



SPONSOR REINVESTMENT PLAN

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

As of May 02, 2022

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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 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. The net proceeds amounting to ₱3,444,412,934.67 (net of fees and taxes) from the sale were received on 02 May 2022.

On 27 April 2022, Ayala Land executed a block sale of the AREIT Shares with settlement date of 02 May 2022. The block sale was made 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 is intended to be completed by the close of 2022. 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, 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 land, residential development, and commercial facilities comprising five (5) land parcels, located in Metro Manila, Bulacan, Batangas and Cavite, one (1) office building in Metro Manila, and one (1) residential development in Laguna. 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 section on “Reinvestment Plan” 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.

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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 class "B" common shares were listed on both the Manila and Makati Stock Exchanges. In 1997, the SEC approved the declassification of Ayala Land's common class "A" and common class "B" shares into common shares. Ayala Corporation holds 46.07% of Ayala Land's common shares, 52.89% are held publicly, and 19.74% are held by foreign owners as of 31 December 2021.

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 47 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, and services such as construction, property management, retail energy supply, airlines, and strategic 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 our stakeholders.

Ayala Land's property development activities concern the sale of high-end residential lots and units (including leisure community developments), office spaces, commercial and industrial lots, middle-income residential lots and units, affordable lot units and house and lot packages, economic housing units, and house and lot packages, and socialized housing packages. 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, condominium and office units; Avida Land Corp. for middle-income village lots, house and lot packages, condominium and office units; Amaia Land Corp. for 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 also offers real estate-related services such as construction, for land development and construction of Ayala Land and third-party projects, and property management, for properties of Ayala Land and third-party projects. Such property management activities also include distribution of district cooling systems and bulk purchase and supply of electricity for energy solutions. Construction and property management services are led by Ayala Land's Subsidiaries, Makati Development Corporation, and Ayala Property Management Corporation, respectively.

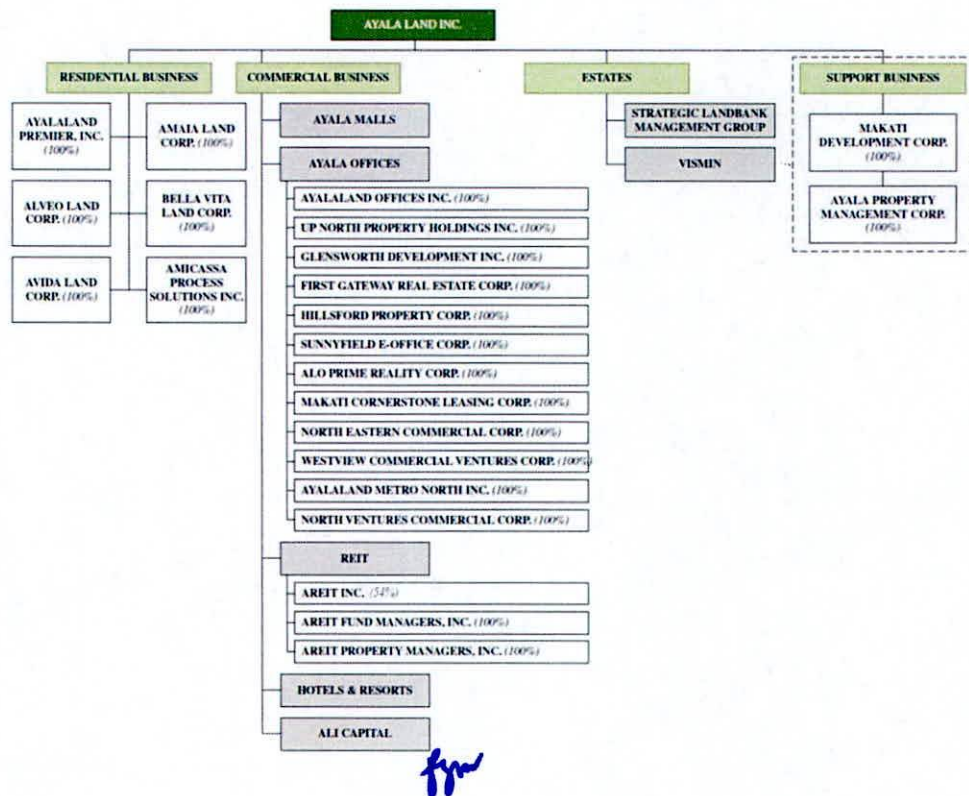


b. Management and Organization

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

Management Committee Members	Position
Bernard Vincent O. Dy	President and Chief Executive Officer
Dante M. Abando	President and Chief Executive Officer, Makati Development Corp.
Augusto D. Bengzon	Chief Finance Officer & Treasurer
Anna Ma. Margarita B. Dy	Group Head – Estates Group Head – Corporate Marketing Group Head – Urban and Regional Planning
Jose Emmanuel H. Jalandoni	Group Head – Commercial Business
Robert S. Lao	Group Head – Residential Business
Laurent P Lamasuta	President and Chief Executive Officer, Ayala Property Management Corp.

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. REINVESTMENT PLAN

Ayala Land intends to use proceeds received from the sale of the AREIT shares to fund ongoing and future investments in real estate properties in Metro Manila, Bulacan, Batangas, Cavite and Laguna, which Ayala Land may undertake on its own or through other subsidiaries (as indicated in the table below) (each an "Ayala Land Subsidiary"). The transfer of funding from Ayala Land to the relevant Ayala Land Subsidiary 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:

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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. Bulacan Property	N/A	Bulacan	Land Acquisition	N/A	Ongoing Acquisition	N/A	N/A	125,171,053	Cumulative total	-	125,171,053	-	-	-	Ayala Land, Inc.
									%	0%	100%	100%	100%	100%	
2. Quezon City Property	N/A	Quezon City	Land Acquisition	N/A	Ongoing Acquisition	N/A	N/A	290,460,000	Cumulative total	-	-	290,460,000	-	-	Ayala Land, Inc.
									%	0%	0%	100%	100%	100%	
3. Quezon City Property	N/A	Quezon City/Pasig City	Land Acquisition	N/A	Ongoing Acquisition	N/A	N/A	1,980,000,000	Cumulative total	995,000,000	-	985,000,000	-	-	ALI Eion Property Development Corporation (a 50:50 JV between ALI and EPTI)
									%	50%	50%	100%	100%	100%	
4. Batangas Property	N/A	Batangas	Land Acquisition	N/A	Ongoing Acquisition	N/A	N/A	750,000,000	Cumulative total	750,000,000	-	-	-	-	Laguna Technopark Inc.
									%	100%	100%	100%	100%	100%	
5. Cavite Property	N/A	Cavite	Land Acquisition	N/A	Ongoing Acquisition	N/A	N/A	118,362,344	Cumulative total	-	-	118,362,344	-	-	Ayala Land, Inc.
									%	0%	0%	100%	100%	100%	
6. One Vertis Plaza	43-storey Premier Corporate Tower	Quezon City	Investment in Building	Office	Under Construction	49%	2024	110,300,411	Cumulative total	-	55,150,205	-	55,150,205	-	Ayala Land, Inc.
									%	0%	50%	50%	100%	100%	
7. Andacillo	49.3 ha residential development	Laguna	Investment in Building	Residential	Under Construction	57%	2024	70,119,126	Cumulative total	-	70,119,126	-	-	-	Ayala Land, Inc.
									%	0%	100%	100%	100%	100%	
TOTAL								3,444,412,935							

2023

While Ayala Land, and its subsidiaries 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.

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


JOSE EMMANUEL H. JALANDONI
Attorney-in-Fact *fm*


MA. LUISA D. CHIONG
Attorney-in-Fact *fm*


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> Jose Emmanuel H. Jalandoni Ma. Luisa D. Chiong	TIN: 000-153-790-000 Passport No. P6984078B Passport No. P6354499B	15 June 2021 / DFA Manila 22 Feb 2021 / DFA NCR East

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Series of 2022. *fm*

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




MA. FLORENCE THERESE D.G. MARTIREZ-CRUZ
Notary Public - Makati City
Appt. No. M-154 until December 31, 2021
Roll of Attorneys No. 60896
Extended until June 30, 2022
IBP No. 178376 - 02/16/2022 - Makati City
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