

**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 Quarterly Progress Report as at **September 30, 2021** on the use of proceeds from the secondary offer received by **Ayala Land, Inc.** (the "Company") from the Initial Public Offering (IPO) of **AREIT, Inc.** ("AREIT") on **August 13, 2020** and use of proceeds from the Sale of Teleperformance Cebu ("TP Cebu") to AREIT on **September 15, 2020**. 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 Initial Public Offering (IPO) and proceeds from Sale of Teleperformance Cebu (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 IPO 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:

<b>Distributing Entity</b>	<b>Start Date</b>	<b>Amount</b>	<b>Project Name</b>
ALI Commercial Center, Inc.	7/26/2021	₱107,000,000.00	One Ayala
Cavite Commercial Town Center, Inc.	7/27/2021	129,000,000.00	Vermosa
Cavite Commercial Town Center, Inc.	8/5/2021	31,000,000.00	Vermosa
Cebu Holdings Inc.	8/5/2021	42,000,000.00	Flats Cebu I.T. Park
Cebu Holdings Inc	8/5/2021	68,000,000.00	Flats Cebu Business Park
BGWest Properties Inc	8/5/2021	100,000,000.00	West Gallery Place
ALI Commercial Center, Inc.	8/6/2021	842,000,000.00	One Ayala
AyalaLand Logistics Holdings Corp	8/6/2021	740,000,000.00	Industrial Park
AyalaLand Logistics Holdings Corp	8/6/2021	377,000,000.00	Alogis Artico Binan
Avida Land Corp	8/6/2021	338,000,000.00	Land Acquisition
Avida Land Corp	8/6/2021	240,000,000.00	AT Verge Tower 1
ALI Triangle Hotel Ventures Inc.	8/6/2021	211,000,000.00	Mandarin Oriental
BGWest Properties Inc	8/6/2021	150,000,000.00	West Gallery Place
BGWest Properties Inc	8/6/2021	150,000,000.00	East Gallery Place
Avida Land Corp	8/6/2021	135,000,000.00	Laguna Development
AyalaLand Logistics Holdings Corp	8/6/2021	105,000,000.00	Lepanto Redevelopment
AyalaLand Logistics Holdings Corp	8/6/2021	103,000,000.00	Alogis Naic 2
AyalaLand Logistics Holdings Corp	8/6/2021	86,000,000.00	Alogis Binan 4
North Triangle Depot Commercial Corp	8/6/2021	49,000,000.00	Trinoma Common Station Connections
Crans Montana Property Holdings Inc	8/6/2021	33,000,000.00	Flats Circuit
AyalaLand Logistics Holdings Corp	8/6/2021	25,000,000.00	Alogis Porac Expansion
Alveo Land Corp	8/9/2021	610,000,000.00	Land Acquisition
Alveo Land Corp	8/9/2021	120,000,000.00	Cavite Development
Alveo Land Corp	8/10/2021	100,000,000.00	Cavite Development
One Makati Hotel Ventures, Inc	8/10/2021	40,000,000.00	Seda One Ayala
Avida Land Corp.	9/24/2021	114,500,000.00	Avida Atria
Avida Land Corp.	9/24/2021	85,655,869.31	Avida Towers
Amaia Land Corp.	9/24/2021	28,000,000.00	Amaia Skies
Avida Land Corp.	9/24/2021	20,800,000.00	Avida Towers
		<b>₱5,179,955,869.31</b>	

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

We also traced the amounts disbursed by the Company during the period for the following projects amounting to ₱1.24 billion to the progress billings, invoices and official receipts and agreed the amount to the accounting records. No exceptions noted.

<b>Project Name</b>	<b>Amount</b>
Ayala Triangle Garden 2 (Office)	₱696,001,355.13
Seda Manila Bay	148,363,008.77
Andacillo	84,400,000.00
(Forward)	



<b>Project Name</b>	<b>Amount</b>
The Courtyards	₱60,470,000.00
Park Cascades 1&2	55,120,805.31
Tryne Enterprise Plaza	54,090,000.00
Garden Court Residences	37,100,000.00
Avida Towers Sola T1-T3	24,580,000.00
Avida Towers Vireo Tower 1-3	23,800,000.00
Cerilo	21,800,000.00
Arbor Lanes	18,300,000.00
Ardia	11,208,000.00
	<b>₱1,235,233,169.21</b>

We also traced the amounts of additional disbursements by the Company from January 1 to June 30, 2021 for the following projects amounting to ₱1.48 billion to the progress billings, invoices and bank statements and agreed the amount to the accounting records. No exceptions noted.

<b>Project Name</b>	<b>Amount</b>
Arca South Office	₱12,000,000.00
Veranda Tower 1	150,000,000.00
Glorietta and Greenbelt Refresh	616,000,000.00
Land Acquisition	700,481,166.69
	<b>₱1,478,481,166.69</b>

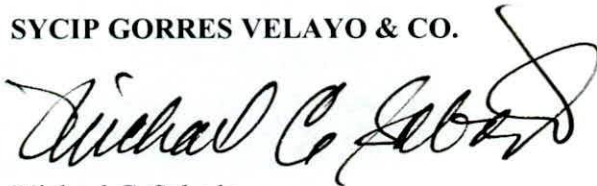
3. There were no additions during the 3<sup>rd</sup> quarter (July to September). Further, we inquired into and identified the nature of the disbursements. We checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of TP Cebu proceeds as documented in the Amended Reinvestment Plan dated August 31, 2021. We have noted that the abovementioned projects were included in the Amended 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 offering 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. 1561-AR-1 (Group A)

January 31, 2019 valid until January 30, 2022

BIR Accreditation No. 08-001998-073-2020,

December 3, 2020, valid until December 2, 2023

PTR No. 8534357, January 4, 2021, Makati City

ACKNOWLEDGMENT

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

I certify that on OCT 15 2021 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.

SUBSCRIBED AND SWORN TO BEFORE ME THIS  
DAY OF OCT 15 2021 AT MAKATI CITY

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Book No. 27 ;  
Series of 2021 27

*Atty. M. C. Malabanan*  
ATTY. M. C. MALABANAN  
Notary Public for Makati City  
Appointment No. M-363  
Until December 30, 2021 (BM-3795)  
298 Emilia Bautista, Palanan Makati City  
PTR No. 851236 / Jan. 04, 2021  
IBP No. 133855, IBP Batangas, Dec. 02, 2020  
MCLE VI 00224556, April 24, 2019  
PPLM Roll No. 58312  
Tin No. 278608760000