

**STRICTLY CONFIDENTIAL**

**REPORT OF FACTUAL FINDINGS**

**AYALA LAND, INC.**

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

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

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Dear Mr. Bengzon:

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

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

We report our findings below:

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

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

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

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

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

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

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

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

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

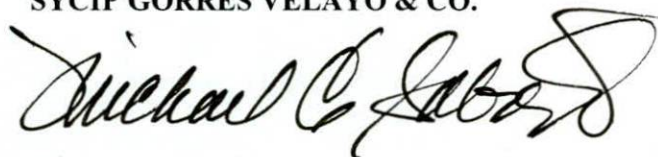


Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the accounts of the Company or its financial statements, taken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

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

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

**SYCIP GORRES VELAYO & CO.**



Michael C. Sabado

Partner

CPA Certificate No. 89336

Tax Identification No. 160-302-865

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

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

November 11, 2019, valid until November 10, 2022

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

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

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

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

# ACKNOWLEDGMENT

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

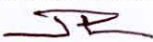
I certify that on **JAN 29 2022**, before me a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

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

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

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

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

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