



**08 October 2021**

**Securities and Exchange Commission**

Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City

To **Hon. Vicente Graciano P. Felizmenio, Jr.**  
Director, Markets and Securities Regulation Department

**Philippine Stock Exchange, Inc.**

6th Floor, PSE Tower, 28<sup>th</sup> Street corner 5<sup>th</sup> Avenue,  
Bonifacio Global City, Taguig City

To **Janet A. Encarnacion**  
Head, Disclosure Department

Gentlemen:

Please be informed that AREIT, Inc. (AREIT or the Company) received today the approval of the Securities and Exchange Commission (SEC) of the Company's property-for-share swap, specifically the subscription of Ayala Land, Inc. (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 08 June 2021.

In line with this, the parties have executed an Amendment to Section 4.2 of the Deed of Exchange on 07 October 2021 so that the recognition of income from the new assets will accrue to AREIT beginning 01 October 2021, instead of 01 November 2021. This will enable shareholders to fully benefit from the contribution of the new assets starting in the fourth quarter of the year.

AREIT will also apply for the issuance of the Certificate Authorizing Registration for the new assets from the Bureau of Internal Revenue and the listing of the shares in favor of ALI and the Subsidiaries within the year.

Furthermore, the SEC also approved the following amendments to AREIT's Articles of Incorporation:

1. The increase in our authorized capital stock from Php11,740,000,000.00 to Php29,500,000,000.00.
2. The increase in the number of directors from seven (7) to eight (8) making effective the election of Ms. Mariana Zobel de Ayala as a member of our Board of Directors.

The SEC likewise approved the amendment of various sections of the By-Laws to align with the Revised Corporation Code and recognized good corporate governance practices, and to digitalize certain governance processes.

Attached is the press release on the approval of the property-for-share swap transaction for your reference.

Thank you,

Very truly yours

**Solomon M. Hermosura**  
Corporate Secretary

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Press Release

**AREIT obtains SEC approval for property-share swap with ALI; new assets to accrue income starting 4Q21**

[08 October 2021] | AREIT Inc. (AREIT), the pioneer REIT in the Philippines, has obtained the approval of the Securities and Exchange Commission (SEC) on the subscription of Ayala Land, Inc (ALI) and its subsidiaries, Westview Commercial Ventures Corp. and Glensworth Development, Inc., to 483,254,375 shares of AREIT, Inc., in exchange for its identified properties, pursuant to the Deed of Exchange dated 08 June 2021.

In line with this, the parties have executed an Amendment to Section 4.2 of the Deed of Exchange on 07 October 2021 so that the recognition of income from the new assets will accrue to AREIT beginning 01 October 2021, instead of 01 November 2021. This will enable shareholders to partake in the contribution of the new assets starting in the fourth quarter of the year.

In anticipation of the approval, AREIT declared its third quarter dividends last 22 September 2021 (Php0.44/share, to stockholders of record as of 06 October 2021), earlier than its regular quarterly dividend declaration to provide shareholders with an equitable share in the Company's performance for the whole third quarter, prior to the increase in its common shares in exchange for the new assets. The new assets are expected to contribute significantly to earnings in the succeeding periods, thereby increasing the potential dividend per share for AREIT shareholders.

Last 16 March 2021, the Company's Board of Directors approved the increase of AREIT's authorized capital stock from Php11,740,000,000.00 to Php29,500,000,000.00 and the subscription of ALI and its subsidiaries to 483,254,375 primary common shares of AREIT in exchange for identified commercial properties valued at P15,464,140,000.00.

AREIT's outstanding common shares will increase to 1,508,910,810 from 1,025,656,435 wherein ALI will own approximately 66% of the total shares while adhering to the prescribed minimum public ownership requirements under Philippine laws.

The Company will apply for the issuance of the Certificate Authorizing Registration for the new assets from the Bureau of Internal Revenue and the listing of the shares in favor of ALI and the subsidiaries within the year.

With the completion of the transaction, AREIT's gross leasable area (GLA) is at 549 thousand sq. meters. At the closing price of P39.80 on 08 October 2021, the Company's total market capitalization is P60B from P27B during its IPO last year.

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