



SPONSOR REINVESTMENT PLAN

In connection with the sale of 75,000,000 AREIT shares

As of September 24, 2024 

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I. EXECUTIVE SUMMARY

This Reinvestment Plan sets forth the planned use of the proceeds received by Ayala Land, Inc. ("Ayala Land"), from the sale of its shareholdings in AREIT, Inc. consisting of an aggregate of 75,000,000 shares ("AREIT Shares") at a transaction price of ₱36.20 per share, with net proceeds from the sale amounting to ₱2,696,823,075.00 (net of fees and taxes) received on 24 September 2024.

On 20 September 2024, Ayala Land executed a block sale of the AREIT Shares with a settlement date of 24 September 2024. The sale was made in anticipation of potential infusions that Ayala Land Inc. (ALI) may make, in line with its commitment to grow AREIT's portfolio and in accordance to AREIT's Three-year Growth plan.

Pursuant to Securities and Exchange Commission ("SEC") Memorandum Circular No. 1, series of 2020, and Bureau of Internal Revenue ("BIR") – Revenue Regulations No. 3-2020, any sponsor/promoter of a REIT who contributes income-generating real estate to a REIT, shall submit a sworn statement to the SEC, the Philippine Stock Exchange ("PSE"), and the BIR, a reinvestment plan undertaking to reinvest any proceeds realized by the sponsor/promoter from the sale of REIT shares or other securities issued in exchange for income-generating real estate transferred to the REIT, and any money raised by the sponsor/promoter from the sale of any of its income-generating real estate to the REIT, in any real estate, including any redevelopment thereof, and/or infrastructure projects in the Philippines, within one (1) year from the date of receipt of proceeds or money by the sponsor/ promoter.

Following current regulations, Ayala Land intends to invest its net proceeds in residential and commercial developments comprising one (1) office building, one (1) residential development, and one (1) hotel building in Metro Manila. All disbursements for such projects are intended to be distributed within one year upon receipt of the proceeds from the sale of the AREIT shares. Please see the "Reinvestment Plan" section starting on page 6 of this Sponsor Reinvestment Plan, as amended, for more details on the commercial facilities and land parcels. Ayala Land does not intend to reinvest the proceeds from the sale of the AREIT shares in any infrastructure project. 

II. ABOUT THE SPONSOR

a. Company Background

Ayala Land is a public corporation organized under the laws of the Philippines. Spun off from its parent company, Ayala Corporation, in 1988, Ayala Land focuses on the real estate business of the Ayala group. Ayala Land went public in July 1991 when its common class “B” shares were listed on the Manila and Makati Stock Exchanges. In 1997, the SEC approved the declassification of Ayala Land’s common class “A” and “B” shares into common shares. Ayala Corporation holds 51.56% of Ayala Land’s common shares, 47.51% are owned by the public, and 15.01% are by foreign owners as of 30 June 2024.

Ayala Land Inc. is the largest property developer in the Philippines, with more than 11 thousand hectares of land bank and a solid track record in developing large-scale, integrated, mixed-use, and sustainable estates.


With 53 estates across the country, Ayala Land hosts its diversified portfolio of complementary businesses: development of residential, office, commercial, and industrial properties for sale; commercial leasing through shopping centers, offices, hotels, resorts, factory buildings, warehouses, co-living, and co-working spaces; services such as construction, property management, retail energy supply, airlines, and strategic property-related investments.

Following the success of the Makati Central Business District (Makati CBD), Ayala Alabang, Cebu Park District, Bonifacio Global City (BGC), and NUVALI, Ayala Land pioneers’ sustainability standards and practices in all its developments and acts with integrity, foresight, and prudence as a responsible corporate citizen.

Focused on the vision of “enhancing land and enriching lives for more people,” Ayala Land continuously strives to deliver quality products and services that result in long-term value for its stakeholders.

Ayala Land’s property development activities concern the sale of high-end, upscale, middle-income, affordable, and socialized residential lots, units (including leisure community developments), house and lot packages, office spaces, and commercial and industrial lots. These products are developed and sold through Ayala Land Subsidiaries under a variety of brands, including AyalaLand Premier for luxury village lots and condominium and office units; Alveo Land Corp. for upscale village lots, condominiums, and office units; Avida Land Corp. for middle-income village lots, house and lot packages, condominium, and office units; Amaia Land Corp. for the affordable house and lot packages and condominium units; and BellaVita Land Corp. for the socialized house and lot packages.

Ayala Land’s experience with commercial leasing is broad and encompasses the development and leasing of office buildings, factory buildings, shopping centers, and hotels and resorts. This experience also includes the operation of movie theaters, food courts, entertainment facilities, and carparks in developed shopping centers; management and operations of co-owned malls with partners; and operation and management of branded and owner-operated hotels.

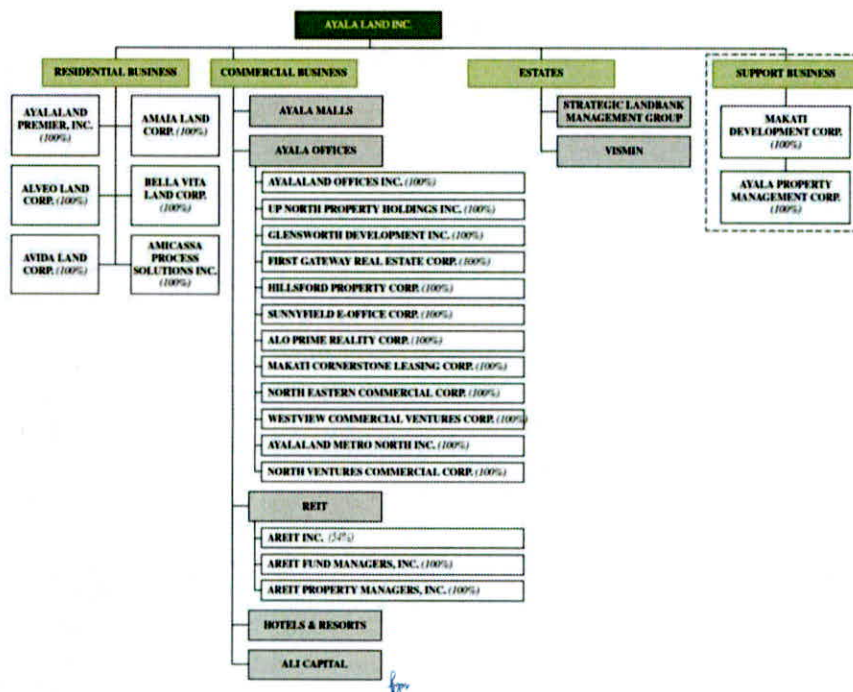
Ayala Land is also engaged in construction and property management as rendered by its subsidiaries, Makati Development Corporation and Ayala Property Management Corporation. Property management activities include the distribution of district cooling systems and bulk purchase and supply of electricity for energy solutions. 

b. Management and Organization

The following table provides information regarding the members of the executive management of Ayala Land.

Management Committee Members	Position
Anna Ma. Margarita B. Dy	President and CEO, Ayala Land, Inc.
Dante M. Abando	President and CEO, Makati Development Corp.
Augusto D. Bengzon	CFO and Treasurer, Ayala Land, Inc.
Raquel S. Cruz	Group Head, Core Residential
Joseph Carmichael Z. Jugo	Group Head, Premium Residential
Laurent P Lamasuta	President and CEO, Ayala Property Management Corp.
Robert S. Lao	Group Head, Strategic Growth and New Ventures and Central Land Acquisition
Isabel D. Sagun	Chief Human Resources Officer and Group Head, Human Resources, Ayala Land, Inc.
Mariana Beatriz Zobel de Ayala	Group Head, Leasing and Hospitality


Ayala Land's group structure is as follows:



III. PROCEEDS RECEIVED BY THE SPONSOR

Pursuant to the sale of the AREIT shares, Ayala Land received net proceeds of approximately ₱2,696,823,075.00 (net of fees and taxes) on September 24, 2024.

IV. REINVESTMENT PLAN

Ayala Land intends to invest its net proceeds in residential and commercial developments comprising one (1) office building, one (1) residential development, and one (1) hotel building in Metro Manila which Ayala Land may undertake on its own or through other subsidiaries and affiliates (as indicated in the table below) (each an "Ayala Land Subsidiary or Affiliate"). The transfer of funding from Ayala Land to the relevant Ayala Land Subsidiary or Affiliate may be through a capital infusion or through shareholder financing. In either case, the relevant documentary stamp taxes will be paid by the proper party, subject to their agreement. The projected disbursements in connection with the proposed use of proceeds is provided in the succeeding table: 

Project name	Description	Location	Investment Type	Product	Status	Percentage Completion	Completion Date	Total Planned Use for one year		Q4 2024	Q1 2025	Q2 2025	Disbursing Entity
1 BPI HQ Redevelopment	45-storey office building	Metro Manila	Development	Office	Ongoing development	26%	2029	1,040,337,247		607,069,427	223,198,574	210,069,246	Ayala Land, Inc.
									Cumulative total		830,268,001	1,040,337,247	
									%	58%	80%	100%	
2 Arbor Lanes	5-block residential development	Metro Manila	Development	Residential	Ongoing development	90%	2025	477,955,414		-	284,712,954	193,242,460	Ayala Land, Inc.
									Cumulative total		284,712,954	477,955,414	
									%	0%	60%	100%	
3 Mandarin Oriental	276-room hotel	Metro Manila	Development	Hotel	Ongoing development	57%	2026	1,178,530,413		-	564,247,770	614,282,643	Ayala Land, Inc.
									Cumulative total		564,247,770	1,178,530,413	
									%	0%	48%	100%	
TOTAL								2,696,823,075					

While Ayala Land, and its subsidiaries and affiliates shall endeavor to cause the completion of the construction of the projects enumerated above within the projected time-frame, the time of completion and accordingly, the timing of disbursements projected above, are subject to fire, earthquake, other natural elements, acts of God, war, civil disturbance, government and economic controls, delay in the construction timetable and progress billings arising out of unforeseen site conditions or difficulty in obtaining the necessary labor or materials for the projects, or due to any other cause beyond the control of Ayala Land, and its subsidiaries and affiliates.

V. MONITORING AND REVIEW


Ayala Land shall monitor the actual disbursements of projects proposed in this Reinvestment Plan on a quarterly basis. For purposes of monitoring, Ayala Land shall prepare a quarterly progress report of actual disbursements on the projects covered by this Reinvestment Plan.

In the event of changes in the actual disbursements of projects proposed in this Reinvestment Plan, Ayala Land, shall inform the SEC, PSE, BIR or the appropriate government agency, by sending a written notice to that effect.

VI. REPORTING

Ayala Land shall comply with the reportorial and disclosure requirement prescribed by the SEC, PSE, BIR, or the appropriate government agency.

Ayala Land shall submit with the PSE, a quarterly progress report, and a final report on the implementation of the Reinvestment Plan, duly certified by its Chief Finance Officer, Treasurer, and External Auditor. The quarterly progress report shall be submitted to the PSE following the relevant PSE rules. Ayala Land shall likewise submit a final report on the implementation of the REIT Plan and submit the same to the PSE.

The Reinvestment Plan and the status of its implementation shall be included in the appropriate structured reports of Ayala Land to the SEC, and the PSE. Any investment pursuant to the Reinvestment Plan shall also be disclosed by Ayala Land via SEC Form 17-C as such investment is made. Ayala Land shall likewise furnish the SEC with copies of the relevant documentary stamp tax returns, as may be applicable. 

CERTIFICATION

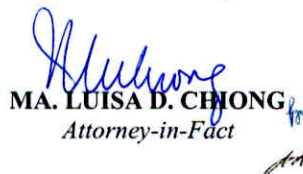
This REINVESTMENT PLAN was prepared and assembled under our supervision in accordance with existing rules of the Securities and Exchange Commission, Philippine Stock Exchange, and the Bureau of Internal Revenue. The information and data provided herein are complete, true, and correct to the best of our knowledge and/or based on authentic records.

By:

AYALA LAND, INC.
Sponsor



AUGUSTO D. BENGZON
Attorney-in-Fact



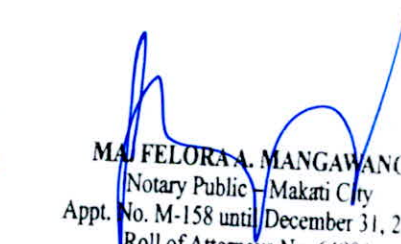
MA. LUISA D. CHIONG
Attorney-in-Fact

SUBSCRIBED AND SWORN to before me this SEP 24 2024 day of SEP 24 2024 at Makati City, with the affiant/s exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i>		
Augusto D. Bengzon	Passport No. P4323352B	08 Jan 2020 / DFA NCR East
Ma. Luisa D. Chiong	Passport No. P6354499B	22 Feb 2021/ DFA NCR East

Doc. No. 375 ;
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Book No. VII ;
Series of 2024.

Notarial DST pursuant to Sec. 61 of the
TRAIN Act (Amending Sec. 188 of the NIRC)
affixed on Notary Public's copy



MA FELORA A. MANGAWANG
Notary Public - Makati City
Appt. No. M-158 until December 31, 2025
Roll of Attorneys No. 64804
Lifetime IBP No. 013749 - Makati City
PTR No. MKT10077039 - 01/03/2024 - Makati City
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