

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 **June 30, 2021** on the use of the 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 proceeds from the Sale of Teleperformance Cebu to AREIT. 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 Initial Public Offering (IPO) and 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 checked whether there are additions and disbursements in the schedule and compared with the schedule of application of proceeds;
3. We traced to the Deed of Absolute Sale, Official Receipt and Bank Statements the additions pertaining to the sale of the Teleperformance Cebu to AREIT.

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	Start Date	Amount	Project Name
Primavera Town Center Inc.	4/8/2021	6,720,000	Evo City
Cavite Commercial Town Center, Inc	4/19/2021	5,000,000	Vermosa
ALI Commercial Center, Inc	4/21/2021	135,000,000	One Ayala
ALI Commercial Center, Inc	4/23/2021	116,000,000	One Ayala
ALI Commercial Center, Inc	4/27/2021	229,000,000	One Ayala
Cavite Commercial Town Center, Inc	5/3/2021	133,000,000	Vermosa
Primavera Town Center, Inc.	5/4/2021	3,200,000	Evo City
ALI Commercial Center, Inc	5/24/2021	110,000,000	One Ayala
ALI Commercial Center, Inc	5/26/2021	247,000,000	One Ayala
ALI Triangle Hotel Ventures, Inc.	5/31/2021	49,000,000	ATG Mandarin Hotel
North Triangle Depot Commercial Corp.	6/7/2021	55,000,000	Trinoma Expansion
ALI Commercial Center, Inc	6/23/2021	480,000,000	One Ayala
ALI Triangle Hotel Ventures, Inc.	6/30/2021	119,000,000	Mandarin Oriental
		₱1,687,920,000	

We have traced these amounts to the promissory notes and the bank statements and agreed the amounts to the accounting records.

We also traced the amounts disbursed by the Company during the period for the ATG Office Project amounting to ₱238.61 million to the progress billings, invoices and bank statements and agreed the amount to the accounting records. No exceptions noted.

We also traced the amounts of additional disbursements by the Company from January 1 to March 31, 2021 for the ATG Office Project amounting to ₱71.57 million to the progress billings, invoices and bank statements and agreed the amount to the accounting records. No exceptions noted.

4. We inquired into and identified the nature of the additions and disbursements. We have noted that the Amended Reinvestment Plan dated June 25, 2021 included the proceeds from the sale of Teleperformance Cebu. We also checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of IPO proceeds as documented in the Amended Reinvestment Plan. We have noted that the abovementioned entities and the related 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.

A handwritten signature in black ink, appearing to read 'Michael C. Sabado', is written in a cursive style.

Michael C. Sabado

Partner

CPA Certificate No. 89336

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

November 11, 2019, valid until November 10, 2022

Tax Identification No. 160-302-865

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

December 3, 2020, valid until December 2, 2023

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

