



SPONSOR
REINVESTMENT PLAN
(Amended as of 09 January 2023)

In connection with the sale of 87,370,000 AREIT shares

As of January 9, 2023 *fr*

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I. EXECUTIVE SUMMARY

This Amended Reinvestment Plan sets forth the planned use of the proceeds received by Ayala Land, Inc. ("Ayala Land") from the sale of a portion of its shareholdings in AREIT, Inc. consisting of 87,370,000 shares ("AREIT Shares") at a transaction price of ₱39.70 per share. On 02 May 2022, Ayala Land received the net proceeds from the sale amounting to ₱3,444,412,934.67 (net of fees and taxes).

On 27 April 2022, Ayala Land executed a block sale of the AREIT Shares with a settlement date of 02 May 2022. The block sale was conducted in preparation for the property-for-share swap between Ayala Land and AREIT. Under the property-for-share swap transaction, AREIT will issue 252,136,384 primary common shares of stock ("Swap Shares") to Ayala Land at an issue price of ₱44.65 per share in exchange for six (6) office buildings located in Cebu with an aggregate value of Php11,257,889,535.91. The shares will be issued from AREIT's unissued shares. The property-for-share swap has been approved by the stockholders of AREIT at its Annual Stockholders' Meeting last 21 April 2022. 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, containing 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, or infrastructure projects in the Philippines, within one (1) year from the date of receipt of proceeds or money by the sponsor/promoter.

On 2 May 2022, Ayala Land submitted its Reinvestment Plan of even date covering a total of ₱3,444,412,934.67. From 2 May 2022 to the end of the third quarter of 2022, Ayala Land has disbursed proceeds to various investments following its Reinvestment Plan. Given the changing economic environment and market conditions, Ayala Land submits its amended Sponsor Reinvestment Plan as it reprioritizes ongoing projects and developments and optimizes expenditures. Ayala Land intends to invest its net proceeds in land, residential development, and commercial facilities comprising four (4) land parcels located in Metro Manila, Batangas, and Cavite, one (1) office building in Metro Manila, and one (1) residential development in Laguna. Ayala Land intends to distribute the corresponding disbursements for such projects within one year from the date it receives the proceeds from the sale of the AREIT shares. Please see the "Amended Reinvestment Plan" section starting on page 5 of this Sponsor Reinvestment Plan 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 49.55% of Ayala Land's common shares, 49.36% are held by the public, and 14.40% are by foreign owners as of 30 September 2022.

Ayala Land Inc. is the largest property developer in the Philippines, with more than 12 thousand hectares of land bank and a solid track record in developing large-scale, integrated, mixed-use, and sustainable estates.

With 49 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 of 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.

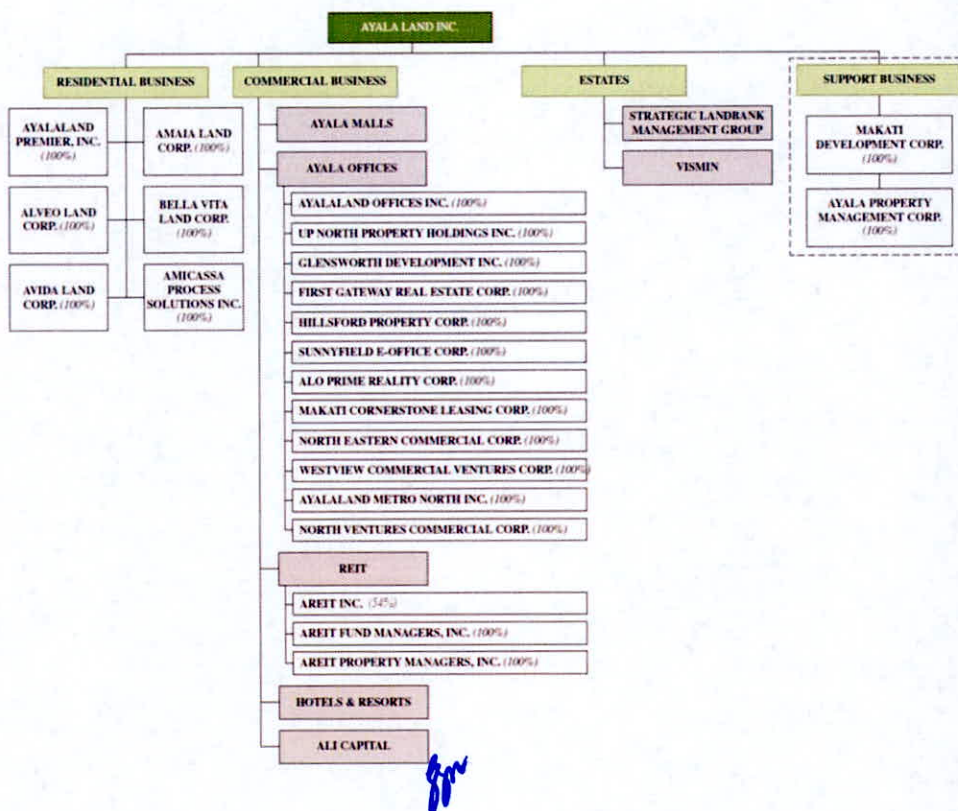


b. Management and Organization

The following table provides the members of Ayala Land’s executive management.

Management Committee Members	Position
Bernard Vincent O. 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.
Anna Ma. Margarita B. Dy	Group Head, Residential and Malls
Jose Emmanuel H. Jalandoni	Group Head, Commercial Leasing, ALI Capital, and Ortigas Land
Robert S. Lao	Group Head, Estates, Strategic Land Bank Management Group, VisMin Group, Corporate Marketing, Urban Planning and Sustainability, and Central Land Acquisition
Laurent P Lamasuta	President and CEO, Ayala Property Management Corp.
June Vee D. Monteclaro-Navarro	Chief Legal Counsel, Chief Compliance Officer and Assistant Corporate Secretary

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 ₱3,444,412,934.67 (net of fees and taxes) on May 02, 2022.

IV. AMENDED REINVESTMENT PLAN

On 2 May 2022, Ayala Land submitted its Reinvestment Plan of even date covering a total of ₱3,444,412,934.67 from the sale of AREIT shares. From 2 May 2022 to the end of the third quarter of 2022, Ayala Land has disbursed proceeds to various investments following its Reinvestment Plan. Ayala Land intends to use the sale proceeds from the AREIT shares to fund ongoing and future investments in real estate properties in Metro Manila, Batangas, Cavite, and Laguna. Ayala Land may undertake the work 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 shareholder financing. In either case, the appropriate party will pay the applicable documentary stamp taxes, subject to their agreement, which includes investment in offices, residential buildings, and land. The projected disbursements in connection with the proposed use of proceeds are provided in the succeeding table:



Project name	Description	Location	Investment Type	Product	Status	Percentage Completion	Completion Date	Total Planned Use for one year	2nd Quarter 2022	3rd Quarter 2022	4th Quarter 2022	1st Quarter 2023	April 1-30, 2023	Disbursing Entity
1. Caloocan Property	N/A	Caloocan	Land Acquisition	N/A	Ongoing Acquisition	N/A	N/A	156,950,720	-	-	156,950,720	-	-	Ayala Land, Inc.
								<i>Cumulative total</i>			156,950,720	156,950,720	156,950,720	
								<i>%</i>	0%	0%	100%	100%	100%	
2. Quezon City Property	N/A	Quezon City/Pasig City	Land Acquisition	N/A	Ongoing Acquisition	N/A	N/A	2,099,000,000	1,250,000,000	-	849,000,000	-	-	ALI Eton Property Development Corporation (a 50:50 JV between ALI and EPPJ)
								<i>Cumulative total</i>	1,250,000,000	1,250,000,000	2,099,000,000	2,099,000,000	2,099,000,000	
								<i>%</i>	60%	60%	100%	100%	100%	
3. Batangas Property	N/A	Batangas	Land Acquisition	N/A	Ongoing Acquisition	N/A	N/A	745,000,000	745,000,000	-	-	-	-	Laguna Technopark Inc.
								<i>Cumulative total</i>	745,000,000	745,000,000	745,000,000	745,000,000	745,000,000	
								<i>%</i>	100%	100%	100%	100%	100%	
4. Cavite Property	N/A	Cavite	Land Acquisition	N/A	Ongoing Acquisition	N/A	N/A	108,135,603	108,135,603	-	-	-	-	Ayala Land, Inc.
								<i>Cumulative total</i>	108,135,603	108,135,603	108,135,603	108,135,603	108,135,603	
								<i>%</i>	100%	100%	100%	100%	100%	
5. One Vertis Plaza	43-storey Premier Corporate Tower	Quezon City	Investment in Building	Office	Under Construction	49%	2024	265,207,485	55,150,205	55,150,205	154,907,075	-	-	Ayala Land, Inc.
								<i>Cumulative total</i>	55,150,205	110,300,411	265,207,485	265,207,485	265,207,485	
								<i>%</i>	21%	42%	100%	100%	100%	
6. Andacillo	49.3 ha residential development	Laguna	Investment in Building	Residential	Under Construction	57%	2024	70,119,126	-	70,119,126	-	-	-	Ayala Land, Inc.
								<i>Cumulative total</i>	-	70,119,126	70,119,126	70,119,126	70,119,126	
								<i>%</i>	0%	100%	100%	100%	100%	
TOTAL								3,444,412,935						

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While Ayala Land and its subsidiaries endeavor to complete the construction of the projects enumerated above within the projected time frame, the completion and the timing of disbursements projected above are subject to the following factors: fire, earthquake, and other natural elements; acts of God, war, civil disturbance, and government and economic controls; and the 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.

V. MONITORING AND REVIEW

Ayala Land shall monitor the actual disbursements of projects proposed in this Reinvestment Plan quarterly. For monitoring purposes, 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 requirements prescribed by the SEC, PSE, BIR, or the appropriate government agency.

Ayala Land shall submit to 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. Ayala Land shall submit the quarterly progress report to the PSE following its relevant rules and shall submit a final report on the implementation of the REIT Plan and the same to the PSE.

Ayala Land shall include the Amended Reinvestment Plan and its implementation status in relevant structured reports to the SEC and the PSE. Ayala Land shall also disclose any investment pursuant to the Amended Reinvestment Plan via SEC Form 17-C upon execution. Ayala Land shall likewise furnish the SEC with copies of the relevant documentary stamp tax returns, as applicable.


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CERTIFICATION

This AMENDED REINVESTMENT PLAN was prepared and assembled under our supervision following the existing rules of the Securities and Exchange Commission, the 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 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 th day of April 2021 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. <i>Represented by:</i> Augusto D. Bengzon Ma. Luisa D. Chiong	TIN: 000-153-790-000 Passport No. P4323352B Passport No. P6354499B	08 Jan 2020 / DFA NCR East 22 Feb 2021 / DFA NCR East

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Notarial DST pursuant to
Sec. 188 of the Tax Code
Affixed on Notary Public's cop




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