
	BIR	Certificate of Registration	May 20, 2019	Not Applicable
	LGU of Taguig City	Business Permit	January 30, 2023	December 31, 2023

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
MDC Buildplus, Inc.	SEC	Certificate of Incorporation	October 17, 2011	Not Applicable
	BIR	Certificate of Registration	May 16, 2019	Not Applicable
	LGU of Taguig City	Business Permit	January 20, 2023	December 31, 2023
MDC Concrete, Inc.	SEC	Certificate of Incorporation	August 12, 2013	Not Applicable
	BIR	Certificate of Registration	May 16, 2019	Not Applicable
	LGU of Taguig City	Business Permit	January 20, 2023	December 31, 2023
Ayala Property Management Corporation	SEC	Certificate of Incorporation	July 25, 1951	July 24, 2051
	BIR	Certificate of Registration	December 24, 1997	Not Applicable
	LGU of Makati City	Business Permit	January 27, 2023	December 31, 2023
Ayala Hotels Inc.	SEC	Certificate of Incorporation	April 11, 1991	Not Applicable
	BIR	Certificate of Registration	October 12, 1990	Not Applicable
	LGU of Makati City	Business Permit	February 4, 2023	December 31, 2023
	DHSUD	License to Sell for the following Projects:		
		· Park Central South Tower	October 3, 2017	Not Applicable
	DENR EMB	Environment Compliance Certificate	October 2, 2017	Not Applicable
Ecozone Power Management Inc.	SEC	Certificate of Incorporation	August 20, 2010	Not Applicable
	BIR	Certificate of Registration	October 28, 2010	Not Applicable
	LGU of Binan City	Business Permit Biñan Laguna	January 23, 2023	December 31, 2023
AyalaLand Malls, Inc. (formerly ALI Commercial Center, Inc.)	SEC	Certificate of Incorporation	October 13, 2014	Not Applicable
	BIR	Certificate of Registration	October 23, 2014	Not Applicable
	LGU of Makati City	Business Permit		
		GB Carpark Business	February 13, 2023	December 31, 2023
		GB Complex	February 13, 2023	December 31, 2023
		GLO Carpark Business	February 13, 2023	December 31, 2023
		GLO Complex	February 13, 2023	December 31, 2023

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
		One Ayala Avenue Mall and Carpark	February 13, 2023	December 31, 2023
AyalaLand Offices, Inc.	SEC	Certificate of Incorporation	July 26, 2006	Not Applicable
	BIR	Certificate of Registration	August 23, 2006	Not Applicable
	LGU of Quezon City	Business Permit	January 31, 2022	December 31, 2023
North Eastern Commercial Corp.	SEC	Certificate of Incorporation	July 8, 2008	Not Applicable
	BIR	Certificate of Registration	July 8, 2008	Not Applicable
	LGU:	Business Permit		
	Makati City	Corporate	February 1, 2023	December 31, 2023
	Pasig City	The 30th	January 19, 2023	December 31, 2023
	Quezon City	Cloverleaf	August 13, 2022	August 13, 2023
		Vertis North	April 26, 2022	April 26, 2023
AREIT Inc.	SEC	Certificate of Incorporation	September 4, 2006	Not Applicable
	BIR	Certificate of Registration	September 4, 2006	Not Applicable
	LGU of Makati City	Business Permit	February 1, 2023	December 31, 2023
Ayala Greenfield Development Corp.	SEC	Certificate of Incorporation	July 17, 1997	Not Applicable
	BIR	Certificate of Registration	December 9, 1999	Not Applicable
	LGU of Taguig City	Business Permit	January 19, 2023	December 31, 2023
	LGU of Calamba City	Business Permit	February 1, 2023	December 31, 2023
CECI Realty Corp.	SEC	Certificate of Incorporation	August 22, 1974	Not Applicable
	BIR	Certificate of Registration	June 17, 1994	Not Applicable
	LGU of Makati City	Business Permit	CECI Realty Corp.	December 31, 2023
Nuevocentro Inc.	SEC	Certificate of Incorporation	April 15, 2011	Not Applicable
	BIR	Certificate of Registration	April 15, 2011	Not Applicable
	LGU of Makati City	Business Permit	February 3, 2023	December 31, 2023
Ayalaland Estates, Inc.	SEC	Certificate of Incorporation	October 19, 2012	Not Applicable
	BIR	Certificate of Registration	November 12, 2012	Not Applicable
	LGU of Makati City	Business Permit	February 3, 2023	December 31, 2023
MCT Bhd (Malaysia)	SEC	Certificate of Incorporation	December 8, 2009	Not Applicable

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
	BIR	Certificate of Registration	Not Applicable	Not Applicable
	LGU Majilis Bandaraya Subang jaya (MY headquarters)	Business Permit	April 17, 2024	Not Applicable
BellaVita Land Corp.	SEC	Certificate of Registration	March 21, 1995	N/A
	BIR	Certificate of Registration	January 19, 1996	N/A
	LGU of Makati	Business Permit	January 26, 2023	December 31,2023
		DHSUD		
		Tayabas, Quezon Province	October 30, 2020	
		Lipa, Batangas	February 11, 2020	
		Cabanatuan	July 22, 2016	
		DENR EMB		
		Tayabas, Quezon Province	June 10, 2022	
		Lipa, Batangas	November 21, 2013	
		Cabanatuan	May 26, 2022	
AyalaLand Logistics Holdings, Corp.	SEC	Certificate of Registration	5/9/2019	N/A
	BIR	Certificate of Registration	6/23/1989	N/A
	LGU of [Makati]	Business Permit	01/20/2023	12/31/2023
Laguna Technopark, Inc.	SEC	Certificate of Registration	November 15, 1990	Not applicable
	BIR	Certificate of Registration	February 27, 1997	Not applicable
	LGU of Binan	Business Permit	January 26, 2023	December 31, 2023
AirSwift, Inc.	SEC	Articles of Incorporation	February 18, 2016	Not Applicable
	BIR	Certificate of Registration	October 17, 2002	Not Applicable
	LGU of [*]	Business Permit: Mayor's Permit	January 20, 2023	January 31, 2024
	Civil Aviation Authority of the Philippines	AIR Operator Certificate	January 17, 2021	January 16, 2026
	Civil Aviation Board	Certificate of Public Convenience & Necessity	March 29, 2022	March 28, 2027
Ayala Hotels Inc.	SEC	Certificate of Incorporation	11-Apr-91	Not Applicable
	BIR	Certificate of Registration	12-Oct-90	Not Applicable

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
	LGU of Makati City	Business Permit	February 4, 2023	Dec. 31, 2023
AKL	SEC		May 28, 2018	Not Applicable
	BIR		May 31, 2018	Not Applicable
	LGU of Makati City		January 31, 2023	December 31, 2023
	LGU of Carmona		January 19, 2023	December 31, 2023
BG West Properties, Inc.	SEC	Certificate of Incorporation	Aug. 5, 2011	Not Applicable
	BIR	Certificate of Registration	Aug. 5, 2011	Not Applicable
	LGU of Cebu City	Business Permit	no project in Cebu & not registered in Cebu	no project in Cebu & not registered in Cebu
	LGU of Makati City	Business Permit	Feb. 4, 2023	Dec. 31, 2023
	LGU of Taguig City	Business Permit	Jan. 20, 2023	Dec. 31, 2023

** Under DHSUD Order No. 2021 and D.O. 2021-009, DHSUD granted two (2) year extension to complete projects with completion date of March 2020 onwards. Alveo has also applied for extension of time to complete the project within the reglementary period as indicated under said Department Orders, which DHSUD is currently processing. For Phase 1, the project has been completed and we are in the process of securing the Certificate of Completion with the DHSUD as advised by the latter.*

Property Laws

Land Registration

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

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

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

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

Zoning

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

classification.

Subdivisions and Condominiums

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

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

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

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

Special Economic Zone

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

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

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

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

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

Property Taxation

Real property taxes are payable annually based on the property's assessed value. Assessed values are determined by applying the assessment levels (set by ordinances of the concerned Sanggunian) against the fair market values of real property. The assessed value of property and improvements vary

depending on the location, use and the nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas.

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

Environmental Laws

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

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

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

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

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

to comply with the conditions specified therein. Real Estate projects are also required to secure relevant local permits and abide by requirements specific to local zoning ordinances, and, if applicable, protected area guidelines. ALI secures the necessary permits and keeps track of national and local regulatory developments.

In general, there have been no materially significant or extraordinary costs incurred by ALI and its subsidiaries, taken as a whole, in respect of environmental compliance. ALI and its subsidiaries' costs of compliance with applicable environmental laws and regulations vary from project to project depending on various factors, especially local conditions. However, none of such costs have been material in respect of their finances as a whole.

Anti-Trust Laws

The Philippine Competition Act

The law authorizes the PCC to review mergers and acquisitions to ensure compliance with the PCA. The Merger Rules provides for mandatory notification to the PCC of any merger or acquisition within thirty (30) days of signing any definitive agreement relating to the transaction.

Compulsory notification shall be required if the value of such transaction exceeds Two Billion Nine Hundred Million Pesos (₱2,900,000,000.00), and where the size of the ultimate parent entity of either party exceeds Seven Billion Pesos (₱7,000,000,000.00). The parties may not consummate the transaction prior to receiving PCC approval or the lapse of the period stated in the Merger Rules. A merger or acquisition that meets the thresholds under the Merger Rules but was not notified to the PCC, or notified but consummated, in whole or in part, prior to the expiration of the waiting period, is considered void and will subject the parties, and will subject the parties to a fine between one percent (1.00%) to five percent (5.00%) of the value of the transaction.

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

Data Privacy Laws

Data Privacy Act

RA No. 10173, otherwise known as the Data Privacy Act of 2012 ("Data Privacy Act"), was signed into law on August 15, 2012, to govern the processing of all types of personal information (i.e., personal, sensitive, and privileged information) in the hands of the government or private natural or juridical person through the use of Information and Communications System ("ICT"), which refers to a system for generating, sending, receiving, storing or otherwise processing electronic data messages or electronic documents and includes the computer system or other similar device by or which data is recorded, transmitted or stored and any procedure related to the recording, transmission or storage of electronic data, electronic message, or electronic document. While the law expressly provides that it does not apply to certain types of information, including those necessary for banks and other financial institutions under the jurisdiction of BSP to comply with the AMLA and other applicable laws, the said law applies to all other personal information obtained by banks for other purposes.

It mandated the creation of a National Privacy Commission, which shall administer and implement the provisions of the Data Privacy Act and ensure compliance of the Philippines with international standards set for data protection. The Philippines recognizes the need to protect the fundamental human right of privacy and of communication, while ensuring free flow of information to promote innovation and growth. It also identifies the vital role of information and communications technology in nation building and its inherent obligation to ensure that personal information in ICT in the government and in the private sector are secured and protected.

The Data Privacy Act seeks to protect the confidentiality of "personal information", which is defined as "any information, whether recorded in material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual." The law provides

for certain rights of a data subject or an individual whose personal information is being processed. The law imposes certain obligations on “personal information controllers” and “personal information processors”. It also provides for penal and monetary sanctions for violations of its provisions.

Electric Commerce

Electronic Commerce Act

Republic Act No. 8792 or the Electronic Commerce Act of 2000 (“R.A. No. 8792”) aims to facilitate domestic and international dealings, transactions, arrangement agreements, contracts and exchanges and storage of information through the utilization of electronic, optical and similar medium to promote the universal use of electronic transaction in the government and general public.

R.A. No. 8792 restricts access to an electronic file, or an electronic signature of an electronic data message or electronic document only in favor of the individual or entity having a legal right to the possession or the use of plaintext, electronic signature or file and solely for the authorized purposes. The law also ensures confidentiality and prohibits any person who obtains access to any electronic key, electronic data message, electronic document, book, register, correspondence, information, or other material pursuant to any powers conferred under the said law, from conveying to or sharing the same with any other person, except for purposes expressly authorized by law. The implementing rules of the law provides that the electronic key for identity or integrity shall not be made available to any person or party without the consent of the individual or entity in lawful possession of that electronic key. The law clarifies that violations of the Consumer Act of the Philippines or Republic Act No. 7394 and other related laws through transactions covered by or using electronic data messages or electronic documents shall be penalized with the same penalties as provided therein.

Corporate Law

Revised Corporation Code

Republic Act No. 11232, also known as the Revised Corporation Code, was signed into law on February 20, 2019 and took effect on February 23, 2019. Among the notable amendments in the Revised Corporation Code are as follows: (i) corporations are now generally given a perpetual existence; (ii) a new section on one-person corporation was added; (iii) the requirement that at least 25% of the authorized capital stock must be subscribed, and at least 25% of the subscribed shares must be paid-up upon incorporation was removed; (iv) stockholders can now vote in absentia; (v) incorporators now include any person, partnership, association or corporation; and (vi) the powers of the SEC to prosecute and investigate offenses under the Revised Corporation Code has been expanded.

The Revised Corporation Code refers to the Philippine Competition Act in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

DESCRIPTION OF PROPERTIES

The following section discusses updates to the Description of Properties after the date of the Prospectus and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement.

LAND BANK / PROPERTIES WITH MORTGAGE OF LIEN

The following table provides summary information on ALI Group's estimated land bank (areas shown in hectares ("Ha.") as of December 31, 2022. Properties included are either wholly owned or part of a joint venture and free of lien unless noted.

In Estates	Location	Hectares	Outside Estates	Hectares
Metro Manila		171.3	Metro Manila	63.5
Makati CBD	Makati City	46.0	Las Pinas	42.0
BGC	Taguig City	27.0	Quezon	8.8
Arca South	Taguig City	21.0	Pasig	4.9
Circuit Makati	Makati City	20.1	Paranaque	4.4
Ayala Alabang	Muntinlupa City	17.6	Makati	2.0
Parklinks	Quezon City - Pasig City	15.6	Mandaluyong	0.8
Cloverleaf	Quezon City	7.8	Pasay	0.3
Vertis North	Quezon City	7.0	Manila	0.3
The Junction Place	Quezon City	3.7		
Cerca	Muntinlupa City	3.2		
Southpark District	Muntinlupa City	1.6		
Portico	Pasig City	0.7		
Luzon		5,994.0	Luzon	3,815.0
Nuvali	Sta. Rosa, Laguna	1,378.0	Cavite	2,243.0
Alviera	Porac, Pampanga	1,130.0	Batangas	669.0
Altaraza	San Jose Del Monte, Bulacan	864.0	Laguna	550.0
Lio	El Nido, Palawan	762.0	Bulacan	164.0
Ayala Greenfield Estates	Calamba, Laguna	359.0	Quezon	48.0
Anvaya Cove	Morong, Bataan	356.0	Pampanga	42.0
Vermosa	Imus, Cavite	340.0	Camarines Sur	27.0
Areza	Lipa, Batangas	291.0		
Cresendo	Tarlac City, Tarlac	239.0	Cagayan-Tuguegarao	25.0
Evo City	Kawit, Cavite	157.0	Rizal	15.0
Crossroads	Plaridel, Bulacan	81.0		
Broadfield	Binan, Laguna	29.0	Isabela	10.0
Marquee	Angeles, Pampanga	8.0	Bataan	7.0
			Tarlac	7.0
			Nueva Ecija	6.0
			Pangasinan	2.0
Visayas		872.0	Visayas	375.0
Sicogon Island Resort	Iloilo	810.0	Cebu	170.0
North Point	Talisay, Negros Occidental	21.0	Negros Occidental	119.0
Cebu Park District	Cebu City, Cebu	12.0	Iloilo	86.0
Atria Park District	Mandurriao, Iloilo	8.0		
Gateway Central	Mandaue, Cebu	7.0		
Southcoast City	Cebu City, Cebu	7.0		
Seagrove	Mactan Island, Cebu	6.0		
Capitol Central	Talisay, Negros Occidental	1.0		
Mindanao		476.0	Mindanao	507.0
Habini Bay	Laguindingan, Misamis Oriental	452.0	Davao Del Sur	377.0
Azuela Cove	Davao City, Davao del Sur	15.0	Misamis Oriental	130.0
Abreeza	Davao City, Davao del Sur	6.0		
Centrio	Cagayan de Oro, Misamis Oriental	3.0		
2022 Land Bank: 12,273.8		7,513.3		4,760.5

LEASED PROPERTIES

The Company has an existing contract with the Bases Conversion and Development Authority ("BCDA") to develop, under a lease agreement a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounts to ₱106.5 Million while the variable rent ranges from 5% to 20% of gross revenues. Subsequently, the Company transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity.

On January 28, 2011, a notice was given to the Company, that as the bidder with the highest responsive bid, it has been awarded the ₱4.0 Billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. The Company signed a 25-year lease contract for the property on June 22, 2011, with an option to renew for another 25 years by mutual agreement of the parties. Subsequently, in 2015, the Company assigned the lease to Ayalaland Metro North, Inc. (AMNI). As of end 2022, the retail establishment has a gross leasable area of approximately 63,000 sqm of available gross leasable area and a combination of headquarter-and-BPO-type buildings with an estimated 8,000 sqm of GLA have been constructed. Monthly rent is equal to the higher of either: (i) ₱215.65/sqm of the Gross Useable Area, subject to annual escalation at the rate of five percent (5%) (Minimum Guaranteed Rent); or (ii) seventeen percent (17%) of the gross rental income.

RENTAL PROPERTIES

The Company's properties for lease are largely shopping centers, office buildings and hotels and resorts. As of December 31, 2022, rental revenues from these properties amounted to ₱33.4 Billion equivalent to 26% of consolidated revenues. This is 62% higher than ₱20.6 Billion recorded in 2021. Lease terms vary depending on the type of property and tenant.

PROPERTY ACQUISITIONS

With approximately 12,273.8 hectares in its land bank as of December 31, 2022, Ayala Land believes that it has sufficient properties for development in the next 25 years.

Nevertheless, the Company continues to seek new opportunities for additional, large-scale, master-planned developments in order to replenish its inventory and provide investors with an entry point into attractive long-term value propositions. The focus is on acquiring key sites in the Mega Manila area and other geographies with progressive economies that offer attractive potential and where projected value appreciation will be fastest.

On July 19, 2019, AyalaLand Logistics Holdings, Corp. (ALLHC), formerly Prime Orion Philippines, Inc. acquired 100% ownership of Unity Realty & Development Corporation (URDC). URDC owns a 192-hectare property in Mabalacat City, Pampanga which will be developed into an industrial park.

On April 4, 2018, ALI signed a Deed of Absolute Sale with Central Azucarera de Tarlac, Inc. for the acquisition of several parcels of land with an aggregate area of approximately 290 hectares located in Barangay Central, City of Tarlac, Province of Tarlac.

On February 20, 2018, the Philippine Competition Commission (PCC) approved the setting up of a joint venture between the Company and Royal Asia Land, Inc. to acquire, own, and develop a 936-hectare commercial and residential project in Silang and Carmona, Cavite. Both firms will own 50% equity in the joint venture vehicle while Royal Asia Land will receive a consultation fee of 2% of the joint venture firm's gross revenue for its participation in the planning and development of the property. ALI, meanwhile, will develop and market the project and receive a management fee of 12% and sales and marketing fee of 5% of the gross revenue. The PCC has deemed that the transaction does not result in a substantial lessening of competition because it will not have a structural effect on the market.

In June 2015, ALI, through SM-ALI Group consortium, participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is a portion of Cebu City-owned lot located at the

South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963 (the "Property"). SM-ALI Group consortium is a consortium among SM Prime Holdings, Inc. ("SM"), Ayala Land, and Cebu Holdings, Inc. ("CHI", together with ALI collectively referred to as the "ALI Group"). The SM-ALI Group will co-develop the property pursuant to a joint master plan.

In April 2015, ALI purchased all of the 8.2 million common shares of Aegis PeopleSupport Realty Corporation amounting to ₱435 million. Aegis PeopleSupport Realty Corporation is a PEZA-registered entity and the owner of Aegis building along Villa Street, Cebu IT Park, Lahug, Cebu City. The building is a certified LEED-Gold Office with a gross leasable area of 18,092 sqm and is largely occupied by Teleperformance under a long-term lease.

On February 6, 2015, ALI purchased the combined remaining interest of Allante Realty and Development Corporation (Allante) and DBH, Inc. (DBH) in North Triangle Depot Commercial Corporation (NTDCC) consisting of 167,548 common shares and 703,904 preferred shares amounting to ₱229 million. This brings ALIC) consisting of 167,548 common shares and 703,904 total outstanding capital stock of NTDCC.

In January 2014, ALI entered and signed into a 50-50% joint venture agreement with AboitizLand, Inc. for the development of a 15-hectare mixed-use community in Mandaue City, Cebu. The first project of this joint venture will involve the construction of a mall and a residential condominium unit with an estimated initial cost of ₱3 billion.

On November 23, 2013, ALI, through its wholly-owned subsidiary, Ayala Hotels and Resorts Corp, (AHRC) signed an agreement to acquire 100% interest in Asian Conservation Company, Inc. (ACCI) which effectively consolidates the remaining 40% interest in Ten Knots Development Corp. (TKDC) and Ten Knots Philippines Inc. (TKPI) (60%-owned subsidiary of the Company prior to this acquisition). The agreement resulted in the Company effectively obtaining 100% interest in TKPI and TKDC.

On April 16, 2013, ALI entered into a Sale and Purchase Agreement (SPA) with Global International Technologies Inc. (GITI) to acquire the latter's 32% interest in ALI Property Partners Co. (APPCo) for ₱3.52 billion. GITI is a 100% owned company of the Goldman Sachs Group Inc. The acquisition increased ALI's stake in APPCo from 68% to 100%. APPCo owns BPO buildings in Makati, Quezon City and Laguna with a total gross leasable area of around 230,000 sqm. The carrying amount of the non-controlling interest is reduced to nil as APPCo became wholly owned by the Company. The difference between the fair value of the consideration paid and the amount by which the non-controlling interest is adjusted is recognized in equity attributable to the Company amounting to ₱2,722.6 million.

MORTGAGE, LIEN OR ENCUMBRANCE OVER PROPERTIES

In compliance with BSP rules on directors, officers, stockholders and related interests, and affiliates, certain long-term debt with a carrying value of ₱2,999.0 million as of March 31, 2023 are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall.

The mortgagor is required to preserve and maintain the properties in good condition, pay all lawful taxes and assessments on the properties, and maintain insurance against loss or damage by fire and earthquake for full insurable value.

The properties may not be disposed off by Ayala Land without written consent of the Lender.

CERTAIN LEGAL PROCEEDINGS

This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. Prospective investors should read the entire Prospectus carefully, including the section entitled “Risk Factors and Other Considerations”, the reviewed unaudited interim condensed consolidated financial statements, and the audited consolidated financial statements and the related notes to those statements included in this Prospectus.

As of December 31, 2022, ALI, its subsidiaries, and its affiliates, are not involved in any litigation regarding an event which occurred during the past five (5) years that they consider material.

However, there are certain litigations ALI is involved in which it considers material, and though the events giving rise to the said litigation occurred beyond the five (5) year period, the same are still unresolved, as follows:

Las Piñas Property

Certain individuals and entities have claimed an interest in certain of ALI’s properties located in Las Piñas, Metro Manila.

Prior to purchasing the aforesaid properties, ALI conducted an investigation of titles to the properties and had no notice of any title or claim that was superior to the titles purchased by ALI. ALI traced its titles to their original certificates of title and ALI believes that it has established its superior ownership position over the said parcels of land. ALI has assessed these adverse claims and believes that its titles are in general superior to the purported titles or other evidence of alleged ownership of these claimants. On this basis, beginning October 1993, ALI filed petitions in the RTC of Makati and Las Piñas for quieting of title to nullify the purported titles or claims of these adverse claimants. These cases are at various stages of trial and appeal. Some of these cases have been decided by the Supreme Court (“SC”). These include decisions affirming the title of ALI to some of these properties, which have been developed and offered for sale to the public as Sonera, Ayala Southvale. The SC issued a decision adverse to ALI’s title over these properties dated 26 July 2017 and denied ALI’s motions for reconsideration.

ALI has made no allowance in respect of such actual or threatened litigation expenses. ALI sees no adverse and material impact on its business operations as the properties involved do not constitute a substantial area of ALI’s total landbank for development.

The land constitutes less than 1% of ALI’s landbank and will not materially affect ALI’s business, operations and financials.

Tomas R. Osmeña vs. City of Cebu

ALI is a respondent to a case for Declaratory Relief with Prayer for Temporary Restraining Order and Writ of Preliminary Injunction, filed by the petitioner, former Cebu City Mayor Tomas R. Osmeña, seeking among others, to nullify the purchase by ALI, then Cebu Holdings, Inc. (CHI)¹¹, SM Prime Holdings, Inc. and the Consortium (composed of ALI, CHI, and SMPHI), purchase of the 26-hectare property located in South Road Properties 2, Cebu City from the Local Government Unit of Cebu City. In an Order dated January 13, 2021, the Regional Trial Court ordered the dismissal of the case and on 10 June 2021 denied the motion for reconsideration of the petitioner. Petitioner appealed to the Court of Appeals (CA) where the case is presently pending.

ALI participated in the public bidding of these properties in accordance with applicable laws, rules and regulations. In the unlikely event that the prayer of the petitioner for Declaratory Relief, Temporary Restraining Order and Writ of Preliminary Injunction be granted by the courts, there will be delay in the development of the South Road Properties 2. ALI sees no adverse and material impact on its business

¹¹ On December 16, 2021, the SEC approved and made effective the merger of CHI with and into ALI as the surviving entity.

Description of Properties

operations as this property does not constitute a substantial area of ALI's total landbank for development.

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

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

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

Market Information

Ayala Land common shares are listed on the PSE.

Stock Prices (in ₱/share)

	<u>High</u>				<u>Low</u>				<u>Close</u>			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
First Quarter	39.80	42.00	45.30	45.75	33.55	33.80	19.44	40.60	35.05	34.35	30.20	44.90
Second Quarter	35.60	38.35	38.30	52.50	25.50	31.00	28.20	44.40	25.50	36.05	33.80	50.80
Third Quarter	30.55	33.60	37.70	53.85	22.35	32.90	26.50	46.30	22.85	33.50	29.70	49.45
Fourth Quarter	31.70	36.70	42.10	49.90	22.35	34.60	29.00	42.55	30.80	36.70	40.90	45.50

The market capitalization of ALI as of March 31, 2023, based on the closing price of ₱26.50/share on March 31, 2023 (the last trading day of the said month), was ₱397.77 Billion.

Stockholders

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

Common Shares: There are approximately 13,175 registered holders of common shares of the Company as of March 31, 2023:

	Stockholder Name	No. of Common Shares	Percentage (of common shares)
1.	Ayala Corporation	7,622,336,690	50.7813%
2.	PCD Nominee Corporation (Non-Filipino)	3,908,331,089	26.0380%
3.	PCD Nominee Corporation (Filipino)	3,133,117,513	20.8734%
4.	The Province of Cebu	15,682,093	0.1045%
5.	ESOWN Administrator 2020	14,600,991	0.0973%
6.	ESOWN Administrator 2022	14,160,730	0.0943%
7.	ESOWN Administrator 2012	12,452,510	0.0830%
8.	ESOWN Administrator 2015	11,999,340	0.0799%
9.	Social Security System	11,576,800	0.0771%
10.	ESOWN Administrator 2021	11,360,124	0.0757%
11.	ESOWN Administrator 2016	10,925,443	0.0728%
12.	ESOWN Administrator 2013	10,386,543	0.0692%
13.	ESOWN Administrator 2019	9,964,575	0.0664%
14.	ESOWN Administrator 2017	9,589,383	0.0639%
15.	ESOWN Administrator 2014	9,203,737	0.0613%
16.	ESOWN Administrator 2018	8,175,165	0.0545%

17.	Antonino T. Aquino	7,411,065	0.0494%
18.	Emilio Lolito J. Tumbocon	7,340,134	0.0489%
19.	Vincent Y. Tan	5,969,832	0.0398%
20.	Estrellita B. Yulo	5,732,823	0.0382%

Voting Preferred Shares:

There are approximately 2,672 registered holders of voting preferred shares of the Company as of March 31, 2023:

	Stockholder Name	No. of Voting Preferred Shares	Percentage (of voting preferred shares)
1.	Ayala Corporation	12,163,180,640	97.7550%
2.	Government Service Insurance System	156,350,871	1.2566%
3.	HSBC Manila OBO 026-174698-564	15,051,000	0.1210%
4.	SCB OBO SSBTC Fund OD67 Acct 000260708171	13,670,744	0.1099%
5.	SCB OBO SSBTC FA2O Acct 000260705401	3,951,800	0.0318%
6.	First Metro Securities Brokerage Corporation	3,842,045	0.0309%
7.	Investors Securities, Inc.	3,722,480	0.0299%
8.	SCB OBO SSBTC Fund FA2N Acct 000260705403	3,534,608	0.0284%
9.	Ansaldo, Godinez & Co., Inc.	3,388,848	0.0272%
10.	CBNA FAO 6002079572 CITIMNIFOR	2,725,700	0.0219%
11.	Juan Miguel De Vera Yulo	2,500,000	0.0201%
12.	Edan Corporation	2,302,153	0.0185%
13.	SCB OBO BNYM as AGTCLTS Non-Treaty Acct 135715700001	2,183,400	0.0175%
14.	Makati Supermarket Corporation	1,943,758	0.0156%
15.	Col Financial Group, Inc.	1,867,960	0.0150%
16.	Plim Insurance Agency and Investments, Inc.	1,805,400	0.0145%
17.	Eddie Lim Hao	1,570,301	0.0126%
18.	SCB OBO SSBTC Fund NYMN Acct 000260701786	1,405,900	0.0113%
19.	Eastern Securities Development Corporation	1,341,997	0.0108%
20.	Litonjua Securities, Inc.	1,331,764	0.0107%

Dividends

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

CASH DIVIDEND (Per Common Share)			
<u>PESO AMOUNT</u>	<u>DECLARATION DATE</u>	<u>RECORD DATE</u>	<u>PAYMENT DATE</u>
0.2520	Feb. 20, 2018	Mar. 12, 2018	Apr. 3, 2018
0.2520	Aug. 17, 2018	Sept. 6, 2018	Oct. 2, 2018
0.2600	Feb. 27, 2019	Mar. 13, 2019	Mar. 29, 2019
0.2600	Oct. 31, 2019	Nov. 15, 2019	Nov. 29, 2019
0.2680	Feb. 20, 2020	Mar. 06, 2020	Mar. 20, 2020

CASH DIVIDEND (Per Common Share)			
0.1358	Feb. 23, 2021	Mar. 10, 2021	Mar. 25, 2021
0.1360	Oct. 19, 2021	Nov. 3, 2021	Nov. 18, 2021
0.1352	Feb. 24, 2022	Mar. 11, 2022	Mar. 25, 2022
0.1355	Oct. 21, 2022	Nov. 8, 2022	Nov. 18, 2022
0.1495	Feb. 21, 2023	Mar. 7, 2023	Mar. 23, 2023

CASH DIVIDEND (Per Voting Preferred Share)			
PESO AMOUNT	DECLARATION DATE	RECORD DATE	PAYMENT DATE
0.00474786	Feb. 20, 2018	Jun. 15, 2018	Jun. 29, 2018
0.00474786	May 24, 2019	Jun. 7, 2019	Jun. 21, 2019
0.00474786	May 26, 2020	Jun. 9, 2020	Jun. 25, 2020
0.00474786	May 27, 2021	Jun. 10, 2021	Jun. 25, 2021
0.00474786	May 31, 2022	June 9, 2022	June 24, 2022

Dividend policy

Dividends declared by the Company on its shares of stocks are payable in cash or in additional shares of stock. The payment of dividends in the future will depend upon the earnings, cash flow and financial condition of the Company and other factors. The same applies to the declaration of dividends by the Company's Subsidiaries and Affiliates.

Special cash dividends are declared depending on the availability of cash, taking into account the Company's capital expenditures and project requirements and the progress of its ongoing asset rationalization program.

Cash dividends are subject to approval by the Company's Board but no stockholder approval is required. Property dividends which may come in the form of additional shares of stock are subject to approval by both the Company's Board of Directors and the Company's stockholders. In addition, the payment of stock dividends is likewise subject to the approval of the SEC and PSE.

The Company has no fixed dividend policy. Currently, our internal policy is to show year on year growth in dividends, aligned with our net income performance.

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)
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 the subsequent issuances of shares covered by the Commission's approval of the exemption from the registration requirements in March 2006, September 2017 and September 2022 for a total of 600,000,000 shares 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 preemptive rights; (f) non-redeemable; (g) non-listed; and, (h) preferred in liquidation to the extent of par value.

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

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

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

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

- (a) voting;
- (b) dividend rate of 4.7% per annum, equivalent to 90.0% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative;
- (c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date, at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; no preemptive 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.
- The Board of Directors of the Company, at its meeting on February 21, 2023, approved the decrease in its authorized capital stock ("ACS") by ₱62,397,053.60, from ₱21,500,000,000.00 to ₱21,437,602,946.40, through the retirement of our redeemed voting preferred shares as of January 31, 2023, and any additional redeemed voting preferred shares until April 25, 2023, as well as the corresponding amendment of the Seventh Article of its Articles of Incorporation. The decrease in the ACS and the amendment of the Seventh Article will be presented to the stockholders for approval at the 2023 Annual Stockholders' Meeting.
- As of March 31, 2023, the Company had converted a total of 588,376 VPS into common shares.
- Adoption of the 10-year PHP BVAL Reference Rate as the successor benchmark rate to replace the previous mark-to-market benchmark of 10-year PDST-R2 when resetting the dividend rate on June 29, 2022, being the 10th year from the issue date of the voting preferred shares. In this regard, the new dividend rate shall be equivalent to 90% of the 10-year PHP BVAL Reference Rate prevailing as at June 29, 2022, payable annually.

As of March 31, 2023, 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

Plan of Operations

Ayala Land's performance will continue to hinge on the overall economic performance of the country. Interest rate movements may affect the performance of the real estate industry, including the Company.

Principles of Consolidation

The audited consolidated financial statements represent the consolidation of the financial statements of Ayala Land and its subsidiaries as at and for the year ended December 31, 2022 and 2021.

Review of December 2022 operations vs December 2021 operations

	For the years ended December 31			
(in million Pesos, except Earnings Per Share (EPS))	2022 ¹ Audited	2021 ² Audited	Change In Pesos	In %
Income Statement Data				
Revenue				
Real estate Sales	₱116,356	₱96,145	₱20,211	21%
Interest income from real estate sales	6,695	6,801	(106)	-2%
Equity in net earnings of associates and joint ventures	1,430	843	587	70%
	124,481	103,788	20,693	20%
Interest and investment income	387	253	134	53%
Other income	1,688	2,101	(413)	-20%
	2,075	2,354	(279)	-12%
	126,556	106,142	20,414	19%
Costs and expenses				
Cost of real estate sales	75,629	64,642	10,987	17%
General and administrative expenses	7,264	6,539	725	11%
Interest and other financing charges	11,447	11,038	409	4%
Other expenses	3,996	3,637	359	10%
	98,336	85,855	12,481	15%
Income before income tax	28,220	20,287	7,933	39%
Provision for income tax				
Current	6,943	5,985	958	16%
Deferred	(1,247)	(1,356)	109	-8%
	5,696	4,629	1,067	23%
Net Income	₱22,524	₱15,659	₱6,865	44%
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	18,617	12,228	6,389	52%
Non-controlling interests	3,907	3,431	476	14%
Unappropriated retained earnings				
Balances, beginning of year	143,981	152,816	(8,835)	-6%
Cash dividends				
Common share	(4,000)	(4,001)	1	0%
Preferred share	(62)	(62)	-	-
Net Income attributable to equity holders of Ayala Land, Inc.	18,617	12,228	6,389	52%
Appropriation during the year	-	(17,000)	17,000	-100%
Balance at end of period	158,536	143,981	14,555	10%
Basic Earnings per share	₱1.25	₱0.83	₱0.42	51%
Diluted Earnings per share	₱1.25	₱0.83	₱0.42	51%

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

Prospectus.

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

(in million Pesos)	Dec 2022 ¹ Audited	Dec 2021 ² Audited	Change In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ³	₱12,508	₱14,998	(₱2,490)	-17%
Financial asset at fair value through profit and loss	292	701	(409)	-58%
Real estate inventories	180,348	148,157	32,191	22%
Noncurrent accounts and notes receivable	49,033	43,664	5,369	12%
Financial assets at fair value through other comprehensive income (FVOCI)	1,033	981	52	5%
Investments in associates and joint ventures	31,917	28,153	3,764	13%
Property and equipment	36,154	41,778	(5,624)	-13%
Deferred tax assets	13,889	12,890	999	8%
Other noncurrent assets	29,826	33,891	(4,065)	-12%
Total assets	779,655	745,464	34,191	5%
Short-term debt	6,547	16,783	(10,236)	-61%
Account and other payables	143,952	136,690	7,262	5%
Income tax payable	845	507	338	67%
Current portion of lease liability	710	599	111	18%
Current portion of long term debt	19,258	26,174	(6,916)	-26%
Deposits and other current liabilities	31,211	27,471	3,740	14%
Long-term debt – net of current portion	210,233	180,140	30,093	17%
Pension liabilities	1,871	2,103	(232)	-11%
Deferred tax liabilities	5,849	6,520	(671)	-10%
Deposits and other noncurrent liabilities	47,520	60,736	(13,216)	-22%
Total liabilities	485,990	474,962	11,028	2%
Paid up capital	97,637	79,897	17,739	22%
Retained earnings	183,536	168,981	14,555	9%
Remeasurement loss on defined benefit plans	107	(33)	140	421%
Cumulative translation adjustments	438	262	176	67%
Equity reserves	(6,507)	1,290	(7,797)	605%
Treasury stocks	(19,081)	(16,894)	(2,18)	13%
Equity attributable to equity holders of Ayala Land, Inc.	255,252	232,621	22,631	10%
Non-controlling interests	38,412	37,882	530	1%
Total equity	₱293,664	₱270,502	₱23,162	9%

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

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

³Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL for 2022 and 2021

Ayala Land, Inc. bounced back strongly in 2022 on the strength of the Philippines' reopened economy since the 2020 pandemic. Its diversified real-estate portfolio generated a net income of ₱18.61 Billion, 52% higher, while consolidated revenues grew to ₱126.56 Billion, 19% more year-on-year.

Real Estate revenues (composed of Property Development, Commercial Leasing, and Services) amounted to ₱116.36 Billion, 21% higher than ₱96.15 Billion in the previous year, led by solid commercial lot sales and recovery in commercial leasing.

Capital expenditures reached ₱72.38 Billion to support the residential and commercial project buildup.

The Company maintained a net gearing ratio of 0.76:1 as it managed debt and liquidity tightly to support the balance sheet.

Business Segments

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

Property Development. This segment includes sales of residential lots and units, office spaces, commercial and industrial lots, and operations of MCT Bhd, Ayala Land's consolidated subsidiary based in Malaysia. The Company recorded ₱74.55 Billion in property development revenues, 8% higher year-on-year, led by solid commercial lot sales.

Residential. Revenues from sales of residential lots and units and MCT Bhd's operations reached ₱59.11 Billion, 4% higher from ₱57.05 Billion last year on construction progress and bookings.

AyalaLand Premier (ALP) recorded revenues of ₱21.44 Billion, 4% higher than ₱20.85 Billion in the previous year, attributed to the incremental percentage-of-completion (POC) of Andacillo in Nuvali, Lanewood Hills in Silang, Cavite and Parklinks North Tower in Quezon City.

Alveo posted revenues of ₱15.52 Billion, an 18% growth from ₱13.12 Billion, owing to the higher POC of Corvia at Alviera and Ametrine at Portico and higher bookings from Parkford Suites in Makati.

Avida totaled ₱12.18 Billion in revenues, 10% less than ₱13.51 Billion, due to lower bookings owing to Avida Towers Sola in Vertis North Quezon City, Riala in Cebu IT Park, Cebu City, Avida Towers Vireo in Arca South, and almost sold-out inventory at Avida Towers Turf in BGC.

Amaia posted ₱6.90 Billion in revenues, a 52% jump from ₱4.55 Billion due to higher bookings attributed to Scapes General Trias Sectors 3 and 4 in Cavite, Skies Avenida Tower 2 in Sta. Cruz, Manila and Skies Shaw Tower 2 in Mandaluyong City.

BellaVita recognized revenues of ₱317 Million, a 72% decline from ₱1.15 Billion due to inventory sellout of projects at Tayabas, Quezon Province, and Lipa, Batangas, and lower bookings from the project in Cabanatuan.

MCT Bhd contributed revenues of ₱2.76 Billion, 29% lower than ₱3.88 Billion, due to inventory sellout of nearly completed legacy projects and incremental POC of newly launched projects (Aetas and Casa Bayu).

Office for Sale. Revenues from sales of office units declined by 28% to ₱2.79 Billion from ₱3.85 Billion due to the full completion of Alveo's Park Triangle Tower at BGC and moderate take-up on remaining inventory.

Commercial and Industrial Lots. Revenues from commercial and industrial lot sales surged 54% to ₱12.65 Billion from ₱8.24 Billion due to strong investor demand at Arca South, Nuvali, and Broadfield estates.

Reservation Sales. With resilient demand amid the higher interest-rate environment, the Company registered ₱104.89 Billion in reservation sales, 14% better than last year. Fourth-quarter sales jumped by 24% to ₱27.57 Billion. Sales from local Filipinos totaled ₱69.19 Billion, comprising 66% of the total, 1% higher than last year, complemented by sales from overseas Filipinos of ₱23.03 Billion and other nationalities at ₱12.67 Billion, with a 22% and 13% share, respectively. Sales from overseas Filipinos and other nationalities surged by 59% and 39%, respectively. On sales from other nationalities, 63% or ₱7.95 Billion were to Americans at ₱7.95 Billion, 47% higher year-on-year. Meanwhile, sales to Chinese buyers declined by 40% to ₱730 Million, comprising only 6% of sales to other nationalities and only 1% of consolidated reservation sales.

Project Launches. ALI launched ten residential developments in the fourth quarter, bringing the consolidated value to ₱91.42 Billion totaling 30 projects by yearend. These include ALP's Ciela Phase 2A Batch 1 at Carmona, Cavite, Miravera at Altaraza, Bulacan, and Arcilo at Nuvali, Laguna; and Alveo's Verdea at Silang, Cavite, and South Palm Grove at Areza in Lipa, Batangas.

Commercial Leasing. This segment involves the operation of shopping centers, office buildings, hotels

and resorts, standard factory buildings and warehouses, and co-working spaces. Commercial leasing revenues accelerated by 62% to ₱33.39 Billion with normalized mall rents and foot traffic, the contribution of new office spaces, and higher hotel room rates.

Shopping Centers. With foot traffic and mobility resurgence, shopping centers revenues more than doubled to ₱16.08 Billion. The average occupancy rate for all malls is 81%. The total mall gross leasable area (GLA) is 2.1 Million square meters.

Offices. Revenues from office leasing grew by 13% to ₱11.12 Billion, primarily from the revenue contribution of One Ayala East and West Towers. The average occupancy rate for all offices is 88%. The total office GLA is 1.4 Million square meters.

Hotels and Resorts. Revenues from hotels and resorts also doubled to ₱6.19 Billion, boosted by higher room rates. The average occupancy of hotels was 59%, and 29% in resorts. This segment has a total of 4,058 rooms.

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

There are 11 Seda Hotels, operating 2,804 rooms—Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (242); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214); and Circuit Corporate Residences (255).

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 70 rooms under its Bed and Breakfast (B&B) and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 76 B&B rooms.

Services. This segment is composed of the Company's construction business through Makati Development Corporation (MDC), property management through Ayala Property Management Corporation (APMC), and other companies engaged in power services such as Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy) and airline for the hotels and resorts business, AirSWIFT. Total revenues amounted to ₱8.42 Billion, 32% higher than the previous period.

Construction. Net construction revenues totaled ₱4.24 Billion, 8% higher, owing to the contribution of external projects.

Property Management, AirSWIFT, and Others. APMC, AirSWIFT, power services companies, and combined revenues accelerated by 70% to ₱4.18 Billion on higher AirSWIFT patronage, parking usage, and retail energy demand.

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

Equity in net earnings of associates and JV companies jumped by 70% to ₱1.43 Billion due to higher revenues of FBDC companies, Ortigas Land, and the joint venture with Royal Asia, and the absence of losses from Qualimed's operations since its sale in 2021.

Interest income from real estate sales declined 2% to ₱6.69 Billion from ₱6.80 Billion due to lower accretion income. Meanwhile, interest and investment income increased by 53% to ₱387 Million on higher interest earned from installment sales, yield from short-term investments, and cash deposits.

Other income, mainly marketing and management fees from JVs, amounted to ₱1.69 Billion, 20% lower than ₱2.10 Billion in 2021, which included the sale of the Company's 39.2% interest in Qualimed to Ayala Corporation.

Expenses

Expenses totaled ₱98.40 Billion, 15% more than last year since operations normalized. Real estate expenses reached ₱75.69 Billion, up 17%, while general and administrative expenses came 11% higher to ₱7.26 Billion. With higher revenues, the GAE ratio settled at 5.7%, better than 6.2% in 2021. EBIT margin stood at 30.6% from 28.2% in the earlier period.

Interest expense, financing, and other charges, which include interest expense related to PFRS 16 (Leases), totaled ₱15.44 Billion, 5% more than last year due to the higher discounting cost on receivable sales and interest expense on the higher average debt daily balance. The average cost of debt stood at 4.4%, the same level at the end of 2021. Of the total debt, 90% is locked-in with fixed rates; 97% was contracted long-term.

Capital Expenditures

Capital expenditures totaled ₱72.38 Billion in 2022, mainly for residential projects, estate development, and commercial leasing assets. 50% was spent on residential and 11% on commercial leasing projects. 19% was spent on land acquisition, 16% on estate development, and 4% on other general use.

Financial Condition

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

Cash and cash equivalents, including short-term investments and UITF investments classified as FVPL, stood at ₱12.51 Billion, resulting in a current ratio of 1.77:1.

Borrowings totaled ₱236.04 Billion, translating to a debt-to-equity ratio of 0.80:1 and a net debt-to-equity ratio of 0.76:1.

Return on equity was 7.63% as of December 31, 2022.

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

Income Statement items – For the year ended December 31, 2022 and 2021

Real estate and hotel revenues improved by 21% driven by higher commercial lot sales and recovery of leasing business.

Equity in net earnings increased by 70% mainly higher earnings of FBDC COs, Ortigas Group, AKL and properties and the absence of losses of WhiteKnight following the sale of Qualimed shares in 2021; partially offset by lower contribution from Alveo Federal Land.

Interest and investment income up by 53% driven by higher yield from short term investments and cash in bank due to higher ADB

Other Income declined by 20% mainly from one time gain on sale of Qualimed hospital buildings in 2021 mitigated by gain on sale of Nacpan-2 plus higher marketing fees.

Cost of real estate sales escalated by 17% due increase in economic activities: improvement in leasing operations and pick up of hotel occupancy as domestic and international travel rebounded.

General administrative expenses grew by 11% mainly from manpower costs, taxes, profession fees and other overhead expenses.

Other expenses went up by 10% due to higher discounting cost on AR sale

Provision for income tax increased by 23% due to higher taxable income.

Balance Sheet items - As at December 2022 versus 2021

Cash and cash equivalents decreased by 15% mainly due to share buy-backs, payments of financing costs, cash dividends, and CAPEX; partially offset by net cash inflow from operations.

Financial asset at fair value through profit and loss down by 58% due to unrealized loss from market revaluation of investments in UITF.

Real estate inventories increased by 22% due to transfers from investment properties and additions coming from land acquisitions and project construction completion of condominium units.

Noncurrent accounts and notes receivable up by 12% driven by higher revenues across all segments.

Financial assets at FVOCI grew by 5% from unrealized gain as a result of market revaluation of investments.

Investments in associates and joint ventures increased by 13% owing to the increase in investments in ALI-ETON, a joint venture, and equity in net earnings for the period net of dividend received.

Property, plant and equipment down by 13% mainly from transfers to investment properties.

Deferred tax assets went up by 8% coming from higher provision related to difference between tax and book basis of accounting for real estate transactions.

Other noncurrent assets decreased by 12% mainly from reclassification of noncurrent investments in bond to current and from decrease in prepaid expenses.

Short-term debt dropped by 61% due to repayments.

Account and other payables rose by 5% due to increase in trade and accrued payables driven by the ramp up of operating activities across all segments.

Income tax payable increased by 67% from higher revenues resulting to higher net taxable income.

Current portion of lease liabilities up by 18% due to accretion of interest on lease liability.

Current portion of long-term debt decreased by 26% attributable to lower maturing bonds and bank loans within 12 months.

Deposits and other current liabilities grew by 14% mainly from reclassification of real estate customer's deposit, which have not reached the 10% threshold, from noncurrent to current.

Long-term debt – net of current portion went up by 17% from various availments during the year.

Pension liabilities decreased by 11% mainly due to change in actuarial assumptions.

Deferred tax liabilities went down by 10% mainly due to timing difference between tax and book basis of accounting for real estate transactions.

Deposit and other noncurrent liabilities declined by 22% mainly from security deposits from tenants, reclassification of noncurrent to current real estate customer's deposit, and settlements of parcels of land on installment.

Paid up Capital increased by 22% due to issuance of shares in exchange for properties.

Retained Earnings grew by 9% due to NIAT for the period net of cash dividends.

Remeasurement loss on defined benefit plans escalated by 421% due to change of actuarial assumptions.

Cumulative translation adjustments increased by 67% mainly due to translation gain on financial statements of MCT Bhd.

Equity reserves decreased by 605% due to the property-for-share swap between ALI, AC and Mermac Inc. plus the acquisition of noncontrolling interest of Vesta Properties Holdings, Inc

Treasury Stock went up by 13% coming from buy-back of ALI shares.

The Group has various contingent liabilities arising from the ordinary conduct of business. The opinion of management and its legal counsel is that these will not have a material or adverse effect on the Group's financial position and results of operations in the eventual liability under these lawsuits or claims, if any. Accordingly, no provision for any liability has been made in the consolidated financial statements. Further, the Company has no off-balance sheet transactions, arrangements, or obligations for 2022.

No known trends, events, uncertainties, or seasonalities are expected to affect the Company's continuing operations apart from the impact of the ongoing COVID-19 pandemic. There are no material commitments for capital expenditures except those disclosed in Note 35 of the audited financial statements.

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

	End-December 2022	End-December 2021
Current ratio ¹	1.78:1	1.58:1
Debt-to-equity ratio ²	0.80:1	0.82:1
Net debt-to-equity ratio ³	0.76:1	0.77:1
Profitability Ratios:		
Return on assets ⁴	2.95%	2.13%
Return on equity ⁵	7.63%	5.37%
Asset to Equity ⁶	2.65:1	2.76:1
Interest Rate Coverage ⁷	4.83:1	4.01:1

¹Current assets / current liabilities

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

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

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

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

⁶Total assets / total stockholders' equity

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

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

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

Material Changes in Liquidity and Cash Reserves – December 2022 versus December 2021

ALI Group ended a net cash outflow of ₱2.11 Billion for year ended December 31, 2022 mainly from net cash outflow from investing activities, payments of cash dividends, acquisition of treasury shares and settlements of noncurrent liabilities; partly funded by net cash inflow from operating activities, net debt availments, and proceeds from sale of noncontrolling interest in AREIT, Inc. and Vesta Property Holdings Inc, and exercise of stock options.

Net cash provided by operating activities for the period posted at ₱26.35 Billion net cash inflow higher compared to ₱7.93 Billion net cash inflow in the same period last year driven by higher operating income

plus higher changes in working capital, and lower net interest expense and income taxes paid.

Investing activities used ₱22.9 Billion cash during the period which is lower versus ₱26.2 Billion in the same period last year mainly from proceeds from disposals of properties & equipment and from investment properties and the decrease in noncurrent assets.

Cash used in financing activities for the period amounted to ₱5.5 Billion net cash outflow versus ₱14.8 Billion net cash inflow provided for in the same period last year due to the decrease in deposits and other noncurrent liabilities, higher purchase of treasury shares and higher dividends payment; partially offset by increase in equity reserves as a result of sale of noncontrolling interest in AREIT, Inc and Vesta Property Holdings Inc.

Net decrease in Cash and cash equivalents as of December 31, 2022 resulted to ₱2.11 Billion which is ₱1.35 Billion lower than ₱3.46 Billion as at December 31, 2021.

Key Financial Ratios of the Top Twenty (20) Majority-Owned Subsidiaries

Makati Development Corporation

	<i>End-December 2022</i>	<i>End-December 2021</i>	<i>End-December 2020</i>
	Audited	Audited	Audited
Current ratio ¹	1.28:1	1.19:1	1.24:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.15:1	-0.07:1	-0.09:1
Profitability Ratios:			
Return on assets ⁴	4.67%	6.00%	1.31%
Return on equity ⁵	28.42%	33.00%	8.02%
Asset to Equity ratio ⁶	4.59:1	4.88:1	5.86:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

Alveo Land Corporation

	<i>End-December 2022</i>	<i>End-December 2021</i>	<i>End-December 2020</i>
	Audited	Audited	Audited
Current ratio ¹	2.22:1	2.49:1	2.51:1
Debt-to-equity ratio ²	0.19:1	0.18:1	0.18:1
Net debt-to-equity ratio ³	0.19:1	0.17:1	0.17:1
Profitability Ratios:			
Return on assets ⁴	5.42%	2.00%	2.10%
Return on equity ⁵	10.88%	4.00%	4.10%
Asset to Equity ratio ⁶	2.00:1	2.0:1	1.92:1
Interest Rate Coverage Ratio ⁷	31.56	20.02	7.96

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

Avida Land Corporation

	End-December 2022	End-December 2021	End-December 2020
	Unaudited	Audited	Audited
Current ratio ¹	2.97:1	2.79:1	3.34:1
Debt-to-equity ratio ²	0.66:1	0.38:1	0.42:1
Net debt-to-equity ratio ³	0.64:1	0.36:1	0.4:1
Profitability Ratios:			
Return on assets ⁴	-2.93%	1.00%	2.20%
Return on equity ⁵	-7.30%	3.00%	4.78%
Asset to Equity ratio ⁶	2.49:1	2.25:1	2.13:1
Interest Rate Coverage Ratio ⁷	-0.13	4.25	5.66

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

MDBI Construction Corp.

	End-December 2022	End-December 2021	End-December 2020
	Audited	Audited	Audited
Current ratio ¹	1.59:1	1.17:1	1.19:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.10:1	-0.22:1	-0.21:1
Profitability Ratios:			
Return on assets ⁴	11.69%	21.00%	12.57%
Return on equity ⁵	86.35%	217.00%	197.58%
Asset to Equity ratio ⁶	6.19:1	15.86:1	15.22:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

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

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

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

same period)

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

⁶ Total Assets / Total stockholders' equity

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

MCT Bhd (Malaysia)

	End-December 2022	End-December 2021	End-December 2020
	Audited	Audited	Audited
Current ratio ¹	2.41:1	1.18:1	2.27:1
Debt-to-equity ratio ²	0.04:1	0.00:1	0.03:1
Net debt-to-equity ratio ³	-0.10:1	-0.49:1	-0.66:1
Profitability Ratios:			
Return on assets ⁴	-0.25%	1.61%	0.52%
Return on equity ⁵	0.04%	2.57%	1.14%
Asset to Equity ratio ⁶	1.60:1	1.82:1	2.22:1
Interest Rate Coverage Ratio ⁷	3.41	5.31	2.27

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

Amaia Land Corporation

	End-December 2022	End-December 2021	End-December 2020
	Audited	Audited	Audited
Current ratio ¹	2.92:1	2.96:1	2.61:1
Debt-to-equity ratio ²	0.50:1	0.39:1	0.45:1
Net debt-to-equity ratio ³	0.48:1	0.37:1	0.44:1
Profitability Ratios:			
Return on assets ⁴	2.87%	2.00%	1.21%
Return on equity ⁵	6.63%	4.00%	2.74%
Asset to Equity ratio ⁶	2.29:1	2.33:1	2.3:1
Interest Rate Coverage Ratio ⁷	6.56	4.10	3.38

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and

other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Ayala Hotels, Inc.

	End-December 2022	End-December 2021	End-December 2020
	Audited	Audited	Audited
Current ratio ¹	2.63:1	2.85:1	1.93:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.02:1	-0.02:1	-0.03:1
Profitability Ratios:			
Return on assets ⁴	6.55%	10.40%	7.28%
Return on equity ⁵	6.66%	13.24%	24.77%
Asset to Equity ratio ⁶	1.84:1	2.21:1	2.99:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

CECI Realty Corp.

	End-December 2022	End-December 2021	End-December 2020
	Unaudited	Audited	Audited
Current ratio ¹	2.49:1	8.58:1	9.18:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.01:1	-0.01:1	nil
Profitability Ratios:			
Return on assets ⁴	13.01%	16.37%	33.80%
Return on equity ⁵	14.28%	16.84%	57.48%
Asset to Equity ratio ⁶	1.97:1	1.64:1	1.77:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

Nuevocentro, Inc.

	End-December 2022	End-December 2021	End-December 2020
	Unaudited	Audited	Audited
Current ratio ¹	1.48:1	1.50:1	1.28:1
Debt-to-equity ratio ²	0.17:1	0.08:1	0.08:1
Net debt-to-equity ratio ³	0.13:1	0.05:1	0.02:1
Profitability Ratios:			
Return on assets ⁴	7.47%	7.00%	5.10%
Return on equity ⁵	12.45%	11.00%	12.30%
Asset to Equity ratio ⁶	3.10:1	2.96:1	3.09:1
Interest Rate Coverage Ratio ⁷	101.67	270.96	38.40

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

MDC Build Plus, Inc.

	End-December 2022	End-December 2021	End-December 2020
	Audited	Audited	Audited
Current ratio ¹	1.12:1	1.11:1	1.19:1
Debt-to-equity ratio ²	0:1	0:1	6.5:1
Net debt-to-equity ratio ³	-0.28:1	-0.30:1	5.92:1
Profitability Ratios:			
Return on assets ⁴	5.67%	6.64%	1.80%
Return on equity ⁵	86.31%	100.94%	34.70%
Asset to Equity ratio ⁶	10.03:1	13.38:1	18.55:1
Interest Rate Coverage Ratio ⁷	nil	nil	4.90

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

AyalaLand Offices, Inc.

	End-December 2022	End-December 2021	End-December 2020
	Audited	Audited	Audited
Current ratio ¹	3.79:1	3.42:1	1.69:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	Nil	nil	nil

Profitability Ratios:			
Return on assets ⁴	5.25%	5.69%	12.00%
Return on equity ⁵	5.72%	6.17%	13.05%
Asset to Equity ratio ⁶	1.10:1	1.08:1	1.13:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

North Eastern Commercial Corp.

	End-December 2022	End-December 2021	End-December 2020
	Unaudited	Audited	Audited
Current ratio ¹	0.89:1	1.24:1	1.29:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	nil	-0.03:1	-0.02:1
Profitability Ratios:			
Return on assets ⁴	2.34%	4.07%	19.08%
Return on equity ⁵	4.52%	8.15%	37.95%
Asset to Equity ratio ⁶	1.90:1	1.96:1	2.04:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

ALI Commercial Center, Inc.

	End-December 2022	End-December 2021	End-December 2020
	Unaudited	Audited	Audited
Current ratio ¹	0.52:1	0.41	0.49:1
Debt-to-equity ratio ²	0:00	0:00	nil
Net debt-to-equity ratio ³	0.0024	-0.02	-0.09:1
Profitability Ratios:			
Return on assets ⁴	15.99%	3.00%	2.85%
Return on equity ⁵	37.77%	9.00%	6.22%
Asset to Equity ratio ⁶	2.17	2.65	2.30:1

Interest Rate Coverage Ratio ⁷	nil	nil	nil
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¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

AREIT, Inc.

	End-December 2022	End-December 2021	End-December 2020
	Audited	Audited	Audited
Current ratio ¹	0.43:1	0.67:1	3.72
Debt-to-equity ratio ²	0.06:1	0.08:1	nil
Net debt-to-equity ratio ³	0.05:1	0.08:1	nil
Profitability Ratios:			
Return on assets ⁴	4.65%	5.31%	9.22%
Return on equity ⁵	5.30%	3.27%	10.61%
Asset to Equity ratio ⁶	1.13:1	1.16:1	1.19:1
Interest Rate Coverage Ratio ⁷	15.71	29.57	nil

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

Ayala Greenfield Development Corp.

	End-December 2022	End-December 2021	End-December 2020
	Unaudited	Audited	Audited
Current ratio ¹	1.65:1	0.74:1	0.91:1
Debt-to-equity ratio ²	nil	0.00:1	0.18:1
Net debt-to-equity ratio ³	nil	-0.03:1	0.12:1
Profitability Ratios:			
Return on assets ⁴	5.79%	13.00%	5.92%
Return on equity ⁵	6.49%	9.00%	15.89%
Asset to Equity ratio ⁶	2.24:1	2.25:1	2.68:1
Interest Rate Coverage Ratio ⁷	nil	nil	16.69

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

MDC Concrete, Inc.

	End-December 2022	End-December 2021	End-December 2020
	Audited	Audited	Audited
Current ratio ¹	1.74:1	1.80:1	1.76:1
Debt-to-equity ratio ²	nil	0.0:1	0:1
Net debt-to-equity ratio ³	-0.19:1	-0.15:1	-0.18:1
Profitability Ratios:			
Return on assets ⁴	8.93%	20.00%	1.68%
Return on equity ⁵	22.43%	37.00%	3.25%
Asset to Equity ratio ⁶	2.28:1	1.90:1	1.83:1
Interest Rate Coverage Ratio ⁷	nil	nil	17.19

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

Ayala Property Management Corporation

	End-December 2022	End-December 2021	End-December 2020
	Unaudited	Audited	Audited
Current ratio ¹	1.50:1	1.48:1	1.25:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.14:1	-0.12:1	-0.08:1
Profitability Ratios:			
Return on assets ⁴	19.69%	23.00%	15.78%
Return on equity ⁵	59.77%	80.00%	62.15%
Asset to Equity ratio ⁶	3.05:1	3.02:1	4.16:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

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

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

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

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of

the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

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

Ecozone Power Management, Inc.

	End-December 2022	End-December 2021	End-December 2020
	Unaudited	Audited	Audited
Current ratio ¹	1.0:1	0.83:1	1.07:1
Debt-to-equity ratio ²	1.54:1	nil	nil
Net debt-to-equity ratio ³	1.50:1	-0.02:1	-0.82:1
Profitability Ratios:			
Return on assets ⁴	6.02%	1.90%	7.38%
Return on equity ⁵	28.95%	5.63%	74.03%
Asset to Equity ratio ⁶	5.97:1	3.24:1	22.17:1
Interest Rate Coverage Ratio ⁷	16.08	nil	nil

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

Ayalaland Estates, Inc.

	End-December 2022	End-December 2021	End-December 2020
	Unaudited	Audited	Audited
Current ratio ¹	1.92:1	2.03:1	0.81:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.02:1	-0.01:1	-0.02:1
Profitability Ratios:			
Return on assets ⁴	-0.14%	3.00%	3.74%
Return on equity ⁵	-0.26%	6.00%	7.52%
Asset to Equity ratio ⁶	2.09:1	1.76:1	1.9:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

BG West Properties, Inc.

	End-December 2022	End-December 2021	End-December 2020
	Audited	Audited	Audited
Current ratio ¹	1.98:1	1.60:1	1.60:1
Debt-to-equity ratio ²	nil	0.32:1	0.19:1
Net debt-to-equity ratio ³	0.04	0.27	0.14
Profitability Ratios:			
Return on assets ⁴	-1.88%	-1.62%	-3.09%
Return on equity ⁵	-3.40%	-4.45%	-7.63%
Asset to Equity ratio ⁶	2.57:1	5.75:1	5.23:1
Interest Rate Coverage Ratio ⁷	nil	-2.02	-36.67

¹ Current assets / current liabilities² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)⁶ Total Assets / Total stockholders' equity⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization**Review of FY 2021 operations vs FY 2020**

	For the years ended December 31			
(in million Pesos, except Earnings Per Share (EPS))	2021¹ Audited	2020² Audited	Change In Pesos	In %
Income Statement Data				
Revenue				
Real estate Sales	₱96,145	₱85,965	₱10,179	12%
Interest income from real estate sales	6,801	8,603	(1,802)	-21%
Equity in net earnings of associates and joint ventures	843	587	256	44%
	103,788	95,155	8,633	9%
Interest and investment income	253	395	-142	-36%
Other income	2,101	723	1,378	191%
	2,354	1,118	1,236	258%
	106,142	96,273	9,869	19%
Costs and expenses				
Cost of real estate sales	64,642	56,673	7,969	14%
General and administrative expenses	6,539	8,012	(1,473)	-18%
Interest and other financing charges	11,038	12,746	(1,708)	-13%
Other expenses	3,637	3,789	(152)	-4%
	85,855	81,219	4,636	6%
Income before income tax	20,287	15,053	5,234	35%
Provision for income tax				
Current	5,985	4,688	1,296	28%
Deferred	(1,356)	(629)	(727)	116%
	4,629	4,059	570	14%
Net Income	₱15,659	₱10,994	₱4,665	42%
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	12,228	8,727	3,501	40%
Non-controlling interests	3,431	2,267	1,164	51%

Unappropriated retained earnings				
Balance, beginning of year	153,661	148,940	4,721	3%
Effect of adoption of new accounting standards	(845)	-	(845)	-
Balances as restated	152,816	148,940	3,876	3%
Cash dividends				
Common share	(4,001)	(3,945)	(56)	1%
Preferred share	(62)	(62)	-	-
Net Income attributable to equity holders of Ayala Land, Inc.	12,228	8,727	3,501	40%
Appropriation during the year	(17,000)	-	(17,000)	-
Balance at end of period	143,981	153,661	(9,680)	-6%
Basic Earnings per share	₱0.83	₱0.59	₱0.24	41%
Diluted Earnings per share	₱0.83	₱0.59	₱0.24	41%

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

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

(in million Pesos)	Dec 2021 ¹ Audited	Dec 2020 ² Audited	Change In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ³	₱14,998	₱18,361	(₱3,363)	-18%
Short-term investments	326	358	(32)	-9%
Financial assets at fair value through profit and loss	701	965	(264)	-27%
Other current assets	65,301	58,021	7,280	13%
Noncurrent accounts and notes receivable	43,664	46,021	2,358	-5%
Financial assets at fair value through other comprehensive income (FVOCI)	981	1,511	(530)	-35%
Investments in associates and joint ventures	28,153	26,601	1,552	6%
Right of use assets	12,156	13,008	(852)	-7%
Investment properties	243,398	222,685	20,713	9%
Deferred tax assets	12,890	12,121	769	6%
Other noncurrent assets	33,891	31,828	2,063	6%
Total assets	745,464	721,494	23,970	3%
Short-term debt	16,783	9,131	7,652	84%
Accounts and other payables	136,690	144,626	(7,936)	-5%
Income tax payable	507	1,456	(949)	-65%
Current portion of lease liability	599	467	132	28%
Current portion of long-term debt	26,174	18,732	7,442	40%
Deposits and other current liabilities	27,471	25,317	2,154	9%
Pension liabilities	2,104	3,021	(917)	-30%
Deferred tax liabilities	6,520	7,148	(628)	-9%
Deposits and other noncurrent liabilities	60,736	50,040	10,696	21%
Total liabilities	474,962	461,315	13,647	3%
Paid up capital	79,897	62,954	16,943	27%
Retained earnings	168,981	161,661	7,320	5%
Remeasurement loss on defined benefit plans	(33)	(818)	785	96%
Fair value reserve of financial assets at FVOCI	(881)	(748)	(133)	-18%
Cumulative translation adjustment	261	167	94	56%
Equity reserves	1,289	585	704	120%
Treasury stocks	(16,894)	(1,261)	(15,633)	1,240%
Equity attributable to equity holders of Ayala Land, Inc.	232,621	222,540	10,081	5%
Non-controlling interests	37,882	37,639	243	1%
Total equity	₱270,502	₱260,179	₱10,323	4%

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

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

Annex to this Prospectus, for the effect of the adoption of PFRS 16.

³*Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL for 2021 and 2020*

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

Real Estate revenues (composed of Property Development, Commercial Leasing, and Services) totaled ₱96.15 billion, 12% higher than ₱85.97 billion in 2020, driven by construction progress and higher bookings that compensated for limited commercial leasing operations most of the year due to quarantine measures.

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

The Company closed the year with a net gearing ratio of 0.77:1, an average borrowing cost of 4.4%, and maturity of 5.3 years.

Business Segments

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

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

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

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

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

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

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

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

MCT Bhd posted revenues of ₱3.88 billion, 20% less than ₱4.85 billion last year, as revenues from projects under its middle-income brand, Market Homes, and new projects, Aetas, Casa Bayu Townhouse and Apartment, and Park Place were lower than the revenues generated by completed and sold-out projects in 2020.

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

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

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

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

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

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

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

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

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

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

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

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

Services. This segment is composed mainly of the construction business through Makati Development Corporation (MDC), property management, through Ayala Property Management Corporation (APMC), and businesses engaged in power services such as Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy) and AirSWIFT, the airline for the hotels and resorts in Palawan and Sicogon. Total revenues amounted to P6.38 billion, 2% higher mainly due to MDC's completion progress of projects with unconsolidated JVs and external clients.

Construction. Net construction revenues rose 19% to P3.91 billion from P3.28 billion last year as construction activities continued despite the lockdowns.

Property Management and Others. APMC, power services companies, and AirSWIFT registered revenues of P2.47 billion, a 17% decline from P2.97 billion due to lower power consumption of customers and limited AirSWIFT operations.

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

Equity in net earnings of associates and JV companies rose 44% to P842.56 million from P586.50 million on higher contributions from Ortigas Land's projects The Galleon and Empress, and ALVEO-Federal joint ventures Aveia and Venido.

Interest income from real estate sales declined 21% to P6.80 billion from P8.60 billion due to lower accretion income recognized. Meanwhile, interest and investment income declined by 36% to P253.11 million from P394.70 million on lower interest income, yield, and average daily balance on cash and short-term investments.

Other income, composed mainly of marketing and management fees from joint ventures, among others, nearly tripled to P2.10 billion from P0.72 billion, recording a P1.37 billion gain from the sale of Ayala Land's 39.2% economic interest in Qualimed and its hospital buildings last February

Expenses

Total expenses registered at P85.86 billion, 6% higher than last year, driven by real estate expenses which increased by 14% to P64.64 billion as operations continued to ramp up this year.

Due to reduced corporate operations and cost-saving initiatives, general and administrative expenses declined 18% to P6.54 billion from P8.01 billion. It resulted in a GAE ratio of 6.2% and an EBIT margin of 28.2%.

Interest, other financing charges, and other expenses (including interest expense related to PFRS 16 (Leases) totaled P14.68 billion, 11% less than P16.54 billion last year due to the lower average borrowing rate and debt balance. The average cost of debt registered at 4.4%, 30 basis points lower than 4.7% at the end of December 2020. Of the total, 91% is locked in fixed rates, while 92% is contracted long-term.

Capital Expenditures

Capital expenditures reached P63.98 billion for the entire year of 2021, mainly to support the buildout of our residential and commercial leasing assets. 52% was spent on residential projects, 17% for land acquisition, 15% for commercial leasing, and 14% for estate development.

Financial Condition

The Company's balance sheet stands strong with a net gearing ratio of 0.77:1.

Cash and cash equivalents, including short-term and UITF investments classified as FVPL, stood at

P15.00 billion, resulting in a current ratio of 1.58:1.

The total borrowings registered at P223.10 billion. Debt-to-equity ratio is at 0.82:1, and net debt-to-equity ratio is at 0.77:1.

Return on equity was at 5.37% as of December 31, 2022.

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 the 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. Further, the company has no off-balance sheet transactions, arrangements or obligations for the full-year 2021.

There are no known trends, events, uncertainties or seasonalities that are expected to affect the Company's continuing operations apart from the impact of the ongoing COVID-19 pandemic. There are no material commitments for capital expenditures except for those disclosed in Note 35 of the audited financial statements.

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

¹ Current assets / current liabilities

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

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

⁴ Net income / average total assets

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

⁶ Total Assets /Total stockholders' equity

⁷ EBITDA/Interest expense

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

Income Statement items – For the year ended December 31, 2021 and 2020

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

Equity in net earnings Increased by 44% mainly Higher contribution from Ortigas Group, Alveo Federal Land and AKL properties; partially offset by lower contribution from FBDC COs and ALI-ETON.

Interest income from real estate sales decreased by 21% lower accretion from AR sale

Interest and investment income decreased by 36% driven by lower yield, and lower short-term investments and cash balance

Other Income Increased by 191% due to higher Marketing and management fees from FBDC COs, Cathay Land and BPI; Gain on sale of Investment in MGHI and Qualimed Buildings; Gain from sales cancellations, forfeited deposits, and deferred credits; and, NAV gain from Arch fund. Partially offset by forex loss from USD loan (MBTC)

Cost of real estate sales Increase by 14% due to Higher booking and incremental completion; partially

offset by limited operations, low rent and foot traffic of malls.

General administrative expenses decreased by 18% mainly from manpower costs including security and janitorial, rent and dues and fees, transportation and travel, and other overhead expenses.

Interest, other financing charges and other expenses decreased by 11% due to Lower interest expense from borrowings and lower provision for doubtful accounts and other losses; partially offset by increase in bank charges on prepayment of debts, and AR sale restructuring.

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

Balance Sheet items - As at December 2021 versus 2020

Cash and cash equivalents - decreased by 18% Mainly due to payments of financing costs, cash dividends, shares buy-backs, and CAPEX; partially offset by net cash inflow from operations.

Short-term investments decreased by 9% due to Investment of excess USD.

Financial asset at fair value through profit and loss decreased by 27% due to Maturities of investment in UITF.

Other current assets increased by 13% mainly due to payment of advances to contractors and suppliers, Input vat and Deferred expenses.

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

Financial assets at FVOCI decreased by 35% due to lower valuation for the period.

Investments in associates and joint ventures increased by 6% owing to the increase in investments in joint ventures ((mainly from AWLI-ETON, CEBU District, and AKL Properties), and equity in net earnings for the period net of dividend received.

Right of Use Assets decreased by 7% percent due to depreciation for the period.

Investment properties Increased by 9% due to project construction completion of Shopping Center, Offices, Land acquisitions, and capitalized borrowing cost.

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

Other noncurrent assets Increased by 6% mainly of prepaid expenses and leasehold rights, partially offset by recoupment of advances to contractors and suppliers and decrease in deferred input VAT and

Short-term debt Increased by 84% due to various loan Availments during the year.

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

Income tax payable decreased by 65% due to lower taxable income.

Current portion of lease liabilities Increased by 28% due to accretion of lease liability.

Current portion of long-term debt increased by 40% attributable to maturing bonds and bank loans within 12 months.

Deposits and other current liabilities increased by 9% mainly from realization of revenues from sale of receivables and collections.

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

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

Deposit and other noncurrent liabilities increased by 21% mainly coming from acquisition of parcel of land on installment, unrealized revenues from collected receivables and security deposits from tenants.

Paid up Capital increased by 27% due to Issuance of shares to ALI equity holders as a result of merger of 4 subsidiaries.

Retained Earnings increased by 5% due to NIAT for the period and retroactive effect of change in accounting policy for borrowing costs (PAS 23); partially offset by change in POC computation under SEC MC No. 8.; partially offset by payments of cash dividends.

Remeasurement loss on defined benefit plans increased by 96% due to change of actuarial assumptions.

Fair value reserve of financial assets at FVOCI decreased by 18% attributable to unrealized fair value loss from cash flow hedging of loans bearing interest at floating rate.

Cumulative translation adjustments Increased by 56% mainly due to translation gain on financial statements of MCT Bhd.

Equity reserves increased by 120% attributable to gain from block sale of investment in AREIT and acquisition of NCI from LTI

Treasury Stock increased by 1240% as a result of merger of 4 subsidiaries and buy-back of ALI share

Review of December 2020 operations vs December 2019 operations

	For the years ended December 31			
(in Million Pesos, except Earnings Per Share (EPS))	2020 ¹ Audited	2019 ² Audited	Change In Pesos	In %
Income Statement Data				
Revenue				
Real estate Sales	₱85,965	₱157,849	(₱71,884)	(46%)
Interest income from real estate sales	8,603	7,891	712	9%
Equity in net earnings of associates and joint ventures	587	966	(379)	(39%)
	₱95,155	₱166,706	(₱71,551)	(43%)
Interest and investment income	395	930	(535)	(58%)
Other income	723	1,158	(435)	(38%)
	1,118	2,088	(970)	(46%)
	96,273	168,794	(72,521)	(43%)
Costs and expenses				
Cost of real estate sales	56,673	94,752	(38,079)	(40%)
General and administrative expenses	8,012	9,367	(1,355)	(14%)
Interest and other financing charges	12,746	12,200	546	4%
Other expenses	3,789	1,645	2,144	130%
	81,219	117,964	(36,745)	(31%)
Income before income tax	15,053	50,830	(35,777)	(70%)
Provision for income tax				

Management's Discussion and Analysis of Financial Condition and Results of Operations

Current	4,688	12,455	(7,767)	(62%)
Deferred	(629)	860	(1,489)	(173%)
	4,059	13,315	(9,256)	(70%)
Net Income	₱10,994	₱37,515	(₱26,521)	(71%)
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	8,727	33,188	(24,461)	(74%)
Non-controlling interests	2,267	4,327	(2,060)	(48%)
Unappropriated retained earnings				
Balance, beginning of year	148,940	124,090	24,850	20%
Effect of adoption of new accounting standards	-	(617)	-	-
Balances as restated	148,940	123,473	25,467	21%
Cash dividends				
Common share	(3,945)	(7,659)	3,714	(48%)
Preferred share	(62)	(62)	0	0%
Net Income attributable to equity holders of Ayala Land, Inc.	8,727	33,188	(24,461)	(74%)
Appropriation during the year	-	-	-	-
Balance at end of period	153,661	148,940	4,721	3%
Basic Earnings per share	₱0.59	₱2.25	(₱1.66)	(74%)
Diluted Earnings per share	₱0.59	₱2.25	(₱1.66)	(74%)

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

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

(in Million Pesos)	Dec 2020 ¹	Dec 2019 ²	Change	
	Audited	Audited	In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ³	₱18,361	₱21,516	(₱3,155)	(15%)
Investment properties	222,685	243,043	(20,358)	(8%)
Total assets	721,494	713,923	7,571	1%
Current portion of long term debt	18,732	17,251	1,481	9%
Long term debt - net of current portion	184,087	175,813	8,274	5%
Total liabilities	461,315	471,218	(9,903)	(2%)

Equity attributable to equity holders of				
Ayala Land, Inc.	222,540	211,050	11,490	5%
Non-controlling interests	37,639	31,656	5,983	19%
Total equity	₱260,179	₱242,706	₱17,473	7%

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

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³Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL for 2020 and 2019

Ayala Land endured the severe impact of COVID-19 in 2020 recording a 43% decline in consolidated revenues (which include real estate revenue, interest from real estate sales, interest and investment income, equity in net earnings, and other income) to ₱96.27 Billion from ₱168.79 Billion and a 74% drop in net income attributable to equity holders of ALI to ₱8.73 Billion from ₱33.19 Billion. Key indicators improved steadily from the third quarter to the fourth quarter reflecting a 49% growth in total revenues to ₱32.95 Billion and a 28% jump in net income to ₱2.36 Billion, sustaining the momentum for recovery.

Real Estate revenues, composed of Property Development, Commercial Leasing, and Services registered at ₱85.97 Billion, a 46% decline from ₱157.85 Billion due to construction restrictions, lower bookings and restrained mall and hotel operations.

Actual capital expenditures amounted to ₱63.67 Billion, within the revised full-year budget of ₱70.00 Billion, as financial sustainability initiatives strengthened the balance sheet with the net debt-to-equity ratio improving to 0.74:1 from 0.78:1 in FY 2019.

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

BUSINESS SEGMENTS

Property Development. This includes the sale of residential lots and units, office spaces, and commercial and industrial lots, and operations of MCT Bhd., Ayala Land's consolidated subsidiary based in Malaysia. The Property Development business generated revenues of ₱57.86 Billion, a 47% dip from ₱109.69 Billion due to construction restrictions and lower bookings.

Residential. Revenues from the sale of residential lots and units and MCT Bhd.'s operations declined 44% to ₱47.79 Billion from ₱86.09 Billion, however, in the fourth quarter, this amounted to ₱21.6 Billion, a 54% improvement from the third quarter.

AyalaLand Premier posted revenues of ₱15.01 Billion, 39% lower than ₱24.45 Billion, due to lower incremental percentage of completion (POC) of West Gallery Place in BGC, Park Central South Tower and Garden Tower 2 in Makati CBD and Arbor Lanes in Arca South and lower bookings and POC of The Alcoves in Cebu and Cerilo in Nuvali.

ALVEO recorded revenues of ₱8.05 Billion, a decline of 58% from ₱19.00 Billion owing to lower POC of High Park 2 in Vertis North and Park Triangle Residences in BGC, lower bookings from Orian Place 1 & 2 in Vertis North, The Residences at Evo City 1, Venido in Biñan Laguna, and combined lower bookings and POC of Travertine in Portico.

Avida meanwhile registered revenues of ₱14.42 Billion, a 47% decrease from ₱27.36 Billion, attributed to lower bookings of The Montane in BGC, Avida Towers Asten 3 in Makati, Avida Towers Sola 1 and 2 in Vertis North, Avida Northdale Settings in Nuvali, Avida Towers Vireo 1 in Arca South and Avida Towers Prime Taft 3 in Manila.

Amaia reached ₱4.69 Billion in revenues, a 36% reduction from ₱7.37 Billion relating to lower bookings from Skies Cubao Tower 2, Shaw Tower 1, Skies Sta. Mesa and Skies Avenida Tower 1.

BellaVita meanwhile recognized revenues of ₱790.65 Million, 34% less than ₱1.20 Billion because of lower bookings of projects in Cagayan de Oro, Batangas and Laguna.

MCT Bhd. contributed ₱4.85 Billion in revenues, a 28% decline from ₱6.71 Billion as the inventory of projects in Lakefront and Cybersouth are almost sold-out and construction activities in the second quarter and fourth quarter were limited under Malaysia's movement control order (MCO). These factors offset the contribution from projects under Market Homes, its affordable housing segment.

Office for Sale. Revenues from the sale of office units dropped by 72% to ₱3.51 Billion from ₱12.34 Billion, owing to limited inventory and lower incremental completion of remaining projects such as Alveo Financial Tower in Makati CBD, Park Triangle Corporate Plaza, Park Triangle Tower and High Street Corporate Plaza 2, all in BGC.

Commercial and Industrial Lots. Revenues from the sale of commercial and industrial decelerated by 42% to ₱6.56 Billion from ₱11.27 Billion mainly due to slower take-up of inventory in Broadfield and limited inventory in Altaraza, Evo City and Nuvali.

Sales Reservations. Despite limited mobility, sales reservations registered at ₱81.90 Billion, 56% of the level in 2019. This translates to an average of ₱6.82 Billion in monthly sales. Fourth quarter sales reservations reached 55-75% of pre-COVID levels due to sustained property demand, totaling ₱21.08 Billion, equivalent to an average of ₱7.03 Billion in monthly sales.

Local and overseas Filipinos accounted for 89% of total sales with the balance of 11% from other nationalities. Sales from local Filipinos which comprise 74% amounted to ₱60.41 Billion, 42% lower year-on-year, while sales from overseas Filipinos which represented 15% of the total, amounted to ₱12.61 Billion, a decline 35% year-on-year. Meanwhile, sales to other nationalities amounted to ₱8.87 Billion, a 60% drop, primarily as sales to mainland Chinese buyers, which comprise 28% decreased by 70% to only at ₱2.52 Billion.

Project Launches. A total of 13 projects totaling ₱10.59 Billion were launched in 2020. In the first quarter, Ayala Land was able to launch five (5) projects with a total value of ₱4.99 Billion. These are Avida Greendale Settings at Alviera in Pampanga, Amaia Steps at The Junction Place in Quezon City, Amaia Scapes Cabuyao Series 3 Area 2, and Bellavita Alaminos 2, both in Laguna. No new residential projects were launched in the second quarter of 2020. However, with improving demand in the third quarter, three (3) sequel projects were launched amounting to ₱2.19 Billion. These are Andacillo Phase 3A in Nuvali, Laguna, Amaia Scapes Series 4A in Sta. Maria, Bulacan and Bellavita Alaminos 2. Meanwhile, five (5) sequel projects amounting to ₱3.41 Billion were launched in the fourth quarter. These are Andacillo Phase 4 in Nuvali, Laguna, Amaia Scapes Gen. Trias S3 and S4 in Cavite, and two (2) tranches of additional units in Bellavita Alaminos 2 in Laguna.

Commercial Leasing. This includes the operation of Shopping Centers, Office Buildings and Hotels and Resorts. Total revenues from commercial leasing declined by 44% to ₱21.86 Billion from ₱39.31 Billion.

Shopping Centers. Revenues from shopping centers dropped 59% to ₱9.06 Billion from ₱22.02 Billion. Operating GLA and foot traffic as a percentage of pre-COVID levels improved towards the end of 2020. In the fourth quarter, operating GLA reached 64% from 62% in the third quarter. Likewise, foot traffic reached 35-45% in the fourth quarter from 30-35% in the third quarter as the less strict general community quarantine restriction was maintained, boosted by the holiday season. These improvements resulted in ₱1.69 Billion in mall revenues in the fourth quarter, a 10% recovery from the third quarter of 2020. Average tenant sales also improved quarter-on-quarter reaching 53% in the fourth quarter from 41% in the third quarter. The average occupancy rate for all malls is 85% and 90% for stable malls. Total Malls GLA stands at 2.12 Million sqm.

Offices. Revenues from office leasing was sustained at ₱9.41 Billion from ₱9.67 Billion on account of continuing BPO and HQ office operations. The average occupancy rate for all offices is 88% and 94% for stable offices. Total office leasing GLA increased to 1.23 Million sqm with the completion of BGC Corporate Center 2 and Central Bloc Corporate Center 2 in October and December, respectively.

Hotels and Resorts. Revenues from hotels and resorts ended 56% lower to ₱3.39 Billion from ₱7.62 Billion. The average occupancy for all hotels was 41% and was 44% for stable hotels. Meanwhile, the average occupancy for all and stable resorts stood at 16%. In the fourth quarter, El Nido Resorts and the Lio Estate were able to host more travel bubbles to the public, in close coordination with the Department of Tourism and the local government. From only four (4) in the third quarter, a total of 37 travel bubbles were launched in the fourth quarter, driving a 52%

increase in revenues to ₱786.74 Million from the third quarter. The hotels and resorts segment ended 2020 with a total of 4,030 rooms in its portfolio with the completion of 345 rooms in the first half as it opened Seda Central Bloc in Cebu and additional rooms in Seda Residences Ayala North Exchange and Seda BGC.

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

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

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

Services. This is composed mainly of the Company's construction business through Makati Development Corporation (“MDC”), property management, through Ayala Property Management Corporation (“APMC”), and businesses engaged in power services such as Direct Power Services, Inc. (“DPSI”), Ecozone Power Management, Inc. (“EPMI”), and Philippine Integrated Energy Solutions, Inc. (“PhilEnergy”) and AirSWIFT, the airline for the hotels and resorts in Palawan and Sicogon. Total revenues amounted to ₱6.25 Billion, 29% lower than ₱8.85 Billion due to restricted construction activity of MDC, lower power consumption of power subsidiary customers during the lock down, and very operations of AirSWIFT.

Construction. Net construction revenues totaled ₱3.28 Billion lower than ₱3.40 Billion in 2019.

Property Management and Others. APMC, power services companies and AirSWIFT registered revenues of ₱2.97 Billion, 46% less than ₱5.45 Billion.

Blended EBITDA margins of the Services segment stood at 7%, lower than 10% in 2019 owing to COVID-19 related expenses.

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

Equity in net earnings of associates and JV companies, particularly Ortigas and FBDC companies, declined 39% to ₱586.50 Million from ₱965.79 Million.

Interest income from real estate sales increased 9% to ₱8.60 Billion from ₱7.89 Billion in 2019 driven by increased sale of real estate receivables. Meanwhile, Interest and investment income registered a 58% drop to ₱394.70 Million from ₱930.45 Million owing to lower balances and yields from short term investments.

Other income (composed mainly of marketing and management fees from joint ventures, among others) decreased 38% to ₱723.27 Million from ₱1,157.94 Million. This decline was largely due to the higher base in 2019 given the gain recognized from the sale of Vertex One office building in Santa Cruz, Manila to Manila Jockey Club, Inc.

Expenses

Total expenses stood at ₱81.22 Billion, 31% lower than ₱117.96 Billion as real estate expenses decreased by 40% to ₱56.67 Billion from ₱94.75 Billion.

General and Administrative Expenses (“GAE”) declined 14% to ₱8.01 Billion from ₱9.37 Billion, on account of lower topline. This resulted in a GAE ratio of 8.3% and an EBIT Margin of 25.9%.

Interest expense, financing and other charges, which includes interest expense related to PFRS 16 (Leases) totaled ₱16.53 Billion. This was a 19% increase from ₱13.84 Billion due to the higher discounting cost related to the sale of accounts receivables, interest expense from the higher average loan balance and bank charges related to loan prepayments. The average cost of debt registered at 4.7%, lower than 5.2% at the end of December 2019. Of the total debt, 95% is locked in fixed rates, while 96% is contracted for a long-term basis.

Capital Expenditures

Capital expenditures reached ₱63.67 Billion in 2020, mainly for residential developments, followed by commercial leasing assets. 45% was spent on residential projects, 23% on commercial projects, 15% for land acquisition, 14% for the development of estates and 3% for other investments. The full year capex estimate was reduced to ₱70.0 Billion from the original estimate of ₱110.00 Billion.

Financial Condition

Financial stability initiatives strengthened the balance sheet with the net debt-to-equity ratio improving to 0.74:1 from 0.78:1 in FY 2019. Total borrowings registered at ₱211.95 Billion which translated to a debt-to-equity ratio of 0.81:1 from 0.87:1.

Cash and cash equivalents, including short-term investments and financial assets at fair value through profit or loss stood at ₱18.36 Billion resulting in a current ratio of 1.62:1.

Return on equity was at 4.03% as of December 31, 2020.

	<i>End-December 2020</i>	<i>End-December 2019</i>
Current ratio ¹	1.62:1	1.30:1
Debt-to-equity ratio ²	0.81:1	0.87:1
Net debt-to-equity ratio ³	0.74:1	0.78:1
Profitability Ratios:		
Return on assets ⁴	1.53%	5.43%
Return on equity ⁵	4.03%	16.66%
Asset to Equity ratio ⁶	2.77:1	2.94:1
Interest Rate Coverage Ratio ⁷	2.96:1	6.27:1

¹ Current assets / current liabilities

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

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

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

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

⁶ Total Assets / Total stockholders' equity

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

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

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

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

Income Statement items – For the year ended December 31, 2020 and 2019

Real estate and hotel revenues decreased by 46% due to construction restrictions, lower bookings, and restrained mall and hotel operations.

Equity in net earnings decreased by 39% mainly due to lower income contributions from Ortigas Land Corporation (OLC) and Fort Bonifacio Development Corp. (FBDC).

Interest income from real estate sales increased by 9% owing to higher sale of real estate receivables.

Interest and investment income decreased by 58% driven by lower balance and lower yield from short-term investments.

Other Income decreased by 38% due to higher gain recognized in 2019 from the sale of Vertex One building in Santa Cruz, Manila.

Cost of real estate sales decreased by 40% due to lower real estate and hotel revenues.

General administrative expenses decreased by 14% mainly from manpower costs including security and janitorial, rent and dues and fees, transportation and travel, and other overhead expenses.

Interest, other financing charges and other expenses increased by 19% due to higher discounting cost related to sale of trade receivables, interest expense from higher average loan balance, and bank charges related to loan repayments.

Provision for income tax decreased by 70% due to lower taxable income.

Balance Sheet items – As at December 2020 versus December 2019

Cash and cash equivalents – decreased by 17% mainly due to lower collection from customers, payments of capital expenditures, interest expense from borrowings, and cash dividends, partially offset by proceeds from initial public offering of AREIT, Inc., sale of trade receivables, and loan availments.

Short-term investments decreased by 42% due to reallocation to investments with higher yield.

Financial asset at fair value through profit and loss increased by 99% attributable to increase in investments in UITF and treasury bills.

Real Estate Inventories increased by 22% driven by land acquisitions, incremental POC, reclassification from investment property, partially offset by lower real estate sales.

Other current assets increased by 19% mainly due to payment of advances to contractors and suppliers, payment of CWT, and building classified as held for sale.

Investments in associates and joint ventures increased by 5% owing to the increase in investments in joint ventures, and equity in net earnings for the period net of dividends received.

Investment properties decreased by 8% due to reclassification of land to inventory, and depreciation expense for the period.

Deferred tax assets increased by 5% coming from accrued expenses, allowances for probable losses, and NOLCO.

Other noncurrent assets decreased by 9% mainly from recoupment of advances to contractors and suppliers, partially offset by increase in deferred input VAT.

Short-term debt decreased by 49% due to various payments during the year.

Account and other payables decreased by 11% due to payments of accounts payable and accrued operating expenses, lower taxes payables and interest payable, and other accrued expenses.

Income tax payable decreased by 31% due to lower taxable income.

Current portion of lease liabilities decreased by 36% due to payments to lessors.

Current portion of long-term debt increased by 9% attributable to maturing bonds and bank loans within 12 months.

Long-term debt – net of current portion increased by 5% due to increase in bond issuances and bank loans.

Pension liabilities increased by 52% mainly due to increase in benefit obligation and remeasurement loss for the current period.

Deferred tax liabilities increased by 17% mainly due to the timing difference between tax and book basis of accounting for real estate transactions and right-of-use assets.

Deposit and other noncurrent liabilities increased by 14% mainly coming from unrealized revenues from collected receivables and security deposits from tenants, partially offset by payment for contractors payable, purchased land and collected output VAT.

Stock options outstanding decreased by 49% attributable to exercise of stock options.

Remeasurement loss on defined benefit plans increased by 143% due to actuarial loss from change in pension liability assumptions.

Fair value reserve of financial assets at FVOCI increased by 64% attributable to unrealized fair value loss from cash flow hedging of loans bearing interest at floating rate.

Cumulative translation adjustments decreased by 33% mainly due to translation loss on financial statements of MCT Bhd.

Equity reserves increased by 108% attributable to gain on sale ownership in AREIT, Inc. to Non-controlling Interest (NCI).

Treasury Stock increased by 14% as a result of share buy-backs during the year.

Non-controlling interests increased by 19% as a result of public listing of AREIT, Inc.

Material Changes in Liquidity and Cash Reserves – December 2020 versus December 2019

ALI Group ended a net decrease in Cash and cash equivalents of ₱3.05 Billion for the year ended December 31, 2020 mainly due to net cash used by operating activities, investing activities, and payment of cash dividends; partially offset by net cash provided by financing activities mainly from sale of noncontrolling interest in AREIT, Inc. and increase in deposits and other noncurrent liabilities.

Net cash used by operating activities ended at ₱12.51 Billion during the period versus net cash inflow of ₱36.01 Billion last year mainly due to lower operating income before changes in working capital and increase in working capital. This is partially offset by lower income tax payment during the period.

Investing activities used ₱3.22 Billion cash during the period which is significantly lower than last year at ₱42.57 Billion net cash outflow mainly due to lower net expenditures in investment properties, property and equipment, and decrease in noncurrent accounts and notes receivables accounts and notes receivable – nontrade and other noncurrent assets.

Financing activities ended at ₱12.67 Billion net cash inflow during the year; significantly higher than ₱3.75 Billion net cash inflow last year primarily due to sale of noncontrolling interest in AREIT, Inc. during initial public offering and decrease in acquisition of noncontrolling interests, increase in deposits and other noncurrent liabilities, and lower payment of cash dividends and treasury shares. This is partially offset by lower net avancement of short and long-term debt during the period.

CHANGES IN ACCOUNTING AND FINANCIAL DISCLOSURES

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the Company'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, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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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, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

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

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

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

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

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

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

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

- **Annual Improvements to PFRSs 2018-2020 Cycle**
 - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

- 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.

- 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.

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, 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.

- 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.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
 - What is meant by a right to defer settlement
 - That a right to defer must exist at the end of the reporting period
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

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

PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted.

The new standard is not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred Effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

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

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

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

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

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

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

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. While there maybe instances that the performance obligation differs from the buyer's amortization schedule, initial calculation showed SFC but the consolidated impact is expected to be not material to the Group. Assumptions are still under assessment and evaluation, and the refinement to the calculation to determine the SFC is ongoing.

DIRECTORS, EXECUTIVE OFFICERS AND CONTROL PERSONS

As of April 26, 2023

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 (5) years.

Board of Directors

Jaime Augusto Zobel de Ayala
Bernard Vincent O. Dy
Cezar P. Consing
Arturo G. Corpuz
Mariana Zobel de Ayala

Daniel Gabriel M. Montecillo*
Rex Ma. A. Mendoza
Surendra M. Menon
Cesar V. Purisima

**Lead Independent Director effective April 26, 2023*

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 was the Chief Executive Officer from 2006 to April 2021. He is also the Chairman of the other publicly listed companies of the Ayala Group, namely Globe Telecom, Inc. and Bank of the Philippine Islands. He is the Chairman of AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.), AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, Ayala Healthcare Holdings, Inc., and Asiacom Philippines, Inc.; Co-Chairman of Ayala Foundation, Inc.; Director of AC Ventures Holding Corp., Alabang Commercial Corporation, , 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 Word 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.

Cezar P. Consing, Filipino, 63, is the President and Chief Executive Officer of Ayala Corporation effective September 27, 2022 and has been a Director since December 3, 2020. He has been a member of the Ayala Group Management Committee since April 2013. He is also a Director of the publicly-listed subsidiaries of Ayala Corporation: Bank of the Philippine Islands (BPI), Globe Telecom, Inc. and ACEN Corporation. He is also advisor of the board of Ayala Land, Inc. He is the Chairman of Philippine Dealing System Holdings and its three operating subsidiaries since 2010. He is also a Director of the Myanmar listed First Myanmar Investment Public Company Limited. Concurrently, he is the Vice Chairman of AC Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Energy and Infrastructure Corporation, and Ayala Healthcare Holdings, Inc., and a Director in Asiacom Philippines, Inc. Mr. Consing is Vice Chairman of BPI's executive committee, and a board director of its investment bank, microfinance bank and asset management company. He is currently a board trustee of the

Philippine-American Educational Foundation, which selects the Fulbright scholars, a member of the National Mission Council of De La Salle Philippines, a board trustee of College of St. Benilde, and a board trustee of the Manila Golf Club Foundation. He is a board director of Filgifts.com. He has been a member of the Trilateral Commission since 2014. Mr. Consing was a Senior Managing Director of Ayala Corporation and President and CEO of BPI from 2013 to 2021. In the latter capacity, he served as the chairman of BPI's thrift bank, investment bank, UK-registered bank, microfinance bank, property and casualty insurance joint venture and leasing and rental joint venture and board director of its asset management company and its life insurance joint venture. He served as Chairman and President of the Bankers Association of the Philippines from 2019 – 2021, and President of Bancnet, Inc. from 2017 – 2021. Mr. Consing was a Partner of The Rohatyn Group from 2004 – 2013. He headed its Hong Kong Office and its private investing business in Asia and was a board director of its real estate and energy and infrastructure private equity investing subsidiaries. He worked for J.P. Morgan & Co. in Hong Kong and Singapore from 1985 – 2004. He headed the firm's investment banking business in Asia Pacific (ex-Japan) from 1997 – 2004 and served as President of J.P. Morgan Securities (Asia Pacific) Ltd. As a senior Managing Director, Mr. Consing was a member of the firm's Global Investment Banking Management Committee, its Asia Pacific Management Committee, and its Global Managing Director Selection Committee. Further, he worked for BPI from 1981 – 1985, joining as a management trainee and eventually rising to Assistant Vice President. During this period, and on a part-time basis, he taught Economics in the MBA program of De La Salle University. Mr. Consing has served as an independent board director of four publicly listed companies in Asia: Jollibee Foods Corporation (2010 – 2021), CIMB Group Holdings (2006 – 2013), First Gen Corporation (2005 – 2013), and National Reinsurance Corporation (2014 – 2019), where he also served as Chairman (2018 – 2019). He has served as a board director of the Singapore-based SQREEM Technologies, the Singapore-listed Yoma Strategic Holdings Ltd, the Hongkong-based Asian Youth Orchestra, the US-Philippines Society, Endeavor Philippines and La Salle Greenhills. Mr. Consing received an A.B. Economics degree (Accelerated Program), magna cum laude, from De La Salle University in 1979. He obtained an M.A. in Applied Economics from the University of Michigan in 1980.

Bernard Vincent O. Dy, Filipino, 59, is the President and CEO of ALI 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 the Chairman of AyalaLand Logistics Holdings Corp. and Director of AREIT, Inc., and MCT Bhd of Malaysia., the publicly listed subsidiaries of ALI. Concurrently, he is the Chairman of Alviera Country Club, Inc., Alveo Land Corporation, Altaraza Development Corporation, Amaia Land Corporation, Amicassa Process Solutions, Inc., Avencosouth Corp., Aviana Development Corp., Ayagold Retailers, Inc., Ayala Property Management Corporation, Ayalaland-Tagle Properties, Inc., 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 Aurora Properties Incorporated, Ayalaland Premier, Inc., Ceci Realty Inc., and Ayala Greenfield Development Corporation, and Director of Accendo Commercial Corp., AKL Properties, Inc., ALI Eton Property Development Corporation, Avida Land Corp., 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, Alabang Commercial Corporation, Bonifacio Art Foundation, Inc., and Hero Foundation Inc.; member of the Board of Trustees of Ayala Foundation, Inc. and Ayala Group Club, Inc., advisor of Alveo-Federal Land Communities, Inc.; and, Director of the Junior Golf Foundation of the Philippines since 2010 and Vice Chairman since 2017. Mr. Dy 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.

Mariana Beatriz Zobel de Ayala, Filipino, 34, has been a director of the Company since October 21, 2022. She is Director of AREIT. She is Senior Vice President at Bank of the Philippine Islands (BPI) driving Marketing and Digital Platforms for the Consumer Bank. She also serves as a board director and/or advisory committee member for several Ayala Group companies, across Ayala Land, AC Health, Ayala Group's ACTIVE Fund and BPI's Asset Management and Trust Company. She was named a board advisor for Asia Partners, a Singapore-based private equity firm with over USD500mn in funding, focused on enabling the next generation of high-growth technology companies in Southeast Asia. She also serves on the global board of U-Go, which looks to drive education equality in emerging markets by providing scholarship grants to women looking to pursue university education. Together with John

Wood, founder of Room to Read, Ms. Zobel de Ayala helped establish the Philippines as the 7th beneficiary market for U-Go. In partnership with Ayala Foundation, U-Go Philippines will aim to enable 1,000 young Filipina women scholars in their pursuit of university education, by 2025. Before BPI, Ms. Zobel de Ayala was Deputy Head of Ayala Malls, a subsidiary of Ayala Land responsible for just under two (2) Million square meters in leasable retail space around the country. In addition to driving Leasing Strategy & Development across the malls, Ms. Zobel de Ayala was responsible for the build-out of Ayala Malls Labs / Digital & Data -- a new unit focused on commercializing synergistic opportunities leveraging technology and data. Prior to this, she worked in Project Development for Alveo Land, and as a Corporate Strategy and Business Development Associate with Ayala Corporation, where she supported portfolio review across the conglomerate and business development interest in the healthcare sector. Ms. Zobel de Ayala started her career at J.P. Morgan in New York City. She graduated from Harvard College with a BA in Social Studies (Philosophy, Politics, and Economics), and a received a Masters in Business Administration (MBA) from INSEAD.

Arturo G. Corpuz, Filipino, 67, has served as a Director of ALI since 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., 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.

Dennis Gabriel M. Montecillo Filipino, 66, was the Executive Vice President and Group Head of Corporate Clients of the Bank of the Philippine Islands from. Immediately prior to this role, he was President of BPI Capital Corporation for 4 ½ years. Prior to returning to the Philippines, he was also the Chief Executive Officer (CEO) and Managing Equity Partner of Diamond Dragon Advisors and CEO of Fidelis Holdings. He has 21 years of international investment banking experience, having worked at Bankers Trust Company in New York and at Credit Suisse and Morgan Stanley in Hong Kong. He is an independent director of the Bank of Commerce (universal banking), RASLAG Corporation (renewable energy), Metro Pacific Health (hospital management), and Maybank Investment Banking Group (investment banking), where he serves as Chair of the Corporate Governance, Environmental, Social, Governance and Audit Committees. He is also on the global board of directors of International Care Ministries and the United Nations Global Compact Network (Philippine chapter). He is a certified coach (ACC designation from the International Coaching Federation), leadership development speaker and facilitator, as well as senior consultant to the International Finance Corporation and to private Philippine companies. He obtained his Master of Business Administration and Master of Arts from Stanford University. He obtained his Bachelor of Science in Management of Financial Institutions and Bachelor of Arts in Behavioral Sciences (*magna cum laude*) from De La Salle University.

Rex Ma. A. Mendoza, Filipino, 60, has served as the Independent Director of ALI since April 22, 2020. He is the Chairman 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 Philippines and AyalaLand Logistics Holdings Corporation, (ALLHC) also publicly listed companies. He is the chairman of the board of Singapore Life, the Soldivo Bond Fund, Inc. and the Soldivo Strategic Growth Fund, Inc. He is also the lead independent director of Anvaya Cove Beach and Nature Club, Inc. and G Exchange Inc. (GXI, or GCash). He is a director of FLT Prime Insurance Corp., 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 (2) 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 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.

Surendra M. Menon, Singaporean, 64, was the Chief Executive Officer of BPI AIA Life Assurance Corporation. He was also the Regional Head, Bancassurance Group Partnership Distribution of the AIA Group from 2012 to 2016. He served as Vice President Director and Chief Distribution Officer, Director Bancassurance from and Vice President Business Development AIA Financial (formerly known as AIG Life and AIG Lippo) for the period beginning 2003 to 2016. He was the Vice President, Bancassurance from 1999 to 2003 of DBS Bank – Singapore. He was also the Company Head/Advisor to Owner of PT Binadaya Nusantara (BDNI Life) (currently called Equity Financial) from 1991 to 1999 while he was Head/Advisor Dana Pensiun Lembaga Keuangan BDNI Bank from 1994 to 1998 PT Bank Dagang National Indonesia (BDNI), and Director of PT GTAsset Management of BDNI from 1995 to 1998. He held various positions at The Insurance Corporation of Singapore (now Aviva Singapore) from 1982 to 1991. He obtained his Bachelor of Arts degree majoring in actuarial sciences from Macquarie University in 1981. He became an Associate in financial planning and a member of the Financial Planning Association of Singapore in 2000. He has been a Penasehat Investor (Investment Manager's License) of BEPEPAM (Indonesian Stock Exchange) since 1995. He completed an Advance Life Assurance Course from Munich Re in 1985 and obtained a Certificate in Actuarial Techniques from the Institute of Actuaries (London) in 1993.

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 on the boards of the AIA Group, Ayala Corporation, Universal Robina Corporation, Jollibee Foods Corporation, Bank of the Philippine Islands, BPI Capital Corporation, member of the Board of Trustees of International School of Manila and 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. Purisima obtained his Bachelor of Science degree in Commerce Major in Accounting and Financial Institutions from De La Salle University in 1979. He earned his Master of Business Administration degree from Kellogg School of Management, Northwestern University, Illinois in 1983. He was conferred a Knight in the National Order of the Legion of Honour by the French Republic (Chevalier dans l'Ordre National de la Legion d'Honneur) in 2017. In 2016, Purisima was awarded the Order of Lakandula with the rank of Grand Cross (Bayani) for his contributions to the Philippine economy. The Order of Lakandula is one of the highest civilian honors conferred by the President of the Republic of the Philippines and the Chevalier de l'Ordre national du Merite (Knight of the National Order of Merit) by the President of the French Republic in 2001.

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.

Jaime Augusto Zobel de Ayala – Chairman
Cezar P. Consing – Member
Bernard Vincent O. Dy – Member
Cesar V. Purisima – Member
Mariana Beatriz Zobel de Ayala – Member
Rex Ma. A. Mendoza – Member

Rex Ma. A. Mendoza – Chairman
Cezar P. Consing – Member
Cesar V. Purisima – Member

Cesar V. Purisima – Chairman
Rex Ma. A. Mendoza – Member
Daniel Gabriel M. Montecillo – Member

Rick Overholt Committee
Surendra M. Menon – Chairman
Cesar V. Purisima – Member
Mariana Beatriz Zobel de Ayala – Member

Daniel Gabriel M. Montecillo - Chairman
Cesar V. Purisima - Member
Rex Ma. A. Mendoza - Member

Rex Ma. A. Mendoza – Chairman
Daniel Gabriel M. Montecillo – Member
Surendra M. Menon - Member

Arturo G. Corpuz – Chairman
Mariana Beatriz Zobel de Ayala – Member
Bernard Vincent O. Dy – Member

Solomon M. Hermosura – Chairman
Annabeth R. Bernardo – Member
Ma. Luisa D. Chiong – Member

Management Committee Members / Key Executive Officers

Bernard Vincent O. Dy*
Anna Ma. Margarita B. Dy**
Dante M. Abando
Augusto D. Bengzon

Jose Emmanuel H. Jalandoni
Robert S. Lao
Laurent P. Lamasuta
Lyle A. Abadia
Amelia Ann T. Alipao

Aniceto V. Bisnar, Jr.
Ma. Luisa D. Chiong
Raquel S. Cruz
Dindo R. Fernando
Rufino Hermann S. Gutierrez
Javier D. Hernandez
Joseph Carmichael Z. Jugo
Stephanie J. Lingad
Christopher B. Maglanoc
Michael F. Magpusao
Ferdie M. Mangali
Romeo T. Menpin, Jr.
Carol T. Mills
Rodelito J. Ocampo
Mary Grace Santos-Ontiveros***
Jose C. Platero, Jr.****
Roscoe M. Pineda***
Alfonso Javier D. Reyes****
Darwin L. Salipsip
Ma. Clavel G. Tongco****
Jennylle S. Tupaz

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Richard T. Yap	Vice President
Annabeth R. Bernardo	Chief Audit Executive
Maphilindo S. Tandoc	Assistant Vice President & Chief Risk Officer
Solomon M. Hermosura	Group General Counsel & Corporate Secretary
Ma. Florence Therese dG. Martinez-Cruz*****	Assistant Corporate Secretary
*Member of the Board of Directors	
**Effective January 1, 2023 and April 26, 2023	
***Effective March 1, 2023	
****Effective January 1, 2023	
*****Effective April 26, 2023	

Anna Ma. Margarita Bautista Dy, Filipino, 53, is the Executive Vice President and Chief Operating Officer effective January 1, 2023 and April 26, 2023, respectively. She was Senior Vice President from January 1, 2015 until December 31, 2022 and a member of the Management Committee of Ayala Land, Inc. (ALI) since August 2008. She is the Head of the Residential Business Group of ALI effective July 1, 2022 and Head of the Malls Group effective January 1, 2023. Her other significant positions are: Chairman of Amaia Southern Properties, Inc., Ayalaland Premier, Inc., Ayala Land International Sales, Inc., Avida Land Corp., Bonifacio Estate Services Corporation, and Solinea, Inc. ; Vice Chairman of Alveo-Federal Land Communities Inc.; Director and Executive Vice President of Bonifacio Land Corporation, AKL Properties, Inc., Avencosouth Corp., and Portico Land, Inc.; Director of Accendo Commercial Corp., Alveo Land Corp., ALI Eton Property Development Corporation, Altaraza Development Corporation, Amaia Land, Inc., Amicassa Process Solutions, Inc., Anvaya Cove Golf and Sports Club, Inc., Aurora Properties, Inc., Avida Sales Corp., Ayala Greenfield Development Corporation, Ayala Property Management Corporation, Ayalaland-Tagle Properties, Inc., BGWest Properties, Inc., BGNorth Properties, Inc., Bellavita Land Corp., Berkshires Holdings, Inc., Buklod Bahayan Realty & Development Corporation, Cagayan de Oro Gateway Corp., Columbus Holdings, Inc., Emerging City Holdings, Inc., CECI Realty, Inc., Fort Bonifacio Development Corporation, Nuevocentro, Inc., Serendra, Inc., and Vesta Properties Holdings, 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 in 1990. She earned her Master's degree in Economics from London School of Economics and Political Science in 1991 and MBA at Harvard Graduate School of Business Administration in Boston in 1996.

Dante M. Abando, Filipino, 58, 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, Anvaya Cove Golf & Sports Club, Inc., and Serendra, Inc. He was the Chairman and President of the Philippine Constructors Association (PCA) 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, 60, 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 companies under the Ayala Group. His other significant positions include: Chairman of Aprisa Business Process Solutions Inc., Anvaya Cove Golf and Sports Club, Inc. and Anvaya Cove Beach and Nature Club, Inc.; Director and Chief Finance Officer of Altaraza Development Corporation; Director and Treasurer of ALI Eton Property Development Corp., Aurora Properties Inc., AyalaLand-Tagle Properties, Inc., Ceci Realty Inc., Philippine Integrated Energy Solutions Inc. and Vesta Property Holdings Inc.; Director of AG Counselors Corporation, Alviera Country Club Inc., Amicassa Process Solutions, Inc., Makati Development Corp., Northgate Hotel Ventures, Inc., Station Square East Commercial Corp. and Southcrest Hotel Ventures, Inc.; Comptroller of Nuevocentro, Inc.; Treasurer and Chief Finance Officer

of Portico Land Corp.; Treasurer of Alabang Commercial Corporation, AKL Properties, Inc., Alveo Land Corp., Amaia Land Corp., Avida Land Corp., AyalaLand Premier Inc., Ayala Property Management Corporation, Bellavita Land Corp., BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Serendra Inc., The Suites at One Bonifacio High Street Condominium Corp. and Hero Foundation, Inc.; Assistant Treasurer of Ayala Greenfield Golf & Leisure Club, Inc. and Ayala Greenfield Development Corporation; Trustee of 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.

Jose Emmanuel H. Jalandoni, Filipino, 55, 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. He is the Chairman of AREIT, Inc. and President and Chief Executive Officer of AyalaLand Logistics Holdings Corporation, publicly listed subsidiaries of ALI. His other significant positions are: Chairman, President and Chief Executive Officer of Northgate Hotel Ventures, Inc. and Southcrest Hotel Ventures, Inc. He is 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., 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., Makati North Hotel Ventures, North Liberty Resort Ventures, Inc., North Triangle Hotel Ventures, Inc., One Makati Hotel Ventures, Inc., One Makati Residential Ventures, Inc., Pangulasian Island Resort Corporation, Paragua Eco-Resort Ventures, Inc., Regent Horizons Conservation Company, Inc., Sentera Hotel Ventures, Inc., Sicogon Island Tourism Estate Corporation, Sicogon Town Hotel, Inc., Estate Corporation, 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: ALI Capital Corporation, Anvaya Cove Golf and Sports Club, Inc., Ayagold Retailers, Inc., Ayala Hotels, Inc., Ayala Property Management Corporation, Cagayan de Oro Gateway Corporation, Columbus Holdings, Inc., Fort Bonifacio Development Corporation, Lio Tourism Estate Association, Makati Cornerstone Leasing Corporation, Makati Development Corporation, Philippine FamilyMart CVS, Inc., Philippine Integrated Energy Solutions, Inc., SIAL CVS, Inc., SIAL Specialty Retailing, Inc., AirSWIFT Transport, Inc., DirectPower Services, Inc., AyalaLand Medical Facilities, Inc., WhiteKnight Holdings, 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 ALI since 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 Estates

Group and Central Land Acquisition Unit. He is concurrently the President and director of Accendo Commercial Corp., ALI ETON Property Development Corporation, Altaraza Development Corporation, AKL Properties Inc., Amaia Southern Properties, Inc., Aurora Properties Incorporated, Aviana Development Corp., CECI Realty Inc., and Nuevocentro, Inc.; Chairman of the Board and President of Adauge Commercial Corporation and Bonifacio Global City Estate Association Inc.; Chairman of the Board of Alagang Ayala Land Foundation Inc., Altaraza Prime Realty Corporation, Amicassa Process Solutions, Inc., Amorsedia Development Corporation, Arca South Integrated Terminal, Inc., AyalaLand Estates, Inc., Buendia Landholdings, Inc., Crans Montana Property Holdings Corporation, Crimson Field Enterprises, Inc., HLC Development Corporation, Red Creek Properties, Incorporated, and Lagdigan Land Corporation; Vice Chairman and President of Vesta Property Holdings, Inc.; Director and Executive Vice President of Fort Bonifacio Development Corporation; and, Director of Alveo-Federal Land Communities Inc., Alveo Land Corp., Amaia Land Corp., Avida Land Corp., Ayala Greenfield Development Corporation, Ayala Land International Sales, Inc., AyalaLand Premier, Inc., Ayala Property Management Corporation, Bellavita Land Corp., Berkshires Holdings, Inc., Cagayan de Oro Gateway Corp., Columbus Holdings Inc., Emerging City Holdings, Inc., Portico Land Corp., Serendra, Inc., Solinea, Inc., and Soltea Commercial Corp. 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 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, 65, 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 Subsidiary, Amicassa Process Solutions, Inc. Prior to joining Ayala Land, Inc. in 2004, he held various executive positions in two (2) ALI's 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 hectares former sugarcane plantation into what is now known as one of the word- class industrial estates in the country. He likewise set up BellaVita Land Corporation, a socialized housing arm of ALI, 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, 60, 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 is a Director of APRISA Business Process Solutions, Inc. and HCX Technology Partners Inc. 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. He is a Board of Director and General Manager of Prime Support Services under Ayala Property Management Corporation. He had served as SVP & Chief Operating Officer of Ortigas Land Corporation in 2020. He has 31 years of experience in the real estate industry and has held various positions and responsibilities over the years. He was President of Cebu Holdings, Inc and Cebu Property Ventures & Dev't Corp and was COO of the Visayas and Mindanao Group of ALI from 2015 to 2020, where he led the ALI-SM consortium in winning the ₱10 Billion bid for the 26 hectares SRP in Cebu and eventually launching it as the South Coast City; launched the Azuela Cove in Davao; Gatewalk Central in Mandaue City; Seagrove in Mactan; and Habini Bay in Laguindingan, Misamis Oriental. From 2008 to 2014, he was the SVP and General Manager of CECI Realty, Aurora Properties, Vesta Properties, Inc of NUVALI and Vice-President, Strategic Landbank Management Group, Ayala Land, where he also led the planning and launch of the 74-hectares ARCA South in Taguig. He had joined ALI in 1994 as Operations Manager of NUVALI and started its master planning and development as the country's first and largest

eco-city development built on the principles of sustainable design. After leading the launching and development of Cebu I.T. Park, he rose from Division Manager to Asst.Vice-President in the Land and Community Dev't Group of ALI from 1996 to 2004, leading the planning and launching of the developments of Ayala Westgrove Heights, Ayala Greenfield Estates, and others, until he was designated as Head of Commercial Operations of Fort Bonifacio Dev't Corp from 2004 to 2008 and was tasked to re-masterplan and manage the transformation of Bonifacio Global City. His other significant positions were as follows: Chairman of Aduage 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 was also the Vice President of Solinea, Inc., 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. He earned his Bachelor of Science Degree at the Philippine Military Academy in 1985, and his Master in Business Management Degree at the Asian Institute of Management in 1989.

Ma. Luisa D. Chiong, Filipino, 50, is currently a Vice President and the Controller of Ayala Land, Inc. Her other significant positions include: Chairman of AREIT Fund Managers Inc.; Director & President of Aprisa Business Process Solutions, Inc.; Director of Amaia Southern Properties, Inc., Bellavita Land Corp. and North Triangle Depot Commercial Corporation; Treasurer of Ayala Land Sales Inc., Ayala Land International Sales Inc. and Avida Sales Corp.; 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, 56, is a Vice President of ALI effective January 1, 2022. She has been with Ayala Land, Inc. group for 18 years. She currently holds the following positions: Concurrent President of Avida Land Corp., Amaia Land Corp., and Bellavita Corp., Chairman of Amicassa Process Solutions, Inc. and of Avida Sales Corp., Chairman and President of Buklod Bahayan Realty Development Corporation, and Director of San Rafael Estate Association, Inc. She holds a Bachelor of Arts degree in Economics from the University of the Philippines in 1987.

Dindo R. Fernando, Filipino, 54, 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, Board Member of the Makati Parking Authority, Vice President of the Laguna Chamber of Commerce and Industry, Corporate Secretary of Santa Rosa (Laguna) Business Club, Board Member of the Calamba City Business Club and Secretary 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 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. He is also part of Portico Land Corp.'s Executive Committee. In his almost 20 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 President & CEO 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.; The Director and Treasurer of El Nido Foundation; Director of Alabang Commercial Corporation. A Board Member of Airswift Airlines Philippines and Chief Executive Officer for Turista.ph. He has worked for Ayala⁷ Land for 29 years, spending seven years with Ayala Malls, four years with the Sales and Marketing Group, thereafter rejoining Ayala Malls 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, 48, is a Vice President of Ayala Land, Inc. . He is concurrently President & Director of Ayalaland Premier, Inc., Alveo Land Corp., BGWest Properties Inc., and BGSouth Properties, Inc.; Chairman & President of Roxas Land Corp., OLC Development Corp., Southportal Properties, Inc.; Garden Towers Condo Corp., & Serendra, Inc.; Chairman of Ayala Hotels Inc., Ayala Land Sales, Inc., Ayala Land Club Management, Inc., Collines Du Capitole Clubholdings, Inc., Verde Golf Development Corp., Anvaya Environmental Foundation, Inc.; President of Ayala Tagle Properties, Inc.; President & Chief Executive Officer of Ayala Greenfield Development Corp., Ayala Greenfield Golf & Leisure Club, Inc.; President of Anvaya Cove Golf & Sports Club, Inc.; Vice President of Anvaya Cove Beach & Nature Club, Inc.; Director of Amicassa Process Solutions, Inc.; Ayala Center Estate Association, and Algofil Inc. In his 20 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, 53, is a Vice President of ALI. She has been with Ayala Land, Inc. group for 19 years. She is currently the Chief Operating Officer of Amaia Land Corp., and a Director of Amaia Land Corp and Amaia Southern Properties, Inc. Previously, she was the Head of Project Strategic Management Group of Amaia Land and was Division Manager at the Strategic Landbank Management Group and Corporate Planning Group of Ayala Land, Inc. She obtained a Bachelor of Science degree in Management (Honors) from the Ateneo de Manila University in 1991 and a Masters in Business Administration degree from the Wharton School of the University of Pennsylvania in 1997.

Christopher B. Maglanoc, Filipino, 52, is a Vice President of ALI since April 2013. He is the President of Ayala Land Malls, Inc and Chairman of various companies under the Malls Group of ALI. 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, 49, was appointed Vice President and Chief Engineer of Ayala Land, Inc. in 2019, concurrently 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 University, a position he has held since 1996. He is also the APMC's Corporate Safety Officer, Corporate Professional Mechanical Engineer, Corporate Energy Manager. He is a Professional Mechanical Engineer since 2001, a licensed OSH Consultant as certified by the Department of Labor and Employment, Energy Manager and Energy Auditor as certified by the Department of Energy and Pollution Control Officer as certified by the Department of Environment and Natural Resources. Mr. Magpusao has over 26 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 also has a Post Baccalaureate Diploma in Fire Safety Technology from the University of Makati in 2004.

Ferdie M. Mangali, 53, Filipino, is a Vice President of ALI effective January 1, 2020. He is currently Chairman of the ALI Ethics Committee. He heads 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 former member of the Board of Trustees of the Philippine Constructors Association from 2020 to 2022. 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 the Employee and 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 of 33 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 Master's Degree in Labor and industrial Relations from the University of the Philippines, Diliman.

Romeo T. Menpin, Jr., Filipino, 53, 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., MDC ConQrete, Inc. and MDC Subic, Inc. 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, 50, has served as Vice President of ALI since November 2016. She is President and Chief Executive Officer of AREIT, Inc., the first Real Estate Investment Trust (REIT) listed in the Philippine Stock Exchange in August 2020. She is also the President & CEO of Ayala Land Offices, Inc., the leasing and development arm of Ayala Land Inc. with over 1.4 Million square meters of leasable space and 73 buildings nationwide. Concurrently, she is 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., Direct Power 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.

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. He also took Management Development Program in 2006 and Construction Management Course in 1994 at Asian Institute of Management. In 2016, he completed the Strategic Business Economics Program (SBEP) at the University of Asia and The Pacific.

Mary Grace Santos-Ontiveros, 44, Filipino, is a Digital Transformation Head and Vice President of Ayala Land, Inc. effective March 1, 2023. Ms. Santos-Ontiveros was the Head of Industry for Consumer Packaged Goods, Retail, Healthcare: Large Customers of Google Philippines, and the Global Marketing Manager, Citra Skin Care Portfolio of Unilver. She is a Board member of Internet Marketing Mobile Association of the Philippines and a Founding Member of its Digital Committee. She graduated from the Ateneo de Manila University in 2000 with a degree in BS Legal Management.

Roscoe M. Pineda, 50, Filipino, is a Vice President and an Information Technology Director at the Residential Business Group of Ayala Land, Inc. effective March 1, 2023. Mr. Pineda headed the Service Center Lead Technology of ANZ Global Services and Operations in Manila. He was the Chief Shared Services Officer of the Asia Service Centre of Sun Life of Canada, Philippines, and was the Head of Systems, Quality Management, Global Migration of CHARTIS Technology and Operations Management Corp. – AIG Shares Services. He is a member of the Board of Trustees of Global In house Centers Council of the Philippines, a Certified Project Management Profession of PMI.org, and a company delegate and representative in IT & Business Process Association of the Philippines and Contact Center Association of the Philippines. Mr. Pineda has a Bachelors Degree in Mathematics, Major in Computer Science from the University of Santo Tomas.

Jose C. Platero, Jr., Filipino, 56, is the Head of Corporate Finance and Procurement Group of Makati Development Corporation. He was appointed as Vice President of Ayala Land in November 2022, effective January 2023. He is the Director of MDC Concrete, Inc. and MDC Equipment Solutions, Inc.; Director, Treasurer and Chief Finance Officer of Makati Development Corporation and MDC Buildplus, Inc.; and Director and Treasurer of Amaia Southern Properties, Inc. and MDBI Construction Corp. He obtained a Bachelor of Science degree in Business Administration Major in Accounting from Philippine School of Business Administration in 1988.

Alfonso Javier D. Reyes, Filipino, 53, is the Chief Operating Officer of Fort Bonifacio Development Corporation. He was appointed as Vice President of Ayala Land in November 2022, effective January 2023. He is the President of ALI Capital Corporation, and the Chairman, President and Chief Executive Officer of DirectPower Services, Inc. and Airswift Transport, Inc.; Director and President of WhiteKnight Holdings, Inc. and AyalaLand Medical Facilities Leasing, Inc.; Director of Bonifacio Water Corporation, Bonifacio Transport Corporation, Bonifacio Gas Corporation, Bonifacio Estate Services Corporation, Crescent West Development Corporation, Capital Consortium, Inc., SIAL CVS Retailers, Inc. and SIAL Specialty Retailers, Inc.; and Trustee of Bonifacio Global City Estate Association, Inc. and President and Trustee of Fort Bonifacio Development Foundation, Inc. He graduated cum laude from the University of the Philippines with BS Industrial Engineering degree in 1992 and a Masters in Finance degree from London Business School in 2000.

Darwin L. Salipsip, Filipino, 50 is a Vice President of ALI and is currently the Head of Construction Operations Group 3 of Makati Development Corporation (MDC). He is likewise the President of MDBI, a joint venture partnership between MDC and Bouygues Batiment International (BBI). 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 Clavel G. Tongco, Filipino, 55, is the Head of Ayala Malls Operations Group. She was appointed as Vice President of Ayala Land in November 2022, effective January 2023. Her other significant positions are: Director of South Innovative Theater Management Inc., Station Square East Commercial Corp., North Triangle Depot Commercial Corp., Lagoon Development Corporation, North Beacon Commercial Corporation, Subic Bay Town Center Inc., Cavite Commercial Towncenter Inc., North Ventures Commercial Corp., Soltea Commercial Corp., Arvo Commercial Corporation, Primavera Towncentre Inc., Capitol Central Commercial Ventures Corp., North Eastern Commercial Corp. and AyalaLand Malls Vismin, Inc. She holds a Bachelor of Science degree in Commerce Major in Accounting at University of San Jose Recoletos in 1986. Ms. Tongco is a Certified Public Accountant.

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. Before 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. where she spent 11 years leading project development. She held earlier positions in Avida and the then Leisure & Lifestyle Communities Group of ALI. Currently, she is Director and President of Lagdigan Land Corporation; Director and General Manager of Accendo Commercial Corp. and Cagayan De Oro Gateway Corp.; General Manager of Aviana Development Corporation; Director of Taft Punta Engaño Property Inc.; Director of the Alviera Country Club, Inc.; Trustee, Vice Chairman and Vice President of Abreeza Central Estate Association, Inc.; Chairman of the Cebu Business Park and Cebu IT Park Estate Associations; and President of San Rafael Estates Association, Inc. She is also a member of the Board of Trustees of Miriam College. 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, 54, is a Vice President of ALI effective January 1, 2022. He has been with Ayala Land, Inc. group for 29 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.

Annabeth R. Bernardo, Filipino, 40, was appointed as Chief Audit Executive of 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.

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.

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.

Ma. Florence Therese dG. Martirez-Cruz, 37, is the newly appointed Assistant Corporate Secretary of the Corporation. Concurrently, she is the Corporate Secretary of AREIT Fund Manager and Assistant Corporate Secretary of AREIT, Inc. She also serves as the Head of Legal of AyalaLand Offices, Inc. and AREIT. She is also the lead lawyer for Ayala Land's Commercial Business Group and Banking, Finance, Securities and Special Projects group. Prior to joining AyalaLand Offices, Inc. in 2021, she was a Senior Counsel for AG Counselors Corporation, a role she has held since 2019, and Counsel from 2016 to 2019. Prior to joining the ALI Group, she worked as an associate lawyer at the Leynes Lozada-Marquez Law Offices. She also has previously worked as a legal consultant in the Office of Senator Maria Lourdes Binay. Ms. Martirez-Cruz holds a Bachelor of Arts degree in Public Administration from the University of the Philippines (Diliman) – National College of Public Administration and Governance. She obtained her Juris Doctor in 2011 from the University of the Philippines College of Law. She finished the Program on Negotiation and Leadership at Harvard Law School in 2019.

Significant Employees

The Company considers its human resources working as a team as a key element for its continued success. Moreover, the Company has no employee and non-executive officer who is expected to make individually on his own a significant contribution to the business.

Family Relationships

Ms. Mariana Beatriz Zobel de Ayala, director, is the daughter of Jaime Augusto Zobel de Ayala, the Chairman. Jaime Augusto Zobel de Ayala and Fernando Zobel de Ayala, one of the advisors to the Board, are brothers. Ms. Mariana Beatriz Zobel de Ayala is the niece of Fernando Zobel de Ayala.

Except for the foregoing, there are no known family relationships between the current members of the Board and key officers.

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

None of the Directors or Executive Officers is involved in any material pending legal proceedings in any court or administrative agency of the government.

EXECUTIVE COMPENSATION

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

Directors. Article IV Section 17 of the Company’s By-Laws provides:

“Section 17 – Each director of the Corporation shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as director. The Board of Directors shall have the sole authority to determine the amount, form, and structure of the fees and other compensation of directors. In no case shall the total yearly compensation of directors exceed one percent (1%) of the net income before income tax of the Corporation during the preceding year.

The compensation and remuneration committee of the Board of Directors shall have the responsibility for recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay directors for work required in a Company of the Corporation’s size and scope.” (As Amended April 13, 2011.)

During the 2011 annual stockholders’ meeting, the stockholders ratified the resolution increasing the remuneration of non-executive directors as follows:

	<u>From</u>	<u>To</u>
Retainer Fee:	₱500,000	₱1,000,000
Board Meeting Fee per meeting attended:	₱100,000	₱200,000
Committee Meeting Fee per meeting attended:	₱20,000	₱100,000

None of the directors, in their personal capacity, has been contracted and compensated by the Company for services other than those provided as a director.

The Company has no other arrangement with regard to the remuneration of its directors and officers aside from the compensation received as herein stated.

Officers. The Company adopts a performance-based compensation scheme. The total annual compensation of the President and top four (4) highly compensated executives amounted to ₱228.9 Million in 2022 and ₱205.05 Million in 2021. The projected total annual compensation for 2023 is ₱250.0 Million.

Total compensation paid to all senior personnel from Manager and up amounted to ₱1,021.0 Million in 2022, and ₱910.6 Million in 2021. The projected total annual compensation for the current year is ₱1,040.0 Million.

Name and Principal Position	Year	Salary	Other Variable Pay
Bernard Vincent O. Dy* President & CEO			
Dante M. Abando Senior Vice President			
Anna Ma. Margarita B. Dy Senior Vice President			
Jose Emmanuel H. Jalandoni Senior Vice President			

Augusto D. Bengzon Senior Vice President			
CEO & Most Highly Compensated Executive Officers	Actual 2019	₱135.03M	**₱103.69M
	Actual 2020	₱140.30M	**₱99.70M
	Actual 2021	₱140.90M	**₱64.60M
	Actual 2022	₱149.70M	**₱79.20M
	Projected 2023	₱162.00M	**₱88.00M
All other officers*** as a group unnamed	Actual 2019	₱716.49M	**₱360.42M
	Actual 2020	₱722.28M	**₱376.60M
	Actual 2021	₱735.70M	**₱174.90M
	Actual 2022	₱746.10M	**₱274.90M
	Projected 2023	₱750.00M	**₱290.00M
<p>* Compensation includes full year effect of CEO and market adjustments to selected officers for retention purposes.</p> <p>** Exclusive of Stock Option exercise.</p> <p>*** Managers and up</p>			

The total annual compensation paid to all senior personnel from Manager and up was all paid in cash. The total annual compensation includes the basic salary and other variable pay (guaranteed bonus and performance bonus).

The Company has no other arrangement with regard to the remuneration of its existing directors and officers aside from the compensation received as herein stated.

Each executive officer executed an employment contract with the Company for an indefinite period (the terms and conditions of which are in accordance with existing laws) and is entitled to receive retirement benefits in accordance with the terms and conditions of the Company's BIR-registered Employees' Retirement Fund. There is no plan or arrangement by which the Executive Officers will receive from the Company any form of compensation in case of a change in control of the Company or change in the officers' responsibilities following such change in control.

Options Outstanding

Since 1998, the Company has offered its officers options to acquire common shares under its ESOP. There were no ESOP shares available as of December 31, 2022.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN RECORD AND BENEFICIAL OWNERS

Security Ownership of Certain Record and Beneficial Owners of more than 5% as of March 31, 2023

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (of outstanding shares)
Common	Ayala Corporation ¹ 32F to 35F, Tower One Ayala Triangle Ayala Ave., Makati City	Ayala Corporation ²	Filipino	7,622,336,690	27.7654%
Preferred				12,163,180,640	44.3061%
Common	PCD Nominee Corporation (Non-Filipino) ³ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers ⁴	Various Non-Filipino	3,908,331,089	14.2366%
Common	PCD Nominee Corporation (Filipino) ³ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers	Filipino	3,133,117,513	11.4128%

¹ Ayala Corporation ("AC") is the parent of the Company.

² The AC Board has the power to decide how AC's shares are to be voted.

³ PCD Nominee Corporation is not related to the Company.

⁴ Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The beneficial owner, with certification of ownership of shares from the PCD Participant, has the power to vote either in person or by proxy. Out of the 7,041,448,602 common shares registered in the name of PCD Nominee Corporation, 1,792,664,260 or 6.53% of the voting stock is for the account of Standard Chartered Bank (SCB). The Company did not receive any report from SCB or any of its customers stating that they beneficially own more than 5% of the Company's common shares.

Security Ownership of Directors and Management (Executive Officers) as of March 31, 2023

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of total outstanding shares)
Directors				
Common	Jaime Augusto Zobel de Ayala	(direct & indirect) 63,656	Filipino	0.0002%
Common	Bernard Vincent O. Dy	(direct & indirect) 19,255,637	Filipino	0.0701%
Common	Antonino T. Aquino	(direct & indirect) 20,305,226	Filipino	0.0740%
Common	Arturo G. Corpuz	(direct & indirect) 5,843,711	Filipino	0.0213%
Common	Mariana Zobel de Ayala	(direct) 1	Filipino	0.0000%
Common	Rizalina G. Mantaring	(direct & indirect)	Filipino	0.0001%

Security Ownership of Management and Certain Record and Beneficial Owners

		39,401		
Common	Rex Ma. A. Mendoza	(direct & indirect) 3,932,821	Filipino	0.0143%
Common	Sherisa P. Nuesa	(direct & indirect) 3,998,509	Filipino	0.0146%
Common	Cesar V. Purisima	(direct) 1	Filipino	0.0000%
CEO and Most Highly Compensated Executive Officers				
Common	Bernard Vincent O. Dy*	Same as above	Filipino	0.0701%
Common	Anna Maria Margarita B. Dy	(direct & indirect) 7,909,610	Filipino	0.0288%
Common	Dante M. Abando	(direct & indirect) 6,838,969	Filipino	0.0249%
Common	Augusto D. Bengzon	(indirect) 4,077,699	Filipino	0.0149%
Common	Jose Emmanuel H. Jalandoni	(direct & indirect) 8,615,554	Filipino	0.0314%
Other Executive Officers				
Common	Lyle A. Abadia	(direct & indirect) 1,222,915	Filipino	0.0045%
Common	Amelia Ann T. Alipao	(indirect) 1,910,690	Filipino	0.0060%
Common	Aniceto V. Bisnar, Jr.	(indirect) 1,743,069	Filipino	0.0063%
Common	Ma. Luisa D. Chiong	(direct & indirect) 921,109	Filipino	0.0034%
Common	Raquel S. Cruz	(indirect) 568,139	Filipino	0.0021%
Common	Dindo R. Fernando	(indirect) 1,146,592	Filipino	0.0042%
Common	Rufino Hermann S. Gutierrez	(indirect) 877,475	Filipino	0.0032%
Common	Javier D. Hernandez	(indirect) 777,891	Filipino	0.0028%
Common	Joseph Carmichael Z. Jugo	(indirect) 1,137,255	Filipino	0.0041%
Common	Laurent P. Lamasuta	(indirect) 3,918,690	Filipino	0.0143%
Voting Preferred		(direct) 1,977,234		0.0072%
Common	Robert S. Lao	(indirect) 2,750,414	Filipino	0.0100%
Common	Stephanie J. Lingad	(indirect) 909,767	Filipino	0.0033%
Common	Ma Divina Y. Lopez	(direct & indirect) 639,776	Filipino	0.0023%
Common	Christopher B. Maglanoc	(direct & indirect) 1,406,561	Filipino	0.0051%
Common	Michael F. Magpusao	(indirect) 571,687	Filipino	0.0021%
Common	Ferdie M. Mangali	(indirect) 1,135,009	Filipino	0.0041%
Common	Romeo T. Menpin	(indirect) 743,510	Filipino	0.0027%
Common	Carol T. Mills	(indirect) 978,605	Filipino	0.0036%
Common	June Vee D. Monteclaro-Navarro	(indirect) 542,270	Filipino	0.0020%
Voting Preferred		(direct) 180,218		0.0007%
Common	Rodelito J. Ocampo	(indirect) 2,649,752	Filipino	0.0097%
Common	Darwin L. Salipsip	(indirect) 924,326	Filipino	0.0034%
Common	Jennylle S. Tupaz	(indirect) 1,356,551	Filipino	0.0049%
Common	Richard T. Yap	(direct & indirect) 657,228	Filipino	0.0024%
Common	Jose C. Platero, Jr.	(indirect) 412,121	Filipino	0.0015%
Common	Alfonso Javier D. Reyes	(indirect) 537,959	Filipino	0.0020%
Common	May P. Rodriguez	(indirect) 258,927	Filipino	0.0009%
Common	Ma. Clavel G. Tongco	(direct & indirect) 556,887	Filipino	0.0020%
Common	Annabeth R. Bernardo	(indirect) 93,331	Filipino	0.0003%
Common	Maphilindo S. Tandoc	(indirect) 368,528	Filipino	0.0013%
Common	Roscoe M. Pineda	-	Filipino	0.0000%
Common	Mary Grace Santos-Ontiveros	(indirect) 500	Filipino	0.0000%
Common	Solomon M. Hermosura	(direct) 871	Filipino	0.0003%
Preferred		(direct) 480		0.0000%
All Directors and Officers as a group		114,757,132		0.4180%

*Member of the Board of Directors

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

Voting Trust Holders of 5% or More

The Company knows of no persons holding at least 5% of its common shares under a voting trust or similar agreement.

Changes in Control

No change of control in the Company has occurred since the beginning of its last fiscal year. More so, there is no arrangement which may result in the change of control in the Company in the future.

Foreign Ownership level as of March 31, 2023

Security	Total Outstanding Shares	Shares Owned by Foreigners	Foreign Ownership Level
Common Shares	15,010,111,431	3,916,382,699	
Voting Preferred Shares	12,442,514,223	54,891,473	
Total	27,452,625,654	3,971,274,172	14.47%

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transactions

The Company and its Subsidiaries (the “**Group**”), in their regular conduct of business, have entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, and development, management, underwriting, marketing, leasing and administrative service agreements. Sales and purchases of goods and services to and from related parties are made on an arm’s length basis and at current market prices at the time of the transactions. Material related party transactions are reviewed and approved by the Related Party Transactions Review Committee and approved by the Board of Directors in accordance with the Company’s Related Party Transactions Policy.

However, no other transaction, without proper disclosure, was undertaken by the ALI Group in which any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Company’s outstanding shares (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest.

ALI directors and employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management. None of the Company’s directors have entered into self-dealing and related party transactions with or involving the Company in 2022.

The table below sets out principal ongoing transactions of the Company with related parties as of end December 31, 2022. Additional information on Ayala Land’s Related Party Transactions can be found on Note 25 of the Audited Financial Statements.

RELATED PARTY	NATURE OF TRANSACTION	AMOUNT (In ₱ Thousands)	RELATIONSHIP
Bank of the Philippine Islands	Regular Deposit & Money Market placements	6,499,311	Associate of Ayala Corporation
Bank of the Philippine Islands	Regular Short & Long-term borrowings	6,259,237	Associate of Ayala Corporation

RELATED PARTY RECEIVABLES	NATURE OF TRANSACTION	AMOUNT (In ₱ Thousands)	RELATIONSHIP
ALI ETON Property Development Corporation	Mainly from Alveo Land Corp.’s land sale and Makati Development Corporation’s (MDC’s) construction contracts of Park Links.	2,686,086	ALI-Associate
Fort Bonifacio Development Corp.	Ayala Property Management Corporation’s Property Management Fees and MDC’s various construction projects in Bonifacio Global City.	587,745	ALI-Associate
Rize-Ayalaland (Kingsway) GP, Inc	Advances to limited partnership	733,070	ALI-Associate
Globe Telecom, Inc.	Regular retail lease of spaces	213,324	Associate of Ayala Corporation
Bank of the Philippine Islands	Regular lease of spaces	389,057	Associate of Ayala Corporation
Manila Water Philippine Ventures, Inc. (MWPVI)	Various agreements between MDC & MWPVI projects for the construction of the sewer systems.	345,760	Associate of Ayala Corporation
Manila Water Company, Inc.	MDC’s project on the design & build of the Calawis Water Treatment Plant in Antipolo.	223,075	Associate of Ayala Corporation

Certain Relationships and Related Transactions

	The project started on March 01, 2021 and expected to be completed by the first quarter of 2023.		
Panay Medical Ventures Inc.	Agreement on Advances	82,577	Associate of Ayala Corporation

RELATED PARTY PAYABLES	NATURE OF TRANSACTION	AMOUNT (In ₱ Thousands)	RELATIONSHIP
Ayala Corporation	Regular lease of office spaces	151,143	Parent Company
Bonifacio Land Corp.	Related to management fees for joint venture projects with Bonifacio Land Corporation (BLC)	212,696	ALI-Associate
Globe Telecom, Inc.	Regular Mobile/Telephone-related expenses	10,800	Associate of Ayala Corporation
Manila Water Philippine Ventures, Inc.	Memorandum of Agreement between the Parent Company and Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc., relating to the waterworks of various ALI projects	20,814	Associate of Ayala Corporation
Manila Water Company, Inc.	Regular water charges	29,861	Associate of Ayala Corporation

DESCRIPTION OF DEBT

As of December 31, 2022, Ayala Land had the equivalent of ₱236.05 Billion of outstanding debt, of which ₱231.42 Billion are unsecured.

Of Ayala Land's outstanding debt, ₱119.43 Billion is evidenced by a debt instrument that was acknowledged by both the creditor and Ayala Land before a notary public. Under Philippine law, in the event that a borrower submits to insolvency or liquidation proceedings in which the borrower's assets are liquidated, unsecured debt evidenced by a debt instrument that has been acknowledged by the creditor and the borrower before a notary public enjoys a preference over unsecured debt that has not been so notarized. Ayala Land has secured the waiver by the creditors of such preference in their respective debt instruments. (See discussion under *"Risk Factors and Other Considerations"* of this Offer Supplement).

The following tables set forth the outstanding long- and short-term debt of Ayala Land and its Subsidiaries as of December 31, 2022 (in ₱ Millions).

Short-Term Debt

Borrower	Amount
Ayala Land, Inc.	688.0
Alveo Land Corp.	1,134.0
AREIT, Inc.	300.0
Avida Land Corp.	2,713.8
BG West Properties, Inc.	348.5
Leisure and Allied Industries Phils Inc.	300.0
NuevoCentro, Inc.	672.0
Regent Wise Investments Limited	391.5
Total	6,547.8

Long-Term Debt¹²

Borrower	Current	Non-Current	Total
Ayala Land, Inc.	14,596.7	177,285.3	191,882.0
Accendo Commercial Corp.	9.4	1,682.3	1,691.7
Alveo Land Corp.	30.0	7,076.0	7,106.0
Amaia Land Corp.	44.5	4,378.0	4,422.5
AREIT, Inc.	2,978.8	-	2,978.8
Avida Land Corp.	42.6	13,734.6	13,777.2
AyalaLand Hotels and Resorts Corp.	1,356.7	809.6	2,166.3
AyalaLand Logistics Holding Corp.	-	2,463.2	2,463.2
Cagayan de Oro Gateway Corp (CDOGC)	43.1	1,795.8	1,838.9
HLC Development Corp.	134.6	-	134.6
North Triangle Depot Commercial Corp.	20.0	335.0	355.0
Regent Wise Investments Limited	0.4	442.0	442.4
Subic Bay Town Center, Inc.	28.0	205.0	233.0
Total Consolidated	19,284.9	210,206.7	229,491.6

The table below details Ayala Land's Issuances of Debt Securities / New Financing through Loans from January 1 to December 31, 2022 (in ₱ Millions).

Borrower	Amount	Nature
ALI	114,984.5	availing of short-term and long-term loans,

¹² Net of PAS Adjustments

Description of Debt

		and bonds issuance
Accendo	906.0	avaiement of long-term loan
Alveo	6,818.0	avaiement of long-term loan
ALLHC	500.0	avaiement of long-term loan
AREIT	740.0	avaiement of short-term loan
Avida	36,346.9	avaiement of short-term and long-term loan
BG West	618.0	avaiement of short-term loan
Regent Wise	1,255.7	avaiement of short-term revolving credit
NCI	672.0	avaiement of short-term loan
Total	162,841.1	

The following sets out the repayments of Debt Securities and Loans from January 1 to December 31, 2022 (in ₱ Millions):

Borrower	Amount	Nature
ALI	110,432.4	repayment of short-term loans, long terms loans and bonds; and amortization on long-term loans
Accendo	9.4	repayment of long-term loan
AHRC	1,157.0	repayment and amortization of long-term loan
AREIT	1,330.0	repayment on short term loans
Alveo	1,751.0	repayment on short term loans and amortization on long-term loans
Avida	32,132.6	repayment of short term and amortization on long-term loans
BG West	891.5	repayment on short term loans
CDOGC	43.1	amortization on long-term loans;
HLC	179.4	amortization on long-term loan
LAIP	150.0	repayment on short term loans
NTDCC	20.0	amortization on long-term loan
Nuevocentro	300.0	repayment on short term loans
Regent Wise	148.5	repayment of short-term revolving credit
SBTCI	271.0	repayment and amortization of long-term loan
TOTAL	149,899.0	

There were no commercial papers issued and outstanding during the period ended December 31, 2022.

CORPORATE GOVERNANCE

Ayala Land has always been committed to strong and transparent corporate governance, going well beyond mere compliance with the code mandated by law. Ayala Land made several important improvements to its governance in 2004, focusing on increasing the involvement of various governance bodies, strengthening performance management, and ensuring compliance with Philippine Accounting Standards. In 2007, the Company adopted several initiatives aimed toward achieving governance excellence. These include conduct of a Self-Assessment Survey by the Board of Directors and Board Committees, development of Business Contingency Plans, adoption of risk-based audit approach and independent quality review of the Internal Audit function. Ayala Land believes that these changes will streamline its existing business models, improve execution, reduce risks, and better safeguard the collective and individual interests of its diverse set of shareholders.

Ayala Land seeks to promote and enhance compliance to good corporate governance. Ayala Land requires the observance of best practices and transparency in all of its subsidiaries, including those that are not listed on the PSE and not covered by the SEC Code of Corporate Governance.

The evaluation system which was established to measure or determine the level of compliance of the Board of Directors and top level management with its Revised Manual of Corporate Governance (the **"Revised Manual"**) consists of a Customer Satisfaction Survey which is filled up by the various functional groups indicating the compliance rating of certain institutional units and their activities. The evaluation process also includes a Board Performance Assessment which is accomplished by the Board of Directors indicating the compliance ratings. The above is submitted to the Compliance Officer who issues the required certificate of compliance with the Revised Manual of the SEC.

To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance. The Board ensures the presence and adequacy of internal control mechanisms for good governance.

There were no deviations from the Revised Manual. The Company has adopted in the Revised Manual the leading practices and principles of corporate transparency, and full compliance therewith has been made since the adoption of the Revised Manual.

The Company is taking further steps to further strengthen adherence to principles and practices of good corporate governance.

FINANCIAL INFORMATION

The following pages set forth Ayala Land's audited consolidated financial statements as at December 31, 2022, 2021, and 2020, and for each of the three (3) years in the period ended December 31, 2022.

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