

STRICTLY CONFIDENTIAL

REPORT OF FACTUAL FINDINGS

AYALA LAND, INC.

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

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

Dear Mr. Bengzon:

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

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

We report our findings below:

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

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

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

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

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

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

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

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

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

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

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

SYCIP GORRES VELAYO & CO.



Michael C. Sabado

Partner

CPA Certificate No. 89336

Tax Identification No. 160-302-865

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

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

November 11, 2019, valid until November 10, 2022

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

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

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

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

ACKNOWLEDGMENT

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


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

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

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

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

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Book No. 4 ;
Series of 2021. 2022


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