

COVER SHEET

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(Company's Full Name)

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(Business Address: No. Street City / Town / Province)

ATTY. MARIA FRANCHETTE M. ACOSTA

Contact Person

7908-3000

Company Telephone Number

Definitive

Month Day
Fiscal Year

2	0	-	1	S

Month Day
Annual Meeting

Secondary License Type, if Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. Of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of **AYALA LAND, INC.** will be held on **Thursday, April 25, 2024** at **9:00 o'clock in the morning** in a fully virtual format via <http://www.ayalagroupshareholders.com/> with the following:

A G E N D A¹

1. Call to Order
2. Certification of Notice and Quorum
3. Matters for Approval of the Stockholders
 - i. Approval of Minutes of Previous Meeting
 - ii. Annual Report
 - iii. Ratification of the Acts of the Board of Directors and Officers
 - iv. Approval of the Merger of the Company and its Subsidiaries
 - v. Election of Directors (Including the Independent Directors)
 - vi. Election of External Auditor and Fixing of its Remuneration
4. Consideration of Such Other Business as May Properly Come Before the Meeting
5. Adjournment

Pursuant to the Company's By-Laws, the Chairman, acting on the authority delegated by the Board of Directors during its meeting on November 29, 2023, has approved the conduct of the Annual Stockholders' Meeting be held in a fully virtual format, hence, stockholders may only attend the meeting by remote communication, by voting *in absentia*, or by appointing the Chairman of the meeting as their proxy.

Only stockholders of record as of **March 11, 2024** are entitled to notice of, and to vote at, this meeting. Stockholders intending to participate by remote communication should notify the Company by email on or before **April 16, 2024**. Stockholders may likewise register online starting on March 27, 2024. Stockholders may only vote electronically or *in absentia* or by proxy subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting of votes electronically and *in absentia* will be set forth in the Information Statement.²

Stockholders intending to participate by appointing the Chairman of the meeting as their proxy should submit their duly accomplished proxies on or before **April 16, 2024** to the Office of the Corporate Secretary at 4/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City or by email to corporatesecretary@ayalaland.com.ph. Validation of proxies is set for **April 18, 2024 at 9:00 o'clock in the morning**.

Stockholders of record as of March 11, 2024 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda by email on or before April 18, 2024³.

All email communications should be sent to corporatesecretary@ayalaland.com.ph on or before the designated deadlines.

This notice superseded the notice filed on February 26, 2024 with the Securities and Exchange Commission and The Philippine Stock Exchange.

Makati City, March 13, 2024.


MARIA FRANCHETTE M. ACOSTA
Corporate Secretary

¹ See next page for the explanation and rationale for each agenda item.

² Stockholders should notify the Company by email of their preference to receive hard copies of the Information Statement and other stockholders' meeting materials on or before March 11, 2024.

³ The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.

EXPLANATION AND RATIONALE OF AGENDA ITEMS

Call to Order

The Chairman will formally open the meeting at approximately 9:00 o' clock in the morning.

Certification of Notice and Quorum (and Rules of Conduct and Procedures)

The Corporate Secretary will certify that written notice for the meeting, together with the Definitive Information Statement, was duly sent to stockholders of record by electronic transmission in accordance with the Company By-Laws, and published in the business section of two (2) newspapers of general circulation in online and print format, and that a quorum exists for the transaction of business, in accordance with the prevailing rules. The holders of record of the majority of the outstanding capital stock of the Company, who are present by proxy, remote communication or voting *in absentia*, shall constitute a quorum.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders, the Company has set up a designated online web address which may be accessed by the stockholders to register and vote *in absentia* on the matters for resolution at the meeting.⁴ A stockholder participating by remote communication or voting *in absentia* shall be deemed present for purposes of quorum.

Matters for Approval of the Stockholders

Approval of Minutes of Previous Meeting

The minutes of the meeting held on April 26, 2023 are available at the Company website, [ir.ayalaland.com.ph \(https://ir.ayalaland.com.ph/wp-content/uploads/2023/05/Ayala-Land-Inc.-Minutes-Annual-Stockholders-Mtg.-26-April-2023.pdf\)](https://ir.ayalaland.com.ph/wp-content/uploads/2023/05/Ayala-Land-Inc.-Minutes-Annual-Stockholders-Mtg.-26-April-2023.pdf). A soft copy of the minutes will also be distributed to the stockholders after their registration for the meeting.

A resolution approving the minutes will be presented to the stockholders and approved by the vote of the stockholders representing at least a majority of the outstanding capital stock voting *in absentia* or voting through the Chairman of the meeting as proxy.

Annual Report

The Chairman will deliver the "Message From The Chairman", which provides the highlights of the performance of the Company for the year 2023 and the outlook of the Company for the year 2024 and beyond.

The President and Chief Executive Officer will deliver the "President's Report" which provides the significant operational and financial performance as well as the milestones and achievements of the Company for the year 2023. The report will also include significant events affecting the Company's performance for the year 2023.

The Company's annual report, titled the Integrated Report, will contain the "Message From The Chairman" and the "President's Report." A copy of the Integrated Report will be posted on the Company's website, ir.ayalaland.com.ph.

The Audited Financial Statements (AFS) as of December 31, 2023 will be presented to the stockholders for their approval. The AFS will be embodied in the Information Statement that may be accessed by the stockholders at the Company's website, ir.ayalaland.com.ph, and will also be set forth in the Integrated Report. The Audit Committee has recommended to the Board the approval of the AFS, and the Board has approved the AFS on February 20, 2024.

A resolution noting the report and approving the AFS will be presented to the stockholders for approval by the affirmative vote of the stockholders representing at least a majority of the outstanding capital stock voting *in absentia* or voting through the Chairman of the meeting as proxy.

Ratification of the Acts of the Board of Directors and Officers

The acts of the Board and its Committees were those adopted since the annual stockholders' meeting on April 26, 2023 until April 25, 2024. They include the approval of agreements, projects, investments, treasury-related matters and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. The acts of the officers were those taken to implement the resolutions of the Board or its Committees or in the general conduct of business.

A resolution on this agenda item will be presented to the stockholders for approval by the vote of the stockholders representing at least a majority of the outstanding stock voting *in absentia* or voting through the Chairman of the meeting as proxy.

Approval of the Merger of the Company and its Subsidiaries

Approval by the stockholders will be sought for the merger of the Company and its thirty-four subsidiaries with the Company as the surviving entity, and as embodied in the Plan of Merger. The merger is an internal restructuring to simplify the ownership structure and is expected to result in operational synergies, efficient funds management and simplified reporting to government agencies.

A resolution for the approval of the merger will be presented to the stockholders for adoption by the affirmative vote of stockholders representing at least 2/3 of the outstanding capital stock voting *in absentia* or voting through the Chairman of the meeting as proxy.

⁴ The detailed instructions pertaining to the URL and the use thereof will be provided in the Information Statement.

Election of Directors (Including the Independent Directors)

The Corporate Governance and Nomination Committee of the Board would have evaluated and determined that the nine (9) nominees to the Board, including the nominees for independent directors, have all the necessary qualifications to serve as directors and the expertise and competence, individually and collectively, to enable the Board to fulfill its roles and responsibilities and manage the Company to achieve its objectives.

The profiles of the candidates to the Board of Directors will be provided in the Information Statement.

Election of External Auditor and Fixing of its Remuneration

The Audit Committee of the Board will endorse to the stockholders the election of PwC Isla Lipana & Co. as the external auditor for the ensuing year as well as its proposed remuneration. The external audit conducts an independent verification of the Company's financial statements and provides an objective assurance on the accuracy of its financial statements.

The profile of PwC Isla Lipana & Co. will be provided in the Information Statement.

A resolution for the appointment of the external auditor, PwC Isla Lipana & Co., and the fixing of its remuneration will be presented to the stockholders for adoption by the affirmative vote of stockholders representing at least a majority of the outstanding capital stock voting *in absentia* or voting through the Chairman of the meeting as proxy.

Consideration of Such Other Business as May Properly Come Before the Meeting

The Chairman will open the floor for comments and questions by the stockholders, and take up agenda items received from stockholders on or before April 18, 2024 in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Company's internal guidelines⁵.

⁵ SEC Memorandum Circular No. 14, series of 2020 or "Shareholders' Right to Put Items on the Agenda for Regular/Special Stockholders' Meetings": <https://www.sec.gov.ph/mc-2020/mc-no-14-s-2020shareholders-right-to-put-items-on-the-agenda-for-regular-special-stockholders-meetings/>.

PROXY AND VOTING INSTRUCTION

1. IDENTIFICATION

This Proxy is being solicited by **AYALA LAND, INC.**, on and in its behalf, in connection with the Annual Stockholders' Meeting of **AYALA LAND, INC.**, to be held on April 25, 2024, at 9:00 o'clock in the morning.

2. INSTRUCTIONS

The undersigned stockholder of **AYALA LAND, INC.** (the "Company") hereby appoints the Chairman of the meeting of the stockholders, as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in his/her/its name at the annual meeting of the stockholders of the Company on April 25, 2024 and at any of the adjournments thereof for the purpose of acting on the matters stated below.

Please place an "X" in the box below how you wish your votes to be cast in respect of the matter to be taken up during the meeting.

If no specific direction as to voting is given, the votes will be cast for the election of all nominees and for the approval of the resolutions on the matter stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statements and as recommended by the Chairman.

Agenda Items

1. Approval of minutes of previous meeting.

☐ For ☐ Against ☐ Abstain

2. Annual report.

☐ For ☐ Against ☐ Abstain

3. Ratification of the acts of the Board of Directors and Officers.

☐ For ☐ Against ☐ Abstain

4. Approval of the merger of the Company and its subsidiaries

☐ For ☐ Against ☐ Abstain

5. Election of Directors.

6. Appointment of PwC Isla Lipana & Co. as the external auditor and fixing of its remuneration

☐ For ☐ Against ☐ Abstain

7. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.

☐ For ☐ Against ☐ Abstain

	No. of Votes
Jaime Augusto Zobel de Ayala	_____
Anna Ma. Margarita Bautista-Dy	_____
Cezar P. Consing	_____
Fernando Zobel de Ayala	_____
Mariana Beatriz Zobel de Ayala	_____

Independent Directors

Rex Ma. A. Mendoza	_____
Cesar V. Purisima	_____
Daniel Gabriel M. Montecillo	_____
Surendra M. Menon	_____

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER /
AUTHORIZED SIGNATORY

NUMBER OF SHARES HELD

DATE

A scanned copy of this Proxy and Voting Instruction should be received by the Corporate Secretary at corporatesecretary@ayalaland.com.ph on or before **April 16, 2024**, the deadline for submission of Proxies. For corporate stockholders, please attach to this Proxy form the Secretary's Certificate on the authority of the signatory to appoint the Proxy and sign this form.

3. REVOCABILITY OF PROXY

The Proxy and Voting Instruction may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting. A Proxy and Voting Instruction is also considered revoked if the stockholder registers and votes on the Company's secured online voting system (the "Voting System"). This Proxy and Voting Instruction shall be deemed revoked after the right granted is exercised during the Annual Stockholders' Meeting of the Company on April 25, 2024. Shares represented by an unrevoked Proxy will be voted as authorized by the stockholder.

4. PERSON MAKING THE SOLICITATION

The solicitation is made by the Company. No director of the Company has informed the former in writing that s/he intends to oppose an action intended to be taken up by the Company at the Annual Stockholders' Meeting. Solicitation of the proxies shall be made through the use of ordinary mail, electronic means of communication, or personal delivery. The total estimated amount to be spent in connection with the release and sending of the Proxy statements is approximately Php100,000.00. Costs for solicitation will be shouldered by the Company.

5. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The directors and officers do not have a substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon. The Company has not received any written information from anyone seeking to oppose any action to be taken up in the Annual Stockholders' Meeting of the Company.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT OF
AYALA LAND, INC. (the "Registrant", "Company" or "ALI")
PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☐ Preliminary Information Statement

☒ Definitive Information Statement

2. Name of Registrant as specified in its charter **AYALA LAND, INC.**

3. Province, country or other jurisdiction of incorporation or organization

REPUBLIC OF THE PHILIPPINES

4. SEC Identification Number **152747**

5. BIR Tax Identification Code **000-153-790-000**

6. Address of principal office **31st Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City 1226**

7. Registrant's telephone number, including area code **(632) 7908 3111**

8. Date, time and place of the meeting of security holders

Date	April 25, 2024
Time	9:00 am
Place	To be conducted virtually through http://www.ayalagroupshareholders.com/¹

9. Approximate date on which the Information Statement is first to be sent or given to security holders

Date	March 27, 2024

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the Revised Securities Act:

a. Shares of Stock as of February 29, 2024

Common Shares	15,721,525,627
Preferred Shares	13,066,494,759

b. Amount of Debt Outstanding as of February 29, 2024: **P115,250,000,000.00**

1. P22,000,000,000 from 2016 Debt Securities Program (DSP)
2. P31,000,000,000 from 2019 DSP
3. P50,000,000,000 from 2021 DSP
4. P10,250,000,000 from 2023 DSP
5. P2,000,000 of SEC-registered bonds issued prior to 2016

11. Are any or all of registrant's securities listed in a Stock Exchange?

☒ Yes ☐ No

As of February 29, 2024, 14,967,686,206 common shares are listed with the Philippine Stock Exchange ("PSE").

¹ Please refer also to Item 20 of this DIS.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. **Date, time and place of meeting of security holders (hereafter, the “annual stockholders’ meeting” or “meeting”)**

Date	April 25, 2024
Time	9:00 am
Place	To be conducted virtually through http://www.ayalagroupshareholders.com/²

Principal Office	31st Floor, Tower One and Exchange Plaza Ayala Triangle, Ayala Avenue, Makati City 1226

The Information Statement may be accessed by the Company’s stockholders beginning March 27, 2024 at the Company’s website, ir.ayalaland.com.ph.

The enclosed Proxy and Voting Instruction is solicited for and on behalf of the Company for use in connection with the Annual Stockholders’ Meeting of the Company on April 25, 2024.

Item 2. **Dissenters’ Right of Appraisal**

Under Section 80, Title X of the Revised Corporation Code of the Philippines (“RCC”), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- (a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- (c) In case of merger or consolidation; and
- (d) In case of investment of funds by the Company in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized.

Section 81 of the Corporation Code provides:

How Right is Exercised.- The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair market value of shares held within thirty (30) days from the date on which the vote was taken: Provided, That the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholders’ shares, or the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one (1) of whom, shall be named by the stockholder, another by the corporation, and the third by the two (2) thus

² Please also refer to Item 20 of this DIS.

chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made. Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the share to the corporation.

Pursuant to Sec. 81, Title X of the RCC, stockholders who shall vote against the proposed merger, detailed on Item 12 below, shall be entitled to exercise their right of appraisal by making a written demand on the Company within thirty (30) days after April 25, 2024 for payment of the fair value of their shares *provided*, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If such merger is implemented, the Company shall pay to the dissenting shareholders, upon surrender of the stock certificate/s, the fair value of the shares as of April 25, 2024, excluding any appreciation or depreciation in anticipation of such corporate action. If the fair value of the shares cannot be agreed upon, the provisions of Section 81 of the RCC shall be complied with. Notwithstanding the foregoing, no payment shall be made unless the Company has unrestricted retained earnings to cover such payment.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) No current director or officer³, or nominee for election as director or any of his associate, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.
- (b) No director has informed the Company that he intends to oppose any action to be taken at the annual stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Number of Shares Outstanding as of February 29, 2024:

Common Shares 14,942,175,713
Preferred Shares 12,442,495,031

Number of Votes Entitled: one (1) vote per share

- (b) All stockholders of record as of March 11, 2024 are entitled to receive notice and to vote at the annual stockholders' meeting.
- (c) **Manner of Voting**

Article III, Sections 6, 7 and 8 of the By-Laws of the Company (the "By-Laws") provide:

"Section 6 – Any stockholder entitled to vote may vote in person, through remote communication, *in absentia*, electronically or otherwise or be represented by proxy at any regular or special stockholders' meetings, subject to compliance with rules and regulations as may be issued by the Securities and Exchange Commission from time to time. Proxies shall be in writing and signed and in accordance with the existing laws, rules and regulations of the Securities and Exchange Commission. Duly accomplished proxies must be submitted to the office of the Corporate Secretary not later than seven (7) business days prior to the date of the stockholders' meeting. Validation of proxies shall be conducted by the Inspectors of Proxies and Ballots Committee at least five (5) business days prior to the date of the stockholders' meeting. (As amended on 26 November 2020.)

Section 7 - Each share of stock entitles the person in whose name it is registered in the books of the Corporation to one (1) vote, provided the share has not been declared delinquent. (As amended on 26 November 2020.)

³ References to directors, officers, Board or Committees are references to directors, officers, Board or Committees of the Company unless otherwise specified.

Section 8 – The election of Directors shall be by ballot and each stockholder may vote such number of shares for as many persons as there are Directors to be elected, or he may give to one (1) candidate as many votes as the number of Directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of Directors to be elected. (As amended on 26 November 2020.)

x x x”

Stockholders may vote on matters for resolution at the meeting by appointing the Chairman of the Meeting as their proxy or electronically *in absentia* using the online web address, <http://www.ayalagroupshareholders.com/>, subject to validation procedures. Please refer to Annex A (I) for the detailed instruction on electronic voting *in absentia*. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

(d) Security Ownership of Certain Record and Beneficial Owners and Management

i. Security Ownership of Record and Beneficial Owners of more than 5% as of February 29, 2024:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (of total outstanding shares)
Common Preferred	Ayala Corporation ⁴ 32/F to 35/F, Tower One and Exchange Plaza Ayala Triangle Ayala Ave., Makati City	Ayala Corporation ⁵	Filipino	7,622,336,690 12,163,180,640	72.2503%
Common	PCD Nominee Corporation (Non-Filipino) ⁶ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers ⁷	Various Non-Filipino	4,334,326,057	15.8276%
Common	PCD Nominee Corporation (Filipino) ⁶ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers ⁷	Filipino	2,649,715,502	9.6759%

ii. Security Ownership of Directors and Management (Executive Officers) as of February 29, 2024:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of total outstanding shares) in %
Directors				
Common	Jaime Augusto Zobel de Ayala	63,656 (direct & indirect)	Filipino	0.0002
Common	Cezar P. Consing	1 (direct)		0.0000
Common	Anna Ma. Margarita Bautista-Dy	8,561,613 (direct & indirect)	Filipino	0.0313
Common	Arturo G. Corpuz	5,843,711 (direct & indirect)	Filipino	0.0213
Common	Mariana Beatriz E. Zobel de Ayala	385,001 (direct)	Filipino	0.0014
Common	Rex Ma. A. Mendoza	3,932,821 (direct & indirect)	Filipino	0.0144
Common	Surendra M. Menon	20,001 (direct & indirect)	Filipino	0.0001
Common	Daniel Gabriel M. Montecillo	1 (direct)	Filipino	0.0000
Common	Cesar V. Purisima	1 (direct)	Filipino	0.0000

⁴ Ayala Corporation (“AC”) is the parent of the Company.

⁵ Under the By-Laws of AC and the Revised Corporation Code, the AC Board has the power to decide how AC’s shares are to be voted.

⁶ PCD is not related to the Company.

⁷ Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The beneficial owner, with certification of ownership of shares from the PCD Participant, has the power to vote *in absentia* or through the Chairman of the meeting as proxy. Out of the 6,984,041,559 common shares registered in the name of PCD Nominee Corporation, 1,568,575,040 or 5.7279% of the voting stock is for the account of Standard Chartered Bank (SCB). The Company did not receive any report from SCB or any of its customers stating that they beneficially own more than 5% of the Company’s common shares.

CEO and Most Highly Compensated Executive Officers					
Common	Anna Ma. Margarita Bautista Dy	8,561,613	(direct & indirect)	Filipino	0.0313
Common	Dante M. Abando	7,133,216	(direct & indirect)	Filipino	0.0260
Common	Augusto D. Bengzon	4,364,417	(indirect)	Filipino	0.0159
Common	Jose Emmanuel H. Jalandoni	8,615,554	(indirect)	Filipino	0.0315
Other Executive Officers					
Common	Mariana Beatriz E. Zobel de Ayala	385,001	(direct)	Filipino	0.0014
Common	Lyle A. Abadia	1,222,915	(direct & indirect)	Filipino	0.0045
Common	Aniceto V. Bisnar, Jr.*	1,883,455	(indirect)	Filipino	0.0069
Common	Ma. Luisa D. Chiong	1,091,859	(indirect)	Filipino	0.0040
Common	Raquel S. Cruz	721,028	(indirect)	Filipino	0.0026
Common	Dindo R. Fernando	1,331,726	(indirect)	Filipino	0.0049
Common	Rufino Hermann S. Gutierrez	949,524	(indirect)	Filipino	0.0035
Common	Javier D. Hernandez	973,215	(indirect)	Filipino	0.0036
Common	Joseph Carmichael Z. Jugo	1,328,154	(indirect)	Filipino	0.0048
Common	Laurent P. Lamasuta	4,306,139	(indirect)	Filipino	0.0157
Common	Robert S. Lao	3,190,469	(indirect)	Filipino	0.0117
Common	Stephanie J. Lingad	1,052,459	(indirect)	Filipino	0.0038
Common	Christopher B. Maglanoc	1,406,561	(direct & indirect)	Filipino	0.0051
Common	Michael F. Magpusao	571,687	(indirect)	Filipino	0.0021
Common	Ferdie M. Mangali	1,309,927	(indirect)	Filipino	0.0048
Common	Romeo T. Menpin	912,791	(indirect)	Filipino	0.0033
Common	Carol T. Mills	1,167,656	(indirect)	Filipino	0.0043
Common	Rodelito J. Ocampo*	2,779,187	(indirect)	Filipino	0.0101
Common	Roscoe M. Pineda	0		Filipino	0.0000
Common	Mary Grace Santos-Ontiveros**	500	(indirect)	Filipino	0.0000
Common	Darwin L. Salipsip	1,086,992	(indirect)	Filipino	0.0040
Common	Jennylle S. Tupaz	1,399,404	(indirect)	Filipino	0.0051
Common	Richard T. Yap	802,721	(direct & indirect)	Filipino	0.0029
Common	Jose C. Platero, Jr.	505,351	(indirect)	Filipino	0.0018
Common	Alfonso Javier D. Reyes	744,841	(indirect)	Filipino	0.0027
Common	Ma. Clavel G. Tongco	556,887	(direct & indirect)	Filipino	0.0020
Common	Annabeth R. Bernardo	148,483	(indirect)	Filipino	0.0005
Common	Isabel D. Sagun	0		Filipino	0.0000
Common	Jeremy U. Sy	0		Filipino	0.0000
Common	Pauline Clarisse K. Fera	105,000	(indirect)	Filipino	0.0004
Common	Enrique B. Manuel, Jr.	901,446	(indirect)	Filipino	0.0033
Common	Maphilindo S. Tandoc	448,418	(indirect)	Filipino	0.0016
Common	Solomon M. Hermosura***	871	(direct)	Filipino	0.0000
Voting Preferred		480	(direct)		0.0000
Common	Ma. Florence Therese dG. Martirez-Cruz	122,490	(indirect)	Filipino	0.0004
All Directors and Officers as a group		71,942,629			0.2627

*Retired effective December 31, 2023.

**Until January 31, 2024.

**Resigned as an officer of the Company effective February 29, 2024.

No director or member of the Company's management owns 2.0% or more of the outstanding capital stock of the Company.

iii. Voting Trust Holders of 5% or more

The Company knows of no persons holding more than 5% of common shares under a voting trust or similar agreement.

iv. Changes in Control

No change of control in the Company has occurred since the beginning of its last fiscal year. Moreso, there is no arrangement which may result in a change of control in the Company in the future.

(e) Foreign ownership level as of February 29, 2024:

Security	Total Outstanding Shares	Shares Owned By Foreigners	Percent of Ownership
Common Shares	14,942,175,713	4,342,484,793	
Voting Preferred Shares	12,442,495,031	54,891,473	
Total	27,384,670,744	4,397,376,266	16.06%

Item 5. Directors and Executive Officers

Article IV, Section 1 of the By-Laws provides in part:

“Section 1. xxx The Board of Directors shall have nine (9) members who shall be elected by the Corporation’s stockholders entitled to vote at the annual meeting, and shall hold office for one year and until their successors are elected and qualified in accordance with these By-laws.”

The record of attendance of the directors at the meetings of the Board of Directors (the “Board”) held in 2023 is as follows:

Directors	No. of Meetings Attended/Held ⁸	Percent Present
Jaime Augusto Zobel de Ayala	8/8	100%
Bernard Vincent O. Dy ⁹	6/6	100%
Anna Ma. Margarita Bautista-Dy ¹⁰	2/2	100%
Antonino T. Aquino ¹¹	1/1	100%
Cezar P. Consing ¹²	7/7	100%
Arturo G. Corpuz	8/8	100%
Mariana Zobel de Ayala	8/8	100%
Cesar V. Purisima	8/8	100%
Rex Ma. A. Mendoza	8/8	100%
Rizalina G. Mantaring ¹³	1/1	100%
Sherisa P. Nuesa ¹³	1/1	100%
Daniel Gabriel M. Montecillo ¹⁴	7/7	100%
Surendra M. Menon ¹⁴	7/7	100%

The Management Committee members and other officers, unless removed by the Board, shall serve as such until their successors are elected or appointed.

The Board undergoes a formal assessment process annually whereby each director completes an evaluation questionnaire that is intended to provide insights on the effectiveness of the Board, its Committees, the Chairman, and the directors. The assessment criteria or metrics include board composition; board roles, functions and processes; information management; representation of shareholders; management of the Company’s performance; senior executives’ talent management and succession planning; dynamics and relationships; and corporate governance practices. The aggregated results are presented to the Board during the meeting immediately following the end of the assessment process. The performance assessment of the Board and the directors is conducted by an independent third-party consultant every three (3) years. In 2019, Aon plc was engaged by the Company to conduct the Board evaluation covering the fiscal year 2019. On 13 August 2019, the Board approved the engagement of Aon Solutions Singapore Pte. Ltd. (Aon) in compliance with the requirement that the board assessment be facilitated by an external facilitator every three (3) years. Aon was again engaged to facilitate the formal Board assessment process for the year 2022. Its engagement was approved and ratified by the Board on 21 February 2023, upon the endorsement of the Corporate Governance and Nomination Committee.

⁸ In 2023 and during the incumbency of the director.

⁹ Served as an Executive Director and President until October 1, 2023.

¹⁰ Ms. Bautista Dy was elected on September 4, 2023 to serve the unexpired term of Mr. Dy, effective October 1, 2023.

¹¹ Served as a Non-Executive Director until April 26, 2023.

¹² Elected as a Non-Executive Director on April 26, 2023.

¹³ Served as Independent Directors until April 26, 2023.

¹⁴ Served as Independent Directors on April 26, 2023.

The result of the assessment for the year 2023 was presented to the Board of Directors. It includes highlights on the board's performance across several categories and its relative standing against the market. Overall, all categories are rated 3.85 and above on a 5-point rating scale. Among the categories surveyed, Managing Company's Performance and Board Role & Functioning are the top two rated categories at 4.80 and 4.77 respectively. Conversely, Senior Executives' Development and Succession Planning and Information Management are the lowest two rated categories at 3.85 and 4.46 respectively. Prioritization for Board Agenda Activities indicates a desire of the board to increase time spent on Leadership & Talent Management and Human Capital Management. Directors feel that sufficient time is spent in other areas such as Corporate Governance & Compliance and for Sustainability/Environment, Social and Governance. In comparison to the market, the Company is rated above market 50th percentile for all categories. Except for Senior Executives' Performance Management and Succession Planning, all categories are also rated above market 75th percentile.

(a) Information required of Directors and Executive Officers

i. Directors and Executive Officers

The following persons, who constitute the final list of candidates presented and approved by the Corporate Governance and Nomination Committee (composed of Daniel Gabriel M. Montecillo, Chairman, and Cesar V. Purisima and Rex Ma. A. Mendoza, members), have been nominated to the Board for the ensuing year and have accepted their nomination:

Jaime Augusto Zobel de Ayala
Anna Ma. Margarita Bautista-Dy
Cezar P. Consing
Fernando Zobel de Ayala
Mariana Beatriz Zobel de Ayala

Rex Ma. A. Mendoza
Cesar V. Purisima
Daniel Gabriel M. Montecillo
Surendra M. Menon

The nominees were formally nominated by a shareholder of the Company, Michael M. Milaor, who owns 12,000 voting preferred shares or 0.00004% of the total voting shares of the Company and who is not related to any of the nominees for independent directors. Messrs. Rex Ma. A. Mendoza, Cesar V. Purisima, Daniel Gabriel M. Montecillo, and Surendra M. Menon are nominated as independent directors.

The Corporate Governance and Nomination Committee evaluated the qualifications of the nominees and prepared the final list of nominees in accordance with SRC Rule 38 (Requirements on Nomination and Election of Independent Directors), and the By-Laws of the Company.

Only nominees whose names appear in the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

Messrs. J. Zobel de Ayala and Purisima have served as directors of the Company for more than five (5) years. Mr. Mendoza and Ms. Zobel de Ayala have served as directors of the Company for four (4) years and two (2) years, respectively. Messrs. Consing, Montecillo and Menon have served as directors for one (1) year, while Ms. Dy for less than a year. Mr. F. Zobel de Ayala is being nominated again to the Board after his resignation in 2022.

None of the independent directors have served for more than nine (9) years.

A summary of the qualifications of the incumbent directors, who are also nominees for directors for election at the annual stockholders' meeting, of the new nominees to the Board, and of the incumbent officers is set forth in Annex "B". The certifications on the qualifications of independent directors are attached hereto as Annex "B-1".

The officers of the Company are elected annually by the Board during its organizational meeting.

ii. **Significant employees**

The Company considers its human resources working as a team a key element for its continued success. But the Company has no employee who is expected to make individually on his own a significant contribution to the business.

iii. **Family Relationships**

Ms. Mariana Beatriz Zobel de Ayala, director, is the daughter of Jaime Augusto Zobel de Ayala, the Chairman. Jaime Augusto Zobel de Ayala and Fernando Zobel de Ayala, one of the advisors to the Board and a new nominee to the Board, are brothers. Ms. Mariana Beatriz Zobel de Ayala is the niece of Fernando Zobel de Ayala.

Except for the foregoing, there are no known family relationships between the current members of the Board and key officers.

iv. **Involvement in Certain Legal Proceedings**

None of the directors or executive officers is involved in any material pending legal proceedings in any court or administrative agency.

As of December 31, 2023, ALI, its subsidiaries, and its affiliates, are not involved in any litigation regarding an event which occurred during the past five (5) years that they consider material.

However, there are certain ongoing and unresolved litigations ALI is involved in which it considers material although the events giving rise to the said litigation occurred beyond the five (5) year period. These include:

Las Piñas Properties

Certain individuals and entities have claimed an interest in ALI's properties located in Las Piñas, Metro Manila.

Prior to purchasing the aforesaid properties, ALI conducted an investigation of titles to the properties and had no notice of any other title to any of said properties or claim that was superior to the titles of the sellers of ALI. ALI traced its titles to their original certificates of title and ALI believes that it has established its superior ownership position over said parcels of land. ALI has assessed these adverse claims and believes that its titles are in general superior to the purported titles or other evidence of alleged ownership of these claimants. On this basis, beginning October 1993, ALI filed petitions in the Regional Trial Court of Makati and Las Piñas for quieting of title to nullify the purported titles or claims of these adverse claimants. These cases are at various stages of trial and appeal. Some of these cases have been decided by the Supreme Court ("SC"). These include decisions affirming the title of ALI to some of these properties, which have been developed and offered for sale to the public as Sonera, Ayala Southvale. The SC issued a decision adverse to ALI's title over some of these properties dated July 26, 2017 and denied ALI's motions for reconsideration.

ALI has made no allowance in respect of such actual or threatened litigation expenses.

Tomas R. Osmena vs. City of Cebu

The Company is a respondent to a case for Declaratory Relief with Prayer for Temporary Restraining Order and Writ of Preliminary Injunction,¹⁵ filed by the petitioner, former Cebu

¹⁵ Tomas R. Osmena vs. City of Cebu represented by Mayor Edgardo C. Labella, Sangguniang Panlungsod of the City of Cebu, SM Prime Holdings, Inc., Ayala Land, Inc., Cebu Holdings, Inc., Filinvest Land, Inc., Filinvest Alabang Inc., Cyberzone Properties, Inc., Anesy Holdings Corporation, Igold Holdings Corporation, Betterfiled Phils. Corp., docketed as Special Civil Action No. 19-07576-SC pending before the Regional Trial Court, 7th Judicial Region Cebu City, Branch 10.

City Mayor Tomas R. Osmena, seeking among others, to nullify the purchase by the Company, then Cebu Holdings, Inc. (CHI), SM Prime Holdings, Inc. (SMPHI), and the Consortium (composed of the Company, CHI, and SMPHI), of the 26-hectare property located in South Road Properties 2, Cebu City, from the Local Government Unit of Cebu City. In an Order dated January 13, 2021, the Regional Trial Court has ordered the dismissal of the case and on June 10, 2021 denied the motion for reconsideration of petitioner. Petitioner appealed to the Court of Appeals. On 27 September 2023 the Court of Appeals denied the appeal and Osmena filed a motion for reconsideration which is pending.

(b) Certain Relationships and Related Transactions

The Company and its subsidiaries (the “Group”), in their regular conduct of business, have entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, and development, management, underwriting, marketing, leasing and administrative service agreements. Sales and purchases of goods and services to and from related parties are made on an arm’s length basis and at current market prices at the time of the transactions. Material related party transactions are reviewed and approved by the Related Party Transactions Review Committee and approved by the Board of Directors in accordance with the Company’s Related Party Transactions Policy.

However, no other transaction, without proper disclosure, was undertaken by Ayala Land, Inc. and subsidiaries in which any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Company’s outstanding shares (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest.

ALI directors and employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management. None of the Company’s directors have entered into self-dealing and related party transactions with or involving the Company in 2023.

The table below sets out principal ongoing transactions of the Company with related parties as of end December 31, 2023. Additional information on Ayala Land’s Related Party Transactions can be found on Note 23 of the Audited Financial Statements.

RELATED PARTY	NATURE OF TRANSACTION	AMOUNT (In Php Thousands)	RELATIONSHIP
Bank of the Philippine Islands	Regular Deposit & Money Market placements	5,879,465	Associate of Ayala Corporation
Bank of the Philippine Islands	Regular Short & Long-term borrowings	11,025,325	Associate of Ayala Corporation

RELATED PARTY RECEIVABLES	NATURE OF TRANSACTION	AMOUNT (In Php Thousands)	RELATIONSHIP
ALI ETON Property Development Corporation	Mainly from Alveo Land Corp.’s land sale and Makati Development Corporation’s (MDC’s) construction contracts of Park Links.	1,950,557	ALI-Associate
Fort Bonifacio Development Corp.	Ayala Property Management Corporation’s Property Management Fees and MDC’s various construction projects in Bonifacio Global City.	853,913	ALI-Associate
Rize-Ayalaland (Kingsway) GP, Inc	Advances to limited partnership	733,070	ALI-Associate
Globe Telecom, Inc.	Regular retail lease of spaces	234,460	Associate of Ayala Corporation
Bank of the Philippine Islands	Regular lease of spaces	557,321	Associate of Ayala Corporation

Manila Water Philippine Ventures, Inc. (MWPVI)	Various agreements between MDC & MWPVI projects for the construction of the sewer systems.	137,942	Associate of Ayala Corporation
Manila Water Company, Inc.	MDC's project on the design & build of the Calawis Water Treatment Plant in Antipolo. The project started on March 1, 2021 and was completed on June 1, 2023.	231,022	Associate of Ayala Corporation
Panay Medical Ventures Inc.	Agreement on Advances	81,195	Associate of Ayala Corporation

RELATED PARTY PAYABLES	NATURE OF TRANSACTION	AMOUNT (In Php Thousands)	RELATIONSHIP
Ayala Corporation	Regular lease of office spaces	151,401	Parent Company
Bonifacio Land Corp.	Related to management fees for joint venture projects with Bonifacio Land Corporation (BLC)	212,696	ALI-Associate
Globe Telecom, Inc.	Regular Mobile/Telephone-related expenses	9,648	Associate of Ayala Corporation
Manila Water Philippine Ventures, Inc.	Memorandum of Agreement between the Parent Company and Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc., relating to the waterworks of various ALI projects .	42,735	Associate of Ayala Corporation
Manila Water Company, Inc.	Regular water charges	32,189	Associate of Ayala Corporation

Property-for-Share Swap between AREIT, ALI and its subsidiaries Ayalaland Malls, Inc. and Northbeacon Commercial Corporation

On 02 June 2023, ALI, and its subsidiaries Ayalaland Malls, Inc. ("ALMI") and Northbeacon Commercial Corporation ("NBCC"), entered into a Deed of Exchange with AREIT, Inc. ("AREIT"), whereby the latter issued 607,559,380 primary common shares of stock ("Swap shares") to ALI, ALMI and NBCC at an issue price of P37.00 per share, set at a 3% premium over the thirty (30)-day volume weighted average price ("30-day VWAP") or the Market Price¹⁶ in exchange for four (4) office buildings located in Makati and two (2) mall buildings located in Makati and Pampanga with an aggregate value of P22,479,697,060. The shares were issued from AREIT's unissued shares. The property-for-share swap was approved by the Securities and Exchange Commission ("SEC") on 20 September 2023.

Property-for-share swap between Ayala Land, Inc. and its subsidiaries Greenhaven Property Ventures, Inc. (Greenhaven)¹⁷, Cebu Insular Hotel Company, Inc. (Cebu Insular)¹⁸, and Buendia Christiana Holdings Corp. (BCHC)¹⁹

On November 17, 2023, the Related Party Transactions Review Committee of the Company, approved and endorsed the subscription of ALI, Greenhaven, Cebu Insular, and BCHC to up to 841,259,412 AREIT primary common shares, in exchange for the transfer to AREIT of identified commercial properties valued up to Twenty-Eight Billion Six Hundred Two Million Eight Hundred Twenty and Eight Pesos (P28,602,820,008.00) under a property-for-share swap transaction at a final transaction price of P34.00 per share, set at a 3.75% premium over the 30-day VWAP or the Market Price of P32.77 ("AREIT Property-for-Share Swap

¹⁶ **Market Price** means the volume weighted average of the closing price for a period of thirty (30) trading days prior to the approval of the transaction (PSE Consolidated Listing and Disclosure Rules, Rule V, Section 9, paragraph (a)). Transaction date refers to the approval of the Board of Directors when issue price was set, or the meeting of the Board of Directors of AREIT, Inc. on 07 March 2023.

¹⁷ Greenhaven Property Ventures, Inc. is 100% owned by Ayalaland Hotels and Resorts Corp. ("AHRC"), a 100%-owned subsidiary of ALI.

¹⁸ Cebu Insular Hotel Co., Inc. is 62.94 owned by AHRC, and 37.06% owned by ALI.

¹⁹ Buendia Christiana Holdings Corp. (BCHC) is a wholly-owned subsidiary of ACEN Corporation (ACEN). ACEN is 58.16% owned by Ayala Corporation through its 100%-owned subsidiary AC Energy and Infrastructure Corporation. ALI is 51.01% owned by Ayala Corporation.

Transaction)", as validated by the third party Fairness Opinion issued by FTI Consulting Philippines, Inc. ("FTI Consulting"), an independent fairness opinion provider accredited by both the SEC and PSE. The Board of Directors of the Corporation, by unanimous vote likewise approved the transaction during its meeting held on November 29, 2023. A copy of the Fairness Opinion and the Valuation Reports may be accessed through the link https://edge.pse.com.ph/openDiscViewer.do?edge_no=e8aec784183666709e4dc6f6c9b65995.

Under the AREIT Property-for-Share Swap Transaction, the Company, Greenhaven, Cebu Insular, and BCHC shall transfer to AREIT the following properties valued at Twenty-Eight Billion Six Hundred Two Million Eight Hundred Twenty and Eight Pesos (P28,602,820,008.00):

Property	Registered Owner	Fair Market Value (in Php)	Transaction Value (in Php)
ATG Tower 2	ALI	12,474,406,000.00	12,480,755,836.00
Greenbelt 3 and 5	ALI	5,423,621,000.00	5,414,024,408.00
Holiday Inn	Greenhaven	2,638,647,000.00	2,635,203,116.00
Seda Ayala Center Cebu	Cebu Insular	1,327,325,000.00	1,303,115,756.00
BCHC Industrial Land	BCHC	6,734,208,000.00	6,769,720,892.00
Total		P28,598,207,000.00	P28,602,820,008.00

The properties to be infused have been evaluated by AREIT Fund Mangers, Inc., and have been appraised by Cuervo Appraisers, Inc. ("Cuervo"). The Properties will be used as the Company's payment for the 526,317,066 primary common shares of AREIT/

The AREIT Property-for-Share Swap was approved by AREIT's stockholders at its special stockholders' meeting last February 12, 2024. The exchange of shares for the Properties will qualify as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended, which provides:

"Section 40. Determination of Amount and Recognition of Gain or Loss –

(C) Exchange of Property – * * *

(2) Exception. – * * *

No gain or loss shall also be recognized on a corporation or on its stock or securities if such corporation is a party to a reorganization and exchanges property in pursuance to a plan of reorganization solely for stock or securities in another corporation that is a party to the reorganization. A reorganization is defined as: ***

No gain or loss shall also be recognized if property is transferred to a corporation by a person alone or together with others, not exceeding four (4) persons, in exchange for stock or unit of participation in such a corporation of which as a result of such exchange the transferor or transferors, collectively, gains or maintains control of said corporation: *Provided*, That stocks issued for services shall not be considered as issued in return for property. ****

Section 40(C)(2) of the Tax Code, as amended, has been interpreted by the Supreme Court in the case of *Commissioner of Internal Revenue vs. Filinvest Development Corporation* (G.R. No. 167689, 9 July 2011), to mean that a tax-free exchange applies when the controlling person gains "further control" or transfers where the exchanger already has control of the corporation at the time of the exchange.

Further, in the case of *Commissioner of Internal Revenue vs. Lucio L. Co, et al.* (G.R. No. 241424, 26 February 2020) reiterated that Section 40(C)(2) applies even in cases where the transferors collectively gain or maintains control of the transferor, as such the Supreme Court "clarified that it is not necessary that, after the exchange, each of the transferors individually gains control of the transferee corporation." The Court explained that the application of

Section 40(C)(2) “does not prohibit instances where the transferor gains further control of the transferee corporation” and that “the element of control is satisfied even if one of the transferors is already owning at least 51% of the shares of the transferee corporation, as long as after the exchange, the transferors, not more than five, collectively increase their equity in the transferee corporation by 51% or more.”

AREIT expects to execute the Deed of Exchange and file the application for approval of the issuance of shares with the SEC within March 2024, and the issuance of CAR from the relevant Revenue District Office of the Bureau of Internal Revenue within the third quarter of 2024. The SEC's approval of the Transaction is expected to be issued within the third quarter of 2024, and the BIR's CAR issuance is expected to be issued within the fourth quarter of 2024. The Company shall likewise apply for the additional listing of shares with the Exchange by the first quarter of 2025. The indicative timetable for implementation of the Transaction is as follows:

Indicative Timetable for Implementation

AREIT Special Stockholders' Meeting	12 February 2024
Deed of Exchange Execution	March 2024
SEC Approval (Issuance of Shares, and Transaction)	Q2 to Q3 2024
Issuance of CAR	Q4 2024
PSE Listing of Additional Shares	Q1 2025

(c) Ownership Structure and Parent Company

Ayala Corporation is the parent company of ALI which owns 72.25% of the total outstanding voting shares of the Company as of February 29, 2024.

(d) Resignation of Directors

Mr. Bernard Vincent O. Dy has formally retired from ALI and consequently, resigned from his post as Director, President and Chief Executive Officer of the Company effective end of day of September 30, 2023. To date, no director has resigned or declined to stand for re-election for the Board due to any disagreement with the Company relative to the Company's operations, policies and practices.

Item 6. Compensation of Directors and Executive Officers

(a) Executive Compensation

The Company adopts a performance-based compensation scheme. The total annual compensation of the President and top four (4) highly compensated executives amounted to P228.9 million in 2022 and P241.5 million in 2023. The projected total annual compensation for the current year is P221.0million.

Total compensation paid to all senior personnel from Manager and up amounted to P1,021.0 million in 2022 and P1,113.8 million in 2023. The projected total annual compensation for the current year is P1,200.0 million.

Name and Principal Position	Year	Salary	Other Variable Pay
Bernard Vincent O. Dy* President & CEO (until September 30, 2023)			
Anna Ma. Margarita Bautista Dy President & CEO (effective October 1, 2023)			
Dante M. Abando Senior Vice President			

Augusto D. Bengzon Senior Vice President			
Jose Emmanuel H. Jalandoni Senior Vice President			
CEO & Most Highly Compensated Executive Officers	Actual 2022	₱149.7M	**P79.2M
	Actual 2023	₱144.5M	**P97.0M
	Projected 2024	₱141.3M	₱79.7M
All other officers*** as a group unnamed	Actual 2022	₱746.1M	**P274.9M
	Actual 2023	₱748.7M	**P365.1M
	Projected 2024	₱800.0M	P400.0M

* Compensation includes full year effect of CEO and market adjustments to selected officers for retention purposes.

** Exclusive of Stock Option exercise.

*** Managers and up.

The total annual compensation paid to all senior personnel from Manager and up was all paid in cash.

The total annual compensation includes the basic salary and other variable pay (guaranteed bonus and performance bonus).

(b) **Compensation of Directors**

Article IV, Section 12 of the By-Laws provides:

“Section 12 – Each director of the Corporation shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as Director. In no case shall the total yearly compensation of directors exceed one percent (1%) of the net income before income tax of the Corporation during the preceding year. *(Old Sections 12 to 15 transferred to Article VI; Old Section 17 renumbered as Section 12, as amended 26 November 2020.)*

The Personnel and Compensation Committee of the Board of Directors shall have the responsibility for recommending to the Board of Directors the fees and other compensation for Directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay Directors for work required in a company of the Corporation's size and scope. No Director shall be involved in deciding his own remuneration during his incumbent term. *(As amended 26 November 2020.)*”

i. **Standard Arrangement (Current Compensation)**

During the 2011 annual stockholders' meeting, the stockholders approved a resolution fixing the current remuneration of non-executive directors as follows:

Retainer Fee	₱ 1,000,000.00
Board Meeting Fee per meeting attended	₱ 200,000.00
Committee Meeting Fee per meeting attended	₱ 100,000.00

Directors who hold executive or management positions do not receive directors' fees.

ii. **Other Arrangement**

None of the non-executive directors has been engaged and compensated by the Company for services other than those provided as a director.

The Company has no other arrangement with regard to the remuneration of its non-executive directors aside from the compensation received as herein stated.

In 2023, the non-executive directors and independent directors of the Company received remuneration, inclusive of tax, as follows:

Director	Total Remuneration in 2023
Jaime Augusto Zobel de Ayala	3,400,000.00

Arturo G. Corpuz	3,000,000.00
Rex Ma. A. Mendoza	4,300,000.00
Cesar V. Purisima	4,200,000.00
Cezar P. Consing*	3,000,000.00
Surendra Menon*	2,900,000.00
Daniel Gabriel M. Montecillo*	3,300,000.00
Mariana Zobel de Ayala**	500,000.00
Antonino T. Aquino***	2,900,000.00
Rizalina G. Mantaring***	900,000.00
Sherisa P. Nuesa***	1,000,000.00
Total	29,400,000.00

*Directors effective April 26, 2023

**Non-Executive Director until September 30, 2023

***Directors until April 25, 2023.

(c) **Employment Contracts and Termination of Employment and Change-in-Control Arrangements**

The above-named executive officers are covered by letters of appointment stating their respective job functionalities, among others.

(d) **Warrants and Options Outstanding: Repricing**

Since 1998, the Company has offered its officers options to acquire common shares under its Executive Stock Option Plan (ESOP).

There has been no ESOP shares available since end-December 2015.

Item 7. Independent Public Accountants

- (a) The principal accountant and external auditor of the Company is PwC Isla Lipana & Co. (Isla Lipana). The same accounting firm being recommended for re-election at the annual stockholders' meeting.
- (b) Representatives of Isla Lipana for the current year and the most recently completed fiscal year are expected to participate at the annual stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Pursuant to the General Requirements of SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Company has engaged Isla Lipana. as external auditor, and Mr. Roderick M. Danao is the Partner-in-Charge for the year ended 2023.

(c) **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

The Company has engaged the services of Isla Lipana during the most recent fiscal year and SGV & Co. during the two (2) prior fiscal years. There were no disagreements with Isla Lipana and SGV & Co. on any matter of accounting and financial disclosure.

(d) **Audit and Audit-Related Fees**

ALI and its subsidiaries paid its external auditor the following fees in the past two (2) years: (in Php million; with VAT)

Year	Audit & Audit-related Fees	Other Fees
2023 ¹	35.29*	8.65**
2022 ²	34.54*	8.48**

* Pertains to audit fees.

**Non-audit fees which may include but not limited to the validation of stockholders' votes during the annual stockholders' meeting and other assurance fees.

¹ Pertains to fees to PwC

² Pertains to fees to SGV.

(e) **Tax Fees**

Tax consultancy services are secured from entities other than the external auditor.

Under paragraph 3.3 (a) of the ALI Audit Committee Charter, the Audit Committee (composed of Cesar V. Purisima, Chairman, and Rex Ma. A. Mendoza, and Daniel Gabriel M. Montecillo, members) recommends to the Board the appointment of the external auditor and the audit fees.

Item 8. Compensation Plans

No matters or actions with respect to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed will be taken up during the meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

No matters or actions concerning authorization or issuance of securities will be taken up during the meeting.

Item 10. Modification or Exchange of Securities

The Company will not be presenting any matter or act involving the modification of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class during the meeting.

Item 11. Financial and Other Information

The audited financial statements as of December 31, 2023, Management's Discussion and Analysis, Market Price of Shares and Dividends and other data related to the Company's financial information are attached hereto as Annex "C". The Schedules required under Part IV(c) of Rule 68 will be included in the Annual Report (SEC Form 17-A).

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

On March 12, 2024, the Board of Directors, at its special meeting, approved the merger of our 34 entities that are wholly owned directly by our Company, or through AyalaLand Estates, Inc. (ALEI) and AyalaLand Hotels and Resorts Corp. (AHRC), with our Company, Ayala Land Inc., as the surviving entity. The Plan of Merger will be submitted for the approval of our stockholders during their annual meeting on April 25, 2024. A list of the subsidiaries included in the merger is attached herewith as Annex E.

The merger is an internal restructuring to simplify the ownership structure and is expected to result in operational synergies, efficient funds management and simplified reporting to government agencies.

(a) Nature of business of the Absorbed Entities

1. Ayala Hotels, Inc. (AHI) is a wholly owned subsidiary of ALI and operates as a landholding and project development company. It was registered with the SEC on April 11, 1991. AHI is currently developing a parcel of land in Makati City as a condominium project known as Park Central Towers. It likewise has other properties located within Makati City.

The principal office address and contact number of AHI are as follows:

2nd Floor Tower One and Exchange Plaza,
Ayala Triangle, Ayala Avenue, Makati City
0905 4654259

2. Southportal Properties, Inc. (SPI) is a wholly owned subsidiary of ALI and operates as a real estate developer. It was registered with the SEC on December 1, 2014. SPI is the developer of Alcoves, a high-end residential condominium project in Ayala Center Cebu, Cebu City.

The principal office address and contact number of AHI are as follows:

20th Floor, Ayala Center Cebu Tower, Bohol Street
Cebu Business Park, Cebu City, Cebu
0905 4654259

3. Verde Golf Development Corporation (VGDC) is a wholly owned subsidiary of ALI, registered with the SEC on August 8, 2013. VGDC was organized to develop, maintain, operate, manage and carry on the business, operation, and management of golf facilities for the amusement, entertainment, recreation, leisure, and athletic activities of the general public. It is currently not engaged in any business operations or projects.

The principal office address and contact number of AHI are as follows:

2nd Floor Tower One and Exchange Plaza,
Ayala Triangle, Ayala Avenue, Makati City
0905 4654259

4. Five Star Cinema, Inc. (FSCI) is a wholly owned subsidiary of Ayala Land, Inc. and was incorporated in the Philippines on December 18, 2000. FSCI is organized primarily to establish, maintain, operate, manage and control a theater or theaters, a place or places of amusement and to produce, exhibit and exploit therein attractions of various kinds and natures, including dramatic, operatic and musical performance, vaudeville, moving pictures, intellectual and instructive entertainments and to cater to public diversion by and through theatrical exhibition or amusement.

The principal office address and contact number of FSCI are as follows:

5th Floor, One Ayala, 1 Ayala Avenue, Ayala Center,
Barangay San Lorenzo, Makati City
0905 4654259

5. Primavera Towncentre, Inc. (PTI) is a wholly owned subsidiary of Ayala Land, Inc. and was incorporated in the Philippines on December 18, 2009. PTI was incorporated to primarily engage in real estate development, specifically to develop, invest, own, acquire, lease (except financial leasing), hold, mortgage, administer or otherwise deal with commercial, residential, industrial or agricultural lands, buildings, structures, or appurtenances, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or artificial.

The principal office address and contact number of PTI are as follows:

4th Floor, Glorietta 4, Ayala Center,
Makati City, Metro Manila, Philippines
0905 4654259

6. Hillsford Property Corp. (HPC) was registered with the SEC on August 24, 2007. It is a wholly-owned subsidiary of ALI. It owns and operates office and retails spaces known as Baguio Technohub located in Camp John Hay, Baguio City. HPC's primary business as registered, is to develop, invest, own, acquire, lease, hold, mortgage, administer or otherwise deal with commercial, residential, industrial, or agricultural lands, buildings, structures, or apertures, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or juridical.

The principal office address and contact number of HPC are as follows:

28F Tower One and Exchange Plaza, Ayala Avenue,

Ayala Triangle, Makati City
0905 4654259

7. ALO Prime Realty Corp. (APRC), formerly known as Aegis Peoplesupport Realty Corporation, was registered with the SEC on April 23, 2008. It is a wholly-owned subsidiary of ALI. As registered, its primary business is to own, use, improve, develop, subdivide, sell, exchange, lease, and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartments and other structures, but, unless otherwise permitted by law, excluding land located in the Philippines. It currently has no projects or investments.

The principal office address and contact number of APRC are as follows:

28F Tower One and Exchange Plaza, Ayala Avenue,
Ayala Triangle, Makati City
0905 4654259

8. Sunnyfield E-Office Corporation (SEOC) was registered with the SEC on July 7, 2008. It is a wholly-owned subsidiary of ALI. It owns and operates office and retails spaces in Iloilo City, known as Iloilo Technohub. HPC's primary business as registered, is to develop, invest, own, acquire, lease, hold, mortgage, administer or otherwise deal with commercial, residential, industrial, or agricultural lands, buildings, structures, or apertures, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or juridical.

The principal office address and contact number of SEOC are as follows:

Riverside Boardwalk, Barangay San Rafael,
Mandurriao, Iloilo City
0905-4654259

9. Enjay Hotels, Inc. (EHI) was incorporated on July 12, 1990 and is a wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp (AHRC). As registered, its primary business is to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, inn, resort, restaurant, café, bar, entertainment and other allied businesses, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business. EHI owns Hotel InterContinental Manila that ceased operations on December 31, 2015. It has no existing operations and its activities are limited to winding down activities.

The principal office address and contact number of EHI are as follows:

3F West Tower, Seda BGC, 30th Street corner 11th Avenue
Bonifacio Global City, 1634, Taguig City
0905 4654259

10. ALI Triangle Hotel Ventures, Inc. (ATHVI) was incorporated on March 4, 2014 and is a wholly-owned subsidiary of AHRC. ATHVI was organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, inn, resort, restaurant, café, bar, entertainment and other allied businesses, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business. ATHVI is currently constructing the new Mandarin Oriental Hotel in Makati City which will have 276 guest rooms.

The principal office address and contact number of ATHVI are as follows:

3F West Tower, Seda BGC, 30th Street corner 11th Avenue

Bonifacio Global City, 1634, Taguig City
0905 4654259

11. Arcasouth Hotel Ventures, Inc. (ArcaHVI) was incorporated on October 17, 2014 and is a wholly-owned subsidiary of AHRC. ArcaHVI was organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, serviced residences, inn, resort, restaurant, café, bar, entertainment and other allied businesses, and, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business. ArcaHVI is currently constructing Seda Arca South which will offer 265 guest rooms.

The principal office address and contact number of ArcaVHI are as follows:

3F West Tower, Seda BGC, 30th Street corner 11th Avenue
Bonifacio Global City, 1634, Taguig City
0905 4654259

12. Regent Horizons Conservation Company, Inc. (RHCCI) was incorporated on December 11, 2001 and is a wholly-owned subsidiary of AHRC. RHCCI was organized primarily to provide environmental support activities and related managerial and technical assistance to corporations engaged in marine biodiversity conservation and environmental protection with respect to compliance with environmental standards and ecological sustainability contributing to the objective of the Convention on Biological Diversity. RHCCI owns investment in the shares of stock of Ten Knots Development Corp. (TKDC) and Ten Knots Philippines, Inc. (TKPI). TKDC owns Miniloc Island Resort and Lagen Island Resort and has investments in two other island resorts: Pangulasian Island Resort and Apulit Island Resort. TKPI is mainly involved in the development, sale and lease of land in El Nido, Palawan.

The principal office address and contact number of EHI are as follows:

31st Floor, Tower One & Exchange Plaza,
Ayala Triangle, Ayala Avenue, Makati City
0905 4654259

13. One Makati Hotel Ventures, Inc. (OMHVI) was incorporated on September 28, 2017 and is a wholly-owned subsidiary of AHRC. The company was organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, serviced residences, inn, resort, restaurant, café, bar, entertainment and other allied businesses, and, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business. OHMVI is set to operate Seda One Ayala in Makati City with expected 431 guest rooms.

The principal office address and contact number of EHI are as follows:

3F West Tower, Seda BGC, 30th Street corner 11th Avenue
Bonifacio Global City, 1634, Taguig City
0905 4654259

14. Seda College, Inc. (SCI) (*formerly One Makati Residential Ventures, Inc.*) was incorporated on September 12, 2018 and is a wholly-owned subsidiary of AHRC. As One Makati Residential Ventures, Inc., it was originally organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, serviced residences, inn, resort, restaurant, café, bar, entertainment and other allied businesses, and, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands,

buildings and improvements thereto for the conduct and operation of the general nature of its business. Upon its conversion to SCI, it changed its primary purpose to engage in the business of providing quality education and as secondary purpose, acquire, buy, own, hold, dispose of, exchange, lease, let, improve, develop, manage, administer, and generally deal in, either as principal or agent and singly or in conjunction with others, land and real estate and any interest or real right over the same for hotel, resort or otherwise; to build, construct, erect, acquire, enlarge, alter, improve or repair hotels, buildings, houses, structures, and all other kinds of constructions thereon, and in general to carry on a general hotel business and to do and perform all and any of the things, works and services which are necessary, convenient, incidental to or connected with the above business and the object of the corporation. SCI is currently constructing a school facility in Seda Manila Bay but has no intended operations.

The principal office address and contact number of EHI are as follows:

3F West Tower, Seda BGC, 30th Street corner 11th Avenue
Bonifacio Global City, 1634, Taguig City
0905 4654259

15. Asiatown Hotel Ventures, Inc. (AsiaHVI) was incorporated on December 17, 2018 and is a wholly-owned subsidiary of AHRC. AsiaHVI was organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, serviced residences, inn, resort, restaurant, café, bar, entertainment and other allied businesses, and, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business. AsiaHVI has no existing project or investment. It has leasehold rights for the use of 140,867-square meter land in Lapu-Lapu City, Cebu.

The principal office address and contact number of AsiaHVI are as follows:

3F West Tower, Seda BGC, 30th Street corner 11th Avenue
Bonifacio Global City, 1634, Taguig City
0905 4654259

16. Integrated Eco-Resort Inc. (IERI) was registered with the SEC on May 27, 2015. It is a wholly-owned subsidiary of ALI. As registered, IERI's primary business is to deal and engage in land or real estate business, to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, for profit and advantage, residential including, but not limited to all kinds of housing projects, commercial, industrial, urban, tourism estates or other kinds of real property. IERI has not started commercial operations.

The principal office address and contact number of IERI are as follows:

3rd Floor, Makati Stock Exchange, Ayala Triangle,
Ayala Avenue, Makati City
0905-4654259

17. Ecoholdings Company, Inc. (ECI) was registered with the SEC on September 25, 2008. It is a wholly-owned subsidiary of ALI. As registered, ECI's primary business is to purchase, acquire, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description.

The principal office address and contact number of ECI are as follows:

31st Floor, Tower One and Exchange Plaza, Ayala Triangle,
Ayala Avenue, Makati City
0905-4654259

18. ALI Capital Corp. is (ALI Cap) is a wholly owned subsidiary of ALI and operates as a holding company. It was registered with the SEC on June 25, 2012. ALI Cap currently

has no ongoing projects but has investments in Airswift Transport, Inc. (ATI), Swift Aerodrome Services, Inc. (SASI), Sial Specialty Retailers, Inc. (SSRI), and AyaGold Retailers, Inc. (AyaGold).

The principal office address and contact number of ALI Cap are as follows:

5th Floor Ayala Mallas Manila Bay,
Diosdado Macapagal Blvd., Parañaque City
0905 4654259

19. Whiteknight Holdings, Inc. (WHI) is a wholly-owned subsidiary of ALI and was incorporated on May 14, 2013. It operates as a holding company and currently has no projects or investments. As registered, its primary business is to acquire, hold, sell, exchange, deal and invest in the stocks, bonds, or securities of any government of any subdivision thereof, or any public or private corporation, and in real or personal property of all kinds in the same manner and to the same extent as a natural person, might could or would do, to exercise all rights, powers and privileges of ownership, including the right to vote therein, or consent in respect thereof, for any and all purposes, without however, managing securities, portfolio or funds of the managed entity or firm nor the corporation shall act as stockbroker or dealer in securities.

The principal office address and contact number of WHI are as follows:

No. 1 President Laurel Highway,
Tanauan City, Batangas
0905 4654259

20. Ayalaland Medical Facilities Leasing, Inc. (AMFLI) is a wholly-owned subsidiary of ALI, incorporated in April 13, 2015 as a business engaged in real estate development. Currently, AMFLI has no existing projects or investments. As registered, AMFLI's primary business is to acquire by purchase or lease or otherwise, lands, interest in land, realty, buildings, real rights, and real property and to own hold, use, improve, develop, manage, and administer any land, interest in land, realty, buildings, real rights and real property of whatever kind so acquired, to erect or cause to be erected on any land, realty and real property so acquired, held, or owned by the Corporation, buildings, walls, embankments or similar and other constructions and structures with their appurtenances and to rebuild, repair, maintain, demolish, enlarge or otherwise alter and improve any such buildings, construction or structures now or hereafter erected on any such lands, realty, and property, and to lease any such land, interest in land, realty, real rights and real property and the buildings construction or structures and improvements thereon at any time.

The principal office address and contact number of AMFLI are as follows:

No. 1 President Laurel Highway,
Tanauan City, Batangas
0905 4654259

21. Amorsedia Development Corporation (ADC) was registered with the SEC on March 6, 1996. It is a wholly-owned subsidiary of ALI. As registered, ADC's primary business is to deal and engage in real estate business, which includes acquisition, development, improvement, lease, mortgage, exchange, holding for investment purposes and sale of real estate properties of all kinds, including buildings, houses, apartments, and other structures of whatever kind on such real estate, together with all their appurtenances.

The principal office address and contact number of ADC are as follows:

28th Floor, Tower One and Exchange Plaza, Ayala Triangle,
Ayala Avenue, Makati City
0905-4654259

22. Buendia Landholdings, Inc. (BLI) was registered with the SEC on October 27, 1995. It is a wholly-owned subsidiary of ALI. As registered, BLI's primary business is to deal and engage in land or real estate business.

The principal office address and contact number of BLI are as follows:

31st Floor, Tower One and Exchange Plaza, Ayala Triangle,
Ayala Avenue, Makati City
0905-4654259

23. HLC Development Corp. (HDC) was registered with the SEC on June 28, 1996. HDC is wholly-owned by Amorsedia Development Corporation, which is a wholly-owned subsidiary of ALI. As registered, HDC primary business is to deal and engage in the real estate business, which includes acquisition, development, improvement, lease, mortgage, exchange, holding for investment purposes and sale of real estate properties of all kinds, including buildings, houses, apartments, and other structures of whatever kind on such real estate, together with all their appurtenances.

The principal office address and contact number of HDC are as follows:

28th Floor, Tower One and Exchange Plaza, Ayala Triangle,
Ayala Avenue, Makati City
0905-4654259

24. Altaraza Prime Realty Corporation (AltaPRC) was registered with the SEC on March 9, 2016. It is a wholly-owned subsidiary of ALI. As registered, its primary business is to develop, invest, own, acquire, lease, hold, mortgage, administer, or otherwise deal with commercial, residential, industrial or agricultural lands, buildings, structures or apertures, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or artificial. AltaPRC has not yet started commercial operations.

The principal office address and contact number of AltaPRC are as follows:

31st Floor, Tower One and Exchange Plaza, Ayala Triangle,
Ayala Avenue, Makati City
0905-4654259

25. Redheap Holdings, Inc. (RHI) was incorporated in the Philippines on December 29, 2016 and is a wholly-owned subsidiary of Ayalaland Estates, Inc. RHI was incorporated primarily to acquire by purchase, exchange, assignment, gift or otherwise, and to hold own, and use for investment or otherwise, and to sell, assign, transfer, exchange, pledge, and to deal in and with and otherwise to enjoy and dispose of, any bonds, debentures, promissory notes, shares of capital stock, or other securities and obligations, created, negotiated or issued by any corporation, association, or other entity foreign or domestic.

The principal office address and contact number of RHI are as follows:

Unit 1504 Picadilly Star Bldg., 4th Ave. Corner 27th St., Bonifacio Global City,
Brgy. Fort Bonifacio, Taguig City, Metro Manila
0905-4654259

26. Wedgemore Property, Inc. (WPI) is a wholly-owned subsidiary of ALEI and is engaged in real estate business which includes acquisition, development, sale and lease of real estate properties. It was incorporated on October 18, 2011.

The principal office address and contact number of WPI are as follows:

58B Scout Madriñan, Barangay South Triangle
Quezon City
0905-4654259

27. Cebu Leisure Company, Inc. (CLCI) is a wholly-owned subsidiary of ALI and is engaged in theater operations, customer lounges and carpark services. It was incorporated on January 31, 1994.

The principal office address and contact number of CLCI are as follows:

ACC Admin Office, 4th Level Mezzanine
Ayala Center Cebu, Cebu Business Park, Cebu City
0905-4654259

28. North Ventures Commercial Corp. (NVCC) is a wholly owned subsidiary of Ayala Land, Inc. and was incorporated in the Philippines on August 24, 2007. NVCC was organized primarily to engage in real estate development, specifically to develop, invest, own, acquire, lease, hold, mortgage, administer or otherwise deal with commercial, residential, industrial or agricultural lands, buildings, structures or appertures, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or artificial.

The principal office address and contact number of NVCC are as follows:

Quirino Highway corner Maligaya Drive, Pasong Putik,
Novaliches, Quezon City 1118
0905-4654259

29. Westview Commercial Ventures Corp. (WVCV) WVCV is a wholly owned subsidiary of Ayala Land, Inc. and was incorporated in Philippines on July 8, 2008. WVCV was organized primarily to engage in real estate development, specifically to develop, invest, own, acquire, lease, hold, mortgage, administer or otherwise deal with commercial, residential, industrial or agricultural lands, buildings, structures or apertures, or in any other profitable business enterprise, venture or establishment.

The principal office address and contact number of WVCV are as follows:

G/F, The District North Point, Brgy. Zone 15,
Talisay City, Negros Occidental
0905-4654259

30. Circuit Makati Hotel Ventures, Inc. (CMHVI) was incorporated on October 20, 2014 and is a wholly-owned subsidiary of AHRC. CMHVI was organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, serviced residences, inn, resort, restaurant, café, bar, entertainment and other allied businesses, and, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business. CMHVI owns Circuit Corporate Residences, a building for lease with 255 guest rooms, located within the Circuit Makati Estate.

The principal office address and contact number of EHI are as follows:

3F West Tower, Seda BGC, 30th Street corner 11th Avenue
Bonifacio Global City, 1634, Taguig City
0905 4654259

31. Crimson Field Enterprises, Inc. (CFEI) is a wholly-owned subsidiary of ALI and is engaged in real estate business which includes acquisition, development, sale and lease of real estate properties. It was registered with the SEC on October 26, 1995.

The principal office address and contact number of CFEI are as follows:

10F BPI-Philam Life Alabang, Acacia Avenue,
Alabang, Muntinlupa City
0905 4654259

32. Red Creek Properties, Incorporated (RCPI) was registered with the SEC on October 17, 1994. It is a wholly-owned subsidiary of ALI. As registered, RCPI's primary business is to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds; and improve, manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances.

The principal office address and contact number of RCPI are as follows:

10th Floor, BPI-Philam Life Alabang,
Acacia Avenue, Alabang, Muntinlupa City
0905-4654259

33. Prima Gaedi Development Corp. (PGDC) was incorporated in the Philippines on May 29, 2014 and is a wholly-owned subsidiary of Ayalaland Estates, Inc. PGDC is engaged in real estate business which includes acquisition, development, sale and lease of real estate properties. Its principal activities are to develop invest, own, acquire, lease (except financial leasing), hold, mortgage, administer or otherwise deal with commercial, residential, industrial or agricultural lands, building, structures, or appurtenances, or any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or judicial.

The principal office address and contact number of PGDC are as follows:

Unit 1504 Picadilly Star Bldg., 4th Ave. Corner 27th St.,
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City, Metro Manila
0905-4654259

34. AMSI, INC. (formerly: AyalaLand Malls Synergies, Inc.) (AMSI) was incorporated in the Philippines on June 1, 2016 and is a wholly-owned subsidiary of ALI. AMSI is engaged in real estate development.

The principal office address and contact number of AMSI are as follows:

5th Floor, Glorietta 4, Ayala Center,
Makati City, Metro Manila, Philippines
0905-4654259

(b) Summary of the Material Features of the Merger

The merger is an internal restructuring and consolidation of ALI's property development operations under one listed entity. The merger is expected to result in operational synergies, efficient funds management, and simplified reporting to government agencies.

The outstanding common shares before the merger is 14,942,175,713. Once approved by the SEC and other regulatory bodies, the Company's resulting outstanding common shares after the merger, net of treasury shares, will be 15,058,485,252 shares.²⁰

Based on the predetermined swap ratios, ALI will issue a total of 993,540,544 ALI common shares, of which 877,231,005 will be Treasury Shares. 116,298,039 and 11,500 ALI common shares will be issued to Ayalaland Hotels and Resorts Corp. (AHRC) and Ayalaland Estates, Inc. (ALEI).

(c) Dividends in Arrears or Defaults in Principal or Interest in Respect of Any Security

There are no dividends in arrears or defaults in principal or interest in respect of any security of the Company or absorbed entities.

(d) Comparative Financial Information

²⁰ Changes in the number of issued and outstanding shares due to the Company's share buyback program will be disclosed.

The comparative financial information for the Company and the entities subject of the merger are attached herewith as Annex F.

(e) Approval of the Regulatory Agencies

The Company will obtain the SEC's approval of the merger and will comply with the merger-related requirements of the Philippine Competition Commission, the PSE, the Philippine Economic Zone Authority, the Bureau of Internal Revenue and other relevant government agencies.

(f) Valuation

The Company engaged FTI Consulting, Inc. (FTI Consulting) for the issuance of independent fairness opinion and valuation reports on the merger.

FTI was chosen because of its competency, professionalism and ability to deliver on a tight timeline. They have a long track record of providing professional services in the Philippines and is a market-leading global consulting firm that offers a comprehensive suite of services, including services for mergers and acquisitions, project finance advisory, valuation and purchase price allocation, and financial model preparation and review, among others.

ALI and all the parties to the merger have no special instruction or limitation imposed on FTI Consulting that will compromise the independence of the latter and will invalidate the fairness opinion and valuation reports. FTI Consulting was issued a Certificate of Independence by the Philippine Stock Exchange for the transaction.

Item 12(b) above explained the material features of the merger. The swap ratio was determined by the parties to the merger based on their net asset values. Please refer to Annex E for the swap ratio.

(g) Material Contracts

For the past two (2) years, the parties to the merger have not entered into contracts with their subsidiaries or affiliates that they consider material.

(h) Market Prices of the Shares of Company and the Absorbed Entities

All absorbed entities are not publicly listed companies.

The Plan of Merger, which sets out the terms and conditions of the proposed merger, is attached hereto as Annex G. All other relevant information on the absorbed entities are set forth in the attached Annex E. The Plan of Merger will be submitted to the SEC upon its approval by the stockholders of the ALI and the rest of the companies involved in the merger.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up in the annual stockholders' meeting with respect to acquisition or disposition of any property by the Company requiring stockholders' approval under the Revised Corporation Code.

Item 14. Restatement of Accounts

As used herein and in other sections of this Information Statement, unless the context otherwise requires, the Group refers to the Company and its subsidiaries where the Company has a control pursuant to SRC Rule 68, Par. 6 (Consolidated Financial Statements).

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the new and amended Philippine Financial Reporting Standards (PFRS) and the Philippine Interpretations of International Financial Reporting Interpretation Committee

(IFRIC) which became effective beginning January 1, 2023. The Group will also adopt several amended and revised standards and interpretations in 2024 and onwards.

Please refer to Note 36 of the attached Company's audited financial statements on the Summary of Material Accounting Policies for the accounting of the new PFRS and IFRIC which became effective in 2023 and new PFRS and IFRIC that will be effective in 2024 and onwards.

Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

As disclosed in Note 36 to the financial statements, on February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023. The PIC Q&A provisions covered by the SEC deferral that the Group availed in 2021 follows:

Deferral Period

Assessing if the transaction price includes a significant financing until December 31, 2023 component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)

The Group availed the SEC relief on the accounting for significant financing component in its 2023 consolidated financial statements. Had this provision been adopted, the Group would follow the allowed modified retrospective approach allowing it to adjust the beginning balance of Retained earnings in 2023. The net income for the current period is not expected to materially change as it would only require allocation of transaction price from one revenue line item to another.

The Group assessed that the overall impact of the adoption of the requirement of PIC Q&A No. 2018-12 pertaining to significant financing component is not material to the 2023 consolidated financial statements. Upon the adoption in 2024, the adjustment on the beginning balance of Retained earnings approximates an increase of P393.0 million.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

- (a) Approval of the Minutes of the 2023 annual meeting of stockholders held on April 26, 2023 covering the following matters:

1. Annual report;
2. Ratification of acts of the Board of Directors and Officers;
3. Approval of the amendment to the Seventh Article of the Articles of Incorporation to decrease the authorized capital stock from Php21,500,000,000.00 to Php21,437,602,946.40 in view of the retirement of the redeemed voting preferred shares, including any additional redeemed voting preferred shares until April 25, 2023;
4. Election of Directors, including the Independent Directors; and
5. Election of the external auditor and fixing of its remuneration.

The Minutes of the 2023 Stockholders' Meeting were uploaded on the Company's website within five (5) business days from the date of the Meeting and may be viewed through the following link:

<https://ir.ayalaland.com.ph/wp-content/uploads/2023/05/Ayala-Land-Inc.-Minutes-Annual-Stockholders-Mtg.-26-April-2023.pdf>

The minutes contain the following information:

1. A description of the voting and vote tabulation procedures used in the previous meeting;
2. A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given;
3. The matters discussed and resolutions reached;
4. A record of the voting results for each agenda item; and
5. A list of the directors, officers and the percentage of outstanding and voting shares of stockholders who attended and participated in the meeting.

- (b) Approval of the annual report of the Management for the year ending December 31, 2023, including the 2023 audited financial statements.

Item 16. Matters Not Required to be Submitted

There are no matters or actions to be taken up in the meeting that will not require the vote of the stockholders as of the record date.

Item 17. Amendment of Charter, Bylaws or Other Documents

There are no matters or actions to be taken up in the meeting that will require the vote of the stockholders as of the record date.

Item 18. Other Proposed Action

- (a) Ratification of the acts of the Board of Directors and officers

The acts of the Board of Directors and officers include

- i. Appointment of chairpersons and members of the Board Committees, appointment of advisors to the Board, and designation of lead independent director
- ii. Election of officers (including Chief Operating Officer)
- iii. Participation in the bidding for various projects
- iv. Approval of project launches, various projects, contracts, and revised costs/budgets
- v. Declaration of cash dividends
- vi. Revised threshold for items requiring Board approval
- vii. Formation of an incorporated joint venture
- viii. Subscription to primary common shares of AREIT, Inc. in exchange for commercial assets
- ix. 2024 budget
- x. Renewal of short-term credit facilities
- xi. Change in stock transfer agent
- xii. Declaration of 2023 dividends
- xiii. Updating of bank counterparty risk limits and bank signatories
- xiv. Increase in sale of accounts receivable limit
- xv. Retirement of redeemed preferred shares
- xvi. Updating of ALI Employees' Welfare and Retirement Fund Retirement Committee members
- xvii. Schedule of 2024 annual stockholders' meeting
- xviii. Delegation of authority to the Corporate Governance and Nomination Committee to approve the final list of nominees to the Board of Directors
- xix. Matters covered by disclosures to the SEC and PSE

- (b) Election of the members of the Board, including the independent directors, for the ensuing year

- (c) Election of the external auditor and fixing of its remuneration

Item 19. Voting Procedures

- (a) **Vote required:** The affirmative vote of stockholders representing at least 2/3 of the issued and outstanding capital stock is required for the approval of the proposed merger. The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the annual stockholders' meeting is required for the approval of all matters presented to the stockholders for decision. The election of directors is by plurality of votes.

- (b) **Method of Voting:** Straight and Cumulative Voting

In all items for approval, each voting share of stock entitles its registered owner as of the Record Date to one (1) vote. As explained in Item 20 below, stockholders will only be allowed to vote by appointing the Chairman of the meeting as their proxy or electronically *in absentia*.

In the case of the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate the aforesaid shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

A stockholder may vote electronically *in absentia* using the online web address, <http://www.ayalagroupshareholders.com/>, subject to validation procedures. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

Proxies shall be in writing, signed and filed, by the stockholders, in the form provided in this DIS, and shall be received by the Corporate Secretary at corporatesecretary@ayalaland.com.ph on or before April 16, 2024.

All votes will be counted and tabulated by the Inspectors of Proxies and Ballots Committee and the results will be validated by an independent third party.

Item 20. Participation of Shareholders by Remote Communication

The Chairman of the Board, pursuant to the authority delegated by our Board of Directors during its meeting on November 29, 2023, has approved the holding of our annual stockholders' meeting for the year 2024 in a fully virtual format, including all the necessary and related arrangements thereto, subject to applicable rules and regulations of the Securities and Exchange Commission. Stockholders may attend the meeting by remote communication, as set forth below, and by voting *in absentia*, as provided in Item 4(c) and Item 19 above, or voting through the Chairman of the meeting as proxy.

The live webcast of the meeting shall be accessible through the following online web address: <http://www.ayalagroupshareholders.com/> to shareholders who registered in the Ayala Group Voting System (the "Voting System"). A Meeting livestreaming access button will be available on the Stockholder's dashboard in the Voting System on the date set for the Meeting as indicated in the Company's Notice of Meeting. To enable the Company to perform validation procedures, identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall inform the Company by email to corporatesecretary@ayalaland.com.ph on or before April 16, 2024, of their intention to participate in the meeting by remote communication.

Stockholders may email questions or comments prior to or during the meeting at the following email address: corporatesecretary@ayalaland.com.ph. The detailed instructions for participation through remote communication are set forth in Annex A (II).

Item 21. Acceptance of Stockholder Proposals on Agenda Item

Stockholders of record as of March 11, 2024 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before April 18, 2024.²¹

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on the 25th day of March 2024.

AYALA LAND, INC.


MARIA FRANCHETTE M. ACOSTA
Corporate Secretary

²¹ The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.

ANNEX “A”

2024 ANNUAL STOCKHOLDERS’ MEETING OF AYALA LAND, INC. (THE “MEETING”)

REQUIREMENTS AND PROCEDURE FOR ELECTRONIC VOTING IN ABSENTIA AND PARTICIPATION BY REMOTE COMMUNICATION

Electronic voting *in absentia* and participation by remote communication shall be allowed only through complete registration and successful validation in the Ayala Group Voting System.

ELECTRONIC VOTING IN ABSENTIA

1. Stockholders as of March 11, 2024 (“Stockholders”) have the option of electronic voting *in absentia* on the matters in the Agenda, after complete registration in the Ayala Group Voting System. Only votes cast by duly validated stockholders would be included in the preliminary and final tally of votes.
2. Stockholders with e-mail addresses on record shall be sent an e-mail with a link to the Ayala Group Voting System. To register in the Voting System, Stockholders shall simply follow the instructions sent in the e-mail.
3. Stockholders may access the link <http://www.ayalagroupshareholders.com/> to create an account and register in the Ayala Group Voting System. Stockholders should complete the online registration form and submit for validation together with the requirements provided in Item 5 below. Once the online registration form has been completed, the digital ballot will be available for the Stockholders to cast their votes.
4. All registered accounts shall be subject to a post validation process set forth in Item 5 below. Only the votes cast by validated Stockholders shall be considered in the preliminary and final tally of votes. The deadline for registration to vote *in absentia* is April 16, 2024. Stockholders may vote until the end of the meeting. The Ayala Group Voting System will be open for registration on **March 27, 2024**.
5. The following are needed for registration:
 - 5.1. For individual Stockholders –
 - 5.1.1. A recent photo of the Stockholder, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
 - 5.1.2. A scanned-copy of the Stockholder’s valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
 - 5.1.3. A valid and active e-mail address;
 - 5.1.4. A valid and active contact number;
 - 5.2. For Stockholders with joint accounts –

A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PDF format). The file size should be no larger than 5MB;
 - 5.3. For Stockholders under Broker accounts –
 - 5.3.1. A broker’s certification on the Stockholder’s number of shareholdings (in JPG or PDF format). The file size should be no larger than 5MB;

- 5.3.2. A recent photo of the stockholder, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
 - 5.3.3. A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
 - 5.3.4. A valid and active e-mail address;
 - 5.3.5. A valid and active contact number;
- 5.4. For corporate Stockholders –
- 5.4.1. A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the corporation (in JPG or PDF format). The file size should be no larger than 5MB;
 - 5.4.2. A recent photo of the Stockholder's representative, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
 - 5.4.3. A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PDF format). The file-size should be no larger than 5MB;
 - 5.4.4. A valid and active e-mail address of the Stockholder's representative;
 - 5.4.5. A valid and active contact number of the Stockholder's representative.

Important Notes:

- Stockholders who, as of record date, are also Stockholders of the other publicly listed corporations in the Ayala group only need to register one account in the Ayala Group Voting System and may "Add another company" in their respective profiles, as applicable. The digital ballot for each corporation shall be separately accessed from the Stockholder's Dashboard in the VIASH System and votes shall be cast per corporation.
 - Voting will be allowed after successful registration of the Stockholder but votes will only be included in the preliminary and final tally after the Stockholder has been duly validated. The Stockholder will be advised by email if his/her vote has been considered or discarded. If discarded, Stockholders may still vote through the Chairman of the Meeting as their proxy, by submitting a duly accomplished proxy form, on or before April 16, 2024.
6. All agenda items indicated in the Notice of the Meeting will be set out in the digital ballot in the Ayala Group Voting System and the registered Stockholder may vote as follows:
- 5.1. For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the registered Stockholder's shares.
 - 5.2. For the Election of Directors, the registered Stockholder may either: (1) vote for all nominees, (2) not vote for any of the nominees, or (3) vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

Once voting on the agenda items is finished, the registered Stockholder can proceed to submit the accomplished ballot by clicking the 'Submit' button.

The Ayala Group Voting will prompt the Stockholder to confirm the submission of the ballot. The votes cast electronically *in absentia* will have equal effect as votes cast by proxy.

After the ballot has been submitted, Stockholders may no longer change their votes except by submitting a duly accomplished proxy form within the set deadline.

6. The Office of the Corporate Secretary will tabulate all votes cast *in absentia* together with the votes cast by proxy, and a firm selected for this purpose will validate the results.

B. PARTICIPATION BY REMOTE COMMUNICATION

1. Stockholders as of March 11, 2024 ("Stockholders") are required to register in the Ayala Group Voting System to participate in the Meeting on April 25, 2024 by remote communication. A Meeting livestreaming access button will be available on the Stockholder's dashboard in the Voting System on the Meeting date as indicated in the Company's Notice of the Meeting.
2. The procedure and requirements for registration in the Ayala Group System are found in the Electronic Voting *in Absentia* section in this Annex. The deadline for registration to participate by remote communication is on April 16, 2024.
3. In addition to registration in the Ayala Group System, Stockholders are requested to notify the Company by e-mail to corporatesecretary@ayalaland.com.ph by April 16, 2024 of their intention to participate in the Meeting by remote communication.
4. Stockholders who have notified the Company of their intention to participate in the Meeting by remote communication, together with the Stockholders who voted electronically *in absentia* or by proxy, shall be included in the determination of quorum at the Meeting.
5. Stockholders participating by remote communication may vote in real time anytime until the end of the Meeting using the digital ballot in the Ayala Group Voting System. Vote tabulation shall be completed and finalized after the meeting.
6. Stockholders may send their questions and/or remarks prior to or during the Meeting by e-mail to corporatesecretary@ayalaland.com.ph.
7. A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted by e-mail to corporatesecretary@ayalaland.com.ph.

C. VOTING BY PROXY

1. The Company is soliciting proxies in connection with the meeting of its stockholders on April 25, 2024.
2. Stockholders of record as of March 11, 2024 may issue the Proxy and Voting Instruction included in this Definitive Information Statement in favor of the Chairman of the meeting. The Proxy and Voting Instruction form should be submitted to the Office of the Corporate Secretary on or before April 16, 2024 at 4/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City or by email to corporatesecretary@ayalaland.com.ph.
3. The Proxy and Voting Instruction form must be accompanied by the following requirements:
 - 3.1. For individual Stockholders (those with certificated stocks and not lodged through a broker / PDTC) –
 - 3.1.1. A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
 - 3.1.2. If the proxy is not the Chairman of the meeting, a scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format) of the appointed proxy. The file size should be no larger than 5MB;
 - 3.1.3. A valid and active e-mail address;
 - 3.1.4. A valid and active contact number.
 - 3.2. For Stockholders with joint accounts (those with certificated stocks and not lodged through a broker / PDTC) –

- 3.2.1. A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PDF format). The file size should be no larger than 5MB;
 - 3.2.2. A scanned copy of the valid government-issued ID showing photo and personal details, preferably with residential address of the Stockholder authorized to vote (in JPG or PDF format). The file size should be no larger than 5MB;
 - 3.2.3. If the proxy is not the Chairman of the meeting, a scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format) of the appointed proxy. The file size should be no larger than 5MB;
 - 3.2.4. A valid and active e-mail address;
 - 3.2.5. A valid and active contact number.
- 3.3. For Stockholders (Individual or Joint Account or Corporation) under Broker accounts –
- 3.3.1. A broker's certification on the Stockholder's number of shareholdings (in JPG or PDF format). The file size should be no larger than 5MB;
 - 3.3.2. A scanned copy of the valid government-issued ID showing photo and personal details, preferably with residential address of the Stockholder authorized to vote (in JPG or PDF format). The file size should be no larger than 5MB;
 - 3.3.3. If the proxy is not the Chairman of the meeting, a scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format) of the appointed proxy. The file size should be no larger than 5MB;
 - 3.3.4. A valid and active e-mail address;
 - 3.3.5. A valid and active contact number.
- 3.4. For corporate Stockholders (those with certificated stocks and not lodged through a broker / PDTC)–
- 3.4.1. A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PDF format). The file size should be no larger than 5MB;
 - 3.4.2. A recent photo of the Stockholder's representative, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
 - 3.4.3. A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
 - 3.4.4. A valid and active e-mail address;
 - 3.4.5. A valid and active contact number.
4. Validation of proxies is set for April 18, 2024 at 9:00 o'clock in the morning.
5. The Proxy Validation Committee will tabulate the ballot/s cast by the Chairman of the meeting by virtue of the validated proxies submitted and will be counted together with all the votes cast *in absentia*, and a firm selected for this purpose will validate the results.

For any clarifications, please contact our Office of the Corporate Secretary through corporatesecretary@ayalaland.com.ph.

ANNEX “B”

DIRECTORS AND KEY OFFICERS (as of December 31, 2023)

The write-ups below include positions held as of December 31, 2023 and in the past five years, and personal data as of December 31, 2023, unless otherwise stated, of directors and executive officers.

Board of Directors

Jaime Augusto Zobel de Ayala
Cezar P. Consing
Anna Ma. Margarita B. Dy*
Arturo G. Corpuz
Mariana Beatriz Zobel de Ayala
Cesar V. Purisima
Rex Ma. A. Mendoza
Surendra Mohan Menon
Daniel Gabriel M. Montecillo

**Effective October 1, 2023*

Jaime Augusto Zobel de Ayala, Filipino, 64, Director of ALI since June 1988. He is the Chairman of Ayala Corporation since April 2006 and Director of Ayala Corporation since May 1987. He is also the Chairman of the other publicly listed companies of the Ayala Group, namely Globe Telecom, Inc., and Bank of the Philippine Islands. He is the Chairman of AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.) and Asiacom Philippines, Inc.; Director of AC Ventures Holding Corp. Outside the Ayala Group, he is a Director of Temasek Holdings (Private) Limited and a member of various business and socio- civic organizations in the Philippines and abroad, including the JP Morgan International Council, JP Morgan Asia Pacific Council, and Mitsubishi Corporation International Advisory Council. He is a member of the Board of Governors of the Asian Institute of Management, the Advisory Board of Asia Global Institute (University of Hong Kong) and of various advisory boards of Harvard University, including the Global Advisory Council, Asia Center Advisory Committee, and HBS Asia Advisory Committee. He sits on the Board of Singapore Management University (SMU) and is a Chairman of SMU International Advisory Council in the Philippines. He is a member of the Asia Business Council, Asean Business Club Advisory Council, Leapfrog Investment Global Leadership Council, The Council for Inclusive Capitalism, and World Wildlife Philippines National Advisory Council. He is Co-Vice Chairman of the Makati Business Club, Chairman of Endeavor Philippines, and Trustee Emeritus of Eisenhower Fellowships. He was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with rank of Grand Commander in 2010, and the Order of Mabini with rank of Commander in 2015 by the President of the Philippines in recognition of his outstanding public service. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer by the UN Global Compact for his work in sustainable business strategy and operations. The first recipient of the award from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business. He graduated with B.A. in Economics (Cum Laude) from Harvard College in 1981 and obtained an MBA from the Harvard Graduate School of Business in 1987.

Cezar P. Consing, Filipino, 64, serves as the Vice Chairman of ALI since April 26, 2023. He has been the President and Chief Executive Officer of Ayala Corporation since September 27, 2022 and has been a Director since December 3, 2020. He has been a member of the Ayala Group Management Committee since April 2013. He is currently the Vice Chairman of the following publicly listed companies of the Ayala Group: Globe Telecom, Inc., Bank of the Philippine Islands (BPI) and ACEN CORPORATION. Concurrently, he holds the following positions in the Ayala Group: Chairman of AC Logistics Holdings Corporation, AC Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Ventures Holding Corp., and AC Mobility Holdings Incorporated; Vice Chairman of AC Energy and Infrastructure Corporation and Ayala Healthcare Holdings, Inc.; and Director of Asiacom Philippines, Inc. and ACEN International, Inc. He is the Chairman of Philippine Dealing System Holdings and the College of St. Benilde. He was a Senior Managing Director of Ayala Corporation and President and CEO of BPI from 2013 to 2021. In the latter capacity, he served as the chairman of BPI's thrift bank, investment bank, UK-registered bank, microfinance bank, property and casualty insurance joint venture and leasing and rental joint venture and board director of its asset management company and its life insurance joint venture. He is currently the Vice Chairman of BPI's executive committee of the board and a member of the Nomination Committee. He served as the Chairman and President of

the Bankers Association of the Philippines and was the President of Bancnet, Inc. He was a Director of the Singapore-listed Yoma Strategic Holdings Ltd., and the Myanmar-listed First Myanmar Investment Public Company Limited. He was a Partner at the Rohatyn Group from 2004 to 2013 and headed its Hong Kong office and its private investing business in Asia and was a board director of its real estate and energy and infrastructure private equity investing subsidiaries. He worked for J. P. Morgan & Co. in Hong Kong and Singapore from 1985 to 2004 and headed the firm's investment banking business in Asia Pacific from 1997 to 2004 and served as President of J. P. Morgan Securities (Asia Pacific) Ltd. As a senior Managing Director. He was a member of the firm's Global Investment Banking Management Committee, its Asia Pacific Management Committee, and its Global Managing Director Selection Committee. He worked for BPI from 1981 to 1985, as a Management Trainee and eventually as Assistant Vice President. He has served as an independent board director of four publicly listed companies in Asia: Jollibee Foods Corporation (2010 to 2021), CIMB Group Holdings (2006 to 2013), First Gen Corporation (2005 to 2013), and National Reinsurance Corporation (2014 to 2019), where he also served as Chairman (2018 to 2019). He currently serves on the board of FILGIFTS.com. He has also served on the boards of SQREEM Technologies, Endeavor Philippines and the Hongkong based Asian Youth Orchestra. He was a board director of the US-Philippines Society. He is a board director of the Philippine-American Educational Foundation, and a board trustee of the Manila Golf Club Foundation. Mr. Consing has been a member of the Trilateral Commission since 2014. Mr. Consing received an A.B. Economics degree (Accelerated Program), magna cum laude, from De La Salle University in 1979. He obtained an M.A. in Applied Economics from the University of Michigan in 1980.

Anna Ma. Margarita B. Dy, Filipino, 54, has served as a Director, President and Chief Executive Officer of ALI since October 1, 2023, and as a member of the Management Committee of ALI since August 2008. She was an Executive Vice President of ALI from January 1, 2023 to September 30, 2023 and was a Senior Vice President from January 1, 2015 until December 31, 2022. Prior to becoming President, she was the Head of the Residential Business Group of ALI in 2022 and Head of the Malls Group in 2023. Before that, she also headed the Ayala Land Estates Group. Her other significant positions are: Chairman of Amaia Southern Properties, Inc., Ayalaland Premier, Inc., Ayala Land International Sales, Inc., Avida Land Corp., Alveo Land Corp., Avencosouth Corp., Altaraza Development Corporation, Amaia Land, Inc., Amicassa Process Solutions, Inc., Ayala Property Management Corporation, Ayalaland-Tagle Properties, Inc., BGWest Properties, Inc., BGNorth Properties, Inc., Bellavita Land Corp., Cagayan de Oro Gateway Corp., Vesta Properties Holdings, Inc. Portico Land Corp. and Solinea, Inc.; Vice Chairman of Aurora Properties, Inc., CECI Realty, Inc., and Ayala Greenfield Development Corporation; President of AKL Properties, Inc.; President and Chief Executive Officer of Fort Bonifacio Development Corporation; and Director of Accendo Commercial Corp., ALI Eton Property Development Corporation, Berkshires Holdings, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc., Nuevocentro, Inc., Serendra, Inc. and Alveo-Federal Land Communities Inc. and She started her career in IBM, Bain and Benpres Holdings and obtained an AB in Economics degree from Ateneo de Manila, a Master of Science in Economics from London School of Economics and a Master in Business Administration from Harvard Business School.

Arturo G. Corpuz, Filipino, 68, has served as a Director of ALI since April 2016. He was a member of the Management Committee of ALI from 2008 to December 31, 2016. He is also a member of the Board of Ceci Realty, Inc. Aurora Properties, Inc., Vesta Properties Holdings, Inc., Nuevocentro, Inc., and Alviera Country Club, Inc. He is a former President of the Philippine Economic Society and a Trustee of the Foundation for Economic Freedom and the Philippine Institute of Environmental Planning. Mr. Corpuz received his baccalaureate degree in Architecture from the University of the Philippines in 1977 and his masteral and doctoral degrees in urban and regional planning from Cornell University in 1984 and 1989.

Mariana Beatriz Zobel de Ayala, Filipino, 35, has been a director of ALI since October 21, 2022. She is also a member of its Executive, Board Risk Oversight, and Sustainability Committees, and a Senior Vice President, heading its Leasing and Hospitality Group, overseeing Ayala Malls, Ayala Land Offices, and Ayala Land Hotels and Resorts. Additionally, she is a Board Director of Ayala Land's listed REIT subsidiary, AREIT. Aside from her directorships at the Ayala Land Group, She also serves as a Board Director for several Ayala Group companies, such as AC Health, Ayala Group's ACTIVE Fund, and BPI's Asset Management and Trust Company. She was named a board advisor for Asia Partners, a Singapore-based private equity firm with over USD500 million in funding, focused on enabling the next generation of high-growth technology companies in Southeast Asia. She is also a board director of U-Go, looking to drive education equality in emerging markets by providing scholarship grants to women looking to pursue a university education. She previously worked for the Bank of the Philippine Islands (BPI) as a Senior Vice President, leading the development of its marketing and digital platforms for its

Consumer Banking Group. Before this position, she served as the Deputy Head of Ayala Malls and initially as part of Alveo Land's project development team. She started working at the Ayala Group as a corporate strategy and business development associate at Ayala Corporation, supporting its portfolio reviews across the conglomerate and business development interests in the healthcare industry. She began her career at J.P. Morgan in New York. She obtained her BA in Social Studies (Philosophy, Politics, and Economics) from Harvard College and an MBA from INSEAD.

Cesar V. Purisima, Filipino, 63 was appointed as an Independent Director of ALI on April 18, 2018. He is an Asia Fellow of Milken Institute, a global non-profit, non-partisan think tank. He is a founding partner at IKHLAS Capital, a pan-ASEAN private equity platform. He currently serves on the boards of the AIA Group, Ayala Corporation, Universal Robina Corporation, Jollibee Foods Corporation, Bank of the Philippine Islands, BPI Capital Corporation, member of the Board of Trustees of International School of Manila and member of the Board of Advisors of ABS-CBN. He is a member of Sumitomo Mitsui Banking Corporation's Global Advisory Council and Singapore Management University's International Advisory Council in the Philippines. He is a member of the Bloomberg Task Force on Fiscal Policy for Health since 2023. From 2010 to 2016, Purisima was the Secretary of Finance of the Philippines and the Chair of Economic Development Cluster of the President's Cabinet. He briefly served as Finance Secretary in 2005 and Trade and Industry Secretary from 2004 to 2005. Additionally, he was a member of the Monetary Board of the Philippines Central Bank, and the Governor for the Philippines at the Asian Development Bank and the World Bank. He served as Alternate Governor for the Philippines at the International Monetary Fund. Under his leadership, the Philippines received its first investment-grade ratings. He was named Finance Minister of the Year seven times in six consecutive years by a number of publications, a first for the Philippines. Prior to his stints in the government service, he was the Chairman & Country Managing Partner of the Philippines' largest professional services firm SGV & Co., and was a member of the Global Executive Board and Global Practice Council of Ernst & Young. Purisima obtained his Bachelor of Science degree in Commerce Major in Accounting and Financial Institutions from De La Salle University in 1979. He earned his Master of Business Administration degree from Kellogg School of Management, Northwestern University, Illinois in 1983. Mr. Purisima completed the Harvard Business School's CEO Harvard Presidents' Seminars in 2023 and 2024. He was a recipient of Centenary Award of Excellence by the Professional Regulatory Board of Accountancy on the occasion of the 100th year of the Philippine accounting profession in 2023. He was conferred a Knight in the National Order of the Legion of Honour by the French Republic (Chevalier dans l'Ordre National de la Legion d'Honneur) in 2017. In 2016, Purisima was awarded the Order of Lakandula with the rank of Grand Cross (Bayani) for his contributions to the Philippine economy. The Order of Lakandula is one of the highest civilian honors conferred by the President of the Republic of the Philippines and the Chevalier de l'Ordre national du Merite (Knight of the National Order of Merit) by the President of the French Republic in 2001.

Rex Ma. A. Mendoza, Filipino, 61, has been an Independent Director of the Company since February 26, 2016 and its Lead Independent Director since July 18, 2017. He is the Chairman of Rampver Financials, a dynamic player in financial services specializing in investments, and one of the biggest distributors of mutual funds in the Philippines. He currently serves as an independent director of two (2) listed firms, the National Reinsurance Corporation of the Philippines and ALI. He is the Chairman of the Soldivo Funds and also a director of Esquire Financing, G-Xchange Inc. (GXI or Gcash), Seedbox Technologies, Seven Tall Trees Events Management (The Blue Leaf), The Cullinan Group, Mobile Group Inc. and many other leading companies in different fields. Rex is a member of Bro. Bo Sanchez' Mastermind Group, and is cited by many as one of the best leadership, business strategy, investments, marketing and sales speakers in the country. He is the author of two books, Trailblazing Success and Firing On All Cylinders, both certified national bestsellers. He served as the President & CEO of Philam Life, one of the country's most trusted financial services conglomerates and was Chairman of its affiliates and subsidiaries. He was also Senior Adviser to the Chief Executive Officer of the AIA Group. Prior to this, he was previously Senior Vice President and Chief Marketing and Sales Officer of ALI. He was also Chairman of Ayala Land International Sales, Inc., President of Ayala Land Sales, Inc., and Avida Sales Corporation. He has a Master's Degree in Business Management with distinction from the Asian Institute of Management. He was one of the 10 Outstanding Graduates of his batch at the University of the Philippines where he obtained a BSBA degree with a double major in marketing and finance. He was awarded Most Distinguished Alumnus of the UP Cesar Virata School of Business. He is also a Fellow with Distinction at the Life Management Institute of Atlanta, Georgia, USA, a Registered Financial Planner (RFP) and a four-time member of the Million Dollar Round Table (MDRT). He was a professor of Marketing and Computational Finance at the De La Salle University Graduate School of Business. He taught strategic marketing, services marketing and services strategy. He has served as Chairman of the Marketing Department and was awarded as one of the University's most outstanding professors.

Surendra Menon, Singaporean, 65, has been an Independent Director of ALI since April 26, 2023. He is the Partnership Distribution Director of PT. AIA Financial having been appointed 24 March 2023. Prior to his current role, he was the Chief Executive Officer of BPI AIA Life Assurance Corporation also the Regional Head, Bancassurance Group Partnership Distribution of the AIA Group from 2012 to 2016. He served as Vice President Director and Chief Distribution Officer, Director Bancassurance from and Vice President Business Development AIA Financial (formerly known as AIG Life and AIG Lippo) for the period beginning 2003 to 2016. He was the Vice President, Bancassurance from 1999 to 2003 of DBS Bank – Singapore. He was also the Company Head/Advisor to Owner of PT Binadaya Nusaindah (BDNI Life) (currently called Equity Financial) from 1991 to 1999 while he was Head/Advisor Dana Pensiun Lembaga Keuangan BDNI Bank from 1994 to 1998 PT Bank Dagang National Indonesia (BDNI), and Director of PT GTAsset Management of BDNI from 1995 to 1998. He held various positions at The Insurance Corporation of Singapore (now Aviva Singapore) from 1982 to 1991. He obtained his Bachelor of Arts degree majoring in actuarial sciences from Macquarie University in 1981. He became an Associate in financial planning and a member of the Financial Planning Association of Singapore in 2000. He has been a Penasehat Investor (Investment Manager's License) of BEPEPAM (Indonesian Stock Exchange) since 1995. He completed an Advance Life Assurance Course from Munich Re in 1985 and obtained a Certificate in Actuarial Techniques from the Institute of Actuaries (London) in 1993. As a Singaporean he served National Service as a Police inspector from 1977 to 1979 and was a reservist Captain in the Singapore Civil Defence Force until 2008".

Daniel Gabriel M. Montecillo, Filipino, 60, has been an Independent Director of ALI since April 26, 2023. He was the Executive Vice President and Group Head of Corporate Clients of the Bank of the Philippine Islands from. Immediately prior to this role, he was President of BPI Capital Corporation for 4 ½ years. Prior to returning to the Philippines, he was also the Chief Executive Officer (CEO) and Managing Equity Partner of Diamond Dragon Advisors and CEO of Fidelis Holdings. He has 21 years of international investment banking experience, having worked at Bankers Trust Company in New York and at Credit Suisse and Morgan Stanley in Hong Kong. He is an independent director of the Bank of Commerce (universal banking), RASLAG Corporation (renewable energy), Metro Pacific Health (hospital management), and Maybank Investment Banking Group (investment banking), where he serves as Chair of the Corporate Governance, Environmental, Social, Governance and Audit Committees. He serves as an independent director of Marsh Philippines, Inc. a subsidiary of Marsh & McLennan. He is also on the global board of directors of International Care Ministries and the United Nations Global Compact Network (Philippine chapter). He is a certified coach (ACC designation from the International Coaching Federation), leadership development speaker and facilitator, as well as senior consultant to the International Finance Corporation and to private Philippine companies. He obtained his Master of Business Administration and Master of Arts from Stanford University. He obtained his Bachelor of Science in Management of Financial Institutions and Bachelor of Arts in Behavioral Sciences (*magna cum laude*) from De La Salle University.

Nominees to the Board of Directors for election at the stockholders' meeting:

All the incumbent directors of the Company, except Mr. Corpuz, are being nominated to the Board of Directors. Mr. Fernando Zobel de Ayala is the new nominee to the Board.

Fernando Zobel de Ayala, Filipino, 63, is an adviser to the Board of Directors of ALI and served as its Chairman of the Board from 1999 to September 2022. He is currently a director of Ayala Corporation. He previously served as the AC's Director from May 1994 to September 12, 2022. He was the President and COO of AC for 15 years, before assuming the role of CEO until September 12, 2022. He currently serves as Chairman of the Board at AC Health, Director of Bank of the Philippine Islands, and as a Special Advisor to the Board of Ayala Land Inc.. He serves as Independent Director of Shell Pilipinas Corporation, Chairman of Accendo Commercial Corp., Alabang Commercial Corp.; and Vice Chairman of Fort Bonifacio Development Corporation, AKL Properties, Inc., and Bonifacio Art Foundation, Inc. He also serves on several civic boards and advisory groups including as Chairman of Ayala Foundation and Hero Foundation, member of the Board of Trustees of Georgetown University, Caritas Manila, Pilipinas Shell Foundation, and Asia Society. He is also a member of the Asia Philanthropy Circle, The Metropolitan Museum International Council, TATE Asia Pacific Acquisitions Committee and Habitat for Humanity International's Asia Pacific Development Council. He holds a liberal arts degree from Harvard College and a CIM from INSEAD, France.

Management Committee Members / Key Executive Officers

Anna Ma. Margarita B. Dy*	President and Chief Executive Officer
Mariana Beatriz Zobel de Ayala*	Senior Vice President
Dante M. Abando	Senior Vice President
Augusto D. Bengzon	Senior Vice President, Chief Finance Officer and Treasurer
Jose Emmanuel H. Jalandoni****	Senior Vice President
Robert S. Lao	Senior Vice President
Laurent P. Lamasuta	Senior Vice President
Lyle A. Abadia	Vice President
Aniceto V. Bisnar, Jr.****	Vice President
Raquel S. Cruz	Senior Vice President
Ma. Luisa D. Chiong	Vice President
Dindo R. Fernando	Vice President
Rufino Hermann S. Gutierrez	Vice President
Javier D. Hernandez	Vice President
Joseph Carmichael Z. Jugo	Senior Vice President
Stephanie J. Lingad	Vice President
Christopher B. Maglanoc	Senior Vice President
Michael F. Magpusao	Vice President
Ferdie M. Mangali	Vice President
Romeo T. Menpin, Jr.	Vice President
Carol T. Mills	Vice President
Rodelito J. Ocampo****	Vice President
Mary Grace Santos-Ontiveros**	Vice President
Roscoe M. Pineda	Chief Information Officer and Vice President
Jose C. Platero, Jr.	Vice President
Alfonso Javier D. Reyes	Vice President
Darwin L. Salipsip	Vice President
Maria Clavel G. Tongco	Vice President
Jennylle S. Tupaz	Vice President
Richard T. Yap	Vice President
Isabel D. Sagun	Chief Human Resources Officer
Jeremy U. Sy	Vice President
Pauline Clarisse K. Feria	Vice President
Enrique B. Manuel Jr.	Vice President
Maphilindo S. Tandoc	Chief Risk Officer
Annabeth R. Bernardo	Chief Audit Executive
Maria Franchette M. Acosta***	Group General Counsel and Corporate Secretary
Ma. Florence Therese dG. Martinez-Cruz	Assistant Corporate Secretary
<i>*Member of the Board of Directors</i>	
<i>**Officer until January 31, 2024</i>	
<i>***Officer until February 29, 2024</i>	
<i>****Effective March 12, 2024, replacing Mr. Solomon M. Hermosura who resigned as as officer effective February 29, 2024.</i>	

Dante M. Abando, Filipino, 59, is a Senior Vice President and Member of the Management Committee of ALI. He is the President of Makati Development Corporation. He is also the Chairman of MDC BuildPlus, Inc., MDC Concrete, Inc., MDC Equipment Solutions, Inc., and MDBI Construction Corp., a joint venture between Makati Development Corporation and Bouygues Bâtiment International. He was the past President and now a Board Member of Alveo Land Corporation. He is currently a Board Member of Alveo Land Corp., Avida Land Corporation, Amaia Land Corp., Amaia Southern Properties, Inc., Anvaya Cove Golf & Sports Club, Inc., Ayalaland Premier, Inc., Serendra, Inc., and Avaland Berhad. He was the Chairman and President of the Philippine Constructors Association (PCA) from 2016 to 2017. A member of the Board of Trustees of the University of the Philippines Alumni Engineers (UPAE) from 2015 to 2018, and a member of the Board of Trustees of the University of the Philippines Alumni Association (UPAA) from 2023 to 2025. He graduated with a degree in Bachelor of Science in Civil Engineering from the University of the Philippines in 1986 and earned his Master's degree in Business Administration in 1995 from the same university. In 2012, he completed the Executive Program on Real Estate Management at Harvard University Graduate School of Business.

Augusto D. Bengzon, Filipino, 60, joined ALI in December 2004 and currently serves as its Senior Vice President, Chief Finance Officer, Treasurer and Chief Compliance Officer. He is a Director of AREIT, Inc. and Treasurer of AyalaLand Logistics Holding Corp., publicly listed companies under the Ayala Land Group. His other significant positions include: Chairman of Aprisa Business Process Solutions Inc., Anvaya Cove Golf and Sports Club, Inc. and Anvaya Cove Beach and Nature Club, Inc.; Chief Finance Officer of Altaraza Development Corporation; Director and Treasurer of Alveo Land Corp., ALI Eton Property Development Corp., Aurora Properties Inc., AyalaLand Premier Inc., AyalaLand-Tagle Properties, Inc., Ceci Realty Inc., Philippine Integrated Energy Solutions Inc. and Vesta Property Holdings Inc.; Director of Alviera Country Club Inc., Amicassa Process Solutions, Inc., Makati Development Corp., Northgate Hotel Ventures, Inc., and Station Square East Commercial Corp.; Comptroller of Nuevocentro, Inc.; Treasurer of Alabang Commercial Corporation, AKL Properties, Inc., Amaia Land Corp., Amaia Southern Properties, Inc., Avida Land Corp., Ayala Property Management Corporation, Bellavita Land Corp., BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Serendra Inc., The Suites at One Bonifacio High Street Condominium Corp. and Hero Foundation, Inc.; Assistant Treasurer of Ayala Greenfield Development Corporation; Trustee of Philippine National Police Foundation, Inc. He received his Bachelor of Science degree in Business Management from the Ateneo de Manila University and is a graduate of the Philippine Trust Institute. He was granted the Andres K. Roxas scholarship at the Asian Institute of Management where he received his Masters in Business Management degree.

Jose Emmanuel H. Jalandoni, Filipino, 55, is a Senior Vice President and a member of the Management Committee of ALI. He is the Group Head of commercial businesses including malls, offices, hotels and resorts. He is the Chairman of AREIT, Inc. and President and Chief Executive Officer of AyalaLand Logistics Holdings Corporation, publicly listed subsidiaries of ALI. He is the Chairman of the Board of ALI Commercial Center, Inc., SIAL Specialty Retailing, Inc. and Direct Power Services, Inc. He is also Director of the following companies: ALI Capital Corporation, Ayagold Retailers, Inc., Philippine FamilyMart CVS, Inc., SIAL CVS, Inc., AirSWIFT Transport, Inc. He joined ALI in 1996 and held various positions in the Company. He graduated with a degree of Bachelor of Science in Legal Management from Ateneo de Manila University. He earned his Master's Degree in Business Administration from Asian Institute of Management. He is a Chartered Financial Analyst.

Robert S. Lao, Filipino, 50, has been Senior Vice President of ALI and a member of its Management Committee since April 19, 2017. He is also the Group Head of Ayala Land's Estates and Central Land Acquisition Unit, and President of Ayala Land Logistics Holdings Corp., and Quantum Electronics in Indonesia. He is concurrently the Chairman, President and Chief Executive Officer of Southcrest Hotel Ventures, Inc. and Northgate Hotel Ventures, Inc.; President and director of ALI ETON Property Development Corporation, Altaraza Development Corporation, Aurora Properties Incorporated, Aviana Development Corp., CECI Realty Inc., and Nuevocentro, Inc.; Chairman of the Board and President Bonifacio Global City Estate Association Inc.; Chairman of the Board of Adauge Commercial Corporation, A-Flow Land I Corp., A-Flow Properties I Corp., Alagang Ayala Land Foundation Inc., Altaraza Prime Realty Corporation, Amorsedia Development Corporation, Arca South Integrated Terminal, Inc., AyalaLand Medical Facilities Leasing, Inc., Buendia Landholdings, Inc., Crans Montana Property Holdings Corporation, Crimson Field Enterprises, Inc., HLC Development Corporation, Red Creek Properties, Incorporated, Lagdigan Land Corporation, Sicogon Island Tourism and Estate Corp., Taft Punta Engaño Property, Inc., and Whiteknight Holdings Inc.; Vice Chairman and President of Vesta Property Holdings, Inc.; Director and Executive Vice President of Fort Bonifacio Development Corporation; and, Director of Accendo Commercial Corp., Alveo Land Corp., Avida Land Corp., AyalaLand Estates, Inc., Ayala Greenfield Development Corporation, Ayala Property Management Corporation, Cagayan de Oro Gateway Corp., Orion Land, Inc., Orion Property Development, Inc., Serendra, Inc., and Soltea Commercial Corp. Prior to joining Ayala Land, Inc., he served as a Senior Process Engineer of Fujitsu Computer Products Corporation of the Philippines (FCPP) and Lead Process Engineer of PT. Quantum Electronics in Indonesia. He studied at the University of Santo Tomas (UST) and graduated cum laude in Bachelor of Science in Industrial Engineering in 1995. He completed his Master's in Business Management (MBM) degree in 2001 from the Asian Institute of Management (AIM) and attended the International Student Exchange Program from University of Cologne in Germany.

Laurent P. Lamasuta, Filipino, 58, has served as Senior Vice President of ALI since 2021. He is also President and CEO of Ayala Property Management Corporation. Prior to joining APMC, he was President and CEO of Ten Knots Development Corporation, developer, operator, and manager of El Nido Resorts comprising four eco-tourism island resorts in Palawan. Mr. Lamasuta had several posts with the international luxury hotel industry with stints in independent top properties like The Ritz in Paris, the Dorchester in London, The Manila Hotel in Manila as well as international brands like

Intercontinental Hotels, Ritz-Carlton Hotels, and Le Meridien Hotels. Previously he was a Senior Advisor of Ayala Land for Member and Customer Relations of its Residential Business Group. He joined Ayala Land in 2005 to open Ayala Greenfield Golf and Leisure Club, Inc., and Anvaya Cove Beach and Nature Club. He graduated from Collège “La Rostagne” in Antibes, France, and further gained a tourism and hotel management degree in Nice, France. He is a recipient of a License in Hotel Management in London, England.

Lyle A. Abadia, Filipino, 66, has served as Vice President of ALI since November 2016. Currently, he is the Head of Special Projects reporting to the Group Head of Ayala Land Estates. Likewise, he is a Director of ALI's wholly-owned subsidiary, Amicassa Process Solutions, Inc. Prior to joining Ayala Land, Inc. in 2004, he held various executive positions in two (2) ALI's subsidiaries, commencing in 1982 under Ayala Theatres Management, Inc. and moved to join Laguna Technopark, Inc. in 1991 as one of the pioneering executive officers who crafted the successful transformation of the 650 hectares former sugarcane plantation into what is now known as one of the world-class industrial estates in the country. He likewise set up BellaVita Land Corporation, a socialized housing arm of ALI, and took the helm as President from 2011 to 2017. Mr. Abadia holds a degree in Bachelor of Science in Commerce, Major in Accounting at the Colegio De San Jose – Recoletos. He completed a Basic Management Program at the Asian Institute of Management and in-house program for Harvard Leadership Acceleration Program.

Aniceto V. Bisnar, Jr., Filipino, 59, serves as Vice President of ALI since January 2009. He had served as SVP & Chief Operating Officer of Ortigas Land Corporation in 2020. He has 31 years of experience in the real estate industry and has held various positions and responsibilities over the years. He was President of Cebu Holdings, Inc and Cebu Property Ventures & Dev't Corp and was COO of the Visayas and Mindanao Group of ALI from 2015 to 2020, where he led the ALI-SM consortium in winning the P10B bid for the 26 hectares SRP in Cebu and eventually launching it as the South Coast City; launched the Azuela Cove in Davao; Gateway Central in Mandaue City; Seagrove in Mactan; and Habini Bay in Laguindingan, Misamis Oriental. From 2008 to 2014, he was the SVP and General Manager of CECI Realty, Aurora Properties, Vesta Properties, Inc of NUVALI and Vice-President, Strategic Landbank Management Group, Ayala Land, where he also led the planning and launch of the 74-hectares ARCA South in Taguig. He had joined ALI in 1994 as Operations Manager of NUVALI and started its master planning and development as the country's first and largest eco-city development built on the principles of sustainable design. After leading the launching and development of Cebu I.T. Park, he rose from Division Manager to Asst.Vice-President in the Land and Community Dev't Group of ALI from 1996 to 2004, leading the planning and launching of the developments of Ayala Westgrove Heights, Ayala Greenfield Estates, and others, until he was designated as Head of Commercial Operations of Fort Bonifacio Dev't Corp from 2004 to 2008 and was tasked to re-masterplan and manage the transformation of Bonifacio Global City. His other significant positions were as follows: Chairman of Central Block Developers, Inc. and Amaia Southern Properties, Inc.; Chairman and President of North Point Estate Association, Inc., Asian I-Office Properties, Inc., Cebu Leisure Company, Inc., Cebu Business Park Association, Inc. and Asia Town I.T. Park Association, Inc.; and Vice Chairman of Avenco South Corporation. He is the President of Aviana Development Corporation and Lagdigan Land Corporation. He was also the Vice President of Solinea, Inc., Director of Accendo Commercial Corporation, Cebu District Property Enterprise, Inc., Cagayan de Oro Gateway Corp., Taft Punta Engaño Property, Inc., and a Member of the Board of Trustee of Hero Foundation, Inc. He earned his Bachelor of Science Degree at the Philippine Military Academy in 1985, and his Master in Business Management Degree at the Asian Institute of Management in 1989.

Raquel S. Cruz, Filipino, 57, has been a Senior Vice President of ALI since October 1, 2023. She has been with Ayala Land, Inc. for 19 years. She is a member of the ALI Mancom and currently holds the following positions: Concurrent President of Avida Land Corp., Amaia Land Corp., and Bellavita Corp., and Amicassa Process Solutions, Inc. She holds a Bachelor of Arts degree in Economics from the University of the Philippines Diliman. She completed the Leadership and Management Program in the Ateneo Professional School in 2011, and the Executive Program on Corporate Strategy from the Chicago Booth School of Business in 2015.

Ma. Luisa D. Chiong, Filipino, 52, is a Vice President and currently the Controller of ALI. She concurrently the Residential Business Group Chief Finance Officer. Her other significant positions include: Chairman of AREIT Fund Managers Inc.; Director & President of Aprisa Business Process Solutions, Inc.; Director of Amaia Southern Properties, Inc., Bellavita Land Corp. and North Triangle Depot Commercial Corporation; Treasurer of Ayala Land Sales Inc., Ayala Land International Sales Inc. and Avida Sales Corp. She completed the academic requirements for a Master in Business Administration degree from De La Salle University in 1998 and obtained her Bachelor of Science in Commerce Major in Accounting degree from the same university in 1991. She is a Certified Public

Accountant, garnering 5th place in the May 1992 CPA Board Examinations and is a member of the Philippine Institute of Certified Public Accountants (PICPA).

Dindo R. Fernando, Filipino, 55, has been Vice President of ALI since April 2017. He currently heads the company's External Affairs Division. Moreover, he is the Treasurer of Anvaya Beach and Nature Club, Board Member of the Makati Parking Authority, Member of the Board of the Laguna Chamber of Commerce and Industry, Corporate Secretary of Santa Rosa (Laguna) Business Club, Board Member of the Calamba City Business Club and Secretary of Avida Towers Makati West Condominium Corporation. Prior to joining ALI, he was Head of Political Research at the Makati Business Club where he oversaw congressional research, analysis and publication. He graduated with a degree in AB Political Science from the Lyceum of the Philippines in 1989.

Rufino Hermann S. Gutierrez, Filipino, 50, is a Vice President of ALI effective January 1, 2020, and is currently the Chief Operating Officer Alveo Land Corp. He is concurrently President of Alveo Federal Land Communities, Inc. and Solinea, Inc. Furthermore, he is currently the Vice Chairman of Ayala Land International Sales, Inc. and a Director of Amicassa Process Solutions, Inc. He is also part of Portico Land Corp.'s Executive Committee. In his almost 20 years in the company, he has handled and led various functions in residential, commercial, office and leisure development, such as project development, business development, sales, marketing and human resources management. He graduated from the De La Salle University with a degree in BS Industrial Engineering with minor in Mechanical Engineering in 1994 and completed his MBA from the Asian Institute of Management in 2000. He completed the Advanced Management Program from the National University of Singapore in 2016. He is also a licensed Real Estate Broker.

Javier D. Hernandez, Filipino, 54, has been Vice President of ALI since April 2017. He is now the President & CEO of AyalaLand Hotels & Resorts Corporation and Seda Hotels Group; Director and Treasurer of El Nido Foundation; Vice President for Operations of Alabang Commercial Corporation; Director of South Innovative Theater Management Inc.; and, a Board Member of Airswift Transport, Inc. He has worked for Ayala Land for 32 years, spending seven years with Ayala Malls, four years with the Sales and Marketing Group, thereafter rejoining Ayala Malls for another 13 years before transferring to AyalaLand Hotels and Resorts mid-2016. He graduated with a Bachelors Degree in Business Administration from the San Francisco State University.

Joseph Carmichael Z. Jugo, Filipino, 49, is a Vice President of Ayala Land, Inc. He is concurrently President & Director of AyalaLand Premier, Inc., Alveo Land Corp., and BGSouth Properties, Inc.; Chairman & President of Roxas Land Corp., OLC Development Corp., Southportal Properties, Inc.; Garden Towers Condo Corp., & Serendra, Inc.; Chairman of Ayala Hotels Inc., Ayala Land Sales, Inc., Ayala Land Club Management, Inc., Collines Du Capitole Clubholdings, Inc., and Verde Golf Development Corp.; President of AyalaLand-Tagle Properties, Inc.; President & Chief Executive Officer of Ayala Greenfield Development Corp., Ayala Greenfield Golf & Leisure Club, Inc.; President of Anvaya Cove Golf & Sports Club, Inc.; Vice President of Anvaya Cove Beach & Nature Club, Inc.; Director of Amicassa Process Solutions, Inc.; Ayala Center Estate Association, and Algofil Inc. In his 20 years in the company, he has been a part of and handled various business lines including business development for the retail and malls group, project development for the residential business group, project development for the leisure group and sales for the local and international markets. He graduated from the Ateneo de Manila with a degree in Management Economics in 1997 and completed his MBM from the Asian Institute of Management (with Distinction) in 2002. He attended the International Graduate Student Exchange Program at the Tuck School of Business, Dartmouth College in 2002 and completed the INSEAD Asian International Executive Programme (AIEP) in 2015.

Stephanie J. Lingad, Filipino, 54, is a Vice President of ALI. She has been with Ayala Land, Inc. group for 20 years. She is the Chief Operating Officer of Amaia Land Corp., and a Director of Amaia Land Corp and Amaia Southern Properties, Inc. She is concurrently the Chief Operating Officer of BellaVita Land Corporation. She is also a director of Amicassa Process Solutions, Inc. Previously, she was the Head of Project Strategic Management Group of Amaia Land and was Division Manager at the Strategic Landbank Management Group and Corporate Planning Group of Ayala Land, Inc. She obtained a Bachelor of Science degree in Management (Honors) from the Ateneo de Manila University in 1991 and a Masters in Business Administration degree from the Wharton School of the University of Pennsylvania in 1997.

Christopher B. Maglanoc, Filipino, 53, served as a Vice President of ALI since April 2013. He was the President of Ayala Land Malls, Inc and Chairman of various companies under the Malls Group of ALI. Prior to this, he was the President of Avida Land Corporation. He was Chief Operating Officer and Head

of Project and Strategic Management in Avida Land before he was elected as President of the Company on January 1, 2012. Prior to his stint in Avida in 2004, he occupied Management positions in various business units in ALI (i.e. Commercial Centers, Corporate Planning, and Alveo Land, Inc.). His other significant positions are Chairman and President of Ayalaland Metro North, Inc., North Eastern Commercial Corp., and Summerhill Commercial Ventures Corp.; Chairman of Westview Commercial Ventures Corp., Soltea Commercial Corp., North Triangle Depot Commercial Corporation, Five Star Cinema, Inc., Capitol Central Commercial Ventures Corp., Bay City Commercial Ventures Corp, Ayalaland Malls Vismin; President of Cagayan De Oro Gateway Corp. and Station Square East Commercial Corp.; and Director of Alabang Commercial Corporation, Bonifacio Global City Estate Association, Inc., Philippine Integrated Energy Solutions, Inc., Serendra, Inc., and Blue Horizons Holdings Pte Ltd. He graduated from UP Los Baños with degrees in BA Sociology and BS Economics in 1990 and 1992, respectively. He finished his MBA from the Asian Institute of Management and attended the International Student Exchange Program in Copenhagen Business School in Denmark in 1997.

Michael F. Magpusao, Filipino, 50, was appointed Vice President & Operation Chief Engineer of Ayala Land, Inc. in 2019, concurrently serves as the Chief Operating Officer and Corporate Chief Engineer of Ayala Property Management Corporation (APMC) and the President of Philippine Integrated Energy Solutions, Inc. (PhilEnergy). He is also a currently Professor of the Mechanical Engineering Department at the Mapua University, a position he has held since 1996. He is also the APMC's Corporate Safety Officer, Corporate Professional Mechanical Engineer, Corporate Energy Manager. He is a Professional Mechanical Engineer since 2001, a licensed OSH Consultant as certified by the Department of Labor and Employment, Energy Manager and Energy Auditor as certified by the Department of Energy and Pollution Control Officer as certified by the Department of Environment and Natural Resources. Mr. Magpusao has over 27 years of industry experience and has held the following positions prior to his appointment: Executive Director and Head of Global Real Estate of JP Morgan Chase & Co.(Philippine Branch) from 2010 to 2016; Vice President and Corporate Realty Services Asset Manager of Citibank, N.A. (Manila Branch) from 2004 to 2010; Property Manager, Technical Support Group Manager and Project Manager of APMC from 1996 to 2004; and Operation Engineer of Procter and Gamble Philippines from 1995 to 1996. He earned his Bachelor of Science Degrees in Mechanical Engineering and Electrical Engineering both from the Mapua Institute of Technology in 1995 and 2001, respectively. He also has a Post Baccalaureate Diploma in Fire Safety Technology from the University of Makati in 2004.

Ferdie M. Mangali, Filipino, 54, is a Vice President of ALI effective January 1, 2020. He is currently Chairman of the ALI Ethics Committee. He has been heading the Corporate Resource and Services Group of Makati Development Corporation since May 2013 and concurrently acting as Head of Corporate Labor Relations for the Ayala Land Group. He is a member of the Board of MDC Equipment Solutions Inc. and a former member of the Board of Trustees of the Philippine Constructors Association from 2020 to 2022. He is the former Head of the Corporate Human Resources, Customer Care and Product delivery Group of Avida Land Corporation, Business Group HR Head of the Ayala Land Commercial and Residential Group, HR Head of Amicassa Process Solutions, Inc., Amaia Land Corp., and BelaVita Land Corp. Prior to ALI, he was the Employee and Labor Relations Manager of Pfizer Inc., HR Manager of Warner Lambert Inc., Business Group HR Officer of Intel Philippines and Manufacturing Plant HR Officer of Matsushita Electric Philippines Corporation (PANASONIC Philippines). He has a total of 33 years of experience in Human Resource Management, Labor Relations and Organizational Development. He graduated from Polytechnic University of the Philippines with a degree in Bachelor in Human Behavior Technology major in Clinical Psychology and finished his Master's Degree in Labor and industrial Relations from the University of the Philippines, Diliman.

Romeo T. Menpin, Jr., Filipino, 54, is a Vice President of ALI since January 2014. He is currently the Head of the Construction Methods and Solutions Group of Makati Development Corporation (MDC). He is also currently the President of MDC Equipment Solutions, Inc., MDC ConQrete, Inc. and MDC Subic, Inc. Before joining MDC, he was a Director, President and Chief Operating Officer of Ayala Property Management Corporation (APMC) and also the President of PhilEnergy. He joined ALI in May 2008 from Kuok Group of Companies where he was a Vice President and Head of Mall Operations of Shangri-la Plaza Corporation. Prior to this, he also held various management positions from APMC and Laguna Technopark, Inc.. He graduated with a degree of Bachelor of Science in Mechanical Engineering from Mapua Institute of Technology and completed units in Masters in Business Administration from De La Salle University in 2001.

Carol T. Mills, Filipino, 51, has served as Vice President of ALI since November 2016. She is President and Chief Executive Officer of AREIT, Inc., the first Real Estate Investment Trust (REIT) listed in the

Philippine Stock Exchange in August 2020. Concurrent to AREIT, she is Vice President of Ayala Land Inc. and President of Ayala Land Offices Inc., the office leasing and development arm of Ayala Land since 2013. Ayala Land Offices owns and manages 1.4 million square meters of leasable space across 63 office properties in the Philippines. She is Chairman of various Ayala Land subsidiaries namely UP North Property Holdings, Inc., First Gateway Real Estate Corp., Glensworth Development Inc., Hillsford Property Corp., Makati Cornerstone Leasing Corp. and Sunnyfield E-Office Corp.; Vice Chairman and President of Central Block Developers Inc., as well as Director of ALI Capital Corp. and DirectPower Services, Inc. She joined ALI in 1993 and prior to her current position, she was Deputy Head of Business Development for Ayala Malls from 2008 to 2013, General Manager for Alabang Town Center from 2004 to 2008, and Operations Manager for Glorietta from 2000 to 2004. She graduated Magna Cum Laude from the University of the Philippines in 1993 with a Bachelor of Science degree in Business Administration and earned her Masters in Business Administration from the Amos Tuck School of Business, Dartmouth College in New Hampshire, USA in 1998.

Rodelito J. Ocampo, Filipino, 60, is a Vice President of ALI since December 2010. He is currently Makati Development Corporation's (MDC's) Head of Construction Operations Group 1 and the President of MDC BuildPlus, Inc. Before his MDC assignment, he served as Technical Services Head of Avida Land Corp. and Alveo Land Corp., wholly-owned subsidiaries of ALI, and Head of the Construction Management of ALI Residential Buildings. Prior to joining ALI, he was employed by a construction firm where he held various engineering and project management positions for a period of 10 years. He is a licensed Civil Engineer. He graduated from Mapua Institute of Technology with a degree in BS Civil Engineering in 1983. He also took Management Development Program in 2006 and Construction Management Course in 1994 at Asian Institute of Management. In 2016, he completed the Strategic Business Economics Program (SBEP) at the University of Asia and The Pacific.

Mary Grace Santos-Ontiveros, Filipino, 44, served as a Digital Transformation Head and Vice President of Ayala Land, Inc. effective March 1, 2023 until January 31, 2024. Ms. Santos-Ontiveros was the Head of Industry for Consumer Packaged Goods, Retail, Healthcare: Large Customers of Google Philippines, and the Global Marketing Manager, Citra Skin Care Portfolio of Unilver. She is a Board member of Internet Marketing Mobile Association of the Philippines and a Founding Member of its Digital Committee. She graduated from the Ateneo de Manila University in 2000 with a degree in BS Legal Management.

Roscoe M. Pineda, Filipino, 51, has served as Vice President and the Information Technology Director of the Residential Business Group of Ayala Land, Inc. effective on March 1, 2023. He assumed the Chief Information Officer (CIO) position for the ALI Group effective on October 1, 2023. Mr. Pineda was the Service Center Lead for Technology and was also the Chief Operating Officer of ANZ Global Services and Operations in Manila. He was the Chief Shared Services Officer of the Asia Service Centre of Sun Life of Canada, and was a VP of CHARTIS Technology and Operations Management Corp. (AIG Shared Services) in various senior roles. He was a member of the Board of Trustees of the Global In-house Centers Council of the Philippines, a company delegate and representative of the IT & Business Process Association of the Philippines and Contact Center Association of the Philippines. He is a bona fide member of the PMI.org and currently a Certified Project Management Professional. Mr. Pineda has a Bachelor's Degree in Mathematics, Major in Computer Science from the University of Santo Tomas.

Jose C. Platero, Jr., Filipino, 57, has served Vice President of ALI since January 2023. He is the Head of Corporate Finance and Procurement Group of Makati Development Corporation. He is the Director of MDC Concrete, Inc. and MDC Equipment Solutions, Inc.; Director, Treasurer and Chief Finance Officer of Makati Development Corporation and MDC Buildplus, Inc.; and Director and Treasurer of MDBI Construction Corp. He obtained a Bachelor of Science degree in Business Administration Major in Accounting from Philippine School of Business Administration in 1988.

Alfonso Javier D. Reyes, Filipino, 54, has served Vice President of ALI since January 2023. He is the Chief Operating Officer of Fort Bonifacio Development Corporation. He is the President of ALI Capital Corporation, and the Chairman, President and Chief Executive Officer of DirectPower Services, Inc. and Airswift Transport, Inc.; Director and President of WhiteKnight Holdings, Inc. and AyalaLand Medical Facilities Leasing, Inc.; Director of Bonifacio Water Corporation, Bonifacio Transport Corporation, Bonifacio Gas Corporation, Bonifacio Estate Services Corporation, Crescent West Development Corporation, Capital Consortium, Inc., SIAL CVS Retailers, Inc. and SIAL Specialty Retailers, Inc.; and Trustee of Bonifacio Global City Estate Association, Inc. and President and Trustee of Fort Bonifacio Development Foundation, Inc. He graduated cum laude from the University of the Philippines with BS Industrial Engineering degree in 1992 and a Masters in Finance degree from London Business School in 2000.

Darwin L. Salipsip, Filipino, 51, is a Vice President of ALI and is currently the Head of Construction Operations Group 3 of Makati Development Corporation (MDC). He is concurrently a Vice President and member of the Management Committee of MDC. He is likewise the President of MDBI, a joint venture partnership between MDC and Bouygues Batiment International (BBI). In his more than 25 years with the Company, he has been part of the various business lines of residential and commercial businesses as Construction Management Manager. Prior to his current role, he served as MDC's Construction Management Group Head and Commercial Group Head. He graduated with honors (cum laude) from the University of the Philippines with a Bachelor's degree in Civil Engineering in 1993 and completed his Masters of Engineering from Massachusetts Institute of Technology in 1997. He is a licensed Civil Engineer, ranked Top 2 when he took the National Licensure Examination for Civil Engineers.

Maria Clavel G. Tongco, Filipino, 56, is the Head of Ayala Malls Operations Group. She was appointed as Vice President of Ayala Land in November 2022, effective January 2023. Her other significant positions are: Chairman of South Innovative Theater Management Inc., President of North Triangle Depot Commercial Corp., Soltea Commercial Corp., Capitol Central Commercial Ventures Corp., Chairman and President of North Beacon Commercial Corporation, Subic Bay Town Center Inc., Cavite Commercial Towncenter Inc., North Ventures Commercial Corp., Arvo Commercial Corporation, Primavera Towncentre Inc., Director of Station Square East Commercial Corp., Lagoon Development Corporation and AyalaLand Malls Vismin, Inc. She holds a Bachelor of Science degree in Commerce Major in Accounting at University of San Jose Recoletos in 1986. Ms. Tongco is a Certified Public Accountant.

Jennylle S. Tupaz, Filipino, 50, is Vice President of ALI and Senior Estates Development Head responsible for Central Luzon, Visayas and Mindanao. Prior to this post, she was the President of Ayala Land Malls, Inc. Before joining the commercial business of ALI in 2018, she was involved in the residential development business for over 21 years. She was president of Alveo Land Corp. where she spent 11 years leading project development. She held earlier positions in Avida and the then Leisure & Lifestyle Communities Group of ALI. Currently, she is Director and President of Lagdigan Land Corporation; Director and General Manager of Accendo Commercial Corp. and Cagayan De Oro Gateway Corp.; General Manager of Aviana Development Corporation; Director of Taft Punta Engaño Property Inc.; Director of the Alviera Country Club, Inc.; Trustee, Vice Chairman and Vice President of Abreeza Central Estate Association, Inc.; Chairman of the Cebu Business Park and Cebu IT Park Estate Associations; and President of San Rafael Estates Association, Inc.. She is also a member of the Board of Trustees of Miriam College. She holds a Bachelor of Science degree in Statistics from the University of the Philippines, and a Master's Degree in Business Administration from the University of Chicago Booth School of Business.

Richard T. Yap, Filipino, 55, is a Vice President of ALI effective January 1, 2022. He has been with Ayala Land, Inc. group for 30 years. He is currently the Head of Construction Operations Group 3, President & CEO of MDBI Construction Corporation and a member of the Management Committee of Makati Development Corporation. He holds a Bachelor of Science degree in Civil Engineering at the University of the Philippines in 1990 and obtained a Master's Degree in Business Administration from De La Salle University in 1997.

Isabel D. Sagun, Filipino, 49, is currently the Chief Human Resources Officer of Ayala Land since October 1, 2023. She joined ALI on June 1, 2023. She has over twenty years of experience in human resources management across strategic business partnering, talent acquisition, learning and development and employee engagement. She was previously with AP Moller Maersk Group holding key HR leadership positions across Asia Pacific region including Head of HR for Southeast Asia, APAC Transformation Lead, and L&D Partner for APAC Region.

Jeremy U. Sy, 48, Filipino, joined ALI as Vice President on September 1, 2023. He was a Growth and Strategy Director at Agency from January 2023 to August 2023. The first part of his career was spent in the world of advertising. As a creative strategist working across the USA, UK, China, Australia and the Philippines, he became adept at identifying and articulating human insights and translating these into marketing and communications strategies that change people's minds, hearts and behaviors. His past positions include: Vice President for Insight and Innovation at Quilt.AI from February 2022 to November 2022; Director of What If! Innovation, Accenture from February 2020 to February 2022, Global Practice Lead Innovation at Kantar Consulting from July 2017 to February 2020, and Chief Executive Officer at Flamingo from August 2016 to May 2017. Mr. Sy earned his Bachelor of Arts degree in Psychology at Harvard University in June 1996.

Pauline Clarisse K. Feria, Filipino, 38, is the Head of Strategy and Transformation of Ayala Land effective October 1, 2023. She is an Executive Director of Ayala Corporation. Previously, she served as the Co-Head of Corporate Strategy and Development Group and a member of the Holdings Management Committee of Ayala Corporation. Prior to this role, she held increasing responsibilities including Head of Corporate Strategy of Ayala Corporation since 2018, leading Ayala Corporation's Analytics Unit since May 2020, and leading Strategic Partnerships and Insights since November 2021. Prior to joining Ayala Corporation, she served as a Director in the Structured Credit Division of UBS Investment Bank in New York. She obtained her bachelor's degree in Economics from Yale University, graduating with distinction in 2007, and her Masters of Business Administration with a double major in Finance and Entrepreneurial Management from The Wharton School at the University of Pennsylvania in 2016.

Enrique B. Manuel, Jr., Filipino, 51, is currently the HR Head of ALI Corporate Support and the HR and Corporate Support Group Head of Alveo Land Corp. Mr. Manuel led the ALI Corporate's HR Talent Management and Corporate Services in 2020. Prior to joining HR, he was the Operations Head and Head of Business Development for ALI in Mindanao from 2016 to 2020. He was formerly the Head of ALI Control and Analysis, Chief Risk Officer, Chief Finance Officer of the ALI Vismin. Prior to joining Ayala Land, Inc. in 2007, he was a Senior Manager in the Risk Management Group of Ernst & Young LLP, based out of New York City, USA. Mr. Manuel graduated from the University of the Philippines, Diliman in 1994 with a Bachelor of Science degree in Business Administration. He earned his Masters in Business Administration from Boston University with a major in Operations and Finance.

Maphilindo S. Tandoc, Filipino, 60, is currently Ayala Land's Assistant Vice President and Chief Risk Officer under the office of the Chief Finance Officer. He started his career as a registered mechanical engineer and was first engaged in the contracting industry in 1986 at Koldwinds Systems Inc. (KSI), a company specializing in industrial heating, ventilating, air-conditioning and refrigerating (HVACR) systems where he handled installation, retrofit and maintenance projects. He joined PLDT Co., in 1989 as a Safety Engineer and eventually managed PLDT's Corporate Safety, Security and Environmental Management Divisions. In 2000, he was promoted as corporate Risk Manager, a role he performed up to 2004. From 2004 to 2006, he worked for Asian Terminals, Inc. (ATI), then P&O Ports Australian subsidiary, as Risk and Insurance Management Officer. In March 2006 joined Ayala Land, Inc. (ALI) as the company's Risk Insurance Manager. He was promoted in 2012 to be the Company's Chief Risk Officer (CRO) managing enterprise-wide risk management programs. He functionally reports directly to the company's Board Risk Oversight Committee and administratively reports to the company's Chief Finance Officer. Aside from handling enterprise-wide risk management programs, he is also managing on concurrent basis the company's vast portfolio of insurance programs and is designated as the corporate Safety Officer of the company. He is a DOLE accredited occupational safety and health consultant and was one of the founding members of the Association of Safety Practitioners of the Phils., Inc. (ASPPI) in 1999 where he eventually became the Chairman until he exited in 2008. He is currently a Board Director of the Safety Organization of the Phils., Inc. (SOPHI) and CRO of both ALI and AREIT.

Annabeth R. Bernardo, Filipino, 41, has served as the Chief Audit Executive of ALI since January 2021. Prior to this position she was the Head of Control & Analysis handling management reports and financial analyses of Makati Development Corporation (MDC), a wholly-owned subsidiary of ALI. She also served as its Head of Internal Audit and as Chief Finance Officer of one of MDC's Construction Divisions. She was the Internal Audit Manager of ALI prior to her secondment to MDC. Currently, she is a member of the audit committee of Ayala Multi-Purpose Cooperative. She is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certification in Control Self-Assessment (CCSA) holder, Certified Information Systems Auditor (CISA), and a member of the Institute of Internal Auditors Philippines (IIAP). She holds a Bachelor of Science degree in Business Administration and Accountancy, Cum Laude, from the University of the Philippines and was awarded with the Certificate of Honor for being part of the Top 25 successful CIA examinees worldwide back in 2007.

Maria Franchette M. Acosta, Filipino, 51, is the Corporate Secretary of ALI effective March 12, 2024. She is the Corporate Governance Group Head and Chief Legal Officer, Corporate Secretary, Data Protection Officer and OIC-Compliance Officer of Ayala Corporation. She is also the Corporate Secretary of AREIT, Inc., Integrated Micro-Electronics, Inc. and ACEN CORPORATION. She is a practicing lawyer for 24 years, with 18 years in Villaraza & Angangco Law Firm where she was a Senior Partner, Co-Managing Partner and Head of its Corporate and Commercial Department. Ms. Acosta was an Assistant Secretary at the Office of the Chief Presidential Legal Counsel of the Republic of the Philippines from 2001 to 2003. She is recognized as an expert counsel in leading legal journals and publications such as Chambers Global, Chambers Asia Pacific and Legal 500. She is a consistent Asia

Business Law Journal's top 100 lawyers of the Philippines. Ms. Acosta graduated from New York University with a Master of Laws in 2003. She ranked 3rd in the Philippine Bar Examination and earned her Bachelor of Laws from the University of the Philippines College of Law in 1998 where she graduated Class Valedictorian and Cum Laude. She holds a Bachelor of Science in Business Economics from the University of the Philippines School of Economics in 1994 where she graduated Magna Cum Laude.

Ma. Florence Therese dG. Martirez-Cruz, Filipino, 38, has served as the Assistant Corporate Secretary of ALI since April 26, 2023. She also serves as the Assistant Corporate Secretary of AREIT, Inc. since November 14, 2022. She is the Corporate Secretary of Ayalaland Logistics Holdings Corp. and AREIT Fund Managers, Inc., and concurrently the Head of Legal of AREIT, Inc. and Ayalaland Offices, Inc. She is also the Compliance Officer for Anti-Money Laundering of ALI, AREIT, and the AyalaLand Offices Group, the lead lawyer for Ayala Land's Leasing and Hospitality Group, and Ayala Land Legal's Banking, Finance, Securities, and Special Project group. Prior to joining Ayalaland Offices, Inc. in 2021, she was a Senior Counsel and Counsel for AG Counselors Corporation, from 2019 to 2021, and 2016 to 2019, respectively. Prior to joining the Ayala Group, she worked as an Associate at Leynes Lozada-Marquez Law Offices and as a legal consultant in the Office of Senator Maria Lourdes Binay. She graduated from the University of the Philippines in 2007 with a Bachelor of Arts degree in Public Administration, and obtained her Juris Doctor in 2011 from the same University. She finished the Program on Negotiation and Leadership at Harvard Law School in 2019, the Certification Course for Compliance Officers by the Center for Global Best Practices in 2022 and was included in the Legal 500's GC Powerlist Philippines 2023.

CERTIFICATION OF INDEPENDENT DIRECTOR

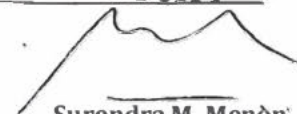
I, **Surendra M. Menon**, Singaporean, of legal age and a resident of _____, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Ayala Land, Inc. for its Annual Stockholders' Meeting on April 25, 2024 and have been its independent director since April 26, 2023.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	DATE OF APPOINTMENT
PT. AIA Financial	Partnership Distribution Director	March 24 th , 2023
-nothing follows-		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Ayala Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Ayala Land, Inc.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Ayala Land, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this _____ day of MAR 11 2024 at MAKATI CITY


Surendra M. Menon
 Affiant

SUBSCRIBED AND SWORN to before me this MAR 1 2024 day of _____ at _____
 affiant pers _____ and ex _____
 issued at _____ on _____

Doc. No. 80;
 Page No. 17;
 Book No. LV;
 Series of 2024;



CERTIFICATION OF INDEPENDENT DIRECTOR

I, Cesar V. Purisima, Filipino, of legal age and a resident of
, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Ayala Land, Inc. for its Annual Stockholders' Meeting on April 25, 2024 and have been its independent director since April 18, 2018.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporation):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Milken Institute	Asia Fellow	August 2016 to present
International School Manila	Trustee	May 2017 to present
Asian Institute of Management	Executive-in-Residence	October 19, 2016 to present
International Advisory Council (Phils) Singapore Management University	Member	June 2017 to present
AIA Group Limited	Independent Non-Executive Director	September 2017 to present
Ayala Corporation	Independent Director	April 29, 2022 to present
Universal Robina Corporation	Independent Director	May 2018 to present
Sumitomo Mitsui Banking Corp.	Global Advisory Council Member	July 2018 to present
Ikhlas Capital Singapore Pte. Ltd	Founding Partner	March 2019 to present
Unistar Credit and Finance Corporation	Independent Non-Executive Director	April 2019 to present
Jollibee Foods Corporation	Independent Director	July 23, 2020 to present
ABS-CBN Corporation	Member, Board of Advisor	September 25, 2020 to present
Bank of the Philippine Islands	Independent Director	January 20, 2021 to present
BPI Capital Corporation	Independent Director	June 16, 2021 to present

I am not affiliated with any Government-Owned and Controlled Corporation.

3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of Ayala Land, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations,
7. I shall inform the Corporate Secretary of Ayala Land, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this _____ day of MAR 18 2024, at MAKATI CITY.


CESAR V. PURISIMA
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of MAR 18 2024 at MAKATI CITY,
affiant personally appeared before me and exhibited to me his Passport No. _____ issued at Manila
on _____

Doc. No. 105;
Page No. 22;
Book No. W;
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.



CERTIFICATION OF INDEPENDENT DIRECTOR

I, **REX MA. A. MENDOZA**, Filipino, of legal age and a resident of _____, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **AYALA LAND, INC.** for its Annual Stockholders' Meeting on April 25, 2024 and has been its independent director since February 26, 2016.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period Of Service
Rampver Financials	Chairman, Board of Directors	2014 - Present
Soldivo Strategic Growth Fund, Inc.	Chairman, Board of Directors	2014 - Present
Soldivo Bond Fund, Inc.	Chairman, Board of Directors	2014 - Present
Cullinan Group, Inc.	Member, Board of Directors	2008 to Present
Esquire Financing, Inc.	Member, Board of Directors	2013 to Present
G Exchange Inc..	Member, Board of Directors	2021 – Present
Globe Fintech Innovations Inc. (Mynt)	Member, Board of Directors	2023 - Present
Mobile Group, Inc.	Member, Board of Directors	July 30, 2020 to Present
Seedbox Technologies, Inc.	Member, Board of Directors	2019 to Present
Seven Tall Trees Events Company, Inc.	Member, Board of Directors	2008 to Present
AyalaLand Logistics Holdings, Corp.*	Independent Director	February 2016 – Present
National Reinsurance Corporation of the Philippines*	Independent Director	2019 - Present
Healthway Philippines, Inc.	Member, Board of Directors	February 2024 – Present

*publicly-listed company on the Philippine Stock Exchange

I am not affiliated with any Government-Owned and Controlled Corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **AYALA LAND, INC.**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any of the directors/officers/substantial shareholders of Ayala Land, Inc. and its subsidiaries and affiliates other than the relationships provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as an independent director under the Securities Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC Issuances.

7. I shall inform the Corporate Secretary of Ayala Land, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this MAR 21 2024 at Makati City.


REX MA. M. MENDOZA
Affiant

SUBSCRIBED AND SWORN to before me this MAR 21 2024 day of MAKATI CITY at Makati City, affiant personally appeared before me and exhibited to me his Passport No. _____ issued at _____ on _____

Doc. No. 157;
Page No. 33;
Book No. Lv;
Series of 2024.



CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Daniel Gabriel M. Montecillo**, Filipino, of legal age and a resident of _____, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Ayala Land, Inc. for its Annual Stockholders' Meeting on April 25, 2024 and have been its independent director since April 26, 2023.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	DATE OF APPOINTMENT
International Finance Corporation	Senior consultant (PT*)	12/01/2019
Metro Pacific Health	Independent director	12/15/2019
Maybank Capital	Independent director	02/15/2021
Maybank Securities	Independent director	02/15/2021
Raslag Corporation	Independent director	07/01/2021
Bank of Commerce	Independent director	04/26/2022
ICM Foundation (NGO)	Global director	2016
Institute of Corporate Directors (NGO)	Fellow	2019
International Coach Federation (NGO)	Accredited Coach/Member	2021
Singapore Institute of Directors (NGO)	Associate Member	2021
UN Global Compact Network (NGO)	Board trustee	03/15/2022
Marsh Philippines, Inc.		
-nothing follows-		

*part-time

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Ayala Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Ayala Land, Inc.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Ayala Land, Inc. of any changes in the abovementioned information within five days from its occurrence.

IN WITNESS WHEREOF, I have hereunto set my hand this MAR 18 2024 at
MAKATI CITY.


Daniel Gabriel M. Montecillo
Affiant

SUBSCRIBED AND SWORN to before me this MAR 18 2024 day of MAKATI CITY at
before me and exhibited to me his _____ .affiant personally appeared
_____ issued at on _____.

Doc. No. 103 ;
Page No. 22 ;
Book No. LW ;
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.

ANNEX “C”

1. MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Review of FY 2023 operations vs FY 2022

	For the years ended December 31			
(in million Pesos, except Earnings Per Share (EPS))	2023 ¹ Audited	2022 Audited	Change In Pesos	In %
Income Statement Data				
<u>Revenue</u>				
Real estate Sales	₱140,142	₱116,356	₱23,786	20%
Interest income from real estate sales	5,359	6,695	(1,336)	-20%
Equity in net earnings of associates and joint ventures	1,575	1,430	145	10%
	147,076	124,481	22,595	18%
Interest and investment income	690	387	303	78%
Other income	1,091	1,688	(597)	-35%
	1,781	2,075	(294)	-14%
	148,857	126,556	22,301	18%
<u>Costs and expenses</u>				
Cost of real estate sales	87,139	75,629	11,510	15%
General and administrative expenses	8,910	7,264	1,646	23%
Interest and other financing charges	13,499	11,447	2,052	18%
Other expenses	2,849	3,996	-1,147	-29%
	112,397	98,336	14,061	14%
Income before income tax	36,460	28,220	8,240	29%
Provision for income tax				
Current	7,408	6,943	465	7%
Deferred	49	(1,247)	1,296	-104%
	7,457	5,696	1,761	31%
Net Income	₱29,003	₱22,524	₱6,479	29%
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	24,507	18,617	5,890	32%
Non-controlling interests	4,496	3,907	589	15%
Unappropriated retained earnings				
Balances, beginning of year	158,536	143,981	14,555	10%
Cash dividends				
Common share	(5,583)	(4,000)	(1,583)	40%
Preferred share	(79)	(62)	(17)	27%
Net Income attributable to equity holders of Ayala Land, Inc.	24,507	18,617	5,890	32%
Appropriation during the year	-	-	-	-
Balance at end of period	177,381	158,536	18,845	12%
Basic Earnings per share	₱1.63	₱1.25	₱0.38	30%
Diluted Earnings per share	₱1.63	₱1.25	₱0.38	30%

¹In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 36 of Ayala Land’s audited consolidated financial statements, which are included as an Annex to this Information Statement

(in million Pesos)	Dec 2023 ¹ Audited	Dec 2022 Audited	Change In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ²	₱17,820	₱12,508	₱5,312	42%
Financial asset at fair value through profit and loss	420	292	128	44%
Real estate inventories	209,316	180,348	28,968	16%
Other current assets	80,291	64,850	15,441	24%
Noncurrent accounts and notes receivable	58,453	49,033	9,420	19%

Financial assets at fair value through other comprehensive income (FVOCI)	1,122	1,033	89	9%
Right of use assets	11,809	12,419	(610)	-5%
Property and equipment	41,262	36,154	5,108	14%
Deferred tax assets	15,345	13,889	1,456	10%
Other noncurrent assets	33,410	29,826	3,584	12%
Total assets	846,632	779,655	66,977	9%
Short-term debt	16,905	6,547	10,358	158%
Account and other payables	162,475	143,952	18,523	13%
Income tax payable	587	845	(258)	-31%
Current portion of lease liability	1,109	710	399	56%
Deposits and other current liabilities	34,132	31,211	2,921	9%
Long-term debt – net of current portion	222,380	210,233	12,147	6%
Pension liabilities	2,769	1,871	898	48%
Deferred tax liabilities	7,324	5,849	1,475	25%
Deposits and other noncurrent liabilities	42,639	47,520	(4,881)	-10%
Total liabilities	526,703	485,990	40,713	8%
Paid up capital	98,115	97,637	478	0%
Retained earnings	202,381	183,536	18,845	10%
Remeasurement loss on defined benefit plans	(482)	107	(589)	-550%
Fair value reserve of financial assets at FVOCI	(681)	(878)	197	-22%
Cumulative translation adjustments	(108)	438	(546)	-125%
Equity reserves	(2,590)	(6,507)	3,917	60%
Treasury stocks	(22,776)	(19,081)	(3,695)	19%
Equity attributable to equity holders of Ayala Land, Inc.	273,860	255,252	18,608	7%
Non-controlling interests	46,069	38,412	7,657	20%
Total equity	P319,929	P293,664	P26,265	9%

¹In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 36 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Information Statement

²Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL for 2023 and 2022

Ayala Land, Inc. (ALI) delivered strong results in 2023, fueled by robust property demand and heightened consumer activity. ALI's net income grew 32% to P24.51 billion, and consolidated revenues increased by 18% to P148.86 billion from 2022.

Real estate revenues (composed of Property Development, Commercial Leasing, and Services) reached P140.14 billion, a 20 % increase from last year, owing to property development bookings and completion, higher leasing occupancy and rates, and service business revenues.

Capital expenditures from the Company's various residential and commercial projects totaled P86.22 billion.

ALI sustained a net gearing ratio of 0.75:1 with the support of higher operating cash flows as it remained prudent in managing its debt funding requirements.

Business Segments

The details of the performance of each business segment are as follows:

Property Development. This segment includes sales of residential lots and units, office spaces, commercial and industrial lots, and operations of Avaland Berhad (formerly MCT Bhd), Ayala Land's consolidated subsidiary based in Malaysia. The property development segment grew 17% to P86.98 billion, owing to steady bookings and higher completion of residential projects and offices for sale.

Residential. Revenues from sales of residential lots and units and Avaland Berhad's operations reached P73.20 billion, up 24% year-on-year.

AyalaLand Premier (ALP) recorded revenues of P21.56 billion, 1% higher than the previous year, attributed to higher incremental percentage-of-completion (POC) and bookings of Ciela

at Aera Heights in Carmona, Cavite, and Lanewood Hills in Southmont, Silang, Cavite and higher incremental POC at Parklinks North Tower in Quezon City.

Alveo posted revenues of P19.85 billion, a 28% year-on-year improvement, higher bookings and incremental POC from Orian Place Towers 1 and 2 in Vertis North, Quezon City, and higher incremental POC in Viento at Cerca, Muntinlupa City and Mondia expansion in Nuvali, Laguna.

Avida totaled P16.64 billion in revenues, a 37% increase from last year, due to higher bookings of Avida Towers (AT) Altura in South Park, Muntinlupa City, AT Riala in Cebu IT Park, AT Vireo in Arca South, Taguig City, and Southdale Settings in Nuvali, Laguna.

Amaia posted P7.61 billion in revenues, a 10% uplift from last year driven higher bookings in Series Nuvali Sector 1 in Laguna, Skies Cubao Tower 3 in Quezon City and Steps Alabang Esperanza in Las Pinas City, and higher incremental POC in Skies Avenida Tower 2 in Manila.

BellaVita recognized revenues of P103 million, a 68% decline from P317 million last year as a result of lower bookings from projects in Iloilo, Lian Batangas, Caba

Avaland Berhand (formerly MCT Bhd) contributed revenues of P7.43 billion, more than double the P2.76 billion from last year, driven by higher incremental POC and Percentage of Sale (POS) of its projects, namely Alira, Aetas, Casa Embun, Sanderling and Casa Bayu.

Office for Sale. Revenues from sales of office units registered a 41% growth from last year to P3.93 billion on higher project completions.

Commercial and Industrial Lots. Revenues from commercial and industrial lot sales totaled P9.85 billion, 22% less than last year due to the product sales mix during the period.

Reservation Sales. Despite the prevailing higher interest-rate environment, property demand remained resilient. Full-year 2023 sales reservations grew by 9% year-on-year to P113.90 billion. The sales performance translated to an average monthly sales of P9.49 billion. The in-demand projects during the year were Alveo's Park East Place in BGC; AyalaLand Premier's (ALP) Ciela in Carmona, Cavite, Park Villas in Makati CBD, Arcilo in Nuvali, Laguna, and Parklinks South Tower in Quezon City.

Sales Profile: 57% of the sales reservations came from the premium segment composed of AyalaLand Premier and Alveo, while 43% was from the core segment of Avida, Amaia, and Bellavita. 65% were from vertical projects, and 35% from horizontal projects.

Buyer Profile: 67% were sales to Local Filipinos, amounting to P76.27 billion, 10% higher than last year. Sales to overseas Filipinos were up 2% to P23.48 billion, while sales to other nationalities grew by 12% to P14.15 billion. They account for 21% and 12% of the total, respectively. On sales to different nationalities, 57% or P8.03 billion were sales to Americans, which is 1% higher year-on-year. Meanwhile, sales to Chinese buyers comprised 1% of total sales.

Project Launches. ALI launched 14 new projects in the fourth quarter with a combined value of P39.6 billion; these include AyalaLand Premier's first signature line project, Park Villas in the Makati CBD, and additional phases of its existing projects such as The Courtyards in Veramosa, Cavite, Arcilo in Nuvali, and Anvaya Cove in Bataan. These developments bring Ayala Land's total launch to 25 projects valued at P75.88 billion for the year. 65% are vertical projects, and 35% are horizontal projects; 88% are from the Premium segment, and 12% are from the Core segment.

Commercial Leasing. This segment involves the operation of shopping centers, office buildings, hotels and resorts, standard factory buildings and warehouses, and co-working spaces. Commercial leasing revenues were 25% higher year-on-year to P41.68 billion due to improved occupancy and rents.

Shopping Centers. Revenues from shopping centers surged 31% to P21.09 billion. The average occupancy rate for all malls is 84%. The total mall gross leasable area (GLA) is 2.1 million square meters.

Offices. Office revenues grew 6% to P11.81 billion due to stable occupancy and higher rents from our solid BPO and Corporate tenant base. The occupancy rate for all offices is 92%. The total office GLA is 1.4 million square meters.

Hotels and Resorts. Revenues from hotels and resorts jumped significantly by 42% from last year to P8.78 billion as higher travel and tourism demand pushed up occupancy and room rates. The occupancy rates for hotels and resorts are 67% and 42%, respectively. This segment has a total of 4,452 rooms.

The hotels and resorts business has 660 hotel rooms in its international brand segment—312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, located at the Ayala Center, Makati CBD.

There are 12 Seda Hotels, operating 3,224 rooms—Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (356); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) Central Bloc (214) and Manila Bay (306); and Circuit Corporate Residences (255).

El Nido Resorts operates 187 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 50 rooms under its Bed and Breakfast (B&B) and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 76 B&B rooms.

Services. This segment is composed of the Company's construction business through Makati Development Corporation (MDC), property management through Ayala Property Management Corporation (APMC), and other companies engaged in retail electricity supply (RES) such as Direct Power Services, Inc. (DPSI) and Philippine Integrated Energy Solutions, Inc. (PhilEnergy) and airline for the hotels and resorts business, AirSWIFT. The segment's revenues registered a 36% growth to P11.49 billion.

Construction. MDC posted net construction revenues of P6.60 billion, 56% higher than last year due to the contribution of its external projects.

Property Management. APMC revenues grew by 15% to P1.78 billion due to higher parking usage and stable property management fees.

Airline and RES. AirSWIFT and retail electricity supply companies' combined revenues grew by 18% to P3.11 billion due to higher AirSWIFT patronage.

Equity in Net Earnings of Investees, Interest, Fees, Investment, and Other Income

Equity in net earnings from associates and joint ventures increased by 10% to P1.58 billion, driven by FBDC companies and Ortigas Land.

Interest and investment income amounted to P690 million, 78% more than last year, due to higher yields from short-term investments and cash deposits. Meanwhile, Interest income from real estate sales declined 20% to P5.36 billion from P6.69 billion due to lower accretion income.

Other income generated from marketing and management fees from joint ventures amounted to P1.09 million, 35% lower than last year, as a result of the consolidated contribution of our joint venture with the Kuok group (AKL Properties, Inc.) under real estate revenues starting in the fourth quarter of 2023 upon establishing control, combined with the higher base in 2022 due to a land sale.

Expenses

The Company managed expenses prudently to P112.40 billion, a 14% growth year-on-year. Real estate expenses reached P87.14 billion, up to 15%, while general and administrative costs increased by 23% to P8.91 billion. Consequently, the GAE ratio settled at 6.0%, higher than 5.7% last year. The EBIT margin stood at 32.7%, higher than the 30.6% recorded in the previous year.

Interest expense, financing, and other charges, which include interest expense related to PFRS 16 (Leases), totaled P16.35 billion, 6% more than last year, due to the higher average borrowing rate and daily loan balance. The average cost of debt stood at 5.0%. Of the total debt, 77% is locked in with fixed rates; 93% was contracted into long-term tenors.

Capital Expenditures

Total capital expenditures in 2023 amounted to P86.22 billion. 49% was spent on residential projects, 11% on commercial leasing projects, 21% on land acquisition, 16% on estate development, and 3% on other general uses.

Financial Condition

Cash and cash equivalents, including short-term investments and UITF investments classified as FVPL, stood at P17.82 billion, resulting in a current ratio of 1.76:1. Borrowings totaled P258.25 billion, translating to a debt-to-equity ratio of 0.81:1 and a net debt-to-equity ratio of 0.75:1. Return on equity was 9.26% as of December 31, 2023.

The Group has various contingent liabilities arising from the ordinary conduct of business, including a case related to property restriction violation. The probable cost estimate for the resolution of the claim was determined in consultation with an external counsel based on the analysis of the potential results. The opinion of management and its legal counsel is that it will not have a material or adverse effect on the Group's financial position and results of operations in the eventual liability under these lawsuits or claims, if any. Accordingly, no provision for any liability has been made in the consolidated financial statements. Further, the Company has no off-balance sheet transactions, arrangements, or obligations in 2023.

No known trends, events, uncertainties, or seasonalities are expected to affect the Company's continuing operations apart from the impact of the ongoing COVID-19 pandemic. There are no material commitments for capital expenditures.

The table below sets forth the comparative performance indicators of the Company and its Subsidiaries:

	End-December 2023	End-December 2022
Current ratio ¹	1.76:1	1.77:1
Debt-to-equity ratio ²	0.81:1	0.80:1
Net debt-to-equity ratio ³	0.75:1	0.76:1
Profitability Ratios:		
Return on assets ⁴	3.56%	2.95%
Return on equity ⁵	8.52%	7.63%
Asset to Equity ⁶	2.65:1	2.66:1
Interest Rate Coverage ⁷	5.19:1	4.82:1

¹Current assets / current liabilities

²Total debt / consolidated stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI (Average total stockholders' equity attributable to equity holders of ALI means the average of the amounts from the beginning and end of the same period)

⁶Total assets / total stockholders' equity

⁷EBITDA / interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

There are no events that will trigger direct or contingent financial obligations that are material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created in FY 2023.

Causes for any material changes (+/- 5% or more) in the financial statements

Income Statement items – For the year ended December 31, 2023 and 2022

Real estate and hotel revenues improved by 20% driven by healthy bookings for residential and robust leasing revenues due to higher occupancy.

Equity in net earnings increased by 10% mainly from higher earnings of FBDC Cos and Ortigas Group partially offset by the effect of consolidating AKL Properties, Inc.

Interest and investment income up by 78% driven by higher yield from short term investments and cash in bank.

Other Income declined by 35% mainly from eliminated management fees from AKL because of the full consolidation of the entity plus the one-time gain from sale of Nacpan-2 in 2022.

Cost of real estate sales escalated by 15% due to improvement in business operations across all business segments.

General administrative expenses grew by 23% mainly from manpower costs, taxes, repairs & maintenance and other overhead expenses.

Interest and other financing charges increased by 18% mainly from interest from debt due to higher interest rates and loan average daily balance.

Other expenses declined by 29% due to lower discounting cost on AR sale.

Provision for income tax increased by 31% due to higher taxable income.

Non-controlling interests climbed 15% mainly due to consolidating of AKL plus share in Avaland, AREIT, BG South partly offset by the buy out of AHI in 2022 and lower share of CECI.

Balance Sheet items - As at December 2023 versus 2022

Cash and cash equivalents increased by 42% mainly came from the additional cash of AKL due to consolidation and proceeds from debt availments and block sale of AREIT shares.

Financial asset at fair value through profit and loss up by 44% due to new placement of investments in UITF.

Real estate inventories increased by 16% due additions coming from land acquisitions and project construction completion of housing/condominium units and transfers from investment properties.

Other current assets soared by 24% mainly from increase in advances to contractors from higher construction activities.

Noncurrent accounts and notes receivable up by 19% driven by higher booked revenues across all business segments.

Financial assets at FVOCI grew by 9% mainly from unrealized gain because of market revaluation of investments.

Right of use assets down by 5% due to booked depreciation.

Property, plant and equipment up by 14% mainly from additions during the year for hotel properties plus machineries and equipment for construction and leisure business.

Deferred tax assets went up by 10% coming from higher provision related to difference between tax and book basis of accounting for real estate transactions.

Other noncurrent assets climbed by 12% mainly from project costs incurred for unlaunched projects.

Short-term debt increased by 158% due to new availments.

Account and other payables rose by 13% due to increase in trade and accrued payables driven by the increase of operating activities across all segments.

Income tax payable dropped by 31% due to knocking off with creditable withholding taxes.

Deposits and other current liabilities grew by 9% mainly from reclassification of real estate customer's deposits, which have not reached the 10% threshold, from noncurrent to current.

Long-term debt – net of current portion went up by 6% from various availments during the year.

Pension liabilities increased by 48% mainly due to changes in actuarial assumptions.

Deferred tax liabilities grew by 25% mainly due to timing difference between tax and book basis of accounting for real estate transactions.

Deposit and other noncurrent liabilities declined by 10% mainly from settlement of liability for purchased land and reclassification of noncurrent to current real estate customer's deposit.

Retained Earnings improved by 10% due to net income for the year net of cash dividends.

Remeasurement loss on defined benefit plans decreased by 550% due to change of actuarial assumptions.

Fair value reserve of financial assets at FVOCI down by 22% mainly due market revaluation of FVOCI investments.

Cumulative translation adjustments fell by 125% mainly due to translation gain on financial statements of Avaland.

Equity reserves improved by 60% due to the block sale of AREIT shares.

Treasury Stock went up by 19% coming from buy-back of ALI shares.

Non-controlling interests increased by 20% mainly from higher NIAT contribution of subsidiaries plus the setup of NCI for AKL due to consolidation.

Ayala Land established a capital expenditure budget of P100 billion for 2024. It will be funded through cash from operations, debt through bonds and bank loans, proceeds from the sale of accounts receivables, and the sale of AREIT shares relating to property infusions.

The company plans to launch P115 billion worth of property development products. P100 billion is composed of residential products, and P15 billion is made up of commercial and industrial lots for sale.

There are no material expenditures for research and development or the purchase or sale of plant and significant equipment. There are no expected significant changes in the number of employees.

Review of FY 2022 operations vs FY 2021

(in million Pesos, except Earnings Per Share (EPS))	For the years ended December 31			
	2022 ¹ Audited	2021 ² Audited	Change In Pesos	In %
Income Statement Data				
<u>Revenue</u>				
Real estate Sales	₱116,356	₱96,145	₱20,211	21%
Interest income from real estate sales	6,695	6,801	(106)	-2%
Equity in net earnings of associates and joint ventures	1,430	843	587	70%
	124,481	103,788	20,693	20%
Interest and investment income	387	253	134	53%
Other income	1,688	2,101	(413)	-20%

	2,075	2,354	(279)	-12%
	126,556	106,142	20,414	19%
Costs and expenses				
Cost of real estate sales	75,629	64,642	10,987	17%
General and administrative expenses	7,264	6,539	725	11%
Interest and other financing charges	11,447	11,038	409	4%
Other expenses	3,996	3,637	359	10%
	98,336	85,855	12,481	15%
Income before income tax	28,220	20,287	7,933	39%
Provision for income tax				
Current	6,943	5,985	958	16%
Deferred	(1,247)	(1,356)	109	-8%
	5,696	4,629	1,067	23%
Net Income	₱22,524	₱15,659	₱6,865	44%
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	18,617	12,228	6,389	52%
Non-controlling interests	3,907	3,431	476	14%
Unappropriated retained earnings				
Balances, beginning of year	143,981	152,816	(8,835)	-6%
Cash dividends				
Common share	(4,000)	(4,001)	1	0%
Preferred share	(62)	(62)	-	-
Net Income attributable to equity holders of Ayala Land, Inc.	18,617	12,228	6,389	52%
Appropriation during the year	-	(17,000)	17,000	-100%
Balance at end of period	158,536	143,981	14,555	10%
Basic Earnings per share	₱1.25	₱0.83	₱0.42	51%
Diluted Earnings per share	₱1.25	₱0.83	₱0.42	51%

¹In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Information Statement

²Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Information Statement, for the effect of the adoption of PFRS 16.

(in million Pesos)	Dec 2022 ¹ Audited	Dec 2021 ² Audited	Change In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ³	₱12,508	₱14,998	(₱2,490)	-17%
Financial asset at fair value through profit and loss	292	701	(409)	-58%
Real estate inventories	180,348	148,157	32,191	22%
Noncurrent accounts and notes receivable	49,033	43,664	5,369	12%
Financial assets at fair value through other comprehensive income (FVOCI)	1,033	981	52	5%
Investments in associates and joint ventures	31,917	28,153	3,764	13%
Property and equipment	36,154	41,778	(5,624)	-13%
Deferred tax assets	13,889	12,890	999	8%
Other noncurrent assets	29,826	33,891	(4,065)	-12%
Total assets	779,655	745,464	34,191	5%
Short-term debt	6,547	16,783	(10,236)	-61%
Account and other payables	143,952	136,690	7,262	5%
Income tax payable	845	507	338	67%
Current portion of lease liability	710	599	111	18%
Current portion of long term debt	19,258	26,174	(6,916)	-26%
Deposits and other current liabilities	31,211	27,471	3,740	14%
Long-term debt – net of current portion	210,233	180,140	30,093	17%
Pension liabilities	1,871	2,103	(232)	-11%
Deferred tax liabilities	5,849	6,520	(671)	-10%
Deposits and other noncurrent liabilities	47,520	60,736	(13,216)	-22%
Total liabilities	485,990	474,962	11,028	2%
Paid up capital	97,637	79,897	17,739	22%
Retained earnings	183,536	168,981	14,555	9%
Remeasurement loss on defined benefit plans	107	(33)	140	421%
Cumulative translation adjustments	438	262	176	67%

Equity reserves	(6,507)	1,290	(7,797)	605%
Treasury stocks	(19,081)	(16,894)	(2,18)	13%
Equity attributable to equity holders of				
Ayala Land, Inc.	255,252	232,621	22,631	10%
Non-controlling interests	38,412	37,882	530	1%
Total equity	P293,664	P270,502	P23,162	9%

¹In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Information Statement

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³Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL for 2022 and 2021

Ayala Land, Inc. bounced back strongly in 2022 on the strength of the Philippines' reopened economy since the 2020 pandemic. Its diversified real-estate portfolio generated a net income of P18.61 billion, 52% higher, while consolidated revenues grew to P126.56 billion, 19% more year-on-year.

Real Estate revenues (composed of Property Development, Commercial Leasing, and Services) amounted to P116.36 billion, 21% higher than P96.15 billion in the previous year, led by solid commercial lot sales and recovery in commercial leasing.

Capital expenditures reached P72.38 billion to support the residential and commercial project buildup.

The Company maintained a net gearing ratio of 0.76:1 as it managed debt and liquidity tightly to support the balance sheet.

Business Segments

The details of the performance of each business segment are as follows:

Property Development. This segment includes sales of residential lots and units, office spaces, commercial and industrial lots, and operations of MCT Bhd, Ayala Land's consolidated subsidiary based in Malaysia. The Company recorded P74.55 billion in property development revenues, 8% higher year-on-year, led by solid commercial lot sales.

Residential. Revenues from sales of residential lots and units and MCT Bhd's operations reached P59.11 billion, 4% higher from P57.05 billion last year on construction progress and bookings.

AyalaLand Premier (ALP) recorded revenues of P21.44 billion, 4% higher than P20.85 billion in the previous year, attributed to the incremental percentage-of-completion (POC) of Andacillo in Nuvali, Lanewood Hills in Silang, Cavite and Parklinks North Tower in Quezon City.

Alveo posted revenues of P15.52 billion, an 18% growth from P13.12 billion, owing to the higher POC of Corvia at Alviera and Ametrine at Portico and higher bookings from Parkford Suites in Makati.

Avida totaled P12.18 billion in revenues, 10% less than P13.51 billion, due to lower bookings owing to Avida Towers Sola in Vertis North Quezon City, Riala in Cebu IT Park, Cebu City, Avida Towers Vireo in Arca South, and almost sold-out inventory at Avida Towers Turf in BGC.

Amaia posted P6.90 billion in revenues, a 52% jump from P4.55 billion due to higher bookings attributed to Scapes General Trias Sectors 3 and 4 in Cavite, Skies Avenida Tower 2 in Sta. Cruz, Manila and Skies Shaw Tower 2 in Mandaluyong Cit.

BellaVita recognized revenues of P317 million, a 72% decline from P1.15 billion due to inventory sellout of projects at Tayabas, Quezon Province, and Lipa, Batangas, and lower bookings from the project in Cabanatuan.

MCT Bhd contributed revenues of P2.76 billion, 29% lower than P3.88 billion, due to inventory sellout of nearly completed legacy projects and incremental POC of newly launched projects (Aetas and Casa Bayu).

Office for Sale. Revenues from sales of office units declined by 28% to P2.79 billion from P3.85 billion due to the full completion of Alveo's Park Triangle Tower at BGC and moderate take-up on remaining inventory.

Commercial and Industrial Lots. Revenues from commercial and industrial lot sales surged 54% to P12.65 billion from P8.24 billion due to strong investor demand at Arca South, Nuvali, and Broadfield estates.

Reservation Sales. With resilient demand amid the higher interest-rate environment, the Company registered P104.89 billion in reservation sales, 14% better than last year. Fourth-quarter sales jumped by 24% to P27.57 billion. Sales from local Filipinos totaled P69.19 billion, comprising 66% of the total, 1% higher than last year, complemented by sales from overseas Filipinos of P23.03 billion and other nationalities at P12.67 billion, with a 22% and 13% share, respectively. Sales from overseas Filipinos and other nationalities surged by 59% and 39%, respectively. On sales from other nationalities, 63% or P7.95 billion were to Americans at P7.95 billion, 47% higher year-on-year. Meanwhile, sales to Chinese buyers declined by 40% to P730 million, comprising only 6% of sales to other nationalities and only 1% of consolidated reservation sales.

Project Launches. ALI launched ten residential developments in the fourth quarter, bringing the consolidated value to P91.42 billion totaling 30 projects by yearend. These include ALP's Ciela Phase 2A Batch 1 at Carmona, Cavite, Miravera at Altaraza, Bulacan, and Arcilo at Nuvali, Laguna; and Alveo's Verdea at Silang, Cavite, and South Palm Grove at Areza in Lipa, Batangas.

Commercial Leasing. This segment involves the operation of shopping centers, office buildings, hotels and resorts, standard factory buildings and warehouses, and co-working spaces. Commercial leasing revenues accelerated by 62% to P33.39 billion with normalized mall rents and foot traffic, the contribution of new office spaces, and higher hotel room rates.

Shopping Centers. With foot traffic and mobility resurgence, shopping centers revenues more than doubled to P16.08 billion. The average occupancy rate for all malls is 81%. The total mall gross leasable area (GLA) is 2.1 million square meters.

Offices. Revenues from office leasing grew by 13% to P11.12 billion, primarily from the revenue contribution of One Ayala East and West Towers. The average occupancy rate for all offices is 88%. The total office GLA is 1.4 million square meters.

Hotels and Resorts. Revenues from hotels and resorts also doubled to P6.19 billion, boosted by higher room rates. The average occupancy of hotels was 59%, and 29% in resorts. This segment has a total of 4,058 rooms.

The hotels and resorts business manages 660 hotel rooms in its international brand segment—312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, both of which are in the Ayala Center, Makati CBD.

There are 11 Seda Hotels, operating 2,804 rooms—Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (242); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214); and Circuit Corporate Residences (255).

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 70 rooms under its Bed and Breakfast (B&B) and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 76 B&B rooms.

Services. This segment is composed of the Company's construction business through Makati Development Corporation (MDC), property management through Ayala Property Management Corporation (APMC), and other companies engaged in power services such as Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy) and airline for the hotels and resorts business, AirSWIFT. Total revenues amounted to P8.42 billion, 32% higher than the previous period.

Construction. Net construction revenues totaled P4.24 billion, 8% higher, owing to the contribution of external projects.

Property Management, AirSWIFT, and Others. APMC, AirSWIFT, power services companies, and combined revenues accelerated by 70% to P4.18 billion on higher AirSWIFT patronage, parking usage, and retail energy demand.

Equity in Net Earnings of Investees, Interest, Fees, Investment, and Other Income

Equity in net earnings of associates and JV companies jumped by 70% to P1.43 billion due to higher revenues of FBDC companies, Ortigas Land, and the joint venture with Royal Asia, and the absence of losses from Qualimed's operations since its sale in 2021.

Interest income from real estate sales declined 2% to P6.69 billion from P6.80 billion due to lower accretion income. Meanwhile, interest and investment income increased by 53% to P387 million on higher interest earned from installment sales, yield from short-term investments, and cash deposits.

Other income, mainly marketing and management fees from JVs, amounted to P1.69 billion, 20% lower than P2.10 billion in 2021, which included the sale of the Company's 39.2% interest in Qualimed to Ayala Corporation.

Expenses

Expenses totaled P98.40 billion, 15% more than last year since operations normalized. Real estate expenses reached P75.69 billion, up 17%, while general and administrative expenses came 11% higher to P7.26 billion. With higher revenues, the GAE ratio settled at 5.7%, better than 6.2% in 2021. EBIT margin stood at 30.6% from 28.2% in the earlier period.

Interest expense, financing, and other charges, which include interest expense related to PFRS 16 (Leases), totaled P15.44 billion, 5% more than last year due to the higher discounting cost on receivable sales and interest expense on the higher average debt daily balance. The average cost of debt stood at 4.4%, the same level at the end of 2021. Of the total debt, 90% is locked-in with fixed rates; 97% was contracted long-term.

Capital Expenditures

Capital expenditures totaled P72.38 billion in 2022, mainly for residential projects, estate development, and commercial leasing assets. 50% was spent on residential and 11% on commercial leasing projects. 19% was spent on land acquisition, 16% on estate development, and 4% on other general use.

Financial Condition

The Company's balance sheet remains strong to ensure financial sustainability during the crisis.

Cash and cash equivalents, including short-term investments and UITF investments classified as FVPL, stood at P12.51 billion, resulting in a current ratio of 1.77:1.

Borrowings totaled P236.04 billion, translating to a debt-to-equity ratio of 0.80:1 and a net debt-to-equity ratio of 0.76:1.

Return on equity was 7.63% as of December 31, 2022.

The Group has various contingent liabilities arising from the ordinary conduct of business. The opinion of management and its legal counsel is that these will not have a material or adverse effect on the Group's financial position and results of operations in the eventual liability under these lawsuits or claims, if any. Accordingly, no provision for any liability has been made in the consolidated financial statements. Further, the Company has no off-balance sheet transactions, arrangements, or obligations for 2022.

No known trends, events, uncertainties, or seasonalities are expected to affect the Company's continuing operations apart from the impact of the ongoing COVID-19 pandemic. There are no material commitments for capital expenditures except those disclosed in Note 35 of the audited financial statements.

The table below sets forth the comparative performance indicators of the Company and its Subsidiaries:

	End-December 2022	End-December 2021
Current ratio ¹	1.78:1	1.58:1
Debt-to-equity ratio ²	0.80:1	0.82:1
Net debt-to-equity ratio ³	0.76:1	0.77:1
Profitability Ratios:		
Return on assets ⁴	2.95%	2.13%
Return on equity ⁵	7.63%	5.37%
Asset to Equity ⁶	2.65:1	2.76:1
Interest Rate Coverage ⁷	4.83:1	4.01:1

¹Current assets / current liabilities

²Total debt / consolidated stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI (Average total stockholders' equity attributable to equity holders of ALI means the average of the amounts from the beginning and end of the same period)

⁶Total assets / total stockholders' equity

⁷EBITDA / interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

There are no events that will trigger direct or contingent financial obligations that are material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created in FY 2022.

Causes for any material changes (+/- 5% or more) in the financial statements

Income Statement items – For the year ended December 31, 2022 and 2021

Real estate and hotel revenues improved by 21% driven by higher commercial lot sales and recovery of leasing business.

Equity in net earnings increased by 70% mainly higher earnings of FBDC COs, Ortigas Group, AKL and properties and the absence of losses of WhiteKnight following the sale of Qualimed shares in 2021; partially offset by lower contribution from Alveo Federal Land.

Interest and investment income up by 53% driven by higher yield from short term investments and cash in bank due to higher ADB

Other Income declined by 20% mainly from one time gain on sale of Qualimed hospital buildings in 2021 mitigated by gain on sale of Nacpan-2 plus higher marketing fees.

Cost of real estate sales escalated by 17% due increase in economic activities: improvement in leasing operations and pick up of hotel occupancy as domestic and international travel rebounded.

General administrative expenses grew by 11% mainly from manpower costs, taxes, profession fees and other overhead expenses.

Other expenses went up by 10% due to higher discounting cost on AR sale

Provision for income tax increased by 23% due to higher taxable income.

Balance Sheet items - As at December 2022 versus 2021

Cash and cash equivalents - decreased by 15% mainly due to share buy-backs, payments of financing costs, cash dividends, and CAPEX; partially offset by net cash inflow from operations.

Financial asset at fair value through profit and loss down by 58% due to unrealized loss from market revaluation of investments in UITF.

Real estate inventories increased by 22% due to transfers from investment properties and additions coming from land acquisitions and project construction completion of condominium units.

Noncurrent accounts and notes receivable up by 12% driven by higher revenues across all segments.

Financial assets at FVOCI grew by 5% from unrealized gain as a result of market revaluation of investments.

Investments in associates and joint ventures increased by 13% owing to the increase in investments in ALI-ETON, a joint venture, and equity in net earnings for the period net of dividend received.

Property, plant and equipment down by 13% mainly from transfers to investment properties.

Deferred tax assets went up by 8% coming from higher provision related to difference between tax and book basis of accounting for real estate transactions.

Other noncurrent assets decreased by 12% mainly from reclassification of noncurrent investments in bond to current and from decrease in prepaid expenses.

Short-term debt dropped by 61% due to repayments.

Account and other payables rose by 5% due to increase in trade and accrued payables driven by the ramp up of operating activities across all segments.

Income tax payable increased by 67% from higher revenues resulting to higher net taxable income.

Current portion of lease liabilities up by 18% due to accretion of interest on lease liability.

Current portion of long-term debt decreased by 26% attributable to lower maturing bonds and bank loans within 12 months.

Deposits and other current liabilities grew by 14% mainly from reclassification of real estate customer's deposit, which have not reached the 10% threshold, from noncurrent to current.

Long-term debt – net of current portion went up by 17% from various availments during the year.

Pension liabilities decreased by 11% mainly due to change in actuarial assumptions.

Deferred tax liabilities went down by 10% mainly due to timing difference between tax and book basis of accounting for real estate transactions.

Deposit and other noncurrent liabilities declined by 22% mainly from security deposits from tenants, reclassification of noncurrent to current real estate customer's deposit, and settlements of parcels of land on installment.

Paid up Capital increased by 22% due to issuance of shares in exchange for properties.

Retained Earnings grew by 9% due to NIAT for the period net of cash dividends.

Remeasurement loss on defined benefit plans escalated by 421% due to change of actuarial assumptions.

Cumulative translation adjustments increased by 67% mainly due to translation gain on financial statements of MCT Bhd.

Equity reserves decreased by 605% due to the property-for-share swap between ALI, AC and Mermac Inc. plus the acquisition of noncontrolling interest of Vesta Properties Holdings, Inc

Treasury Stock went up by 13% coming from buy-back of ALI shares.

Review of FY 2021 operations vs FY 2020

(in million Pesos, except Earnings Per Share (EPS))	For the years ended December 31		Change	
	2021 ¹ Audited	2020 ² Audited	In Pesos	In %
Income Statement Data				
<u>Revenue</u>				
Real estate Sales	₱96,145	₱85,965	₱10,179	12%
Interest income from real estate sales	6,801	8,603	(1,802)	-21%
Equity in net earnings of associates and joint ventures	843	587	256	44%
	103,788	95,155	8,633	9%
Interest and investment income	253	395	-142	-36%
Other income	2,101	723	1,378	191%
	2,354	1,118	1,236	258%
	106,142	96,273	9,869	19%
<u>Costs and expenses</u>				
Cost of real estate sales	64,642	56,673	7,969	14%
General and administrative expenses	6,539	8,012	(1,473)	-18%
Interest and other financing charges	11,038	12,746	(1,708)	-13%
Other expenses	3,637	3,789	(152)	-4%
	85,855	81,219	4,636	6%
Income before income tax	20,287	15,053	5,234	35%
Provision for income tax				
Current	5,985	4,688	1,296	28%
Deferred	(1,356)	(629)	(727)	116%
	4,629	4,059	570	14%
Net Income	₱15,659	₱10,994	₱4,665	42%
Net Income attributable to:				
Equity holders of Ayala Land Inc.	12,228	8,727	3,501	40%
Non-controlling interests	3,431	2,267	1,164	51%
Unappropriated retained earnings				
Balance, beginning of year	153,661	148,940	4,721	3%
Effect of adoption of new accounting standards	(845)	-	(845)	-
Balances as restated	152,816	148,940	3,876	3%
Cash dividends				
Common share	(4,001)	(3,945)	(56)	1%
Preferred share	(62)	(62)	-	-
Net Income attributable to equity holders of Ayala Land, Inc.	12,228	8,727	3,501	40%
Appropriation during the year	(17,000)	-	(17,000)	-
Balance at end of period	143,981	153,661	(9,680)	-6%
Basic Earnings per share	₱0.83	₱0.59	₱0.24	41%
Diluted Earnings per share	₱0.83	₱0.59	₱0.24	41%

¹In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Information Statement

²Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Information Statement, for the effect of the adoption of PFRS 16.

(in million Pesos)	Dec 2021 ¹ Audited	Dec 2020 ² Audited	Change In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ³	P14,998	P18,361	(P3,363)	-18%
Short-term investments	326	358	(32)	-9%
Financial assets at fair value through profit and loss	701	965	(264)	-27%
Other current assets	65,301	58,021	7,280	13%
Noncurrent accounts and notes receivable	43,664	46,021	2,358	-5%
Financial assets at fair value through other comprehensive income (FVOCI)	981	1,511	(530)	-35%
Investments in associates and joint ventures	28,153	26,601	1,552	6%
Right of use assets	12,156	13,008	(852)	-7%
Investment properties	243,398	222,685	20,713	9%
Deferred tax assets	12,890	12,121	769	6%
Other noncurrent assets	33,891	31,828	2,063	6%
Total assets	745,464	721,494	23,970	3%
Short-term debt	16,783	9,131	7,652	84%
Accounts and other payables	136,690	144,626	(7,936)	-5%
Income tax payable	507	1,456	(949)	-65%
Current portion of lease liability	599	467	132	28%
Current portion of long-term debt	26,174	18,732	7,442	40%
Deposits and other current liabilities	27,471	25,317	2,154	9%
Pension liabilities	2,104	3,021	(917)	-30%
Deferred tax liabilities	6,520	7,148	(628)	-9%
Deposits and other noncurrent liabilities	60,736	50,040	10,696	21%
Total liabilities	474,962	461,315	13,647	3%
Paid up capital	79,897	62,954	16,943	27%
Retained earnings	168,981	161,661	7,320	5%
Remeasurement loss on defined benefit plans	(33)	(818)	785	96%
Fair value reserve of financial assets at FVOCI	(881)	(748)	(133)	-18%
Cumulative translation adjustment	261	167	94	56%
Equity reserves	1,289	585	704	120%
Treasury stocks	(16,894)	(1,261)	(15,633)	1,240%
Equity attributable to equity holders of Ayala Land, Inc.	232,621	222,540	10,081	5%
Non-controlling interests	37,882	37,639	243	1%
Total equity	P270,502	P260,179	P10,323	4%

¹In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Information Statement

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³Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL for 2021 and 2020

Ayala Land posted total revenues of P106.14 billion and net income of P12.23 billion, a year-on-year growth of 10% and 40%, respectively, on account of resilient operations, supported by relaxed quarantine restrictions in the 4th quarter of 2021.

Real Estate revenues (composed of Property Development, Commercial Leasing, and Services) totaled P96.15 billion, 12% higher than P85.97 billion in 2020, driven by construction progress and higher bookings that compensated for limited commercial leasing operations most of the year due to quarantine measures.

Capital expenditures amounted to P63.98 billion, supporting the buildup of residential and commercial projects.

The Company closed the year with a net gearing ratio of 0.77:1, an average borrowing cost of 4.4%, and maturity of 5.3 years.

Business Segments

The details of the performance of each business segment are as follows:

Property Development. This segment includes the sale of residential lots and units, office spaces, commercial and industrial lots, and operations of MCT Bhd, Ayala Land's consolidated subsidiary based in Malaysia. Due to construction progress and higher bookings, property development revenues grew 19% to P69.14 billion from P57.86 billion.

Residential. Revenues from the sale of residential lots and units and MCT Bhd's operations totaled P57.05 billion, 19% higher from P47.79 billion last year owing to higher bookings and project completion.

AyalaLand Premier (ALP) recorded revenues of P20.85 billion, 39% higher than P15.01 in 2020, driven by higher project bookings from Ayala Greenfield Estates in Laguna, Cerilo in Nuvali, Laguna, Anvaya Cove in Bataan, and the Enclaves in Cebu. In addition, incremental percentage-of-completion (POC) of Andacillo in Nuvali, The Courtyards in Vermosa, Cavite, West Gallery Place in BGC, and Park Central North and South Towers in Makati City contributed to revenue growth.

ALVEO posted revenues of P13.12 billion, a 63% growth from P8.05 billion, on higher bookings from Hillside Ridge in Cavite and Corvia in Alvia, Pampanga, and incremental POC of Ardia Phase 3 in Vermosa, Cavite, The Greenways in Alvia, Pampanga, and The Residences at Evo City Phase 2 in Cavite.

Avida totaled P13.51 billion in revenues, 6% lower than P14.42 billion due to lower bookings from Avida Towers Sola in Vertis North Quezon City, Vireo in Arca South, Taguig, Riala in Cebu IT Park, Cebu City, Abreeza Tower 2 in Davao City and Avida Towers Prime Taft Tower 2 in Pasay City.

Amaia generated P4.55 billion in revenues, a 3% decrease from P4.69 billion on lower bookings from projects with high POC such as Steps Alabang Delecia in Las Pinas, Series Bulacan S3A, and Series Nova in Quezon City.

BellaVita recognized revenues of P1.15 billion, a 45% jump from P0.79 million on higher bookings and incremental POC from projects in Tayabas Quezon, Porac, Pampanga, and Alaminos, Laguna.

MCT Bhd posted revenues of P3.88 billion, 20% less than P4.85 billion last year, as revenues from projects under its middle-income brand, Market Homes, and new projects, Aetas, Casa Bayu Townhouse and Apartment, and Park Place were lower than the revenues generated by completed and sold-out projects in 2020.

Office for Sale. Revenues from the sale of office units rose 10% to P3.85 billion from P3.51 billion, on higher completion of ALVEO's Stiles and Tryne Enterprise Plazas in Circuit Makati and Arca South, respectively, and ALP's One Vertis Plaza in Vertis North.

Commercial and Industrial Lots. Revenues from the sale of commercial and industrial increased by 26% to P8.24 billion from P6.56 billion on take-up of commercial lots at South Coast City, Nuvali, and Vermosa and industrial lots at Pampanga Technopark.

Sales Reservations. For the full year of 2021, sales reservations amounted to P92.21 billion, 13% higher year-on-year, primarily due to the strong demand for horizontal products in Southern Luzon by ALP and ALVEO. Take-up from our horizontal products alone jumped 36% to P41.49 billion. Sales reservation in the 4th quarter reached P22.14 billion, 5% better than the same quarter last year.

Local and overseas Filipinos accounted for 90% of total sales, with a balance of 10% from other nationalities. Sales from local Filipinos, which comprise 74%, amounted to P69.84 billion, 13% higher, while sales from overseas Filipinos, which represented 16% of the total, amounted to P14.52 billion, a 15% uplift year-on-year. Meanwhile, sales to other nationalities amounted to P9.31 billion, up 3% from last year.

Project Launches. Reflective of confidence in the residential market, Ayala Land launched 22 projects worth P75.26 billion during the year. This figure was more than seven times the launch value in 2020. 48% are horizontal projects, while the rest are vertical projects. Launches in the fourth quarter include ALP's Ciela Heights Phase 1 in Carmona, Cavite; ALVEO's Sentrove Tower 1 in Cloverleaf, Quezon City; and Amaia's Scapes Bulacan S4B in Santa Maria, Bulacan and Steps Two Capitol Tower 1 in Capitol Central, Bacolod City.

Commercial Leasing. This segment includes the operation of Shopping Centers, Office Buildings, and Hotels and Resorts. Total revenues from commercial leasing amounted to P20.63 billion, a 6% decline from a P21.86 billion year ago as given restricted operations for most of the year.

Shopping Centers. Revenues from shopping centers declined 13% to P7.92 billion. With improved mobility in the fourth quarter, revenues reached P3.0 billion, double the level generated in the same quarter in 2020. The average occupancy rate for all malls is 81% and 84% for stable malls. Total Malls GLA stands at 2.12 million square meters.

Offices. Revenues from office leasing grew 5% from last year to P9.87 billion as BPO and HQ office operations remained stable throughout the period. The average occupancy rate for all offices is 81% and 86% for stable offices. Total office leasing GLA increased to 1.32 million square meters with the completion of One Ayala Tower 1 in December 2021.

Hotels and Resorts. Revenues from hotels and resorts ended 17% lower to P2.83 billion from P3.39 billion, an improvement from the first nine months as resort operations were able to host 35 travel bubbles in the fourth quarter, partially cushioning travel restrictions and lower hotel occupancy earlier in the year. The average occupancy for all hotels and stable hotels was 53%. Meanwhile, the average occupancy for all resorts is 17% and 15% for stable resorts. In close coordination with the Department of Tourism and the Local government, 120 travel bubbles were held during the year at El Nido Resorts and Lio estate. The hotels and resorts segment ended in 2021 with 4,030 rooms in its portfolio.

The hotels and resorts business manages 660 hotel rooms in its international brand segment—312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, both in the Ayala Center, Makati CBD.

There are 11 Seda Hotels, operating 2,712 rooms—Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (150); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214); and Circuit Corporate Residences (255).

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 132 rooms under its Bed and Breakfast (B&B) and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 78 B&B rooms.

Services. This segment is composed mainly of the construction business through Makati Development Corporation (MDC), property management, through Ayala Property Management Corporation (APMC), and businesses engaged in power services such as Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy) and AirSWIFT, the airline for the hotels and resorts in Palawan and Sicogon. Total revenues amounted to P6.38 billion, 2% higher mainly due to MDC's completion progress of projects with unconsolidated JVs and external clients.

Construction. Net construction revenues rose 19% to P3.91 billion from P3.28 billion last year as construction activities continued despite the lockdowns.

Property Management and Others. APMC, power services companies, and AirSWIFT registered revenues of P2.47 billion, a 17% decline from P2.97 billion due to lower power consumption of customers and limited AirSWIFT operations.

Equity in Net Earnings of Investees, Interest, Fees, Investment and Other Income

Equity in net earnings of associates and JV companies rose 44% to P842.56 million from P586.50 million on higher contributions from Ortigas Land's projects The Galleon and Empress, and ALVEO-Federal joint ventures Aveia and Venido.

Interest income from real estate sales declined 21% to P6.80 billion from P8.60 billion due to lower accretion income recognized. Meanwhile, interest and investment income declined by 36% to P253.11 million from P394.70 million on lower interest income, yield, and average daily balance on cash and short-term investments.

Other income, composed mainly of marketing and management fees from joint ventures, among others, nearly tripled to P2.10 billion from P0.72 billion, recording a P1.37 billion gain from the sale of Ayala Land's 39.2% economic interest in Qualimed and its hospital buildings last February

Expenses

Total expenses registered at P85.86 billion, 6% higher than last year, driven by real estate expenses which increased by 14% to P64.64 billion as operations continued to ramp up this year.

Due to reduced corporate operations and cost-saving initiatives, general and administrative expenses declined 18% to P6.54 billion from P8.01 billion. It resulted in a GAE ratio of 6.2% and an EBIT margin of 28.2%.

Interest, other financing charges, and other expenses (including interest expense related to PFRS 16 (Leases)) totaled P14.68 billion, 11% less than P16.54 billion last year due to the lower average borrowing rate and debt balance. The average cost of debt registered at 4.4%, 30 basis points lower than 4.7% at the end of December 2020. Of the total, 91% is locked in fixed rates, while 92% is contracted long-term.

Capital Expenditures

Capital expenditures reached P63.98 billion for the entire year of 2021, mainly to support the buildout of our residential and commercial leasing assets. 52% was spent on residential projects, 17% for land acquisition, 15% for commercial leasing, and 14% for estate development.

Financial Condition

The Company's balance sheet stands strong with a net gearing ratio of 0.77:1.

Cash and cash equivalents, including short-term and UITF investments classified as FVPL, stood at P15.00 billion, resulting in a current ratio of 1.58:1.

The total borrowings registered at P223.10 billion. Debt-to-equity ratio is at 0.82:1, and net debt-to-equity ratio is at 0.77:1.

Return on equity was at 5.37% as of December 31, 2022.

The Group has various contingent liabilities arising in the ordinary conduct of business including a case related to property restriction violation. The estimate of the probable cost for the resolution of the claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. Accordingly, no provision for any liability has been made in the consolidated financial statements. Further, the company has no off-balance sheet transactions, arrangements or obligations for the full-year 2021.

There are no known trends, events, uncertainties or seasonalities that are expected to affect the Company's continuing operations apart from the impact of the ongoing COVID-19 pandemic. There are no material commitments for capital expenditures except for those disclosed in Note 35 of the audited financial statements.

	<i>End-December 2021</i>	<i>End-December 2020</i>
Current ratio ¹	1.58:1	1.62:1
Debt-to-equity ratio ²	0.82:1	0.81:1
Net debt-to-equity ratio ³	0.77:1	0.74:1
Profitability Ratios:		
Return on assets ⁴	2.13%	1.53%
Return on equity ⁵	5.37%	4.03%
Asset to Equity ratio ⁶	2.76:1	2.77:1
Interest Rate Coverage Ratio ⁷	4.01	2.96

1 Current assets / current liabilities

2 Total debt/ consolidated stockholders' equity, (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

3 Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

4 Net income / average total assets

5 Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI

6 Total Assets /Total stockholders' equity

7 EBITDA/Interest expense

Causes for any material changes (+/- 5% or more) in the financial statements

Income Statement items – For the year ended December 31, 2021 and 2020

Real estate and hotel revenues improved by 12% driven by higher sales bookings and incremental project completion, and construction service revenues.

Equity in net earnings Increased by 44% mainly Higher contribution from Ortigas Group, Alveo Federal Land and AKL properties; partially offset by lower contribution from FBDC COs and ALI-ETON.

Interest income from real estate sales decreased by 21% lower accretion from AR sale

Interest and investment income decreased by 36% driven by lower yield, and lower short-term investments and cash balance

Other Income Increased by 191% due to higher Marketing and management fees fees from FBDC COs, Cathay Land and BPI; Gain on sale of Investment in MGHl and Qualimed Buildings; Gain from sales cancellations, forfeited deposits, and deferred credits; and, NAV gain from Arch fund. Partially offset by forex loss from USD loan (MBTC)

Cost of real estate sales Increase by 14% due to Higher booking and incremental completion; partially offset by limited operations, low rent and foot traffic of malls.

General administrative expenses decreased by 18% mainly from manpower costs including security and janitorial, rent and dues and fees, transportation and travel, and other overhead expenses.

Interest, other financing charges and other expenses decreased by 11% due to Lower interest expense from borrowings and lower provision for doubtful accounts and other losses; partially offset by increase in bank charges on prepayment of debts, and AR sale restructuring.

Provision for income tax increased by 14% due to higher taxable income.

Balance Sheet items - As at December 2021 versus 2020

Cash and cash equivalents - decreased by 18% Mainly due to payments of financing costs, cash dividends, shares buy-backs, and CAPEX; partially offset by net cash inflow from operations.

Short-term investments decreased by 9% due to Investment of excess USD.

Financial asset at fair value through profit and loss decreased by 27% due to Maturities of investment in UITF.

Other current assets increased by 13% mainly due to payment of advances to contractors and suppliers, Input vat and Deferred expenses.

Noncurrent accounts and notes receivable decreased by 5% due to collection

Financial assets at FVOCI decreased by 35% due to lower valuation for the period.

Investments in associates and joint ventures increased by 6% owing to the increase in investments in joint ventures ((mainly from AWLI-ETON, CEBU District, and AKL Properties), and equity in net earnings for the period net of dividend received.

Right of Use Assets decreased by 7% percent due to depreciation for the period.

Investment properties Increased by 9% due to project construction completion of Shopping Center, Offices, Land acquisitions, and capitalized borrowing cost.

Deferred tax assets increased by 6% coming from higher taxable income over accounting income for the period.

Other noncurrent assets Increased by 6% mainly of prepaid expenses and leasehold rights, partially offset by recoupment of advances to contractors and suppliers and decrease in deferred input VAT and

Short-term debt Increased by 84% due to various loan Availments during the year.

Account and other payables decreased by 5% due to payments of accounts payable and accrued operating expenses, lower interest payable, and other accrued expenses.

Income tax payable decreased by 65% due to lower taxable income.

Current portion of lease liabilities Increased by 28% due to accretion of lease liability.

Current portion of long-term debt increased by 40% attributable to maturing bonds and bank loans within 12 months.

Deposits and other current liabilities increased by 9% mainly from realization of revenues from sale of receivables and collections.

Pension liabilities decreased by 30% mainly due to change in actuarial assumptions.

Deferred tax liabilities decreased by 9% mainly due to timing difference between tax and book basis of accounting for real estate transactions and change in POC.

Deposit and other noncurrent liabilities increased by 21% mainly coming from acquisition of parcel of land on installment, unrealized revenues from collected receivables and security deposits from tenants.

Paid up Capital increased by 27% due to Issuance of shares to ALI equity holders as a result of merger of 4 subsidiaries.

Retained Earnings increased by 5% due to NIAT for the period and retroactive effect of change in accounting policy for borrowing costs (PAS 23); partially offset by change in POC computation under SEC MC No. 8.; partially offset by payments of cash dividends.

Remeasurement loss on defined benefit plans increased by 96 % due to change of actuarial assumptions.

Fair value reserve of financial assets at FVOCI decreased by 18% attributable to unrealized fair value loss from cash flow hedging of loans bearing interest at floating rate.

Cumulative translation adjustments Increased by 56% mainly due to translation gain on financial statements of MCT Bhd.

Equity reserves increased by 120% attributable to gain from block sale of investment in AREIT and acquisition of NCI from LTI

Treasury Stock increased by 1240% as a result of merger of 4 subsidiaries and buy-back of ALI share

Review of FY 2020 operations vs FY 2019

(in million Pesos, except Earnings Per Share (EPS))	For the years ended December 31			
	2020 ¹ Audited	2019 ² Audited	Change In Pesos	In %
Income Statement Data				
Revenue				
Real estate Sales	P85,965	P157,849	(P71,884)	(46%)
Interest income from real estate sales	8,603	7,891	712	9%
Equity in net earnings of associates and joint ventures	587	966	(379)	(39%)
	P95,155	P166,706	(P71,551)	(43%)
Interest and investment income	395	930	(535)	(58%)
Other income	723	1,158	(435)	(38%)
	1,118	2,088	(970)	(46%)
	96,273	168,794	(72,521)	(43%)
Costs and expenses				
Cost of real estate sales	56,673	94,752	(38,079)	(40%)
General and administrative expenses	8,012	9,367	(1,355)	(14%)
Interest and other financing charges	12,746	12,200	546	4%
Other expenses	3,789	1,645	2,144	130%
	81,219	117,964	(36,745)	(31%)
Income before income tax	15,053	50,830	(35,777)	(70%)
Provision for income tax				
Current	4,688	12,455	(7,767)	(62%)
Deferred	(629)	860	(1,489)	(173%)
	4,059	13,315	(9,256)	(70%)
Net Income	P10,994	P37,515	(P26,521)	(71%)
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	8,727	33,188	(24,461)	(74%)
Non-controlling interests	2,267	4,327	(2,060)	(48%)
Unappropriated retained earnings				
Balance, beginning of year	148,940	124,090	24,850	20%
Effect of adoption of new accounting standards	-	(617)	-	-
Balances as restated	148,940	123,473	25,467	21%
Cash dividends				
Common share	(3,945)	(7,659)	3,714	(48%)
Preferred share	(62)	(62)	0	0%
Net Income attributable to equity holders of Ayala Land, Inc.	8,727	33,188	(24,461)	(74%)
Appropriation during the year				
Balance at end of period	153,661	148,940	4,721	3%
Basic Earnings per share	P0.59	P2.25	(P1.66)	(74%)
Diluted Earnings per share	P0.59	P2.25	(P1.66)	(74%)

¹In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Information Statement

²Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Information Statement, for the effect of the adoption of PFRS 16.

(in million Pesos)	Dec 2020 ¹ Audited	Dec 2019 ² Audited	Change In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets ³	P18,361	P21,516	(P3,155)	(15%)
Investment properties	222,685	243,043	(20,358)	(8%)
Total assets	721,494	713,923	7,571	1%
Current portion of long term debt	18,732	17,251	1,481	9%
Long term debt - net of current portion	184,087	175,813	8,274	5%
Total liabilities	461,315	471,218	(9,903)	(2%)

Equity attributable to equity holders of Ayala Land, Inc.	222,540	211,050	11,490	5%

Non-controlling interests	37,639	31,656	5,983	19%
Total equity	P260,179	P242,706	P17,473	7%

¹In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Information Statement

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³Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL for 2020 and 2019

Ayala Land endured the severe impact of COVID-19 in 2020 recording a 43% decline in consolidated revenues to P96.27 billion from P168.79 billion and a 74% drop in net income to P8.73 billion from P33.19 billion. Key indicators improved steadily from the third quarter to the fourth quarter reflecting a 49% growth in total revenues to P32.95 billion and a 28% jump in net income to P2.36 billion, sustaining the momentum for recovery.

Real Estate revenues, composed of Property Development, Commercial Leasing, and Services registered at P85.97 billion, a 46% decline from P157.85 billion due to construction restrictions, lower bookings, and restrained mall and hotel operations.

Capital expenditures amounted to P63.67 billion, within the revised full-year budget of P69.82 billion and financial sustainability initiatives strengthened the balance sheet with the net gearing ratio improving to 0.74:1 from 0.78:1 in FY 2019.

Business Segments

The details of the individual performance of each business segment are discussed as follows:

Property Development. This includes the sale of residential lots and units, office spaces, and commercial and industrial lots, and operations of MCT Bhd, Ayala Land's consolidated subsidiary based in Malaysia. The Property Development business generated revenues of P57.86 billion, a 47% dip from P109.69 billion due to construction restrictions and lower bookings.

Residential. Revenues from the sale of residential lots and units and MCT Bhd's operations declined 44% to P47.79 billion from P86.09 billion, however, in the fourth quarter, this amounted to P21.6 billion, a 54% improvement from the third quarter.

AyalaLand Premier (ALP) posted revenues of P15.01 billion, 39% lower than P24.45 billion, due to the lower percentage-of-completion (POC) of West Gallery Place in BGC, Park Central South Tower and Garden Tower 2 in Makati CBD and Arbor Lanes in Arca South and lower bookings from Park Central North Tower in Makati CBD and combined lower bookings and POC of The Alcoves in Cebu and Cerilo in Nuvali.

ALVEO recorded revenues of P8.05 billion, a decline of 58% from P19.00 billion owing to lower POC of High Park 2 in Vertis North and Park Triangle Residences in BGC, lower bookings from Orian Place 1 & 2 in Vertis North, The Residences at Evo City 1, Venido in Biñan Laguna, and combined lower bookings and POC of Travertine in Portico.

Avida meanwhile registered revenues of P14.42 billion, a 47% decrease from P27.36 billion, attributed to lower bookings from The Montane in BGC, Avida Towers Asten 3 in Makati, Avida Towers Sola 1 and 2 in Vertis North, Avida Northdale Settings in Nuvali, Avida Towers Vireo 1 in Arca South and Avida Towers Prime Taft 3 in Manila.

Amaia reached P4.69 billion in revenues, a 36% reduction from P7.37 billion relating to lower bookings from Skies Cubao Tower 2, Skies Shaw Tower 1, Skies Sta. Mesa and Skies Avenida Tower 1. **BellaVita** meanwhile recognized revenues of P790.65 million, 34% less than P1.20 billion because of lower bookings from projects in Cagayan de Oro, Batangas and Laguna.

MCT Bhd contributed P4.85 billion in revenues, a 28% decline from P6.71 billion as the inventory of projects in Lakefront and Cybersouth are almost sold-out and construction activities in the 2nd quarter and 4th quarters were limited under Malaysia's movement control order (MCO). These factors offset the contribution from projects under Market Homes, its affordable housing segment.

Office for Sale. Revenues from the sale of office units came down by 72% to P3.51 billion from P12.34 billion, owing to limited inventory and lower incremental completion of remaining projects such as ALVEO Financial Tower in Makati CBD, Park Triangle Corporate Plaza, Park Triangle Tower and High Street South Corporate Plaza 2, all in BGC.

Commercial and Industrial Lots. Revenues from the sale of commercial and industrial decelerated by 42% to P6.56 billion from P11.27 billion mainly due to slower take-up of inventory in Broadfield and limited inventory in Altaraza, Evo City and Nuvali.

Sales Reservations. Despite limited sales mobility, sales reservations registered at P81.90 billion, 56% of the level in 2019. This translates to an average of P6.8 billion in monthly sales. Fourth quarter sales reservations reached 55-75% of pre-COVID levels due to sustained property demand, totaling P21.08 billion, equivalent to an average of P7.0 billion in monthly sales.

Local and overseas Filipinos accounted for 89% of total sales with the balance of 11% from other nationalities. Sales from local Filipinos which comprise 74%, amounted to P60.4 billion, 42% lower year-on-year, while sales from overseas Filipinos which represented 15% of the total, amounted to P12.6 billion, a decline of 35% year-on-year. Meanwhile, sales to other nationalities amounted to P8.9 billion, a 60% drop, primarily as sales to mainland Chinese buyers which comprise 28% decreased by 70% to only P2.5 billion.

Project Launches. A total of 13 projects totaling P10.59 billion were launched in 2020. In the first quarter, Ayala Land was able to launch five (5) projects with a total value of P4.99 billion. These are Avida Greendale Settings at Alviera in Pampanga, Amaia Steps Aria at The Junction Place in Quezon City, Amaia Scapes Cabuyao Series 3 area 2, and Bellavita Alaminos 2, both in Laguna. No new residential projects were launched in the second quarter of 2020. However, with improving demand in the third quarter, three (3) sequel projects were launched amounting to P2.19 billion. These are Andacillo Phase 3A in Nuvali, Laguna, Amaia Scapes Series 4A in Sta. Maria, Bulacan and Bellavita Alaminos 2. Meanwhile, five (5) sequel projects amounting to P3.41 billion were launched in the fourth quarter. These are Andacillo Phase 4 in Nuvali, Laguna, Amaia Scapes Gen. Trias S3 and S4 in Cavite, and two tranches of additional units in Bellavita Alaminos 2 in Laguna.

Commercial Leasing. This includes the operation of Shopping Centers, Office Buildings and Hotels and Resorts. Total revenues from commercial leasing declined 44% to P21.86 billion from P39.31 billion given restrained mall and hotel operations.

Shopping Centers. Revenues from shopping centers dropped 59% to P9.06 billion from P22.02 billion. Operating GLA and foot traffic as a percentage of pre-COVID levels improved towards the end of 2020. In the fourth quarter, operating GLA reached 64% from 62% in the third quarter. Likewise, foot traffic reached 35-45% in the fourth quarter from 30-35% in the third quarter as the less strict general community quarantine restriction was maintained, boosted by the holiday season. These improvements resulted in P1.69 billion in mall revenues in the fourth quarter, a 10% recovery from the third quarter of 2020. Average tenant sales also improved quarter on quarter reaching 53% in the fourth quarter from 41% in the third quarter. The average occupancy rate for all malls is 85% and 90% for stable malls. Total Malls GLA stands at 2.12 million square meters.

Offices. Revenues from office leasing was sustained at P9.41 billion from P9.67 billion on account of continuing BPO and HQ office operations. The average occupancy rate for all offices is 88% and 94% for stable offices. Total office leasing GLA increased to 1.23 million square meters with the completion of BGC Corporate Center 2 and Central Bloc Corporate Center 2 in October and December, respectively.

Hotels and Resorts. Revenues from hotels and resorts ended 56% lower to P3.39 billion from P7.62 billion. The average occupancy for all hotels was 41% and 44% for stable hotels. Meanwhile, the average occupancy for all and stable resorts stood at 16%. In the fourth quarter, El Nido Resorts and the Lio Estate were able to host more travel bubbles to the public, in close coordination with the Department of Tourism and the Local government. From only four (4) in the third quarter, a total of 37 travel bubbles were launched in the fourth quarter, driving a 52% increase in revenues to P787 million from the third quarter. The hotels and resorts segment ended 2020 with a total of 4,030 rooms in its portfolio with the completion of 345 rooms in the first half as it opened Seda Central Bloc in Cebu and additional rooms in Seda Residences Ayala North Exchange and Seda BGC.

The hotels and resorts business manages 660 hotel rooms in its international brand segment—312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, both of which are in the Ayala Center, Makati CBD.

There are 11 Seda Hotels, operating 2,712 rooms—Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (150); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214); and Circuit Corporate Residences (255).

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 132 rooms under its Bed and Breakfast (B&B) and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 78 B&B rooms.

Services. This is composed mainly of the construction business through Makati Development Corporation (MDC), property management, through Ayala Property Management Corporation (APMC), and businesses engaged in power services such as Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy) and AirSWIFT, the airline for the hotels and resorts in Palawan and Sicogon. Total revenues amounted to P6.25 billion, 29% lower than P8.85 billion due to the restricted construction activity of MDC, lower power consumption of power subsidiary customers during the lock down, and very limited operations of AirSWIFT.

Construction. Net construction revenues totaled P3.28 billion, only 3% lower than P3.40 billion last year.

Property Management and Others. APMC, power services companies and AirSWIFT registered revenues of P2.97 billion, 46% less than P5.45 billion.

Blended EBITDA margins of the Services segment stood at 7%, lower than 10% in 2019 owing to COVID-19 related expenses.

Equity in Net Earnings of Investees, Interest, Fees, Investment and Other Income

Equity in net earnings of associates and JV companies, particularly Ortigas and FBDC companies, declined 39% to P586.50 million from P965.79 million.

Interest income from real estate sales increased 9% to P8.60 billion from P7.89 billion in 2019 driven by increased sale of real estate receivables. Meanwhile, Interest and investment income registered a 58% drop to P394.70 million from P930.45 million owing to lower balances and yields from short term investments.

Other income, composed mainly of marketing and management fees from joint ventures, among others, decreased 38% to P723.27 million from P1,157.94 million. This decline was largely due to the higher base in 2019 given the gain recognized from the sale of Vertex One office building in Santa Cruz Manila to Manila Jockey Club, Inc.

Expenses

Total expenses stood at P81.22 billion, 31% lower than P117.96 billion as real estate expenses decreased by 40% to P56.67 billion from P94.75 billion.

General and administrative expenses declined 14% to P8.01 billion from P9.37 billion on account of a lower topline. This resulted in a GAE ratio of 8.3% and an EBIT margin of 25.9%.

Interest, other financing charges and other expenses, which includes interest expense related to PFRS 16 (Leases) totaled P16.53 billion. This was a 19% increase from P13.84 billion due the higher discounting cost related to the sale of accounts receivables, interest expense from the higher average loan balance and bank charges related to loan prepayments. The average cost of debt registered at 4.7%, 50 basis points lower than 5.2% at the end of December 2019. Of the total, 95% is locked in fixed rates, while 96% is contracted for a long-term basis.

Capital Expenditures

Capital expenditures reached P63.67 billion for the full-year of 2020. These were mainly spent for the completion of residential and commercial leasing assets. 45% was spent on residential projects, 23% on commercial projects, 15% for land acquisition and 14% for the development of estates. The full year capex estimate was reduced to P70.0 billion from the original estimate of P110.0 billion.

Financial Condition

Financial sustainability initiatives strengthened the balance sheet with the net gearing ratio improving to 0.74:1 from 0.78:1 in FY 2019. Total borrowings registered at P211.95 billion which translated to a debt-to-equity ratio of 0.81:1 from 0.87:1.

Cash and cash equivalents, including short-term investments and financial assets at fair value through profit or loss stood at P18.36 billion resulting in a current ratio of 1.62:1.

Return on equity was at 4.03% as of December 31, 2020.

	<i>End-December 2020</i>	<i>End-December 2019</i>
Current ratio ¹	1.62:1	1.30:1
Debt-to-equity ratio ²	0.81:1	0.87:1
Net debt-to-equity ratio ³	0.74:1	0.78:1
Profitability Ratios:		
Return on assets ⁴	1.53%	5.43%
Return on equity ⁵	4.03%	16.66%
Asset to Equity ratio ⁶	2.77:1	2.94:1
Interest Rate Coverage Ratio ⁷	2.96	6.27

1 Current assets / current liabilities

2 Total debt/ consolidated stockholders' equity, (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

3 Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

4 Net income / average total assets

5 Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI

6 Total Assets /Total stockholders' equity

7 EBITDA/Interest expense

There are no events that will trigger direct or contingent financial obligations that are material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created in FY 2020.

Causes for any material changes (+/- 5% or more) in the financial statements

Income Statement items – For the year ended December 31, 2020 and 2019

Real estate and hotel revenues decreased by 46% due to construction restrictions, lower bookings, and restrained mall and hotel operations.

Equity in net earnings decreased by 39% mainly due to lower income contributions from Ortigas Land Corporation (OLC) and Fort Bonifacio Development Corp. (FBDC).

Interest income from real estate sales increased by 9% owing to higher sale of real estate receivables.

Interest and investment income decreased by 58% driven by lower balance and lower yield from short-term investments.

Other Income decreased by 38% due to higher gain recognized in 2019 from sale of Vertex One building in Santa Cruz Manila.

Cost of real estate sales decreased by 40% due to lower real estate and hotel revenues.

General administrative expenses decreased by 14% mainly from manpower costs including security and janitorial, rent and dues and fees, transportation and travel, and other overhead expenses.

Interest, other financing charges and other expenses increased by 19% due to higher discounting cost related to sale of trade receivables, interest expense from higher average loan balance, and bank charges related to loan repayments.

Provision for income tax decreased by 70% due to lower taxable income.

Balance Sheet items - As at December 2020 versus 2019

Cash and cash equivalents - decreased by 17% mainly due to lower collection from customers, payments of capital expenditures, interest expense from borrowings, and cash dividends, partially offset by proceeds from initial public offering of AREIT, Inc, sale of trade receivables, and loan availments.

Short-term investments decreased by 42% due to reallocation to investments with higher yield.

Financial asset at fair value through profit and loss increased by 99% attributable to increase in investments in UITF and treasury bills.

Real Estate Inventories increased by 22% as a driven by land acquisitions, incremental POC, reclassification from investment property, partially offset by lower real estate sales.

Other current assets increased by 19% mainly due to payment of advances to contractors and suppliers, payment of CWT, and building classified as held for sale.

Investments in associates and joint ventures increased by 5% owing to the increase in investments in joint ventures, and equity in net earnings for the period net of dividend received.

Investment properties decreased by 8% due to reclassification of land to inventory, and depreciation expense for the period.

Deferred tax assets increased by 5% coming from accrued expenses, allowances for probable losses, and NOLCO.

Other noncurrent assets decreased by 9% mainly from recoupment of advances to contractors and suppliers, partially offset by increase in deferred input VAT.

Short-term debt decreased by 49% due to various payments during the year.

Account and other payables decreased by 11% due to payments of accounts payable and accrued operating expenses, lower taxes payables and interest payable, and other accrued expenses.

Income tax payable decreased by 31% due to lower taxable income.

Current portion of lease liabilities decreased by 36% due to payments to lessors.

Current portion of long-term debt increased by 9% attributable to maturing bonds and bank loans within 12 months.

Long-term debt – net of current portion increased by 5% due to increase in bonds issuance and bank loans.

Pension liabilities increased by 52% mainly due to increase in benefit obligation and remeasurement loss for the current period.

Deferred tax liabilities higher by 17% mainly due to timing difference between tax and book basis of accounting for real estate transactions and right-of-use assets.

Deposit and other noncurrent liabilities increased by 14% mainly coming from unrealized revenues from collected receivables and security deposits from tenants, partially offset by payment for contractors payable, purchased land and collected output VAT.

Stock options outstanding decreased by 49% attributable to the exercise of stock options.

Remeasurement loss on defined benefit plans increased by 143% due to actuarial loss from change in pension liability assumptions.

Fair value reserve of financial assets at FVOCI increased by 64% attributable to unrealized fair value loss from cash flow hedging of loans bearing interest at floating rate.

Cumulative translation adjustments decreased by 33% mainly due to translation loss on financial statements of MCT Bhd.

Equity reserves increased by 108% attributable to gain on sale ownership in AREIT, Inc. to Non-controlling Interest (NCI).

Treasury Stock increased by 14% as a result of share buy-backs during the year.

Non-controlling interests increased by 19% as a result of public listing of AREIT, Inc.

The table below presents the **top contributors to revenue** (before elimination of intercompany transactions) For the year ended December 31, 2023, December 31, 2022, 2021:

(in thousand Pesos)	Dec 2023 Unaudited	Dec 2022 Audited	Dec 2021 Audited
Ayala Land Inc. ¹	51,782,105	52,456,280	37,988,245
Makati Development Corporation ¹	45,825,153	39,748,475	37,402,698
Alveo Land Corporation	14,660,872	14,958,381	11,914,656
Avida Land Corporation	12,552,710	6,762,162	6,765,313
AyalaLand Malls, Inc.	9,320,314	5,166,618	1,958,981
Avaland Berhad (Malaysia)	7,663,557	2,785,636	4,014,589
Amaia Land Corporation	7,620,453	6,949,672	4,509,850
AREIT, Inc.	6,015,842	5,072,847	3,316,464
Direct Power Services Inc.	4,922,293	3,118,306	1,576,563
MDBI Construction Corp.	4,677,073	5,386,267	6,119,130
Nuevocentro, Inc.	4,618,798	3,877,566	3,133,533
Ayala Hotels Inc.	4,130,735	5,751,930	5,273,791
AKL Properties Inc. ²	3,940,363	1,268,469	570,546
MDC Concreate, Inc.	3,168,580	3,074,674	2,795,822
MDC Build Plus, Inc.	2,423,253	3,750,573	3,529,661
Ayala Property Management Corporation	2,280,322	1,920,130	1,580,476
Ayalaland Estates, Inc.	2,206,210	1,611,519	2,769,107
Airswift Transport, Inc.	2,105,114	1,275,524	346,038
Leisure and Allied Industries Phils. Inc.	1,997,302	1,409,186	196,852
AyalaLand Offices, Inc.	1,944,727	1,673,471	871,671
North Triangle Depot Commercial Corp	1,849,153	1,693,108	763,890

¹Pertains to revenues of the parent entity only

²AKL Properties Inc. was consolidated in 2023 (refer to note 2 of the 2023 AFS)

Key Financial Ratios of the Top Twenty (20) Majority-Owned Subsidiaries

Makati Development Corporation

	<i>End-December 2023</i>	<i>End-December 2022</i>	<i>End-December 2021</i>
	Unaudited	Audited	Audited
Current ratio ¹	1.56:1	1.28:1	1.19:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.16:1	-0.15:1	-0.07:1
Profitability Ratios:			
Return on assets ⁴	5.25%	4.67%	6.00%
Return on equity ⁵	21.48%	22.11%	33.00%
Asset to Equity ratio ⁶	3.73:1	4.59:1	4.88:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Alveo Land Corporation

	<i>End-December 2023</i>	<i>End-December 2022</i>	<i>End-December 2021</i>
	Unaudited	Audited	Audited
Current ratio ¹	2.08:1	2.22:1	2.49:1
Debt-to-equity ratio ²	0.23:1	0.19:1	0.18:1
Net debt-to-equity ratio ³	0.23:1	0.19:1	0.17:1
Profitability Ratios:			
Return on assets ⁴	4.43%	5.42%	2.00%
Return on equity ⁵	9.01%	10.87%	4.00%
Asset to Equity ratio ⁶	2.06:1	2.0:1	2.0:1
Interest Rate Coverage Ratio ⁷	9.80	21.25	20.02

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Avida Land Corporation

	<i>End-December 2023</i>	<i>End-December 2022</i>	<i>End-December 2021</i>
	Unaudited	Audited	Audited
Current ratio ¹	2.54:1	2.99:1	2.79:1
Debt-to-equity ratio ²	0.73:1	0.66:1	0.38:1
Net debt-to-equity ratio ³	0.72:1	0.64:1	0.36:1

Profitability Ratios:			
Return on assets ⁴	1.67%	-1.52%	1.00%
Return on equity ⁵	4.25%	-3.58%	3.00%
Asset to Equity ratio ⁶	2.60:1	2.49:1	2.25:1
Interest Rate Coverage Ratio ⁷	2.98	-0.37	4.25

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Ayala Malls, Inc.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	0.52:1	0.37:1	0.41:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.02:1	-0.02:1	-0.02
Profitability Ratios:			
Return on assets ⁴	29.38%	14.33%	3.00%
Return on equity ⁵	56.23%	37.53%	9.00%
Asset to Equity ratio ⁶	1.53:1	2.60:1	2.65
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Avaland Berhad (Malaysia)

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	1.45:1	2.41:1	1.18:1
Debt-to-equity ratio ²	0.30:1	0.09:1	0.00:1
Net debt-to-equity ratio ³	0.12:1	-0.04:1	-0.49:1
Profitability Ratios:			
Return on assets ⁴	3.99%	0.03%	1.61%
Return on equity ⁵	4.65%	0.04%	2.57%
Asset to Equity ratio ⁶	1.91:1	1.60:1	1.82:1
Interest Rate Coverage Ratio ⁷	41.04	1.51	5.31

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Amaia Land Corporation

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	2.03:1	2.92:1	2.96:1
Debt-to-equity ratio ²	0.49:1	0.36:1	0.39:1
Net debt-to-equity ratio ³	0.47:1	0.34:1	0.37:1
Profitability Ratios:			
Return on assets ⁴	3.29%	2.87%	2.00%
Return on equity ⁵	7.47%	6.63%	4.00%
Asset to Equity ratio ⁶	2.24:1	2.29:1	2.33:1
Interest Rate Coverage Ratio ⁷	5.90	5.90	4.10

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

AREIT, Inc.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	2.88:1	0.43:1	0.67:1
Debt-to-equity ratio ²	0.05:1	0.05:1	0.08:1
Net debt-to-equity ratio ³	0.05:1	0.05:1	0.08:1
Profitability Ratios:			
Return on assets ⁴	4.15%	4.65%	5.31%
Return on equity ⁵	3.13%	3.50%	3.27%
Asset to Equity ratio ⁶	1.16:1	1.13:1	1.16:1
Interest Rate Coverage Ratio ⁷	49.65	30.77	29.57

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization

Direct Power Services, Inc.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	2.02:1	1.34:1	1.40:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.07:1	-0.10:1	-0.18:1
Profitability Ratios:			
Return on assets ⁴	95.13%	46.47%	6.33%
Return on equity ⁵	240.42%	175.05%	27.99%
Asset to Equity ratio ⁶	2.22:1	3.16:1	4.96:1
Interest Rate Coverage Ratio ⁷	nil	2,271.22	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

MDBI Construction Corp.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	2.03:1	1.59:1	1.17:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.17:1	-0.10:1	-0.22:1
Profitability Ratios:			
Return on assets ⁴	10.46%	11.69%	21.00%
Return on equity ⁵	48.02%	67.30%	217.00%
Asset to Equity ratio ⁶	7.47:1	6.19:1	15.86:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Nuevocentro, Inc.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	1.66:1	1.47:1	1.50:1
Debt-to-equity ratio ²	0.11:1	0.16:1	0.08:1
Net debt-to-equity ratio ³	0.08:1	0.12:1	0.05:1
Profitability Ratios:			
Return on assets ⁴	6.76%	7.37%	7.00%

Return on equity ⁵	12.00%	12.21%	11.00%
Asset to Equity ratio ⁶	3.41:1	3.17:1	2.96:1
Interest Rate Coverage Ratio ⁷	32.79	146.14	270.96

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Ayala Hotels, Inc.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	2.43:1	2.63:1	2.85:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.01:1	-0.02:1	-0.02:1
Profitability Ratios:			
Return on assets ⁴	9.21%	7.29%	10.40%
Return on equity ⁵	16.18%	14.59%	13.24%
Asset to Equity ratio ⁶	1.70:1	1.82:1	2.21:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

AKL Properties Inc.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	1.28:1	2.42:1	3.85:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.42:1	-0.43:1	-0.37
Profitability Ratios:			
Return on assets ⁴	6.53%	2.61%	1.14%
Return on equity ⁵	6.35%	1.95%	0.70%
Asset to Equity ratio ⁶	2.24:1	1.61:1	1.37:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

MDC Concrete, Inc.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	1.76:1	1.74:1	1.80:1
Debt-to-equity ratio ²	nil	nil	0.0:1
Net debt-to-equity ratio ³	-0.17:1	-0.02:1	-0.15:1
Profitability Ratios:			
Return on assets ⁴	6.09%	8.93%	20.00%
Return on equity ⁵	12.02%	17.26%	37.00%
Asset to Equity ratio ⁶	1.97:1	1.97:1	1.90:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

MDC Build Plus, Inc.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	1.11:1	1.12:1	1.11:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.53:1	-0.28:1	-0.30:1
Profitability Ratios:			
Return on assets ⁴	-0.78%	5.67%	6.64%
Return on equity ⁵	-7.99%	64.73%	100.94%
Asset to Equity ratio ⁶	10.51:1	10.03:1	13.38:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Ayala Property Management Corporation

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	1.54:1	1.46:1	1.48:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	-0.03:1	-0.16:1	-0.12:1
Profitability Ratios:			
Return on assets ⁴	19.86%	19.76%	23.00%
Return on equity ⁵	61.21%	60.20%	80.00%
Asset to Equity ratio ⁶	3.09:1	3.07:1	3.02:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

AyalaLand Estates, Inc.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	2.74:1	1.92:1	2.03:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	nil	-0.02:1	-0.01:1
Profitability Ratios:			
Return on assets ⁴	0.91%	0.14%	3.00%
Return on equity ⁵	1.66%	0.26%	6.00%
Asset to Equity ratio ⁶	1.62:1	2.09:1	1.76:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Airswift Transport, Inc.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	0.19:1	0.16:1	0.13:1
Debt-to-equity ratio ²	nil	nil	nil
Net debt-to-equity ratio ³	0.06:1	0.16:1	0.09:1
Profitability Ratios:			
Return on assets ⁴	-8.51%	-1.40%	-23.35%

Return on equity ⁵	33.99%	-7.19%	-237.30%
Asset to Equity ratio ⁶	-3.03:1	-5.89:1	-4.46:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Leisure and Allied Industries Phils. Inc.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	0.42:1	0.66:1	0.56:1
Debt-to-equity ratio ²	0.56:1	nil	nil
Net debt-to-equity ratio ³	0.38:1	-0.30:1	-0.45:1
Profitability Ratios:			
Return on assets ⁴	16.22%	17.89%	-10.10%
Return on equity ⁵	19.07%	21.66%	-15.64%
Asset to Equity ratio ⁶	2.51:1	2.13:1	2.89:1
Interest Rate Coverage Ratio ⁷	25.07	nil	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

AyalaLand Offices, Inc.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	5.15:1	6.53:1	3.42:1
Debt-to-equity ratio ²	nil	nil	Nil
Net debt-to-equity ratio ³	nil	nil	nil
Profitability Ratios:			
Return on assets ⁴	14.76%	12.93%	5.69%
Return on equity ⁵	16.12%	13.95%	6.17%
Asset to Equity ratio ⁶	1.10:1	1.08:1	1.08:1
Interest Rate Coverage Ratio ⁷	nil	nil	nil

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

North Triangle Depot Commercial Corp.

	End-December 2023	End-December 2022	End-December 2021
	Unaudited	Audited	Audited
Current ratio ¹	1.32:1	0.49:1	0.37:1
Debt-to-equity ratio ²	0.08:1	0.09:1	0.11:1
Net debt-to-equity ratio ³	0.06:1	0.06:1	0.09:1
Profitability Ratios:			
Return on assets ⁴	6.14%	4.86%	-0.34%
Return on equity ⁵	10.64%	9.04%	-0.66%
Asset to Equity ratio ⁶	2.34:1	2.41:1	2.70:1
Interest Rate Coverage Ratio ⁷	58.81	102.62	47.43

¹ Current assets / current liabilities

² Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

⁴ Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)

⁵ Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Risks

Ayala Land is subject to significant competition in each of its principal businesses of property development, commercial leasing and services. In property development, Ayala Land competes with other developers to attract condominium and house and lot buyers. In commercial leasing, it competes for shopping center and office space tenants, as well as customers of the retail outlets, restaurants, and hotels and resorts across the country.

However, Ayala Land believes that, at present, there is no single property company that has a significant presence in all sectors of the property market.

High-End, Middle-Income, Affordable Residential, and Economic and Socialized Housing Developments

With respect to high-end and middle-income land and condominium sales, Ayala Land competes for buyers primarily on the basis of reputation, reliability, price, quality, and the location of the community in which the relevant site is located. For the affordable, economic and socialized housing markets, Ayala Land competes for buyers based on quality of projects, affordability of units and availability of financing. Ayala Land is also actively tapping the overseas Filipino market. In addition, it has seen demand from foreign buyers both residing in the country and abroad.

Shopping Center, Office Space and Land Rental

For its shopping centers, Ayala Land competes for tenants primarily based on the ability of the shopping center to attract customers. This is typically hinged on the location and the tenant-mix of the retail center, the reputation of the retail center owner, as well as rental and other charges. The market for shopping centers has become competitive and with the growing number of pipeline and new shopping center openings across the country. Some competing shopping centers are located within relatively close proximity of Ayala Land's commercial centers.

With respect to its office rental properties, Ayala Land competes for tenants primarily based on the quality and location of the relevant building, reputation of the building's owner, quality of support services provided by the property manager, and rental and other charges. The Company is addressing the continuing demand from BPOs and corporate by providing fully integrated and well-maintained developments (high rise or campus facility) in key locations in the country.

Hotel and Resort Operations

The local hotel and resort sector is largely driven by foreign and local travel for leisure or business purposes. Any slowdown in tourism and business activity due to global financial and local political turmoil and security concerns could potentially limit growth of the Company's hotels and resorts.

Construction

Ayala Land's construction business, Makati Development Corporation (MDC), is benefiting from the improved performance of the construction industry, particularly from an uptick in development activities mostly from the residential and retail sector. With booming construction across the country, Ayala Land must manage the risk of providing enough skilled workers to deploy to its various projects. Any slowdown in the construction business could potentially cap growth of the Company's construction arm.

Property Management

Ayala Land directly manages its properties as well as other third-party properties through Ayala Property Management Corporation (APMC). Its employees directly interface with customers and must ensure that Ayala Land's brand, quality and reputation are upheld in the regular upkeep of managed properties. Employees must continuously be trained to be able to provide high-quality service in order to preserve Ayala Land's brand equity.

Other risks that the company may be exposed to are the following:

- Changes in Philippine and international interest rates
- Changes in the value of the Peso versus other currencies
- Changes in construction material and labor costs, power rates and other costs
- Changes in laws and regulations that apply to the Philippine real estate industry
- Changes in the country's political and economic conditions
- Changes in the country's liquidity and credit exposures

To mitigate the above-mentioned risks, Ayala Land shall continue to adopt appropriate risk management tools as well as conservative financial and operational controls and policies to manage the various business risks it faces.

AREIT Reinvestment Plan

Pursuant to the REIT Law, the Company is required to submit a Reinvestment Plan with the SEC with a firm undertaking to reinvest (a) any proceeds realized by the Company from the sale of its shares in AREIT, Inc. or issued in exchange for income-generating real estate transferred to AREIT, and (b) any money raised by the Company from the sale of its income-generating real estate to the REIT, in any real estate, including any redevelopment thereof, and/or infrastructure projects in the Philippines. The reinvestment shall be made within one (1) year from date of receipts of proceeds or money by the Company.

Since AREIT's initial public offering, ALI has raised a total of P28.75 billion from the secondary offering of its shares in AREIT during the initial public offering, sale of assets Teleperformance Cebu and The 30th Commercial Development, and the sale of ALI's 44 million, 87.37 million, and 205 million shares in AREIT last May 2021, May 2022, and April 2023, respectively. As of 31 December 2023, ALI has already reinvested 99% , of the proceeds in various real estate investments in the Philippines. To date, ALI has been compliant with the requirement to reinvest the proceeds within one year from the date of receipt.

Description of Proceeds	Date Received	End of Reinvestment Period	Total Proceeds (In KPhp)
1. IPO Primary Proceeds	13-Aug-20	12-Aug-21	11,350

2. TP Cebu Sale	24-Sep-20	12-Sep-21	290
	07-Oct-20	06-Oct-21	1,160
3. The 30th Sale	15-Jan-21	14-Jan-22	913
	29-Jan-21	28-Jan-22	3,651
4. AREIT Shares Block Sale 1	05-May-21	04-May-22	1,408
5. AREIT Shares Block Sale 2	02-May-22	01-May-23	3,444
6. AREIT Shares Block Sale 3	03-Apr-23	03-Apr-24	6,536
TOTAL			28,752

Copies of Ayala Land's Reinvestment Plans and Progress Reports can be accessed through:

<https://ir.ayalaland.com.ph/category/disclosures/other-disclosures/>

Upon the written request of a stockholder, the Company undertakes to furnish said stockholder with a copy of SEC Form 17-A, free of charge. Any written request for a copy of SEC Form 17-A shall be addressed to the following:

**Ayala Land, Inc.
30/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City 1226**

**Attention: Mr. Augusto D. Bengzon
Senior Vice-President
Chief Finance Officer and Treasurer**

II. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY

A) Principal Market where the Registrant's Common equity is traded.

Philippine Stock Exchange Prices (in PhP/share)

	<u>High</u>		<u>Low</u>		<u>Close</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
First Quarter	33.45	39.80	25.85	33.55	26.50	35.05
Second Quarter	28.65	35.60	23.15	25.50	24.30	25.50
Third Quarter	30.65	29.40	23.85	22.55	29.45	22.85
Fourth Quarter	34.70	31.70	26.20	22.55	34.45	30.80

The market capitalization of ALI as of end-2023, based on the closing price of ₱34.45/share, was approximately ₱514.8 billion.

The price information as of the close of the latest practicable trading date, March 22, 2024, was ₱31.60 per share.

B) Holders

The following are the top 20 registered holders of the common equity securities of the Company:

Common Stockholders: There are 13,097 registered holders of common shares of the Company as of February 29, 2024.

	Stockholder Name	No. of Common Shares	Percentage (of common shares)
1.	Ayala Corporation	7,622,336,687	51.0122%
2.	PCD Nominee Corporation (Non-Filipino)	4,334,326,057	29.0073%
3.	PCD Nominee Corporation (Filipino)	2,649,715,502	17.7331%
4.	The Province of Cebu	15,682,093	0.1050%
5.	ESOWN Administrator 2023	14,574,066	0.0975%
6.	ESOWN Administrator 2020	14,365,968	0.0961%
7.	ESOWN Administrator 2022	14,128,025	0.0946%
8.	ESOWN Administrator 2015	11,852,463	0.0793%
9.	Social Security System	11,576,800	0.0775%
10.	ESOWN Administrator 2021	11,316,491	0.0757%
11.	ESOWN Administrator 2016	10,676,542	0.0715%
12.	ESOWN Administrator 2013	10,251,854	0.0686%
13.	ESOWN Administrator 2019	9,877,116	0.0661%
14.	ESOWN Administrator 2017	9,433,128	0.0631%
15.	ESOWN Administrator 2014	9,040,281	0.0605%
16.	ESOWN Administrator 2018	8,134,569	0.0544%
17.	Emilio Lolito J. Tumbocon	7,340,134	0.0491%
18.	Vincent Y. Tan	6,041,082	0.0404%
19.	Estrellita B. Yulo	5,732,823	0.0384%
20.	Social Security System Assigned to Mandatory Provident Fund	4,690,800	0.0314%

A list of the company's top 100 shareholders as of December 31, 2023 can be found through this link: https://edge.pse.com.ph/openDiscViewer.do?edge_no=bed9b961075b5cfaabca0fa0c5b4e4d0

Voting Preferred Stockholders: There are approximately 2,675 registered holders of voting preferred shares of the Company as of February 29, 2024.

	Stockholder Name	No. of Voting Preferred Shares	Percentage (of voting preferred shares)
1.	Ayala Corporation	12,163,180,640	97.7552%

2.	Government Service Insurance System	156,350,871	1.2566%
3.	HSBCManila OBO 026-174698-564	15,051,000	0.1210%
4.	SCB OBO SSBTC Fund ODd67 Acct 000260708171	13,670,744	0.1099%
5.	SCB OBO SSBTC FA2O Acct 000260705401	3,951,800	0.0318%
6.	First Metro Securities Brokerage Corporation	3,842,045	0.0309%
7.	Investors Securities, Inc.	3,722,480	0.0299%
8.	SCB OBO SSBTC Fund FA2N Acct 000260705403	3,534,608	0.0284%
9.	Ansaldo, Godinez & Co., Inc.	3,388,848	0.0272%
10.	CBNA FAO 6002079572 CITIMNIFOR	2,725,700	0.0219%
11.	Juan Miguel De Vera Yulo	2,500,000	0.0201%
12.	Edan Corporation	2,302,153	0.0185%
13.	SCB OBO BNYM as AGTCLTS Non-Treaty Acct 135715700001	2,183,400	0.0175%
14.	Makati Supermarket Corporation	1,943,758	0.0156%
15.	Col Financial Group, Inc.	1,941,860	0.0156%
16.	Pilim Insurance Agency and Investments, Inc.	1,805,400	0.0145%
17.	Eddie Lim Hao	1,570,301	0.0126%
18.	SCB OBO SSBTC Fund NYMN Acct 000260701786	1,405,900	0.0113%
19.	Eastern Securities Development Corporation	1,341,997	0.0108%
20.	Litonjua Securities, Inc.	1,331,764	0.0107%

C) Dividends

STOCK DIVIDEND (Per Share)			
PERCENT	DECLARATION DATE	RECORD DATE	PAYMENT DATE
20%	February 1, 2007	May 22, 2007	June 18, 2007

CASH DIVIDEND (Per Common Share)			
PESO AMOUNT	DECLARATION DATE	RECORD DATE	PAYMENT DATE
0.2600	Feb. 27, 2019	Mar. 13, 2019	Mar. 29, 2019
0.2600	Oct. 31, 2019	Nov. 15, 2019	Nov. 29, 2019
0.2680	Feb. 20, 2020	Mar. 06, 2020	Mar. 20, 2020
0.1358	Feb. 23, 2021	Mar. 10, 2021	Mar. 25, 2021
0.1360	Oct. 19, 2021	Nov. 03, 2021	Nov. 18, 2021
0.1352	Feb. 24, 2022	March 11, 2022	March 25, 2022
0.1355	Oct. 21, 2022	Nov. 8, 2022	Nov. 18, 2022
0.1495	Feb. 21, 2023	Mar. 7, 2023	Mar. 23, 2023
0.2231	Oct. 25, 2023	Nov. 12, 2023	Nov. 24, 2023
0.2050	Feb. 20, 2024	Mar. 5, 2024	Mar. 21, 2024

CASH DIVIDEND (Per Voting Preferred Share)			
PESO AMOUNT	DECLARATION DATE	RECORD DATE	PAYMENT DATE
0.00474786	May 24, 2019	June 7, 2019	June 21, 2019
0.00474786	May 26, 2020	June 9, 2020	June 25, 2020
0.00474786	May 27, 2021	June 10, 2021	June 25, 2021
0.00474786	May 31, 2022	June 9, 2022	June 24, 2022
0.00632862	May 30, 2023	June 13, 2023	June 27, 2023

Dividend policy

Dividends declared by the Company on its shares of stocks are payable in cash or in additional shares of stock. The payment of dividends in the future will depend upon the earnings, cash flow and financial condition of the Company and other factors.

Special cash dividends are declared depending on the availability of cash, taking into account the Company's CAPEX and project requirements and the progress of its ongoing asset rationalization program.

Cash dividends are subject to approval by the Company's Board but no stockholder approval is required. Property dividends which may come in the form of additional shares of stock are subject to approval by both the Company's Board of Directors and the Company's stockholders. In addition, the payment of stock dividends is likewise subject to the approval of the SEC and PSE.

D) Recent Sale of Securities

For the past three years, common shares were issued representing the subscription to the common shares under the Executive Stock Ownership Plan (ESOWN) as follows:

<u>Year</u>	<u>ESOWN</u> (subscribed)
2020	14.8 million
2021	11.4 million
2022	14.17 million
2023	14.50 million

The aforesaid issuance of shares was covered by the Commission's approval of the Company's Stock Option Plan in July 1991 and the subsequent issuances of shares covered by the Commission's approval of the exemption from the registration requirements in March 2006, September 2017 and September 2022 for a total of 600,000,000 shares pursuant to Section 10.2 of the Securities Regulation Code.

E) Corporate Governance

- i. The evaluation system which was established to measure or determine the level of compliance of the Board and top-level management with its Revised Manual of Corporate Governance consists of a Customer Satisfaction Survey which is filled up by the various functional groups indicating the compliance rating of certain institutional units and their activities. The evaluation process also includes a Board Performance Assessment which is accomplished by the Board indicating the compliance ratings. The above are submitted to the Compliance Officer who issues the Integrated Annual Corporate Governance Report to the Securities and Exchange Commission.
- ii. To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance. The Board also ensures the presence and adequacy of internal control mechanisms for good governance.
- iii. There were no deviations from the Company's Revised Manual of Corporate Governance. The Company has adopted in the Manual of Corporate Governance the leading practices and principles of good corporate governance, and full compliance therewith has been made since the adoption of the Revised Manual.
- iv. The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

ANNEX “D”

NATURE AND SCOPE OF BUSINESS

Ayala Land is the largest property developer in the Philippines engaged in the planning and development of large scale, integrated estates having a mix of use for the sale of residential lots and buildings, office buildings and commercial and industrial lots, leasing of commercial and office spaces and the development, operation and management of hotels and resorts. The Company also develops commercial and industrial parks and is also engaged in property management, construction and other businesses like retail and healthcare.

To carry on its business in an organized and efficient manner, Ayala Land structured its operations into key strategic business lines such as Property Development, Commercial Leasing, Hotels and Resorts and Services.

Property Development

Property Development includes The Estates Group, Residential Business Group and Avaland Berhad (formerly MCT Bhd), Ayala Land's listed subsidiary in Malaysia.

The Estates Group handles the acquisition, development and sale of large scale, mixed-use, master-planned communities, the sale of Ayala Land's share in properties made available to subsidiaries for development and the lease of gas station sites and carparks outside Ayala Center in Makati City.

The Residential Business Group handles the sale of high-end residential lots and units (including leisure community developments), office condominiums, 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, and the lease of residential units and marketing of residential developments. The products developed and sold are further classified into the following brands: AyalaLand Premier (“ALP”) for high-end village lots, condominium and office units, Alveo Land Corp. (“Alveo”) for upscale village lots, condominium and office units. These two brands comprise the Premium Residential Segment. Meanwhile, Avida Land Corp. (“Avida”) for middle-income village lots, house and lot packages and condominium and office units, Amaia Land Corp. (“Amaia”) for economic house and lot packages, and BellaVita Land Corp. (“BellaVita”) for the socialized house and lot packages. These three brands collectively comprise the Core Residential Segment.

Avaland Berhad (formerly MCT Bhd). is Ayala Land's listed subsidiary in Malaysia which specializes in the affordable housing segment. MCT has a land bank of 286 acres spread across the areas of Subang Jaya, Cyberjaya and Petaling Jaya.

Commercial Leasing

Commercial Leasing includes the development and lease of Shopping Center and Office spaces and Hotels and Resorts operations. Shopping Centers include the development of shopping centers and lease to third parties of retail space and land, the operation of movie theaters, food courts, entertainment facilities and carparks in these shopping centers and the management and operations of malls which are co-owned with partners.

Office Leasing includes the development and lease of office buildings.

Hotels and Resorts include the development, operation and management of branded and owner-operated hotels, operation and management of eco-resorts.

Services

Services include Construction, Property Management and Airline.

Construction of Ayala Land and third-party projects and land development is done through Makati Development Corporation (“MDC”).

Property Management which involves facilities management of Ayala Land and third-party projects, operation of water and sewage treatment facilities in some Ayala Land projects, distribution of district

cooling systems and the bulk purchase and supply of electricity for energy solutions are done through Ayala Property Management Corporation ("APMC").

Airline service to Ayala Land's tourism estates in Lio, Palawan and Sicogon Island resort is provided by "AirSWIFT" through its fleet of four modern turbo-prop aircrafts.

Distribution Methods of Products

The Company's residential products are distributed to a wide range of clients through various sales groups.

Ayala Land has its own in-house sales team for ALP projects. In addition, it has a wholly-owned subsidiary, Ayala Land Sales, Inc. ("ALSI"), which employs commission-based sales people. Ayala Land uses a sales force of about 15,000 brokers and sales agents guided by a strict Code of Ethics. Separate sales groups have also been formed for Alveo, Avida, Amaia and BellaVita. Ayala Land and its subsidiaries also tap external brokers to complement these sales groups.

Marketing to the Overseas Filipino ("OF") market is handled by Ayala Land International Sales, Inc. ("ALISI"). Created in March 2005, ALISI leads the marketing, sales and channel development activities and marketing initiatives of the brands abroad through project websites, permanent sales offices or broker networks, and regular roadshows with strong follow-through marketing support in key cities abroad. ALISI has marketing offices in North America (Milpitas and San Francisco), Hong Kong, Singapore, Dubai, Rome, and London. ALISI likewise assumed operations of AyalaLand Int'l. Marketing in Italy and London, in 2014.

In addition, the Ayala Group also developed "One Ayala," a program which bundles the products and services of Ayala Land, BPI, and Globe Telecom, Inc. and gives access to potential Ayala Land clients overseas through BPI's 17 overseas offices and 81 tie-ups. An Ayala Land-BPI Dream Deals program was also created to generate additional sales from the local market.

Since 2008, all residential sales support transactions are undertaken by the shared services company Amicassa Process Solutions, Inc. ("APSI") while all transactional accounting processes across the Ayala Land Group are handled by Aprisa Business Solutions, Inc. ("APRISA") since 2010.

ANNEX E

List of Absorbed Entities

1. Ayala Hotels, Inc. (AHI)
2. Southportal Properties, Inc. (SPI)
3. Verde Golf Development Corporation (VGDC)
4. Five Star Cinema, Inc. (FSCI)
5. Primavera Towncentre, Inc. (PTI)
6. Hillsford Property Corporation (HPC)
7. ALO Prime Realty Corporation (APRC)
8. Sunnyfield E-Office Corporation (SEOC)
9. Enjay Hotels, Inc. (EHI)
10. ALI Triangle Hotel Ventures, Inc. (ATHVI)
11. Arcasouth Hotel Ventures, Inc. (ArcaHVI)
12. Regent Horizons Conservation Company, Inc. (RHCCI)
13. One Makati Hotel Ventures, Inc. (OMHVI)
14. Seda College, Inc. (SCI)
15. Asiatown Hotel Ventures, Inc. (AsiaHVI)
16. Integrated Eco-resort, Inc. (IERI)
17. Ecoholdings Company, Inc. (ECI)
18. ALI Capital Corp. (ACC)
19. Whiteknight Holdings, Inc. (WHI)
20. Ayalaland Medical Facilities Leasing, Inc. (AMFLI)
21. Amorsedia Development Corporation (ADC)
22. Buendia Landholdings, Inc. (BLI)
23. HLC Development Corporation (HDC)
24. Altaraza Prime Realty Corporation (AltaPRC)
25. Redheap Holdings, Inc. (RHI)
26. Wedgemore Property, Inc. (WPI)
27. Cebu Leisure Co., Inc. (CLCI)
28. North Ventures Commercial Corp. (NVCC)
29. Westview Commercial Ventures Corp. (WVCV)
30. Circuit Makati Hotel Ventures, Inc. (CMHVI)
31. Crimson Field Enterprises, Inc. (CFEI)
32. Red Creek Properties, Inc. (RCPI)
33. Prima Gaedi Development Corp. (PGDC)
34. Ayalaland Malls Synergies, Inc. (AMSI)

OTHER RELEVANT INFORMATION ON THE ABSORBED ENTITIES

(1) Ayala Hotels, Inc. (AHI)

a. Description of Business, Properties and Legal Proceedings

Ayala Hotels, Inc. (AHI) is a wholly owned subsidiary of ALI and operates as a landholding and project development company. It was registered with the SEC on April 11, 1991. AHI is currently developing a parcel of land in Makati City as a condominium project known as Park Central Towers. It likewise has other properties located within Makati City.

AHI, its directors and officers are not involved in any ongoing and unresolved material legal cases.

b. Market Price of and Dividends on the Common Equity

AHI is a non-listed company with the following issued and outstanding shares as of December 31, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common A	600,000,000	Php1.00	Php600,000,000.00

Common B	400,000,000	Php1.00	Php400,000,000.00

Listed below are the names of the stockholders of AHI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	<i>Common A</i>	185,703,432	185,703,432.00	258,023,640.00
	<i>Common B</i>	72,320,208	72,320,208.00	
Ayala Corporation ²²	<i>Common A</i>	185,703,436	185,703,436.00	258,023,644.00
	<i>Common B</i>	72,320,208	72,320,208.00	
Joseph Carmichael Z. Jugo	<i>Common A</i>	1	1.00	1.00
Marc P. Reyes	<i>Common A</i>	1	1.00	1.00
Paolo O. Viray	<i>Common A</i>	1	1.00	1.00
Desiree Joy C. Suarez-Miranda	<i>Common A</i>	1	1.00	1.00
Cherryl N. Uy	<i>Common A</i>	1	1.00	1.00
Total		<u>516,047,289</u>	<u>516,047,289.00</u>	<u>516,047,289.00</u>

AHI has no cash dividend declarations for the years 2022 and 2023.

c.Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d.Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Joseph Carmichael Z. Jugo	Regular
Marc P. Reyes	Regular
Paolo O. Viray	Regular
Desiree Joy C. Suarez-Miranda	Regular
Cherryl N. Uy	Regular

Principal Officers

Name	Position/Designation
Joseph Carmichael Z. Jugo	Chairman
Paolo O. Viray	Vice Chairman and President
Desiree Joy C. Suarez-Miranda	Treasurer and Chief Finance Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Carmela S. Punzalan	Assistant Corporate Secretary

²² On January 12, 2023, Ayala Land, Inc. (ALI), Ayala Corporation (AC), and Mermac, Inc. (Mermac) received the Securities and Exchange Commission's approval of the property-for-share swap transaction involving the issuance of 311,580,000 common shares by ALI in exchange for shares of stock and real properties of AC and Mermac, inclusive of AC's 50% ownership in Ayala Hotels, Inc. (AHI), effective December 29, 2022. The actual transfer of the AHI shares from AC to ALI is pending release of BIR CAR.

AHI does not have employees. All its officers are seconded from Ayala Land, Inc. AHI considers all its officers as significant. Everyone is expected to work together as a team to achieve the AHI's goals and objectives.

None of the directors and executive officers of AHI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(2) **Southportal Properties, Inc. (SPI)**

a. **Description of Business, Properties and Legal Proceedings**

Southportal Properties, Inc. (SPI) is a wholly owned subsidiary of ALI and operates as a real estate developer. It was registered with the SEC on December 1, 2014. SPI is the developer of Alcoves, a high-end residential condominium project in Ayala Center Cebu, Cebu City.

SPI, its directors and officers are not involved in any ongoing and unresolved material legal cases.

b. **Market Price of and Dividends on the Common Equity**

SPI is a non-listed company with the following issued and outstanding shares as of December 29, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	50,000	Php1,000.00	Php50,000,000.00
Preferred	450,000	Php1,000.00	Php450,000,000.00

Listed below are the names of the stockholders of SPI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	Common	8,122	8,122,000.00	188,497,000.00
	<i>Preferred</i>	180,375	180,375,000.00	
Cebu Holdings, Inc. ²³	<i>Common</i>	4,373	4,373,000.00	101,498,000.00
	<i>Preferred</i>	97,125	97,125,000.00	
Joseph Carmichael	<i>Common</i>	1	1,000.00	1,000.00
Z. Jugo				
Enrique B. Manuel, Jr.	<i>Common</i>	1	1,000.00	1,000.00
George B. Bautista	<i>Common</i>	1	1,000.00	1,000.00
Jennylle S. Tupaz	<i>Common</i>	1	1,000.00	1,000.00
Desiree Joy C. Suarez-Miranda	<i>Common</i>	1	1,000.00	1,000.00
Total		<u>290,000</u>	<u>290,000,000.00</u>	<u>290,000,000.00</u>

SPI has no cash dividend declarations for the years 2022 and 2023.

c. **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. **Board of Directors and Executive Officers**

Board of Directors

Name	Regular or Independent

²³ The Securities and Exchange Commission has approved and made effective on December 16, 2021 the merger of Cebu Holdings, Inc., Asian I-Office Properties, Inc., Arca South Commercial Ventures Corp., and Central Bloc Developers, Inc. with and into Ayala Land, Inc. (ALI), with ALI as the surviving entity. ALI shall possess all the rights, privileges and immunities of the Corporation and all properties and liabilities, and all and every other interest of or belonging to the Corporation shall be taken and deemed transferred to ALI without further act or deed.

Joseph Carmichael Z. Jugo	Regular
Enrique B. Manuel, Jr.	Regular
George B. Bautista	Regular
Desiree Joy C. Suarez-Miranda	Regular
Jennylle S. Tupaz	Regular

Principal Officers

Name	Position/Designation
Joseph Carmichael Z. Jugo	Chairman and President
Enrique B. Manuel, Jr.	Vice Chairman
Desiree Joy C. Suarez-Miranda	Chief Finance Officer
Jennylle S. Tupaz	Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Carmela L. Sacasas-Punzalan	Anti-Money Laundering Compliance Officer

SPI does not have employees. All its officers are seconded from Ayala Land, Inc. SPI considers all its officers as significant. Everyone is expected to work together as a team to achieve the SPI's goals and objectives.

None of the directors and executive officers of SPI is related up to the fourth civil degree either by consanguinity or affinity.

- e. **Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.**

(3) Verde Golf Development Corporation (VGDC)

a. Description of Business, Properties and Legal Proceedings

Verde Golf Development Corporation (VGDC) is a wholly owned subsidiary of ALI, registered with the SEC on August 8, 2013. VGDC was organized to develop, maintain, operate, manage and carry on the business, operation, and management of golf facilities for the amusement, entertainment, recreation, leisure, and athletic activities of the general public. It is currently not engaged in any business operations or projects.

VGDC, its directors and officers are not involved in any ongoing and unresolved material legal cases.

b. Market Price of and Dividends on the Common Equity

VGDC is a non-listed company with the following issued and outstanding shares as of December 29, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	500,000	Php100.00	Php500,000.00

Listed below are the names of the stockholders of VGDC, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	<i>Common</i>	124,995	12,499,500.00	3,124,500.00
Joseph Carmichael Z. Jugo	<i>Common</i>	1	100.00	100.00
George Bernard L. Cadhit	<i>Common</i>	1	100.00	100.00
Desiree Joy S. Miranda	<i>Common</i>	1	100.00	100.00
Marc P. Reyes	<i>Common</i>	1	100.00	100.00
Paolo O. Viray	<i>Common</i>	1	100.00	100.00
Total		<u>250,000</u>	<u>250,000.00</u>	<u>250,000.00</u>

VGDC has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Joseph Carmichael Z. Jugo	Regular
George Bernard L. Cadhit	Regular
Desiree Joy C. Suarez-Miranda	Regular
Marc P. Reyes	Regular
Paolo O. Viray	Regular

Principal Officers

Name	Position/Designation

Joseph Carmichael Z. Jugo	Chairman
George Bernard L. Cadhit	President and Chief Executive Officer
Desiree Joy C. Suarez-Miranda	Chief Finance Officer and Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

VGDC does not have employees. All its officers are seconded from Ayala Land, Inc. VGDC considers all its officers as significant. Everyone is expected to work together as a team to achieve the VGDC's goals and objectives.

None of the directors and executive officers of VGDC is related up to the fourth civil degree either by consanguinity or affinity.

- e. **Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.**

(4) Five Star Cinema, Inc. (FSCI)

a. Description of Business, Properties and Legal Proceedings

Five Star Cinema, Inc. (FSCI) is a wholly owned subsidiary of Ayala Land, Inc. and was incorporated in the Philippines on December 18, 2000. FSCI is organized primarily to establish, maintain, operate, manage and control a theater or theaters, a place or places of amusement and to produce, exhibit and exploit therein attractions of various kinds and natures, including dramatic, operatic and musical performance, vaudeville, moving pictures, intellectual and instructive entertainments and to cater to public diversion by and through theatrical exhibition or amusement.

FSCI has ceased operations effective January 16, 2024 and has no ongoing project nor investment.

FSCI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

FSCI is a non-listed company with the following issued and outstanding shares as of December 29, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	250,000	Php1.00	Php250,000.00

Listed below are the names of the stockholders of FSCI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	<i>Common</i>	249,995	249,995.00	249,995.00
Christopher B. Maglanoc	<i>Common</i>	1	1.00	1.00
Jose Ramon E. Katipunan	<i>Common</i>	1	1.00	1.00
Remedios R. Aganon	<i>Common</i>	1	1.00	1.00
Arlene G. Negro	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Total		<u>250,000</u>	<u>250,000.00</u>	<u>250,000.00</u>

FSCI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with SGV & Co.⁴ on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Christopher B. Maglanoc	Regular
Jose Ramon E. Katipunan	Regular
Remedios R. Aganon	Regular
Arlene G. Negro	Regular
Elaine Marie F. Alzona	Regular

Principal Officers

Name	Position/Designation
Christopher B. Maglanoc	Chairman
Remedios R. Aganon	President
Elaine Marie F. Alzona	Treasurer
Arlene G. Negro	Chief Finance Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Amelia Ann T. Alipao	Data Protection Officer (until December 31, 2023)
Roscoe M. Pineda	Data Protection Officer (effective January 1, 2024)

FSCI does not have employees. All its officers are seconded from Ayala Land, Inc. FSCI considers all its officers as significant. Everyone is expected to work together as a team to achieve the FSCI's goals and objectives.

None of the directors and executive officers of FSCI is related up to the fourth civil degree either by consanguinity or affinity.

- e. **Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.**

(5) **Primavera Towncentre, Inc. (PTI)**

a. Description of Business, Properties and Legal Proceedings

Primavera Towncentre, Inc. (PTI) is a wholly owned subsidiary of Ayala Land, Inc. and was incorporated in the Philippines on December 18, 2009. PTI was incorporated to primarily engage in real estate development, specifically to develop, invest, own, acquire, lease (except financial leasing), hold, mortgage, administer or otherwise deal with commercial, residential, industrial or agricultural lands, buildings, structures, or appurtenances, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or artificial.

PTI has no ongoing project or investment.

PTI, its directors and officers are not involved in any ongoing and unresolved material legal cases.

b. Market Price of and Dividends on the Common Equity

PTI is a non-listed company with the following issued and outstanding shares as of December 27, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	33,242,000	Php1.00	Php33,242,000.00
Preferred	285,678,000	Php1.00	Php285,678,000.00

Listed below are the names of the stockholders of PTI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	<i>Common</i>	33,241,995	33,241,995.00	248,419,995.00
	<i>Preferred</i>	285,678,000	285,678,000.00	
Maria Clavel G. Tongco	<i>Common</i>	1	1.00	1.00
Jose Ramon E. Katipunan	<i>Common</i>	1	1.00	1.00
Roann F. Hinolan-Batoon	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Ma. Veronica I. Arcenas	<i>Common</i>	1	1.00	1.00
Total		318,920,000	318,920,000.00	248,420,000.00

PTI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Maria Clavel G. Tongco	Regular
Jose Ramon E. Katipunan	Regular
Roann F. Hinolan-Batoon	Regular

Elaine Marie F. Alzona	Regular
Ma. Veronica I. Arcenas	Regular

Principal Officers

Name	Position/Designation
Maria Clavel G. Tongco	Chairman and President
Elaine Marie F. Alzona	Treasurer
Ma. Veronica I. Arcenas	Vice President
Ma. Graciela A. Palamo	Chief Finance Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Roscoe M. Pineda	Data Protection Officer

PTI does not have employees. All its officers are seconded from Ayala Land, Inc. PTI considers all its officers as significant. Everyone is expected to work together as a team to achieve the PTI's goals and objectives.

None of the directors and executive officers of PTI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(6) Hillsford Property Corp. (HPC)

a. Description of Business, Properties and Legal Proceedings

Hillsford Property Corp. (HPC) was registered with the SEC on August 24, 2007. It is a wholly-owned subsidiary of ALI. It owns and operates office and retail spaces known as Baguio Technohub located in Camp John Hay, Baguio City. HPC's primary business as registered, is to develop, invest, own, acquire, lease, hold, mortgage, administer or otherwise deal with commercial, residential, industrial, or agricultural lands, buildings, structures, or apertures, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or juridical.

HPC, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

HPC is a non-listed company with the following issued and outstanding shares as of December 31, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	44,000,000	Php1	Php44,000,000.00
Preferred	176,000,000	Php1	Php176,000,000.00

Listed below are the names of the stockholders of HPC, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (Php)
Ayala Land, Inc.	<i>Common</i>	43,999,995	43,999,995.00	149,999,995.00
	<i>Preferred</i>	106,000,000	106,000,000.00	
Carol T. Mills	<i>Common</i>	1	1.00	1.00
Francisco Ma. D. Roxas	<i>Common</i>	1	1.00	1.00
Jennifer Christine L. Gallaga	<i>Common</i>	1	1.00	1.00
Patricia Gail Y. Samaniego	<i>Common</i>	1	1.00	1.00
Ma. Teresa R. Famy	<i>Common</i>	1	1.00	1.00
Total		150,000,000	150,000,000.00	150,000,000.00

HPC has no cash dividend declarations for 2022 and 2023

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Carol T. Mills	Regular
Francisco Ma. D. Roxas	Regular
Jennifer Christine L. Gallaga	Regular
Patricia Gail Y. Samaniego	Regular
Ma. Teresa R. Famy	Regular

Principal Officers

Name	Position/Designation
Carol T. Mills	Chairman and President
Francisco Ma. D. Roxas	General Manager
Ma. Teresa R. Famy	Chief Finance Officer and Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

HPC does not have employees. All its officers are seconded from Ayala Land, Inc. HPC considers all its officers as significant. Everyone is expected to work together as a team to achieve the HPC's goals and objectives.

None of the directors and executive officers of HPC is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(7) **ALO Prime Realty Corp. (APRC)**

a. Description of Business, Properties and Legal Proceedings

ALO Prime Realty Corp. (APRC), formerly known as Aegis Peoplesupport Realty Corporation, was registered with the SEC on April 23, 2008. It is a wholly-owned subsidiary of ALI. As registered, its primary business is to own, use, improve, develop, subdivide, sell, exchange, lease, and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartments and other structures, but, unless otherwise permitted by law, excluding land located in the Philippines. It currently has no projects or investments.

APRC, its directors and officers are not involved in any ongoing and unresolved material legal cases.

b. Market Price of and Dividends on the Common Equity

APRC is a non-listed company with the following issued and outstanding shares as of December 31, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	36,200,000	Php1	Php36,200,000.00
Preferred	252,000,000	Php1	Php252,000,000.00

Listed below are the names of the stockholders of APRC, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	<i>Common</i>	30,199,996	30,199,996.00	228,199,996.00
	<i>Preferred</i>	198,000,000	198,000,000.00	
Christopher B. Maglanoc	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Rosario Pilar L. Mayuga	<i>Common</i>	1	1.00	1.00
Jose Ramon E. Katipunan	<i>Common</i>	1	1.00	1.00
Total		228,200,000	228,200,000.00	228,200,000.00

APRC declared dividends in 2022 in the amount of P250,000,000.00.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Francisco Ma. D. Roxas	Regular
Ma. Teresa R. Famy	Regular
Jennifer Christine L. Gallaga	Regular
Patricia Gail Y. Samaniego	Regular

Principal Officers

Name	Position/Designation
Francisco Ma. D. Roxas	Chairman and President
Ma. Teresa R. Famy	Treasurer and Chief Finance Officer
Patricia Gail Y. Samaniego	General Manager
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

APRC does not have employees. All its officers are seconded from Ayala Land, Inc. AMSI considers all its officers as significant. Everyone is expected to work together as a team to achieve APRC's goals and objectives.

None of the directors and executive officers of APRC is related up to the fourth civil degree either by consanguinity or affinity.

e.Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(8) Sunnyfield E-Office Corp. (SEOC)

a. Description of Business, Properties and Legal Proceedings

Sunnyfield E-Office Corporation (SEOC) was registered with the SEC on July 7, 2008. It is a wholly-owned subsidiary of ALI. It owns and operates office and retails spaces in Iloilo City, known as Iloilo Technohub. HPC's primary business as registered, is to develop, invest, own, acquire, lease, hold, mortgage, administer or otherwise deal with commercial, residential, industrial, or agricultural lands, buildings, structures, or apertures, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or juridical.

SEOC, its directors and officers are not involved in any ongoing and unresolved material legal cases.

b. Market Price of and Dividends on the Common Equity

SEOC is a non-listed company with the following issued and outstanding shares as of June 19, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	36,000,000	Php1	Php36,000,000.00
Preferred	144,000,000	Php1	Php144,000,000.00

Listed below are the names of the stockholders of SEOC, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	<i>Common</i>	34,599,996	34,599,996.00	172,999,996.00
	<i>Preferred</i>	138,400,000	138,400,000.00	
Carol T. Mills	<i>Common</i>	1	1.00	1.00
Francisco Ma. D. Roxas	<i>Common</i>	1	1.00	1.00
Patricia Gail Y. Samaniego	<i>Common</i>	1	1.00	1.00
Ma. Teresa R. Famy	<i>Common</i>	1	1.00	1.00
Total		173,000,000	173,000,000.00	173,000,000.00

SEOC, its directors and officers are not involved in any ongoing and unresolved material legal cases.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Carol T. Mills	Regular
Francisco Ma. D. Roxas	Regular
Patricia Gail Y. Samaniego	Regular
Ma. Teresa R. Famy	Regular

Principal Officers

Name	Position/Designation
Carol T. Mills	Chairman and President
Francisco Ma. D. Roxas	General Manager
Ma. Teresa R. Famy	Chief Finance Officer and Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

SEOC does not have employees. All its officers are seconded from Ayala Land, Inc. SEOC considers all its officers as significant. Everyone is expected to work together as a team to achieve SEOC's goals and objectives.

None of the directors and executive officers of SEOC is related up to the fourth civil degree either by consanguinity or affinity.

e.Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(9) **Enjay Hotels, Inc. (EHI)**

a. Description of Business, Properties and Legal Proceedings

EHI was incorporated on July 12, 1990 and is a wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp (AHRC). EHI was organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, inn, resort, restaurant, café, bar, entertainment and other allied businesses, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business.

EHI owns Hotel InterContinental Manila that ceased operations on December 31, 2015. It has no existing operations and its activities are limited to winding down activities.

EHI, its directors and officers are not involved in any ongoing and unresolved material legal cases.

b. Market Price of and Dividends on the Common Equity

EHI is a non-listed company with the following issued and outstanding shares as of February 29, 2024:

Type of Security	Number of Shares	Par Value	Amount
Common	540,000,000	Php1.00	Php540,000,000.00

Listed below are the names of the stockholders of EHI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (Php)
AyalaLand Hotels and Resorts Corp. ²	<i>Common</i>	539,999,995	539,999,995.00	539,999,995.00
Ma. Luisa D. Chiong	<i>Common</i>	1	1.00	1.00
Isabel D. Sagun	<i>Common</i>	1	1.00	1.00
Eileen Anne J. Escobido	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Javier D. Hernandez	<i>Common</i>	1	1.00	1.00
Total		540,000,000	540,000,000.00	540,000,000.00

EHI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Ma. Luisa D. Chiong	Regular
sabel D. Sagun	Regular
Eileen Anne J. Escobido	Regular
Elaine Marie F. Alzona	Regular
Javier D. Hernandez	Regular

Principal Officers

Name	Position/Designation
Ma. Luisa D. Chiong	Chairman
Javier D. Hernandez	President & Chief Executive Officer
Elaine Marie F. Alzona	Treasurer, Chief Finance Officer & Compliance Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Roscoe M. Pineda	Data Protection Officer

EHI does not have employees. All its officers are seconded from Ayala Land, Inc. EHI considers all its officers as significant. Everyone is expected to work together as a team to achieve the EHI's goals and objectives.

None of the directors and executive officers of EHI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023

(10) ALI Triangle Hotel Ventures, Inc. (ATHVI)

a. Description of Business, Properties and Legal Proceedings

ATHVI was incorporated on March 4, 2014 and is a wholly-owned subsidiary of AHRC. ATHVI was organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, inn, resort, restaurant, café, bar, entertainment and other allied businesses, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business

ATHVI is currently constructing the new Mandarin Oriental Hotel in Makati City which will have 276 guest rooms.

ATHVI, its directors and officers are not involved in any ongoing and unresolved material legal cases.

b. Market Price of and Dividends on the Common Equity

ATHVI is a non-listed company with the following issued and outstanding shares as of February 29, 2024:

Type of Security	Number of Shares	Par Value	Amount
Common	183,400,000	Php1.00	Php183,400,000.00
Preferred	733,600,000	Php1.00	Php733,600,000.00

Listed below are the names of the stockholders of ATHVI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
AyalaLand Hotels and Resorts Corp.	<i>Common</i>	183,399,995	183,399,995.00	918,999,995
	<i>Preferred</i>	733,600,000	733,600,000.00	
Ma. Luisa D. Chiong	<i>Common</i>	1	1.00	1.00
Isabel D. Sagun	<i>Common</i>	1	1.00	1.00
Eileen Anne J. Escobido	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Javier D. Hernandez	<i>Common</i>	1	1.00	1.00
Total		<u>917,000,000</u>	<u>917,000,000.00</u>	<u>917,000,000.00</u>

ATHVI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Ma. Luisa D. Chiong	Regular
sabel D. Sagun	Regular
Eileen Anne J. Escobido	Regular
Elaine Marie F. Alzona	Regular

Javier D. Hernandez	Regular

Principal Officers

Name	Position/Designation
Ma. Luisa D. Chiong	Chairman
Javier D. Hernandez	President & Chief Executive Officer
Elaine Marie F. Alzona	Treasurer, Chief Finance Officer & Compliance Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Roscoe M. Pineda	Data Protection Officer

ATHVI does not have employees. All its officers are seconded from Ayala Land, Inc. ATHVI considers all its officers as significant. Everyone is expected to work together as a team to achieve the ATHVI's goals and objectives.

None of the directors and executive officers of the ATHVI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023

(11) ArcaSouth Hotel Ventures, Inc. (ArcaHVI)

a. Description of Business, Properties and Legal Proceedings

ArcaHVI was incorporated on October 17, 2014 and is a wholly-owned subsidiary of AHRC. ArcaHVI was organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, serviced residences, inn, resort, restaurant, café, bar, entertainment and other allied businesses, and, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business.

ArcaHVI is currently constructing Seda Arca South which will offer 265 guest rooms.

ArcaHVI, its directors and officers are not involved in any ongoing and unresolved material proceedings.

b. Market Price of and Dividends on the Common Equity

ArcaHVI is a non-listed company with the following issued and outstanding shares as of February 29, 2024:

Type of Security	Number of Shares	Par Value	Amount
Common	51,200,000	1.00	51,200,000
Preferred	204,800,000	1.00	204,800,000

Listed below are the names of the stockholders of ArcaHVI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (Php)
Ayalaland Hotels and Resorts Corp.	<i>Common</i>	51,199,995	51,199,995.00	255,999,995.00
	<i>Preferred</i>	204,800,000	204,800,000.00	
Ma. Luisa D. Chiong	<i>Common</i>	1	1.00	1.00
Isabel D. Sagun	<i>Common</i>	1	1.00	1.00
Eileen Anne J. Escobido	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Javier D. Hernandez	<i>Common</i>	1	1.00	1.00
Total		<u>256,000,000</u>	<u>256,000,000.00</u>	<u>256,000,000.00</u>

ArcaHVI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Ma. Luisa D. Chiong	Regular
Isabel D. Sagun	Regular

Eileen Anne J. Escobido	Regular
Elaine Marie F. Alzona	Regular
Javier D. Hernandez	Regular

Principal Officers

Name	Position/Designation
Ma. Luisa D. Chiong	Chairman
Javier D. Hernandez	President & Chief Executive Officer
Elaine Marie F. Alzona	Treasurer, Chief Finance Officer & Compliance Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Roscoe M. Pineda	Data Protection Officer

ArcaHVI does not have employees. All its officers are seconded from Ayala Land, Inc. ASHVI considers all its officers as significant. Everyone is expected to work together as a team to achieve the ASHVI 's goals and objectives.

None of the directors and executive officers of the ArcaHVI is related up to the fourth civil degree either by consanguinity or affinity.

e.Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023

(12) Regent Horizons Conservation Company, Inc. (RHCCI)

a. Description of Business, Properties and Legal Proceedings

RHCCI was incorporated on December 11, 2001 and is a wholly-owned subsidiary of AHRC. RHCCI was organized primarily to provide environmental support activities and related managerial and technical assistance to corporations engaged in marine biodiversity conservation and environmental protection with respect to compliance with environmental standards and ecological sustainability contributing to the objective of the Convention on Biological Diversity.

RHCCI owns investment in the shares of stock of Ten Knots Development Corp. (TKDC) and Ten Knots Philippines, Inc. (TKPI). TKDC owns Miniloc Island Resort and Lagen Island Resort and has investments in two other island resorts: Pangulasian Island Resort and Apulit Island Resort. TKPI is mainly involved in the development, sale and lease of land in El Nido, Palawan.

RHCCI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

RHCCI is a non-listed company with the following issued and outstanding shares as of February 29, 2024:

Type of Security	Number of Shares	Par Value	Amount
Common	8,375,000	1.00	8,375,000
Preferred	41,913	1,000.00	41,913,000

Listed below are the names of the stockholders of RHCCI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayalaland Hotels and Resorts Corp.	Common	8,374,995	8,374,995.00	8,374,995.00
Mariana Beatriz E. Zobel de Ayala	Common	1	1.00	1.00
Charlotte T. Cailao	Common	1	1.00	1.00
Pauline Clarisse K. Feria-Darre	Common	1	1.00	1.00
Elena D. Salazar	Common	1	1.00	1.00
Maria Cristina Carmen M. Zuluaga	Common	1	1.00	1.00
Asian Conservation Company Limited ³	Preferred	<u>41,913</u>	<u>41,913,000.00</u>	<u>41,913,000.00</u>
Total		<u>8,416,913</u>	<u>50,288,000.00</u>	<u>50,288,000.00</u>

RHCCI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Name	Regular or Independent
Mariana Beatriz E. Zobel de Ayala	Regular
Charlotte T. Cailao	Regular
Pauline Clarisse K. Feria-Darre	Regular
Elena D. Salazar	Regular
Maria Cristina Carmen M. Zuluaga	Regular

Principal Officers

Name	Position/Designation
Mariana Beatriz E. Zobel de Ayala	Chairman
Maria Cristina Carmen M. Zuluaga	President
Elena D. Salazar	Treasurer, Chief Finance Officer & Compliance Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Roscoe M. Pineda	Data Protection Officer

RRHCI does not have employees. All its officers are seconded from Ayala Land, Inc. RRHCI considers all its officers as significant. Everyone is expected to work together as a team to achieve the RRHCI 's goals and objectives.

None of the directors and executive officers of the RRHCI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023

(13) One Makati Hotel Ventures, Inc. (OMHVI)

a. Description of Business, Properties and Legal Proceedings

OMHVI was incorporated on September 28, 2017 and is a wholly-owned subsidiary of AHRC.

The company was organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, serviced residences, inn, resort, restaurant, café, bar, entertainment and other allied businesses, and, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business.

OHMVI is set to operate Seda One Ayala in Makati City with expected 431 guest rooms.

OHMVI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

OMHVI is a non-listed company with the following issued and outstanding shares as of February 29, 2024:

Type of Security	Number of Shares	Par Value	Amount
Common	8,750,000	1.00	8,750,000.00
Preferred	78,750,000	1.00	78,750,000.00

Listed below are the names of the stockholders of OMHVI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayaland Hotels and Resorts Corp.	Common	8,749,995	8,749,995.00	
	Preferred	78,750,000	78,750,000.00	21,874,995.00
Ma. Luisa D. Chiong	Common	1	1.00	1.00
Isabel D. Sagun	Common	1	1.00	1.00
Eileen Anne J. Escobido	Common	1	1.00	1.00
Elaine Marie F. Alzona	Common	1	1.00	1.00
Javier D. Hernandez	Common	1	1.00	1.00
Total		87,500,000	87,500,000.00	21,875,000.00

OMHVI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Name	Regular or Independent
Ma. Luisa D. Chiong	Regular
Isabel D. Sagun	Regular
Eileen Anne J. Escobido	Regular

Elaine Marie F. Alzona	Regular
Javier D. Hernandez	Regular

Principal Officers

Name	Position/Designation
Ma. Luisa D. Chiong	Chairman
Elaine Marie F. Alzona	Treasurer, Chief Finance Officer & Compliance Officer
Javier D. Hernandez	President & Chief Executive Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Roscoe M. Pineda	Data Protection Officer

OMHVI does not have employees. All its officers are seconded from Ayala Land, Inc. OMHVI considers all its officers as significant. Everyone is expected to work together as a team to achieve the OMHVI 's goals and objectives.

None of the directors and executive officers of the OMHVI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023

(14) Seda College, Inc. (SCI)

a. Description of Business, Properties and Legal Proceedings

SCI was incorporated on September 12, 2018 and is a wholly-owned subsidiary of AHRC.

SCI was organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, serviced residences, inn, resort, restaurant, café, bar, entertainment and other allied businesses, and, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business.

SCI is currently constructing a school facility in Seda Manila Bay. SCI has no existing project or investment.

SCI, its directors and officers, are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

SCI is a non-listed company with the following issued and outstanding shares as of February 29, 2024:

Type of Security	Number of Shares	Par Value	Amount
Common	10,000,000	1.00	10,000,000.00
Preferred	90,000,000	1.00	90,000,000.00

Listed below are the names of the stockholders of SCI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayalaland Hotels and Resorts Corp.	<i>Common</i>	9,999,995	9,999,995	
	<i>Preferred</i>	90,000,000	90,000,000	24,999,995
Ma. Luisa D. Chiong	<i>Common</i>	1	1.00	1.00
Isabel D. Sagun	<i>Common</i>	1	1.00	1.00
Eileen Anne J. Escobido	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Javier D. Hernandez	<i>Common</i>	1	1.00	1.00
Total		100,000,000	100,000,000.00	25,000,000.00

SCI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Name	Regular or Independent
Ma. Luisa D. Chiong	Regular
sabel D. Sagun	Regular
Eileen Anne J. Escobido	Regular

Elaine Marie F. Alzona	Regular
Javier D. Hernandez	Regular

Principal Officers

Name	Position/Designation
Ma. Luisa D. Chiong	Chairman
Elaine Marie F. Alzona	Treasurer, Chief Finance Officer & Compliance Officer
Javier D. Hernandez	President & Chief Executive Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Roscoe M. Pineda	Data Protection Officer

SCI does not have employees. All its officers are seconded from Ayala Land, Inc. SCI considers all its officers as significant. Everyone is expected to work together as a team to achieve the SCI 's goals and objectives.

None of the directors and executive officers of the SCI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023

(15) Asiatown Hotel Ventures, Inc. (AHVI)

a. Description of Business, Properties and Legal Proceedings

AHVI was incorporated on December 17, 2018 and is a wholly-owned subsidiary of AHRC.

AHVI was organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, serviced residences, inn, resort, restaurant, café, bar, entertainment and other allied businesses, and, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business.

AHVI has no existing project or investment. It has leasehold rights for the use of 140,867-square meter land in Lapu-Lapu City, Cebu.

AHVI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

AHVI is a non-listed company with the following issued and outstanding shares as of February 29, 2024:

Type of Security	Number of Shares	Par Value	Amount
Common	200,000	1.00	200,000.00
Preferred	800,000	1.00	800,000.00

Listed below are the names of the stockholders of AHVI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayalaland Hotels and Resorts Corp.	<i>Common</i>	199,995	199,995.00	
	<i>Preferred</i>	800,000	800,000.00	999,995.00
Ma. Luisa D. Chiong	<i>Common</i>	1	1.00	1.00
Isabel D. Sagun	<i>Common</i>	1	1.00	1.00
Eileen Anne J. Escobido	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Javier D. Hernandez	<i>Common</i>	1	1.00	1.00
Total		<u>1,000,000</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>

AHVI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Name	Regular or Independent
Ma. Luisa D. Chiong	Regular
Isabel D. Sagun	Regular
Eileen Anne J. Escobido	Regular

Elaine Marie F. Alzona	Regular
Javier D. Hernandez	Regular

Principal Officers

Name	Position/Designation
Ma. Luisa D. Chiong	Chairman
Elaine Marie F. Alzona	Treasurer, Chief Finance Officer & Compliance Officer
Javier D. Hernandez	President & Chief Executive Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Roscoe M. Pineda	Data Protection Officer

AHVI does not have employees. All its officers are seconded from Ayala Land, Inc. AHVI considers all its officers as significant. Everyone is expected to work together as a team to achieve the AHVI's goals and objectives.

None of the directors and executive officers of the AHVI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023

(16) Integrated Eco-Resort Inc. (IERI)

a. Description of Business, Properties and Legal Proceedings

IERI was incorporated on May 27, 2015. It is a wholly-owned subsidiary of ALI. As registered, its primary business is to deal and engage in land or real estate business, to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, for profit and advantage, residential including, but not limited to all kinds of housing projects, commercial, industrial, urban, tourism estates or other kinds of real property.

IERI has not started commercial operations.

IERI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

IERI is a non-listed company with the following issued and outstanding shares as of December 31, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	46,377,471	Php 1.00	Php 46,377,471.00
Preferred A	416,167,458	Php 1.09	Php 453,622,529.22
Total	462,544,929		Php 500,000,000.22

Listed below are the names of the stockholders of IERI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
ALI Capital Corp.	Common	46,377,466	46,377,466.00	499,999,995.22
	Preferred A	416,167,458	453,622,529.22	
Ma. Luisa D. Chiong	Common	1	1.00	1.00
Charlotte T. Cailao	Common	1	1.00	1.00
Jose Marie D. Bernardino	Common	1	1.00	1.00
Elena D. Salazar	Common	1	1.00	1.00
Maria Cristina Carmen M. Zuluaga	Common	1	1.00	1.00
		462,544,929	500,000,000.22	500,000,000.22

IERI has no cash dividend declarations for the years 2023 and 2022.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Ma. Luisa D. Chiong	Regular
Charlotte T. Cailao	Regular
Jose Marie D. Bernardino	Regular
Elena D. Salazar	Regular

Maria Cristina Carmen M. Zuluaga	Regular

Principal Officers

Name	Position/Designation
Ma. Luisa D. Chiong	Chairman
Maria Cristina Carmen M. Zuluaga	President
Elena D. Salazar	Treasurer, Chief Finance Officer and Compliance Officer
Roscoe M. Pineda	Data Protection Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

IERI does not have employees. All its officers are seconded from Ayala Land, Inc. IERI considers all its officers as significant. Everyone is expected to work together as a team to achieve the Company's goals and objectives.

None of the directors and executive officers of IERI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023

(17) Ecoholdings Company, Inc. (ECI)

a. Description of Business, Properties and Legal Proceedings

ECI was incorporated on September 25, 2008. It is a wholly-owned subsidiary of ALI. As registered, its primary business is to purchase, acquire, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description.

ECI has deposits for the purchase of parcels of land intended for future development.

ECI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

ECI is a non-listed company with the following issued and outstanding shares as of December 31, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	2,000	Php 100.00	Php 200,000.00
Preferred	8,000	Php 100.00	Php 800,000.00
Total	10,000		Php1,000,000.00

Listed below are the names of the stockholders of ECI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (Php)
Ayala Land, Inc.	<i>Common</i>	1,995	199,500.00	999,500.00
	<i>Preferred</i>	8,000	800,000.00	
Ma. Luisa D. Chiong	<i>Common</i>	1	Php 100.00	Php 100.00
Charlotte T. Cailao	<i>Common</i>	1	Php 100.00	Php 100.00
Jose Marie D. Bernardino	<i>Common</i>	1	Php 100.00	Php 100.00
Elena D. Salazar	<i>Common</i>	1	Php 100.00	Php 100.00
Maria Cristina Carmen M. Zuluaga	<i>Common</i>	1	Php 100.00	Php 100.00
		10,000	1,000,000.00	1,000,000.00

ECI has no cash dividend declarations for the years 2023 and 2022.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Ma. Luisa D. Chiong	Regular
Charlotte T. Cailao	Regular
Jose Marie D. Bernardino	Regular
Elena D. Salazar	Regular
Maria Cristina Carmen M. Zuluaga	Regular

Principal Officers

Name	Position/Designation
Ma. Luisa D. Chiong	Chairman
Maria Cristina Carmen M. Zuluaga	President
Elena D. Salazar	Treasurer, Chief Finance Officer and Compliance Officer
Roscoe M. Pineda	Data Protection Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

ECI does not have employees. All its officers are seconded from Ayala Land, Inc. ECI considers all its officers as significant. Everyone is expected to work together as a team to achieve the Company's goals and objectives.

None of the directors and executive officers of ECI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(18) ALI Capital Corp. (ALICap)

a. Description of Business, Properties and Legal Proceedings

ALI Capital Corp. is (ALI Cap) is a wholly-owned subsidiary of ALI and operates as a holding company. It was registered with the SEC on June 25, 2012. ALI Cap currently has no ongoing projects but has investments in Airswift Transport, Inc. (ATI), Swift Aerodrome Services, Inc. (SASI), Sial Specialty Retailers, Inc. (SSRI), and AyaGold Retailers, Inc. (AyaGold).

ALICap, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

ALICap is a non-listed company with the following issued and outstanding shares as of December 20, 2022:

Type of Security	Number of Shares	Par Value	Amount
Common	275,000,000	Php1	Php275,000,000.00
Preferred	2,475,000,000	Php1	Php2,475,000,000.00

Listed below are the names of the stockholders of ALICap, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (Php)
Ayala Land, Inc.	<i>Common</i>	262,499,995	262,499,995.00	2,624,999,995.00
	<i>Preferred</i>	2,362,500,000	2,362,500,000.00	
Alfonso Javier D. Reyes	<i>Common</i>	1	1.00	1.00
Jose Emmanuel H. Jalandoni	<i>Common</i>	1	1.00	1.00
Liza M. Tango	<i>Common</i>	1	1.00	1.00
Carol T. Mill	<i>Common</i>	1	1.00	1.00
Javier D. Hernandez	<i>Common</i>	1	1.00	1.00
Total		2,625,000,000	2,625,000,000.00	2,625,000,000.00

ALICap has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with Pwc Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Alfonso Javier D. Reyes	Regular
Jose Emmanuel H. Jalandoni	Regular
Liza M. Tango	Regular
Carol T. Mills	Regular
Javier D. Hernandez	Regular

Principal Officers

Name	Position/Designation
Jose Emmanuel H. Jalandoni	Chairman

Alfonso Javier D. Reyes	President and Chief Executive Officer
Liza M. Tango	Treasurer and Chief Finance Officer
Manolito A. Manalo	Corporate Secretary
Leah Eloisa R. Espiritu	Assistant Corporate Secretary
Amelia Ann T. Alipao	Data Protection Officer

AMSI does not have employees. All its officers are seconded from Ayala Land, Inc. AMSI considers all its officers as significant. Everyone is expected to work together as a team to achieve AMSI's goals and objectives.

None of the directors and executive officers of AMSI is related up to the fourth civil degree either by consanguinity or affinity.

e.Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(19) Whiteknight Holdings, Inc. (WHI)

a. Description of Business, Properties and Legal Proceedings

Whiteknight Holdings, Inc. (WHI) is a wholly-owned subsidiary of ALI and was incorporated on May 14, 2013. It operates as a holding company and currently has no projects or investments. As registered, its primary business is to acquire, hold, sell, exchange, deal and invest in the stocks, bonds, or securities of any government of any subdivision thereof, or any public or private corporation, and in real or personal property of all kinds in the same manner and to the same extent as a natural person, might could or would do, to exercise all rights, powers and privileges of ownership, including the right to vote therein, or consent in respect thereof, for any and all purposes, without however, managing securities, portfolio or funds of the managed entity or firm nor the corporation shall act as stockbroker or dealer in securities.

WHI has no ongoing project or investment.

WHI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

WHI is a non-listed company with the following issued and outstanding shares as of November 10, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	1,000,000	Php1	Php1,000,000.00

Listed below are the names of the stockholders of AMSI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	Common	999,995	999,995.00	999,995.00
Christopher B. Maglanoc	Common	1	1.00	1.00
Elaine Marie F. Alzona	Common	1	1.00	1.00
Rosario Pilar L. Mayuga	Common	1	1.00	1.00
Jose Ramon E. Katipunan	Common	1	1.00	1.00
Total		1,000,000	1,000,000.00	1,000,000.00

WHI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with Pwc Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Robert S. Lao	Regular
Ma. Luisa D. Chiong	Regular
Alfonso Javier D. Reyes	Regular
Ma. Divina Y. Lopez	Regular
Liza M. Tango	Regular

Principal Officers

Name	Position/Designation
Robert S. Lao	Chairman
Alfonso Javier D. Reyes	President
Liza M. Tango	Treasurer and Chief Finance Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

WHI does not have employees. All its officers are seconded from Ayala Land, Inc. WHI considers all its officers as significant. Everyone is expected to work together as a team to achieve WHI's goals and objectives.

None of the directors and executive officers of WHI is related up to the fourth civil degree either by consanguinity or affinity.

e.Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(20) Ayalaland Medical Facilities Leasing, Inc. (AMFLI)

a. Description of Business, Properties and Legal Proceedings

Ayalaland Medical Facilities Leasing, Inc. (AMFLI) is a wholly-owned subsidiary of ALI, incorporated in April 13, 2015 as a business engaged in real estate development. Currently, AMFLI has no existing projects or investments. As registered, AMFLI's primary business is to acquire by purchase or lease or otherwise, lands, interest in land, realty, buildings, real rights, and real property and to own hold, use, improve, develop, manage, and administer any land, interest in land, realty, buildings, real rights and real property of whatever kind so acquired, to erect or cause to be erected on any land, realty and real property so acquired, held, or owned by the Corporation, buildings, walls, embankments or similar and other constructions and structures with their appurtenances and to rebuild, repair, maintain, demolish, enlarge or otherwise alter and improve any such buildings, construction or structures now or hereafter erected on any such lands, realty, and property, and to lease any such land, interest in land, realty, real rights and real property and the buildings construction or structures and improvements thereon at any time.

AMFLI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

AMFLI is a non-listed company with the following issued and outstanding shares as of November 10, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	500,000,000	Php1	Php500,000,000.00

Listed below are the names of the stockholders of AMFLI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	<i>Common</i>	254,999,995	254,999,995.00	254,999,996.00
Christopher B. Maglanoc	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Rosario Pilar L. Mayuga	<i>Common</i>	1	1.00	1.00
Jose Ramon E. Katipunan	<i>Common</i>	1	1.00	1.00
Total		255,000,000	255,000,000.00	255,000,000.00

AMFLI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Robert S. Lao	Regular
Alfonso Javier D. Reyes	Regular
Ma. Divina Y. Lopez	Regular
Liza M. Tango	Regular

Ma. Luisa D. Chiong	Regular

Principal Officers

Name	Position/Designation
Robert S. Lao	Chairman
Alfonso Javier D. Reyes	President
Liza M. Tango	Treasurer and Chief Finance Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

AMFLI does not have employees. All its officers are seconded from Ayala Land, Inc. AMFLI considers all its officers as significant. Everyone is expected to work together as a team to achieve AMFLI's goals and objectives.

None of the directors and executive officers of AMFLI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(21) Amorsedia Development Corporation (ADC)

a. Description of Business, Properties and Legal Proceedings

ADC was incorporated on March 6, 1996. It is a wholly-owned subsidiary of ALI. As registered, its primary business is to deal and engage in real estate business, which includes acquisition, development, improvement, lease, mortgage, exchange, holding for investment purposes and sale of real estate properties of all kinds, including buildings, houses, apartments, and other structures of whatever kind on such real estate, together with all their appurtenances.

ADC has investments in its subsidiaries HLC Development Corporation, OLC Development Corporation, and Allysonia International, Corp.

ADC, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

ADC is a non-listed company with the following issued and outstanding shares as of December 31, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	36,329	Php 100.00	Php 3,632,900.00
Preferred	13,308,439	Php 100.00	Php 1,330,843,900.00
Total	13,344,768		Php1,334,476,800.00

ADC has additional paid-in capital in the amount of Php 940,466,827.00.

Listed below are the names of the stockholders of ADC, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	<i>Common</i>	36,324	3,632,400.00	3,632,400.00
	<i>Preferred</i>	13,308,439	1,330,843,900.00	1,330,843,900.00
Robert S. Lao	<i>Common</i>	1	Php 100.00	Php 100.00
John Marcial R. Estacio	<i>Common</i>	1	Php 100.00	Php 100.00
Ma. Divina Y. Lopez	<i>Common</i>	1	Php 100.00	Php 100.00
Marishiella G. Aguilar	<i>Common</i>	1	Php 100.00	Php 100.00
Ma. Carmela K. gnacio	<i>Common</i>	1	Php 100.00	Php 100.00
		13,344,768	Php1,334,476,800.00	Php1,334,476,800.00
Total Paid-Up Capital				Php1,334,476,800.00
Additional Paid-In Capital				Php 940,466,827.00
Total Capitalization				Php 2,274,943,627.00

ADC has no cash dividend declarations for the years 2023 and 2022.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Robert S. Lao	Regular
John Marcial R. Estacio	Regular
Ma. Divina Y. Lopez	Regular
Marishiella G. Aguilar	Regular
Ma. Carmela K. Ignacio	Regular

Principal Officers

Name	Position/Designation
Robert S. Lao	Chairman
Marishiella G. Aguilar	President
Ma. Divina Y. Lopez	Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

ADC does not have employees. All its officers are seconded from Ayala Land, Inc. ADC considers all its officers as significant. Everyone is expected to work together as a team to achieve the Company's goals and objectives.

None of the directors and executive officers of ADC is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(22) Buendia Landholdings, Inc. (BLI)

a. Description of Business, Properties and Legal Proceedings

BLI was incorporated on October 27, 1995. It is a wholly-owned subsidiary of ALI. As registered, its primary business is to deal and engage in land or real estate business.

BLI has an investment property that consists of a parcel of land located at McKinley Road, Makati City. It has entered into a lease agreement with third parties covering said investment property.

BLI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

BLI is a non-listed company with the following issued and outstanding shares as of December 31, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	2,793,000	Php 1.00	Php 2,793,000.00

Listed below are the names of the stockholders of BLI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	Common	2,792,995	2,792,995.00	2,792,995.00
Robert S. Lao	Common	1	1.00	1.00
John Marcial R. Estacio	Common	1	1.00	1.00
Ma. Divina Y. Lopez	Common	1	1.00	1.00
Marishiella G. Aguilar	Common	1	1.00	1.00
Ma. Carmela K. Ignacio	Common	1	1.00	1.00
		2,793,000	Php 2,793,000.00	Php 2,793,000.00

On November 16, 2022, BLI declared cash dividends in the amount of Php 6,000,000.00.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Robert S. Lao	Regular
John Marcial R. Estacio	Regular
Ma. Divina Y. Lopez	Regular
Marishiella G. Aguilar	Regular
Ma. Carmela K. Ignacio	Regular

Principal Officers

Name	Position/Designation
Robert S. Lao	Chairman
Ma. Carmela K. Ignacio	President
Ma. Divina Y. Lopez	Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

BLI does not have employees. All its officers are seconded from Ayala Land, Inc. BLI considers all its officers as significant. Everyone is expected to work together as a team to achieve the Company's goals and objectives.

None of the directors and executive officers of BLI is related up to the fourth civil degree either by consanguinity or affinity.

e.Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(23) HLC Development Corp. (HDC)

a. Description of Business, Properties and Legal Proceedings

HDC was incorporated on June 28, 1996. HDC is wholly-owned by Amorsedia Development Corporation, which is a wholly-owned subsidiary of ALI. As registered, its primary business is to deal and engage in the real estate business, which includes acquisition, development, improvement, lease, mortgage, exchange, holding for investment purposes and sale of real estate properties of all kinds, including buildings, houses, apartments, and other structures of whatever kind on such real estate, together with all their appurtenances.

HDC has investment properties that consist of parcels of land located at Amorsolo and Salcedo Streets, Legaspi Village, Makati City. HDC entered into a lease agreement with ALI, while ALI assigned its rights, interests, and obligations under the contract of lease to AREIT, Inc.

HDC, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

HDC is a non-listed company with the following issued and outstanding shares as of December 31, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	499,027	Php 100.00	Php 49,902,700.00
Preferred	4,355,346	Php 100.00	Php 435,534,600.00
Total	4,854,373		Php 485,437,300.00

Listed below are the names of the stockholders of HDC, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Amorsedia Development Corporation	<i>Common</i>	499,022	Php49,902,200.00	Php49,902,200.00
	<i>Preferred</i>	4,355,346	Php 435,534,600.00	Php 435,534,600.00
Robert S. Lao	<i>Common</i>	1	Php 100.00	Php 100.00
John Marcial R. Estacio	<i>Common</i>	1	Php 100.00	Php 100.00
Ma. Divina Y. Lopez	<i>Common</i>	1	Php 100.00	Php 100.00
Marishiella G. Aguilar	<i>Common</i>	1	Php 100.00	Php 100.00
Ma. Carmela K. Ignacio	<i>Common</i>	1	Php 100.00	Php 100.00
		4,854,373	Php 485,437,300.00	Php 485,437,300.00

HDC has no cash dividend declarations for the years 2023 and 2022.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Robert S. Lao	Regular
John Marcial R. Estacio	Regular
Ma. Divina Y. Lopez	Regular
Marishiella G. Aguilar	Regular
Ma. Carmela K. Ignacio	Regular

Principal Officers

Name	Position/Designation
Robert S. Lao	Chairman
Ma. Carmela K. Ignacio	President
Ma. Divina Y. Lopez	Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

HDC does not have employees. All its officers are seconded from Ayala Land, Inc. HDC considers all its officers as significant. Everyone is expected to work together as a team to achieve the Company's goals and objectives.

None of the directors and executive officers of HDC is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(24) Altaraza Prime Realty Corporation (AltaPRC)

a. Description of Business, Properties and Legal Proceedings

AltaPRC was incorporated on March 9, 2016. AltaPRC is a wholly-owned subsidiary of ALI. As registered, its primary business is to develop, invest, own, acquire, lease, hold, mortgage, administer, or otherwise deal with commercial, residential, industrial or agricultural lands, buildings, structures or apertures, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or artificial.

As of December 31, 2023, AltaPRC has not yet started commercial operations.

AltaPRC, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

AltaPRC is a non-listed company with the following issued and outstanding shares as of December 31, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	800,000	Php 1.00	Php 800,000.00
Preferred	3,200,000	Php 1.00	Php 3,200,000.00
Total	4,000,000		Php 4,000,000.00

Listed below are the names of the stockholders of AltaPRC, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	<i>Common</i>	799,995	799,995.00	799,995.00
	<i>Preferred</i>	3,200,000	3,200,000.00	3,200,000.00
Robert S. Lao	<i>Common</i>	1	1.00	
Ma. Carmela K. Ignacio	<i>Common</i>	1	1.00	
Ma. Divina Y. Lopez	<i>Common</i>	1	1.00	
Marishiella G. Aguilar	<i>Common</i>	1	1.00	
Charlotte T. Cailao	<i>Common</i>	1	1.00	1.00
		4,000,000	Php 4,000,000.00	Php 4,000,000.00

AltaPRC has no cash dividend declarations for the years 2023 and 2022.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Robert S. Lao	Regular
Ma. Carmela K. Ignacio	Regular
Ma. Divina Y. Lopez	Regular
Marishiella G. Aguilar	Regular
Charlotte T. Cailao	Regular

Principal Officers

Name	Position/Designation
Robert S. Lao	Chairman
Ma. Carmela K. Ignacio	President
Ma. Divina Y. Lopez	Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

AltaPRC does not have employees. All its officers are seconded from Ayala Land, Inc. AltaPRC considers all its officers as significant. Everyone is expected to work together as a team to achieve the Company's goals and objectives.

None of the directors and executive officers of AltaPRC is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(25) REDHEAP HOLDINGS, INC.

a. Description of Business, Properties and Legal Proceedings

Redheap Holdings, Inc. (RHI) was incorporated in the Philippines on December 29, 2016 and is a wholly-owned subsidiary of Ayalaland Estates, Inc. RHI was incorporated primarily to acquire by purchase, exchange, assignment, gift or otherwise, and to hold own, and use for investment or otherwise, and to sell, assign, transfer, exchange, pledge, and to deal in and with and otherwise to enjoy and dispose of, any bonds, debentures, promissory notes, shares of capital stock, or other securities and obligations, created, negotiated or issued by any corporation, association, or other entity foreign or domestic.

RHI owns parcels of land located in Imus, Cavite.

RHI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

RHI is a non-listed company with the following issued and outstanding shares as of September 25, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	100,000	Php10	Php1,000,000.00

Listed below are the names of the stockholders of RHI, their respective subscriptions and amount paid.⁶

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayalaland Estates, Inc.	Common	99,995	999,950.00	999,950.00
May P. Rodriguez	Common	1	10.00	10.00
Jennylle S. Tupaz	Common	1	10.00	10.00
Hyacintha Mea G. Chim	Common	1	10.00	10.00
Charlotte T. Cailao	Common	1	10.00	10.00
Marieshiella G. Aguilar	Common	1	10.00	10.00
Total		1,000,000	1,000,000.00	1,000,000.00

RHI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
May P. Rodriguez	Regular
Jennylle S. Tupaz	Regular
Hyacintha Mea G. Chim	Regular
Charlotte T. Cailao	Regular
Marieshiella G. Aguilar	Regular

Principal Officers

Name	Position/Designation
May P. Rodriguez	Chairman and President
Hyacintha Mea G. Chim	Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

RHI does not have employees. All its officers are seconded from Ayala Land, Inc. RHI considers all its officers as significant. Everyone is expected to work together as a team to achieve the Company's goals and objectives.

None of the directors and executive officers of RHI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(26) Wedgemore Property, Inc. (WPI)

a. Description of Business, Properties and Legal Proceedings

Wedgemore Property, Inc. (WPI) is a wholly-owned subsidiary of ALEI and is engaged in real estate business which includes acquisition, development, sale and lease of real estate properties. It was incorporated on October 18, 2011.

WPI its directors and officers are not involved in any ongoing and unresolved material legal cases.

b. Market Price of and Dividends on the Common Equity

WPI is a non-listed company with the following issued and outstanding shares as of September 1, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	100,000	Php10	Php1,000,000.00

Listed below are the names of the stockholders of WPI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayalaland Estates, Inc.	<i>Common</i>	99,995	999,950.00	999,950.00
John Marcial E. Estacio	<i>Common</i>	1	10.00	10.00
Jennylle S. Tupaz	<i>Common</i>	1	10.00	10.00
Hyacintha Mea G. Chim	<i>Common</i>	1	10.00	10.00
Charlotte T. Cailao	<i>Common</i>	1	10.00	10.00
Marieshiella G. Aguilar	<i>Common</i>	1	10.00	10.00
Total		1,000,000	1,000,000.00	1,000,000.00

WPI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with Angelita C. Pascua on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Jennylle S. Tupaz	Regular
John Marcial E. Estacio	Regular
Hyacintha Mea G. Chim	Regular
Charlotte T. Cailao	Regular
Marieshiella G. Aguilar	Regular

Principal Officers

Name	Position/Designation
Jennylle S. Tupaz	Chairman
John Marcial E. Estacio	President
Hyacintha Mea G. Chim	Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

WPI does not have employees. All its officers are seconded from Ayala Land, Inc. WPI considers all its officers as significant. Everyone is expected to work together as a team to achieve the Company's goals and objectives.

None of the directors and executive officers of WPI is related up to the fourth civil degree either by consanguinity or affinity.

- e. **Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.**

(27) Cebu Leisure Co., Inc. (CLCI)

a. Description of Business, Properties and Legal Proceedings

Cebu Leisure Company, Inc. (CLCI) is a wholly-owned subsidiary of ALI and is engaged in theater operations, customer lounges and carpark services. It was incorporated on January 31, 1994.

CLCI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

CLCI is a non-listed company with the following issued and outstanding shares as of July 13, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	100,000	Php10	Php1,000,000.00

Listed below are the names of the stockholders of CLCI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	<i>Common</i>	45,999,995	45,999,995.00	45,999,995.00
Jennylle S. Tupaz	<i>Common</i>	1	10.00	10.00
Ma. Clavel G. Tongco	<i>Common</i>	1	10.00	10.00
Ma. Divina Y. Lopez Chim	<i>Common</i>	1	10.00	10.00
Emma Elvira G. Mawe	<i>Common</i>	1	10.00	10.00
Celeste Bernardine K. Dy	<i>Common</i>	1	10.00	10.00
Total		46,000,000	46,000,000.00	46,000,000.00

CLCI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Jennylle S. Tupaz	Regular
Ma. Clavel G. Tongco	Regular
Ma. Divina Y. Lopez	Regular
Emma Elvira G. Mawe	Regular
Celeste Bernardine K. Dy	Regular

Principal Officers

Name	Position/Designation
Jennylle S. Tupaz	Chairman and President
Ma. Divina Y. Lopez	Treasurer
Emma Elvira G. Mawe	Chief Finance Officer
Jia Catalina S. Sadol	General Manager
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Amelia Ann T. Alipao	Data Privacy Officer

CLCI does not have employees. All its officers are seconded from Ayala Land, Inc. CLCI considers all its officers as significant. Everyone is expected to work together as a team to achieve the Company's goals and objectives.

None of the directors and executive officers of CLCI is related up to the fourth civil degree either by consanguinity or affinity.

- e. **Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.**

(28) NORTH VENTURES COMMERCIAL CORP.

a. Description of Business, Properties and Legal Proceedings

North Ventures Commercial Corp. (NVCC) is a wholly owned subsidiary of Ayala Land, Inc. and was incorporated in the Philippines on August 24, 2007. NVCC was organized primarily to engage in real estate development, specifically to develop, invest, own, acquire, lease, hold, mortgage, administer or otherwise deal with commercial, residential, industrial or agricultural lands, buildings, structures or appertures, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or artificial.

NVCC owns and operates Ayala Malls Fairview and Fairview Terraces Corporate Center in Quezon City which is being leased out for office and commercial spaces and includes the operation of carparks and theaters.

NCCVC, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

NVCC is a non-listed company with the following issued and outstanding shares as of January 31, 2024:

Type of Security	Number of Shares	Par Value	Amount
Common	189,498,904	Php1	Php189,498,904.00
Preferred A	1,654,646,380	Php1	PhP1,654,646,380.00
Preferred B	1,940,000,000	Php1	PhP1,940,000,000.00

Listed below are the names of the stockholders of NVCC, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (Php)
Ayala Land, Inc.	<i>Common</i>	189,498,899	189,498,899.00	3,784,145,279.00
	<i>Preferred A</i>	1,654,646,380	1,654,646,380.00	
	<i>Preferred B</i>	1,940,000,000	1,940,000,000.00	
Rafael A. Quiambao	<i>Common</i>	1	1.00	1.00
Jose Ramon E. Katipunan	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Annbrigitte-Evangeline M. Guilas	<i>Common</i>	1	1.00	1.00
Maria Clavel G. Tongco	<i>Common</i>	1	1.00	1.00
Total		3,784,145,284	3,784,145,284.00	3,784,145,284.00

NVCC has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with SGV & Co.⁷ on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Rafael A. Quiambao	Regular
Jose Ramon E. Katipunan	Regular
Elaine Marie F. Alzona	Regular
Annbrigitte-Evangeline M. Guilas	Regular
Maria Clavel G. Tongco	Regular

Principal Officers

Name	Position/Designation
Maria Clavel G. Tongco	Chairman and President
Elaine Marie F. Alzona	Treasurer
Lea M. Tolentino	Chief Finance Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Roscoe M. Pineda	Data Protection Officer

NVCC does not have employees. All its officers are seconded from Ayala Land, Inc. NVCC considers all its officers as significant. Everyone is expected to work together as a team to achieve NVCC's goals and objectives.

None of the directors and executive officers of NVCC is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(29) WESTVIEW COMMERCIAL VENTURES CORP.

a. Description of Business, Properties and Legal Proceedings

Westview Commercial Ventures Corp. (WCVC) WCVC is a wholly owned subsidiary of Ayala Land, Inc. and was incorporated in Philippines on July 8, 2008. WCVC was organized primarily to engage in real estate development, specifically to develop, invest, own, acquire, lease, hold, mortgage, administer or otherwise deal with commercial, residential, industrial or agricultural lands, buildings, structures or apertures, or in any other profitable business enterprise, venture or establishment.

WCVC owns and operates The District Northpoint in Talisay City, Negros Occidental which is being leased out for office and commercial spaces.

WCVC, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

WCVC is a non-listed company with the following issued and outstanding shares as of January 29, 2024:

Type of Security	Number of Shares	Par Value	Amount
Common	48,910,000	Php1	Php48,910,000.00
Preferred A	247,977,404	Php1	Php247,977,404.00
Preferred B	307,247,200	Php1	Php307,247,200.00
Preferred B - Treasury	56,627,800	Php1	Php56,627,800.00

Listed below are the names of the stockholders of WCVC, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	<i>Common</i>	48,909,995	48,909,995.00	604,134,599.00
	<i>Preferred A</i>	247,977,404	247,977,404.00	
	<i>Preferred B</i>	307,247,200	307,247,200.00	
Christopher B. Maglanoc	<i>Common</i>	1	1.00	1.00
Charmaine N. Bauzon	<i>Common</i>	1	1.00	1.00
Ma. Clavel G. Tongco	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Celeste Bernardine K. Dy		1	1.00	1.00
Treasury Shares	<i>Preferred B</i>	56,627,800	56,627,800.00	56,627,800.00
Total		660,762,404	660,762,404.00	660,762,404.00

WCVC has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with SGV & Co.⁸ on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Christopher B. Maglanoc	Regular
Charmaine N. Bauzon	Regular
Elaine Marie F. Alzona	Regular
Ma. Clavel G. Tongco	Regular
Celeste Bernardine K. Dy	Regular

Principal Officers

Name	Position/Designation
Christopher B. Maglanoc	Chairman
Ma. Clavel G. Tongco	President
Elaine Marie F. Alzona	Treasurer
Emma Elvira G. Mawe	Chief Finance Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Amelia Ann T. Alipao	Data Protection Officer (until December 31, 2023)
Roscoe M. Pineda	Data Protection Officer (effective January 1, 2024)

WCVC does not have employees. All its officers are seconded from Ayala Land, Inc. WCVC considers all its officers as significant. Everyone is expected to work together as a team to achieve the WCVC's goals and objectives.

None of the directors and executive officers of the WCVC is related up to the fourth civil degree either by consanguinity or affinity.

e.Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(30) Circuit Makati Hotel Ventures, Inc. (CMHVI)

a. Description of Business, Properties and Legal Proceedings

CMHVI was incorporated on October 20, 2014 and is a wholly-owned subsidiary of AHRC.

CMHVI was organized primarily to own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, serviced residences, inn, resort, restaurant, café, bar, entertainment and other allied businesses, and, to the extent permitted by law, to acquire, own and hold, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements thereto necessary or required by its business, and to use such lands, buildings and improvements thereto for the conduct and operation of the general nature of its business.

CMHVI owns Circuit Corporate Residences, a building for lease with 255 guest rooms, located within the Circuit Makati Estate.

CMHVI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

CMHVI is a non-listed company with the following issued and outstanding shares as of [---]:

Type of Security	Number of Shares	Par Value	Amount
Common	120,000,000	1.00	120,000,000.00
Preferred	480,000,000	1.00	480,000,000.00

Listed below are the names of the stockholders of CMHVI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayalaland Hotels and Resorts Corp.	<i>Common</i>	119,999,995	119,999,995.00	599,999,995.00
	<i>Preferred</i>	480,000,000	480,000,000.00	
Ma. Luisa D. Chiong	<i>Common</i>	1	1.00	1.00
Isabel D. Sagun	<i>Common</i>	1	1.00	1.00
Eileen Anne J. Escobido	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Javier D. Hernandez	<i>Common</i>	1	1.00	1.00
Total		<u>600,000,000</u>	<u>600,000,000.00</u>	<u>600,000,000.00</u>

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Name	Regular or Independent
Ma. Luisa D. Chiong	Regular
sabel D. Sagun	Regular
Eileen Anne J. Escobido	Regular
Elaine Marie F. Alzona	Regular
Javier D. Hernandez	Regular

Principal Officers

Name	Position/Designation
Ma. Luisa D. Chiong	Chairman
Elaine Marie F. Alzona	Treasurer, Chief Finance Officer & Compliance Officer
Javier D. Hernandez	President & Chief Executive Officer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary
Roscoe M. Pineda	Data Protection Officer

CMHVI does not have employees. All its officers are seconded from Ayala Land, Inc. CMHVI considers all its officers as significant. Everyone is expected to work together as a team to achieve the AHVI's goals and objectives.

None of the directors and executive officers of the CMHVI is related up to the fourth civil degree either by consanguinity or affinity.

- e. **Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.**

(31) Crimson Field Enterprises, Inc. (CFEI)

a. Description of Business, Properties and Legal Proceedings

Crimson Field Enterprises, Inc. (CFEI) is a wholly-owned subsidiary of ALI and is engaged in real estate business which includes acquisition, development, sale and lease of real estate properties. It was registered with the SEC on October 26, 1995.

CFEI, its directors and officers are not involved in any ongoing and unresolved material legal cases.

b. Market Price of and Dividends on the Common Equity

CMHVI is a non-listed company with the following issued and outstanding shares as of October 10, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	1,000,000	Php50.00	Php50,000.00

Listed below are the names of the stockholders of CFEI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayalaland Hotels and Resorts Corp.	Common	119,999,995	119,999,995.00	599,999,995.00
Robert S. Lao	Preferred	480,000,000	480,000,000.00	
Charlotte T. Cailao	Common	1	1.00	1.00
Ma. Divina Y. Lopez	Common	1	1.00	1.00
May P. Rodriguez	Common	1	1.00	1.00
Mark Evan M. Manundo	Common	1	1.00	1.00
Total		<u>600,000,000</u>	<u>600,000,000.00</u>	<u>600,000,000.00</u>

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Name	Regular or Independent
Robert S. Lao	Regular
Charlotte T. Cailao	Regular
Ma. Divina Y. Lopez	Regular
May P. Rodriguez	Regular
Mark Evan M. Manundo	Regular

Principal Officers

Name	Position/Designation
Robert S. Lao	Chairman
Charlotte T. Cailao	President
Ma. Divina Y. Lopez	Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

CFEI does not have employees. All its officers are seconded from Ayala Land, Inc. CFEI considers all its officers as significant. Everyone is expected to work together as a team to achieve the CFEI's goals and objectives.

None of the directors and executive officers of the CFEI is related up to the fourth civil degree either by consanguinity or affinity.

- e. **Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.**

(32) Red Creek Properties, Inc. (RCPI)

a. Description of Business, Properties and Legal Proceedings

RCPI was incorporated on October 17, 1994. RCPI is a wholly-owned subsidiary of ALI. As registered, its primary business is to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds; and improve, manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances.

RCPI has real estate inventories that consist of parcels of land located in Baliuag, Bulacan. It also has investment property that consists of idle land and land for lease located in Alaminos, Laguna.

RCPI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

RCPI is a non-listed company with the following issued and outstanding shares as of December 31, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	240,000	Php 200.00	Php 48,000,000.00

RCPI has additional paid-in capital in the amount of Php 383,511,128.00.00.

Listed below are the names of the stockholders of RCPI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (Php)
Ayala Land, Inc.	Common	239,995	47,999,000.00	47,999,000.00
Robert S. Lao	Common	1	200.00	200.00
Charlotte T. Cailao	Common	1	200.00	200.00
Ma. Divina Y. Lopez	Common	1	200.00	200.00
May P. Rodriguez	Common	1	200.00	200.00
Mark Evan M. Manundo	Common	1	200.00	200.00
		240,000	Php 48,000,000.00	Php 48,000,000.00
Total Paid-Up Capital				Php 48,000,000.00
Additional Paid-In Capital				Php 383,511,128.00.00
Total Capitalization				Php 431,511,128.00

RCPI has no cash dividend declarations for the years 2023 and 2022.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with PwC Isla Lipana & Co. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Robert S. Lao	Regular
Charlotte T. Cailao	Regular
Ma. Divina Y. Lopez	Regular
May P. Rodriguez	Regular
Mark Evan M. Manundo	Regular

Principal Officers

Name	Position/Designation
Robert S. Lao	Chairman
Charlotte T. Cailao	President
Ma. Divina Y. Lopez	Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

RCPI does not have employees. All its officers are seconded from Ayala Land, Inc. RCPI considers all its officers as significant. Everyone is expected to work together as a team to achieve the Company's goals and objectives.

None of the directors and executive officers of RCPI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(33) PRIMA GAEDI DEVELOPMENT CORP.

a. Description of Business, Properties and Legal Proceedings

Prima Gaedi Development Corp. (PGDC) was incorporated in the Philippines on May 29, 2014 and is a wholly-owned subsidiary of Ayalaland Estates, Inc. PGDC is engaged in real estate business which includes acquisition, development, sale and lease of real estate properties. Its principal activities are to develop invest, own, acquire, lease (except financial leasing), hold, mortgage, administer or otherwise deal with commercial, residential, industrial or agricultural lands, building, structures, or appurtenances, or any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or judicial

PGDC owns parcels of land for sale located in Plaridel, Bulacan.

PGDC, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

PGDC is a non-listed company with the following issued and outstanding shares as of September 25, 2023:

Type of Security	Number of Shares	Par Value	Amount
Common	100,000	Php10	Php1,000,000.00

Listed below are the names of the stockholders of PGDC, their respective subscriptions and amount paid.⁹

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayalaland Estates, Inc.	Common	99,995	999,950.00	999,950.00
John Marcial E. Estacio	Common	1	10.00	10.00
Jennylle S. Tupaz	Common	1	10.00	10.00
Hyacintha Mea G. Chim	Common	1	10.00	10.00
Charlotte T. Cailao	Common	1	10.00	10.00
Marieshiella G. Aguilar	Common	1	10.00	10.00
Total		1,000,000	1,000,000.00	1,000,000.00

PGDC has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with Angelita C. Pascua. on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
John Marcial E. Estacio	Regular
Jennylle S. Tupaz	Regular
Hyacintha Mea G. Chim	Regular
Charlotte T. Cailao	Regular
Marieshiella G. Aguilar	Regular

Principal Officers

Name	Position/Designation
Jennylle S. Tupaz	Chairman
John Marcial E. Estacio	President
Hyacintha Mea G. Chim	Treasurer
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary
Maria Paula G. Romero-Bautista	Assistant Corporate Secretary

PGDC does not have employees. All its officers are seconded from Ayala Land, Inc. PGDC considers all its officers as significant. Everyone is expected to work together as a team to achieve PGDC's goals and objectives.

None of the directors and executive officers of PGDC is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

(34) AMSI, INC. (formerly: AyalaLand Malls Synergies, Inc.)

a. Description of Business, Properties and Legal Proceedings

AMSI, INC. (formerly: AyalaLand Malls Synergies, Inc.) (AMSI) was incorporated in the Philippines on June 1, 2016 and is a wholly-owned subsidiary of ALI. AMSI is engaged in real estate development.

AMSI has lease agreements with third parties.

AMSI, its directors and officers are not involved in any ongoing and unresolved legal cases.

b. Market Price of and Dividends on the Common Equity

AMSI is a non-listed company with the following issued and outstanding shares as of January 31, 2024:

Type of Security	Number of Shares	Par Value	Amount
Common	125,000,000	Php1	Php125,000,000.00
Preferred	340,000,000	Php1	Php340,000,000.00

Listed below are the names of the stockholders of AMSI, their respective subscriptions and amount paid.

Stockholder	Type of Shares	No. of Shares Subscribed	Amount of Shares Subscribed (Php)	Amount Paid (PhP)
Ayala Land, Inc.	<i>Common</i>	124,999,996	124,999,996.00	234,999,996.00
	<i>Preferred</i>	340,000,000	340,000,000.00	
Ma. Clavel G. Tongco	<i>Common</i>	1	1.00	1.00
Elaine Marie F. Alzona	<i>Common</i>	1	1.00	1.00
Rosario Pilar L. Mayuga	<i>Common</i>	1	1.00	1.00
Jose Ramon E. Katipunan	<i>Common</i>	1	1.00	1.00
Total		465,000,000	465,000,000.00	235,000,000.00

AMSI has no cash dividend declarations for the years 2022 and 2023.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with SGV & Co.10 on any matter of accounting and financial disclosure.

d. Board of Directors and Executive Officers

Board of Directors

Name	Regular or Independent
Ma. Clavel G. Tongco	Regular
Elaine Marie F. Alzona	Regular
Rosario Pilar L. Mayuga	Regular
Jose Ramon E. Katipunan	Regular

Principal Officers

Name	Position/Designation
Ma. Clavel G. Tongco	Chairman
Elaine Marie F. Alzona	Treasurer and Chief Finance Officer
Jose Ramon E. Katipunan	President
Nimfa Ambrosia L. Perez-Paras	Corporate Secretary

AMSI does not have employees. All its officers are seconded from Ayala Land, Inc. AMSI considers all its officers as significant. Everyone is expected to work together as a team to achieve AMSI's goals and objectives.

None of the directors and executive officers of AMSI is related up to the fourth civil degree either by consanguinity or affinity.

e. Attached is the Audited Financial Statement of ALI for the period ending December 31, 2023.

ANNEX “F”

COMPARATIVE FINANCIAL INFORMATION

	ALI Conso		Ayala Hotels Inc		Southportal Properties Inc		Verde Golf Development Corp	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross Revenue ('000)	148,857,409	126,555,814	4,130,735	6,143,914	44,286	86,821	0	10
Consolidated Net Income (loss) ('000)	29,003,578	22,524,253	1,155,000	936,674	1,779	(9,545)	(225)	(176)
Long term Obligations ('000)	241,349,155	19,468,522	0	0	0	0	0	0
Redeemable Preferred Stock ('000)	1,243,703	1,243,749	0	0	277,500	277,500	0	0
Book value per share - Conso	21.33	19.41						
Book value per share - Parent	12.71	11.92						
Book value per share (common and preferred)			14.65	13.36	1,799.48	1,790.76	(1,036.29)	(1,035.19)
Cash dividend declared per share Common	0.37	0.27	2.23	NIL	16,000.00	8,000.00	NIL	NIL
Cash dividend declared per share Preferred	0.006	0.005	NIL	NIL	NIL	NIL	NIL	NIL
Income (loss) per share	1.63	1.26	2.24	1.82	142.29	(763.56)	(1.80)	(1.41)

	Five Star Cinema Inc		Primavera Towncentre Inc		Hillsford Property Corp		ALO Prime Realty Corp	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross Revenue ('000)	6,879	4,804	2	5	151,072	142,256	29,336	14,869
Consolidated Net Income (loss) ('000)	1,018	257	(2,332)	(2,290)	79,958	71,957	24,451	12,187
Long term Obligations ('000)	0	0	0	0	0	0	0	0
Redeemable Preferred Stock ('000)	0	0	223,578	223,578	106,000	106,000	198,000	198,000
Book value per share - Conso								
Book value per share - Parent								
Book value per share (common and preferred)	1.70	1.02	0.48	1.58	2.28	2.88	1.00	1.08
Cash dividend declared per share Common	6.91	NIL	NIL	NIL	3.86	NIL	1.38	8.28
Cash dividend declared per share Preferred	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Income (loss) per share	4.07	1.03	(0.07)	(0.07)	1.82	1.64	0.81	0.40

	Sunnyfield E-Office Corp		Enjay Hotels Inc		ALI Triangle Hotel Ventures Inc		Arcasouth Hotel Ventures Inc	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross Revenue ('000)	86,280	80,889	1	3	2	20	1	2
Consolidated Net Income (loss) ('000)	33,726	14,887	(494)	(530)	(150)	(134)	(150)	(147)
Long term Obligations ('000)	0	0	0	0	0	0	0	0
Redeemable Preferred Stock ('000)	138,400	138,400	0	0	733,600	733,600	204,800	204,800
Book value per share - Conso								
Book value per share - Parent								
Book value per share (common and preferred)	1.33	1.13	0.75	0.75	0.98	0.98	0.98	0.98
Cash dividend declared per share Common	0.72	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Cash dividend declared per share Preferred	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Income (loss) per share	0.97	0.43	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

	Horizon Conservation Company Inc		One Makati Hotel Ventures Inc		One Makati Residential Ventures Inc		Asiatown Hotel Ventures Inc	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross Revenue ('000)	0	0	6	0	1	0	335	317
Consolidated Net Income (loss) ('000)	(287)	(129)	(149)	(160)	(175)	(178)	164	113
Long term Obligations ('000)	0	0	0	0	0	0	0	0
Redeemable Preferred Stock ('000)	41,913	41,913	19,688	19,688	22,500	22,500	800	800
Book value per share - Conso								
Book value per share - Parent								
Book value per share (common and preferred)	78.71	78.74	0.22	0.22	0.92	1.12	1.33	1.17
Cash dividend declared per share Common	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Cash dividend declared per share Preferred	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Income (loss) per share	(0.03)	(0.02)	(0.02)	(0.02)	(0.07)	(0.07)	0.82	0.57

	Integrated Eco-Resort Inc		Ecoholdings Company Inc		ALI Capital Corp		Whiteknight Holdings Inc	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross Revenue ('000)	26,170	22,989	3,205	628	17,402	8,904	1,944	1,435
Consolidated Net Income (loss) ('000)	19,287	16,919	2,309	275	9,681	2,773	1,914	1,432
Long term Obligations ('000)	0	0	0	0	0	0	0	0
Redeemable Preferred Stock ('000)	453,623	453,623	800	800	2,362,500	2,362,500	0	0
Book value per share - Conso								
Book value per share - Parent								
Book value per share (common and preferred)	1.14	1.10	1,256.14	1,025.24	(0.14)	(0.02)	35.66	33.75
Cash dividend declared per share Common	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Cash dividend declared per share Preferred	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Income (loss) per share	0.42	0.36	1,154.49	137.69	0.04	0.01	1.91	1.43

	Ayalaland Medical Facilities Leasing Inc		Amorsedia Development Corp		Buendia Landholdings Inc		HLC Development Corp	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross Revenue ('000)	5,306	8,618	1	1,701	12,299	11,498	88,225	86,733
Consolidated Net Income (loss) ('000)	4,543	8,270	(46)	1,568	4,560	6,660	(43,976)	9,281
Long term Obligations ('000)	0	0	0	0	0	0	0	134,573
Redeemable Preferred Stock ('000)	0	0	1,330,844	1,330,844	0	0	435,535	435,535
Book value per share - Conso								
Book value per share - Parent								
Book value per share (common and preferred)	1.08	1.05	175.25	175.25	2.30	2.10	5.74	14.80
Cash dividend declared per share Common	NIL	NIL	NIL	NIL	1.43	2.15	NIL	NIL
Cash dividend declared per share Preferred	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Income (loss) per share	0.04	0.06	(1.26)	43.16	1.63	2.38	(88.12)	18.60

	Altaraza Prime Realty Corp		Redheap Holdings Inc		Wedgemore Property Inc		Cebu Leisure Co Inc	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross Revenue ('000)	155	80	0	1,751	28,902	0	199,394	144,098
Consolidated Net Income (loss) ('000)	(9)	(53)	(58)	(293)	3,622	(287)	62,889	35,765
Long term Obligations ('000)	0	0	0	0	0	0	0	0
Redeemable Preferred Stock ('000)	3,200	3,200	0	0	0	0	0	0
Book value per share - Conso								
Book value per share - Parent								
Book value per share (common and preferred)	0.70	0.71	(3.09)	(2.51)	(75.24)	(111.46)	2.84	2.77
Cash dividend declared per share Common	NIL	NIL	NIL	NIL	NIL	NIL	1.30	0.91
Cash dividend declared per share Preferred	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Income (loss) per share	(0.01)	(0.07)	(0.58)	(2.93)	36.22	(2.87)	1.37	0.78

	North Ventures Commercial Corp		Westview Commercial Ventures Corp		Circuit Makati Hotel Ventures Inc		Crimson Field Enterprises Inc	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross Revenue ('000)	425,836	416,569	160,612	106,322	9,966	3,533	9,653	5,824
Consolidated Net Income (loss) ('000)	120,520	76,726	111,019	63,063	(57,070)	(55,120)	2,864	1,213
Long term Obligations ('000)	0	0	0	0	0	0	0	0
Redeemable Preferred Stock ('000)	3,594,646	3,594,646	555,225	555,225	480,000	480,000	0	0
Book value per share - Conso								
Book value per share - Parent								
Book value per share (common and preferred)	1.14	1.11	3.29	2.29	1.00	1.09	117.04	112.77
Cash dividend declared per share Common	1.68	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Cash dividend declared per share Preferred	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Income (loss) per share	0.64	0.40	2.27	1.29	(0.48)	(0.46)	4.27	1.81

	Red Creek Properties Inc		Prima Gaedi Development Corp		Ayalaland Malls Synergies Inc	
	2023	2022	2023	2022	2023	2022
Gross Revenue ('000)	8,954	5,102	2	122,533	2,295	2,798
Consolidated Net Income (loss) ('000)	(17,483)	(2,901)	(398)	74,316	(23,592)	(35,959)
Long term Obligations ('000)	0	0	0	0	0	
Redeemable Preferred Stock ('000)	0	0	0	0	110,000	110,000
Book value per share - Conso						
Book value per share - Parent						
Book value per share (common and preferred)	1,497.18	1,570.03	7.88	11.86	0.31	0.41
Cash dividend declared per share Common	NIL	NIL	NIL	725.00	NIL	NIL
Cash dividend declared per share Preferred	NIL	NIL	NIL	NIL	NIL	NIL
Income (loss) per share	(72.85)	(12.09)	(3.99)	743.16	(0.19)	(0.29)

Annex A of the Articles of Merger

PLAN OF MERGER

This Plan of Merger is executed on _____ in Makati City, Philippines, by and among:

[1] AYALA LAND, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 31st Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City (“**ALI**”), represented herein by its President, Anna Ma. Margarita B. Dy, and its Corporate Secretary, Maria Franchette M. Acosta;

[2] AYALA HOTELS INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 2nd Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, 1226 Makati City (“**AHI**”), represented herein by its President, Paolo O. Viray, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[3] SOUTHPORTAL PROPERTIES, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 20th Floor, Ayala Center Cebu Tower, Bohol Street, Cebu Business Park, Cebu City, Cebu (“**SPI**”), represented herein by its President, Joseph Carmichael Z. Jugo, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[4] VERDE GOLF DEVELOPMENT CORPORATION, a corporation duly organized and existing under the laws of the Philippines with principal office at 2nd Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City (“**VGDC**”), represented herein by its President, George Bernard L. Cadhit, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[5] FIVE STAR CINEMA INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 4th Floor, Glorietta 4, Ayala Center, Makati City, Metro Manila, Philippines (“**FSCI**”), represented herein by its President, Remedios R. Aganon, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[6] PRIMAVERA TOWNCENTRE, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 4th Floor, Glorietta 4, Ayala Center, Ayala Center, Makati City (“**PTI**”), represented herein by its President, Maria Clavel G. Tongco, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[7] HILLSFORD PROPERTY CORPORATION, a corporation duly organized and existing under the laws of the Philippines with principal office at 28th Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City (“**HPC**”), represented herein by its President, Francisco Ma. D. Roxas, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[8] ALO PRIME REALTY CORPORATION, a corporation duly organized and existing under the laws of the Philippines with principal office at 28th Floor,

Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City (“**APRC**”), represented herein by its President, Francisco Ma. D. Roxas, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[9] SUNNYFIELD E-OFFICE CORPORATION, a corporation duly organized and existing under the laws of the Philippines with principal office at Riverside Boardwalk, Barangay San Rafael, Mandurriao, Iloilo City (“**SEOC**”), represented herein by its President, Francisco Ma. D. Roxas, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[10] ENJAY HOTELS, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 3F West Tower Seda BGC, 30th Street Corner 11th Avenue, Bonifacio Global City, 1634 Taguig City, Metro Manila (“**EHI**”), represented herein by its President, Javier D. Hernandez and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[11] ALI TRIANGLE HOTEL VENTURES, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 3F West Tower Seda BGC, 30th Street Corner 11th Avenue, Bonifacio Global City, 1634 Taguig City, Metro Manila (“**ATHVI**”), represented herein by its President, Javier D. Hernandez, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[12] ARCASOUTH HOTEL VENTURES, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 3F West Tower Seda BGC, 30th Street Corner 11th Avenue, Bonifacio Global City, 1634 Taguig City, Metro Manila (“**ArcaHVI**”), represented herein by its President, Javier D. Hernandez and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[13] REGENT HORIZONS CONSERVATION COMPANY, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 31st Floor, Tower One and Exchange Plaza, Ayala triangle, Ayala Avenue, Makati City (“**RHCCI**”), represented herein by its President, Maria Cristina Carmen M. Zuluaga and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[14] ONE MAKATI HOTEL VENTURES, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 3F West Tower Seda BGC, 30th Street Corner 11th Avenue, Bonifacio Global City, 1634 Taguig City, Metro Manila (“**OMHVI**”), represented herein by its President, Javier D. Hernandez and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[15] SEDA COLLEGE, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 3F West Tower Seda BGC, 30th Street Corner 11th Avenue, Bonifacio Global City, 1634 Taguig City, Metro Manila (“**SCI**”), represented herein by its President, Javier D. Hernandez and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[16] ASIATOWN HOTEL VENTURES, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 3F West Tower Seda BGC, 30th Street Corner 11th Avenue, Bonifacio Global City, 1634 Taguig City (“**AsiaHVI**”), represented herein by its President, Javier D. Hernandez, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[17] INTEGRATED ECO-RESORT INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 3rd Floor, Makati Stock Exchange, Ayala Triangle, Ayala Avenue, Makati City (“**IERI**”), represented herein by its President, Maria Christina Carmen M. Zuluaga, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[18] ECOHOLDINGS COMPANY, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City (“**ECT**”), represented herein by its President, Maria Cristina Carmen M. Zuluaga, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[19] ALI CAPITAL CORP., a corporation duly organized and existing under the laws of the Philippines with principal office at 5th Floor Ayala Malls Manila Bay, Diosdado Macapagal Blvd., Parañaque City (“**ACC**”), represented herein by its President, Alfonso Javier D. Reyes, and its Corporate Secretary, Manolito A. Manalo;

[20] WHITEKNIGHT HOLDINGS, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at No. 1 President Laurel Highway, Tanauan City, Batangas (“**WHI**”), represented herein by its President, Alfonso Javier D. Reyes, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[21] AYALALAND MEDICAL FACILITIES LEASING INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 3rd Floor, Makati Stock Exchange Building, Ayala Avenue, Makati City (“**AMFLI**”), represented herein by its President, Alfonso Javier D. Reyes, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[22] AMORSEDIA DEVELOPMENT CORPORATION, a corporation duly organized and existing under the laws of the Philippines with principal office at 28th Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City (“**ADC**”), represented herein by its Attorney-in-Fact, Ma. Carmela K. Ignacio, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[23] BUENDIA LANDHOLDINGS, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City (“**BLI**”), represented herein by its President, Ma. Carmela K. Ignacio, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[24] HLC DEVELOPMENT CORPORATION, a corporation duly organized and existing under the laws of the Philippines with principal office at 28th Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City (“**HDC**”), represented herein by its President, Ma. Carmela K. Ignacio, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[25] ALTARAZA PRIME REALTY CORPORATION, a corporation duly organized and existing under the laws of the Philippines with principal office at 31st Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City (“**AltaPRC**”), represented herein by its President, Ma. Carmela K. Ignacio, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[26] REDHEAP HOLDINGS INC., a corporation duly organized and existing under the laws of the Philippines with principal office at Unit 1504 Picadilly Star Building, 4th Avenue Corner 27th Street, Bonifacio Global City, Taguig City (“**RHI**”), represented herein by its President, May P. Rodriguez, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[27] WEDGEMORE PROPERTY, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 58B Scout Madriñan Street, Brgy. South Triangle, Quezon City (“**WPI**”), represented herein by its President, John Marcial E. Estacio, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[28] CEBU LEISURE CO. INC., a corporation duly organized and existing under the laws of the Philippines with principal office at Admin Office, Level 4, Ayala Center Cebu, Cebu Business Park, Cebu City (“**CLCI**”), represented herein by its President, Maria Clavel G. Tongco, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[29] NORTH VENTURES COMMERCIAL CORP., a corporation duly organized and existing under the laws of the Philippines with principal office at Quirino Highway Corner Maligaya Drive, Pasong Putik, Novaliches, Quezon City (“**NVCC**”), represented herein by its President, Maria Clavel G. Tongco, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[30] WESTVIEW COMMERCIAL VENTURES CORP., a corporation duly organized and existing under the laws of the Philippines with principal office at G/F, The District North Point, Brgy. Zone 15, Talisay City, Negros Occidental (“**WCVC**”), represented herein by its President, Maria Clavel G. Tongco, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[31] CIRCUIT MAKATI HOTEL VENTURES, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 3F West Tower Seda BGC, 30th Street Corner 11th Avenue, Bonifacio Global City, 1634 Taguig City (“**CMHVI**”), represented herein by its President, Javier D. Hernandez, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[32] CRIMSON FIELD ENTERPRISES, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 10th Floor, BPI-Philam Life Alabang Acacia Avenue 1770 Muntinlupa City (“**CFEI**”), represented herein by its President, Charlotte T. Cailao, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[33] RED CREEK PROPERTIES, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 10th Floor, BPI-Philam Life Alabang Acacia Avenue 1770 Muntinlupa City (“**RCPI**”), represented herein by its President, Charlotte T. Cailao, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

[34] PRIMA GAEDI DEVELOPMENT CORP., a corporation duly organized and existing under the laws of the Philippines with principal office at Unit 1504 Picadily Star Building, 4th Avenue Corner 27th Street, Bonifacio Global City, Taguig City (“**PGDC**”), represented herein by its President, John Marcial E. Estacio, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

and

[35] AMSI, INC., a corporation duly organized and existing under the laws of the Philippines with principal office at 5th Floor, Glorietta 4, Ayala Center, Makati City (“**AMSI**”), represented herein by its President, Jose Ramon E. Katipunan, and its Corporate Secretary, Nimfa Ambrosia L. Perez-Paras;

Recitals

- A. ALI, AHI, SPI, VGDC, FSCI, PTI, HPC, APRC, SEOC, EHI, ATHVI, ArcaHVI, RHCCI, OMHVI, SCI, AsiaHVI, IERI, ECI, ACC, WHI, AMFLI, ADC, BLI, HDC, AltaPRC, RHI, WPI, CLCI, NVCC, WCVC, CMHVI, CFEI, RCPI, PGDC, and AMSI (collectively, the “**Constituent Corporations**”) are engaged in the real estate business, particularly in holding, developing, managing, administering, selling, conveying, encumbering, purchasing, acquiring, renting, or otherwise dealing in and disposing of residential, commercial, industrial, urban, or other kinds of real property;
- B. ALI has an authorized capital stock of Twenty-One Billion Five Hundred Million Pesos (Php21,500,000,000.00) divided into: Twenty Billion (20,000,000,000) common shares with a par value of One Peso (Php1.00) per share and Fifteen Billion (15,000,000,000) preferred shares with a par value of Ten Centavos (Php0.10). Twenty Seven Billion Four Hundred Twenty Seven Million Five Hundred Ten Thousand Three Hundred Fifty Four (27,427,510,354) ALI shares are issued and outstanding to the stockholders listed in **Annex “A”**, such shares being comprised of Fourteen Million Nine Hundred Eighty Four Million Nine Hundred Ninety Seven Thousand Seven Hundred Thirty One (14,984,997,731) common shares and Twelve Million Four Hundred Forty Two Million Five Hundred Twelve Thousand Six Hundred Twenty Three (12,442,512,623) preferred shares;

- C. The Constituent Corporations desire to merge pursuant to Sections 75 to 79, Chapter IX, of the Revised Corporation Code of the Philippines (the “**Revised Corporation Code**”) and Section 40(C)(2)(b) of the National Internal Revenue Code of 1997, as amended;
- D. ALI owns, directly or indirectly, 100%, or at least a majority of, the other Constituent Corporations. The merger is desirable and advantageous to the Constituent Corporations because the merger will consolidate ALI's various real estate portfolios under one listed vehicle, thereby strengthening current shareholders' investments, facilitating prospective investors' decision-making, allowing investors to focus on one listed entity, and creating a wider shareholder base which will increase the liquidity of ALI's shares; and will create operational efficiencies and simplify reporting to government regulatory agencies;
- E. ALI shall be the surviving entity in the merger and shall absorb and take over AHI, SPI, VGDC, FSCI, PTI, HPC, APRC, SEOC, EHI, ATHVI, ArcaHVI, RHCCI, OMHVI, SCI, AsiaHVI, IERI, ECI, ACC, WHI, AMFLI, ADC, BLI, HDC, AltaPRC, RHI, WPI, CLCI, NVCC, WCVC, CMHVI, CFEI, RCPI, PGDC, and AMSI (the “**Merger**”). The Merger and the terms in this Plan of Merger, as set forth in this Plan of Merger, were approved by the Constituent Corporations' respective Boards of Directors on the following dates:

Constituent Corporations	Date of Board Meeting
(1) ALI	12 March 2024
(2) AHI	●
(3) SPI	●
(4) VGDC	●
(5) FSCI	●
(6) PTI	●
(7) HPC	●
(8) APRC	●
(9) SEOC	●
(10) EHI	●
(11) ATHVI	●
(12) ArcaHVI	●
(13) RHCCI	●
(14) OMHVI	●
(15) SCI	●
(16) AsiaHVI	●
(17) IERI	●
(18) ECI	●
(19) ACC	●
(20) WHI	●
(21) AMFLI	●
(22) ADC	●
(23) BLI	●
(24) HDC	●
(25) AltaPRC	●

Constituent Corporations	Date of Board Meeting
(26) RHI	●
(27) WPI	●
(28) CLCI	●
(29) NVCC	●
(30) WCVC	●
(31) CMHVI	●
(32) CFEI	●
(33) RCPI	●
(34) PGDC	●
(35) AMSI	●

This Plan of Merger contains the terms of the Merger approved by such Board of Directors, and the latter authorized the execution of this Plan of Merger.

- F. The Merger and this Plan of Merger will also be submitted to the stockholders of the Constituent Corporations for ratification and approval at each Constituent Corporation's stockholders' meeting.
- G. Upon adoption and approval by the stockholders of the Constituent Corporations of this Plan of Merger, the proper officers and directors of the Constituent Corporations are to sign, execute, file and deliver such documents and instruments, and to do all acts or things as may be required or necessary to fully implement the Merger;

NOW THEREFORE, in consideration of the premises and of the mutual agreements, provisions, covenants, terms, and conditions contained in this Plan of Merger, the Constituent Corporations agree to the Merger in accordance with the Revised Corporation Code as follows:

ARTICLE I THE MERGER

- 1.1. **Merger of AHI, SPI, VGDC, FSCI, PTI, HPC, APRC, SEOC, EHI, ATHVI, ArcaHVI, RHCCI, OMHVI, SCI, AsiaHVI, IERI, ECI, ACC, WHI, AMFLI, ADC, BLI, HDC, AltaPRC, RHI, WPI, CLCI, NVCC, WCVC, CMHVI, CFEI, RCPI, PGDC, and AMSI with and into ALI.** In accordance with the provisions of this Plan of Merger and the Revised Corporation Code, at the Effective Date as defined in Article 1.5 hereunder, the Merger shall take effect and AHI, SPI, VGDC, FSCI, PTI, HPC, APRC, SEOC, EHI, ATHVI, ArcaHVI, RHCCI, OMHVI, SCI, AsiaHVI, IERI, ECI, ACC, WHI, AMFLI, ADC, BLI, HDC, AltaPRC, RHI, WPI, CLCI, NVCC, WCVC, CMHVI, CFEI, RCPI, PGDC, and AMSI (the “**Absorbed Corporations**” and each an “**Absorbed Corporation**”) shall be merged with and into ALI, with ALI as the surviving corporation (the “**Surviving Corporation**”).
- 1.2. **Approvals.** After the approval of this Plan of Merger by the Board of Directors of each of the Constituent Corporations, it shall be submitted to the stockholders of Constituent Corporations pursuant to Section 76 of the Revised Corporation Code for ratification and approval.
- 1.3. **Effects of Merger.** Upon the Effective Date of the Merger:

- (a) The separate existence of the Absorbed Corporations shall cease.
 - (b) ALI shall continue to exist as a corporation organized and existing under the laws of the Philippines, shall continue to conduct its business as presently conducted, and shall be the Surviving Corporation.
 - (c) ALI shall acquire all issued and outstanding shares held by the Absorbed Corporations' stockholders, and in exchange for their shares, such stockholders shall be issued ALI common shares in accordance with Article 2.1 hereunder. In case the stockholder of an Absorbed Corporation is itself an Absorbed Corporation or is ALI itself, the shares that would have been issued to such a stockholder will be ALI treasury shares.
 - (d) ALI, as the Surviving Corporation, shall continue to possess all the rights, privileges, immunities, and powers and shall be subject to all the duties and liabilities of a corporation under the Revised Corporation Code.
 - (e) ALI shall thereupon and thereafter possess all the rights, privileges and immunities of the Absorbed Corporations, and all property, real or personal, and all receivables due on whatever account, including subscriptions to shares and other choses in action, and all and every other interest of, or belonging to, or due to the Absorbed Corporations shall be taken and deemed to be transferred to and vested in ALI without further act or deed.
 - (f) ALI shall be responsible and liable for all the liabilities and obligations of the Absorbed Corporations, in the same manner as if ALI had itself incurred such liabilities and obligations, and any pending claim, action or proceeding brought by or against any of the Absorbed Corporations may be prosecuted by or against ALI, as the case may be. Neither the lawful rights or creditors nor any valid lien upon the property of the Constituent Corporations shall be impaired by the Merger.
- 1.4. **Additional Actions.** If, at any time after the Effective Date, ALI shall consider or be advised that any further assignments or assurances in law or in any other acts are necessary or desirable, (a) to vest, perfect or confirm, of record or otherwise, in ALI, title to and possession of any property or rights of ALI, acquired or to be reason of, in connection with, or as result of the Merger, or (b) otherwise to more effectively effectuate this Plan of Merger, ALI and its officers and directors shall be deemed to have granted each of the Absorbed Corporations and the Absorbed Corporations' officers and directors an irrevocable power of attorney to execute and deliver all such proper deeds, assignments and assurances in law, and to do all acts necessary or proper to vest, perfect to confirm title to, and possession of such right or property in ALI and otherwise to take any and all such action.
- 1.5. **Effective Date.** Upon approval of this Plan of Merger by the respective stockholders of the Constituent Corporations, the Articles of Merger with the attached Plan of Merger shall be filed by the Constituent Corporations with the Securities and Exchange Commission ("SEC"). The Merger shall take effect on the first date of the month

immediately following the approval of the Merger and the issuance of the Certificate of Filing of the Articles and Plan of Merger by the SEC (the “Effective Date”).

ARTICLE II SHARE OF STOCK

2.1. Acquisition and Issuance of Stock.

- (a) All of the shares of Absorbed Corporations owned by their respective stockholders (legally and/or beneficially) prior to the Merger (as indicated in Annexes “B-1” to “B-34”) shall be acquired by ALI, and in exchange for the net assets of the Absorbed Corporations. A total of Nine Hundred Ninety Three Million Five Hundred Forty Thousand and Five Hundred Forty Four (993,540,544) ALI common shares will be issued to the stockholders of the Absorbed Corporations as follows:

Absorbed Corporations	Total No. of ALI common shares to be issued
(1) AHI	476,653,849
(2) SPI	7,550,440
(3) VGDC	0
(4) FSCI	772,250
(5) PTI	2,232,440
(6) HPC	27,000,000
(7) APRC	3,879,400
(8) SEOC	14,878,000
(9) EHI	5,940,000
(10) ATHVI	23,842,000
(11) ArcaHVI	10,240,000
(12) RHCCI	21,269,539
(13) OMHVI	45,587,500
(14) SCI	400,000
(15) AsiaHVI	19,000
(16) IERI	8,325,809
(17) ECI	10,519,790
(18) ACC	11,025,000
(19) WHI	511,000
(20) AMFLI	2,040,000
(21) ADC	40,941,748
(22) BLI	11,794,839
(23) HDC	48,475,769
(24) AltaPRC	44,000
(25) RHI	0
(26) WPI	0
(27) CLCI	12,282,000
(28) NVCC	105,956,068
(29) WVCV	33,227,403

Absorbed Corporations	Total No. of ALI common shares to be issued
(30) CMHVI	9,000,000
(31) CFEI	21,375,680
(32) RCPI	36,629,520
(33) PGDC	11,500
(34) AMSI	1,116,000
Total	993,540,544

Provided that if such a stockholder is an Absorbed Corporation or ALI itself, the shares that would have been so issued shall be ALI treasury shares. Of the foregoing Nine Hundred Ninety Three Million Five Hundred Forty Thousand and Five Hundred Forty Four (993,540,544) ALI shares, Eight Hundred Eighty Three Million One Hundred Seventy One Thousand and Five (877,231,005) shall be treated as ALI treasury shares.

After the Merger, ALI's stockholders shall be as attached in **Annex "C"**.

- (b) As of the date of this Plan of Merger, ALI directly or indirectly owns all, or at least a majority of, the shareholdings in each of the Absorbed Corporations as follows:

Absorbed Corporations	ALI Ownership
(1) AHI	100.00% (Direct)
(2) SPI	100.00% (Direct)
(3) VGDC	100.00% (Direct)
(4) FSCI	100.00% (Direct)
(5) PTI	100.00% (Direct)
(6) HPC	100.00% (Direct)
(7) APRC	100.00% (Direct)
(8) SEOC	100.00% (Direct)
(9) EHI	100.00% (Indirect)
(10) ATHVI	100.00% (Indirect)
(11) ArcaHVI	100.00% (Indirect)
(12) RHCCI	100.00% (Indirect)
(13) OMHVI	100.00% (Indirect)
(14) SCI	100.00% (Indirect)
(15) AsiaHVI	100.00% (Indirect)
(16) IERI	100.00% (Direct)
(17) ECI	100% (Direct)
(18) ACC	100.00% (Direct)
(19) WHI	100.00% (Direct)
(20) AMFLI	100.00% (Direct)
(21) ADC	100.00% (Direct)
(22) BLI	100.00% (Direct)
(23) HDC	100.00% (Indirect)
(24) AltaPRC	100.00% (Direct)
(25) RHI	100.00% (Indirect)

Absorbed Corporations	ALI Ownership
(26) WPI	100.00% (Indirect)
(27) CLCI	100.00%(Direct)
(28) NVCC	100.00% (Direct)
(29) WVCV	100.00% (Direct)
(30) CMHVI	100.00% (Indirect)
(31) CFEI	100.00% (Direct)
(32) RCPI	100.00% (Direct)
(33) PGDC	100.00% (Indirect)
(34) AMSI	100.00% (Direct)

- (c) The present outstanding capital stock of the Absorbed Corporations shall be retired and cancelled.

- 2.2. Surrender of Shares/Stock Certificates.** As soon as reasonably practicable after the Effective Date of the Merger, ALI's Corporate Secretary shall send to each former stockholder of the Absorbed Corporations instructions relating to the surrender of their shares of stock/stock certificates for cancellation, as applicable.

ARTICLE III AUDITED FINANCIAL STATEMENTS

- 3.1.** The cut-off date of the audited financial statements the Constituent Corporations for the purpose of this Merger is 31 December 2023 (the “**Cut-Off Date**”). It is understood that whatever assets that may not have been reflected in the audited financial statements of the Absorbed Corporations as of the Cut-Off Date or may have been omitted therefrom for any reason whatsoever as well as other assets which may come into its possession or to which they may be entitled after the Cut-Off Date and until the Effective Date shall be deemed included in the conveyance, assignment and transfer pursuant to this Merger.

ARTICLE IV ARTICLES OF INCORPORATION AND BY-LAWS OF ALI

- 4.1. Articles of Incorporation.** The Articles of Incorporation of ALI as the Surviving Corporation shall not change from the present Articles of Incorporation of ALI in effect immediately prior to the Effective Date of the Merger on account of the Merger.
- 4.2. By-Laws.** The By-Laws of ALI, as the Surviving Corporation, shall not change from by-laws in effect immediately prior to the Effective Date of the Merger on account of the Merger.

ARTICLE V SHAREHOLDERS' APPROVAL

- 5.1.** The Plan of Merger will be submitted for approval and adoption by shareholders of the following Constituent Corporations at the following meetings of such shareholders:

Constituent Corporations	Date and Type of Stockholders' Meeting	Place of Meeting	Via Remote Communication (Yes / No)
(1) ALI	● (Special / Annual)	●	●
(2) AHI	● (Special / Annual)	●	●
(3) SPI	● (Special / Annual)	●	●
(4) VGDC	● (Special / Annual)	●	●
(5) FSCI	● (Special / Annual)	●	●
(6) PTI	● (Special / Annual)	●	●
(7) HPC	● (Special / Annual)	●	●
(8) APRC	● (Special / Annual)	●	●
(9) SEOC	● (Special / Annual)	●	●
(10) EHI	● (Special / Annual)	●	●
(11) ATHVI	● (Special / Annual)	●	●
(12) ArcaHVI	● (Special / Annual)	●	●
(13) RHCCI	● (Special / Annual)	●	●
(14) OMHVI	● (Special / Annual)	●	●
(15) SCI	● (Special / Annual)	●	●
(16) AsiaHVI	● (Special / Annual)	●	●
(17) IERI	● (Special / Annual)	●	●
(18) ECI	● (Special / Annual)	●	●
(19) ACC	● (Special / Annual)	●	●
(20) WHI	● (Special / Annual)	●	●
(21) AMFLI	● (Special / Annual)	●	●
(22) ADC	● (Special / Annual)	●	●
(23) BLI	● (Special / Annual)	●	●
(24) HDC	● (Special / Annual)	●	●
(25) AltaPRC	● (Special / Annual)	●	●
(26) RHI	● (Special / Annual)	●	●
(27) WPI	● (Special / Annual)	●	●
(28) CLCI	● (Special / Annual)	●	●
(29) NVCC	● (Special / Annual)	●	●
(30) WCVC	● (Special / Annual)	●	●
(31) CMHVI	● (Special / Annual)	●	●
(32) CFEI	● (Special / Annual)	●	●
(33) RCPI	● (Special / Annual)	●	●
(34) PGDC	● (Special / Annual)	●	●
(35) AMSI	● (Special / Annual)	●	●

5.2. In all the foregoing meetings of the shareholders of the Constituent Corporations, at least two-thirds (2/3) of the outstanding capital stock of the corporation must vote in favor of approving and adopting this Plan of Merger. The Constituent Corporations shall each forthwith implement the Merger, and as required under the Revised Corporation Code, shall execute the Articles of Merger, signed by their respective President or Vice-President, and certified by their respective Corporate Secretaries, setting forth: (a) the Plan of Merger; (b) the number of outstanding shares; and (c) the number of shares voting for and against the Plan of Merger, respectively.

ARTICLE VI

BOARD OF DIRECTORS AND OFFICERS

- 6.1. Board of Directors and Officers of ALI.** The incumbent directors and officers of the Surviving Corporation shall continue to be the directors and officers of the Surviving Corporation for the balance of their unexpired term and until their successors shall have been duly elected and qualified in accordance with the By-laws of the Surviving Corporation.
- 6.2. Board of Directors and Officers of Absorbed Corporations.** The incumbent directors and officers of the Absorbed Corporations shall continue to be such directors and officers until the Effective Date, provided that, on the day following the Effective Date, such directors and officers, except solely for the purpose of implementing the Plan of Merger, shall not perform or exercise any act or enter into any agreement pertaining to the day-to-day business of their respective corporations without the express consent and written authority of the Surviving Corporation or its duly authorized representatives.

ARTICLE VII

AMENDMENT AND TERMINATION

- 7.1. Amendment.** This Plan of Merger has been approved by at least a majority vote of the respective boards of directors of the Constituent Corporations and shall be submitted to their respective stockholders for approval in accordance with law and the respective by-laws of the Constituent Corporations; provided, that, the approval of this Plan of Merger by the stockholders of the Constituent Corporations shall constitute an authorization to their respective board of directors by majority vote to amend, modify or supplement this Plan of Merger for the purpose of (i) excluding a Constituent Corporation from the Merger, or (ii) to correct typographical errors or clerical omissions in the Plan of Merger, provided that such amendment, modification or supplement shall not substantially change the terms of the Merger.

Any amendment to the Plan of Merger that will substantially change the terms of the Merger may be made, provided that such amendment is approved by the vote of the majority of the respective Boards of Directors of the Constituent Corporations and ratified by the affirmative vote of stockholders of each Constituent Corporation representing at least two-thirds (2/3) of the outstanding capital stock.

Such Plan of Merger, together with any amendment, shall be considered as the agreement for the Merger.

- 7.2. Termination.** At any time prior to the Effective Date, this Plan of Merger may be terminated and the Merger abandoned by mutual agreement of the Board of Directors of the Constituent Corporations. If terminated, this Plan of Merger shall forthwith become wholly void and of no further force or effect.

ARTICLE VIII

MISCELLANEOUS

- 8.1. Governing Law.** This Plan of Merger shall be governed in all respects, including but not limited to validity, interpretation, effect, and performance, by Philippine law.
- 8.2. Cooperation.** Until the Effective Date, the Absorbed Corporations shall: (a) cooperate in carrying out the provisions of this Plan of Merger to the end that the Merger contemplated hereby may be duly consummated, and (b) carry on the business and conduct their affairs in and only in the usual and customary manner.
- 8.3. Confidentiality.** Each of the Constituent Corporations shall keep confidential any information obtained from the other party in connection herewith, and, in the event that the Merger is abandoned or not consummated, the Constituent Corporations shall each upon the request of the other, return all statements, documents and other written information and material obtained in connection herewith and all copies thereof.
- 8.4. Notice.** Any notice or other communication required or permitted hereunder shall be sufficiently given if in writing sent by personal delivery or by registered mail addressed as follows:

Party	Contact Details
(1) ALI	Name: Augusto D. Bengzon Designation/Position: Chief Finance Officer, Senior Vice President & Treasurer Email Address: compliance@ayalaland.com.ph Business Address: 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Phone Number: 0905 4654259
(2) AHI	Name: Desiree Joy C. Suarez-Miranda Designation/Position: Chief Finance Officer & Treasurer Email Address: compliance@ayalaland.com.ph miranda.desiree@ayalaland.com.ph Business Address: 2nd Floor Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Phone Number: 0905 4654259
(3) SPI	Name: Desiree Joy C. Suarez-Miranda Designation/Position: Chief Finance Officer Email Address: compliance@ayalaland.com.ph miranda.desiree@ayalaland.com.ph Business Address: 20th Floor, Ayala Center Cebu Tower, Bohol Street, Cebu Business Park, Cebu City, Cebu Phone Number: 0905 4654259
(4) VGDC	Name: Desiree Joy C. Suarez-Miranda

Party	Contact Details
	Designation/Position: Chief Finance Officer & Treasurer Email Address: compliance@ayalaland.com.ph miranda.desiree@ayalaland.com.ph Business Address: 2nd Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Phone Number: 0905 4654259
(5) FSCI	Name: Arlene G. Negro Designation/Position: Chief Finance Officer Email Address: compliance@ayalaland.com.ph Business Address: 5th Floor, One Ayala, 1 Ayala Avenue, Ayala Center, Barangay San Lorenzo, Makati City Phone Number: 0905 4654259
(6) PTI	Name: Ma. Graciela A. Palamo Designation/Position: Chief Finance Officer Email Address: compliance@ayalaland.com.ph Business Address: 4th Floor, Glorietta 4, Ayala Center, Makati City, Metro Manila, Philippines Phone Number: 0905 4654259
(7) HPC	Name: Ma. Teresa R. Famy Designation/Position: Chief Finance Officer & Treasurer Email Address: compliance@ayalaland.com.ph Business Address: 28th Floor, Tower One and Exchange Plaza, Ayala Avenue, Ayala Triangle, Makati City Phone Number: 0905 4654259
(8) APRC	Name: Ma. Teresa R. Famy Designation/Position: Chief Finance Officer & Treasurer Email Address: compliance@ayalaland.com.ph Business Address: 28th Floor, Tower One and Exchange Plaza, Ayala Avenue, Ayala Triangle, Makati City Phone Number: 0905 4654259
(9) SEOC	Name: Ma. Teresa R. Famy Designation/Position: Chief Finance Officer & Treasurer Email Address: compliance@ayalaland.com.ph Business Address: Riverside Boardwalk, Barangay San Rafael, Mandurriao, Iloilo City

Party	Contact Details
	Phone Number: 0905 4654259
(10) EHI	Name: Elaine Marie F. Alzona Designation/Position: Chief Finance Officer, Treasurer & Compliance Officer Email Address: compliance@ayalaland.com.ph Business Address: 3rd Floor, West Tower, Seda BGC, 30th Street corner 11th Avenue, Bonifacio Global City, 1634, Taguig City Phone Number: 0905 4654259
(11) ATHVI	Name: Elaine Marie F. Alzona Designation/Position: Chief Finance Officer, Treasurer & Compliance Officer Email Address: compliance@ayalaland.com.ph Business Address: 3rd Floor, West Tower, Seda BGC, 30th Street corner 11th Avenue, Bonifacio Global City, 1634, Taguig City Phone Number: 0905 4654259
(12) ArcaHVI	Name: Elaine Marie F. Alzona Designation/Position: Chief Finance Officer, Treasurer & Compliance Officer Email Address: compliance@ayalaland.com.ph Business Address: 3rd Floor, West Tower, Seda BGC, 30th Street corner 11th Avenue, Bonifacio Global City, 1634, Taguig City Phone Number: 0905 4654259
(13) RHCCI	Name: Elena D. Salazar Designation/Position: Treasurer, Chief Finance Officer & Compliance Officer Email Address: compliance@ayalaland.com.ph Business Address: 31st Floor, Tower One and Exchange Plaza, Ayala Avenue, Ayala Triangle, Makati City Phone Number: 0905 4654259
(14) OMHVI	Name: Elaine Marie F. Alzona Designation/Position: Chief Finance Officer, Treasurer & Compliance Officer Email Address: compliance@ayalaland.com.ph Business Address: 3rd Floor, West Tower, Seda BGC, 30th Street corner 11th Avenue, Bonifacio Global City, 1634, Taguig City Phone Number: 0905 4654259
(15) SCI	Name: Elaine Marie F. Alzona

Party	Contact Details
	Designation/Position: Chief Finance Officer, Treasurer & Compliance Officer Email Address: compliance@ayalaland.com.ph Business Address: 3rd Floor, West Tower, Seda BGC, 30th Street corner 11th Avenue, Bonifacio Global City, 1634, Taguig City Phone Number: 0905 4654259
(16) AsiaHVI	Name: Elaine Marie F. Alzona Designation/Position: Chief Finance Officer, Treasurer & Compliance Officer Email Address: compliance@ayalaland.com.ph Business Address: 3rd Floor, West Tower, Seda BGC, 30th Street corner 11th Avenue, Bonifacio Global City, 1634, Taguig City Phone Number: 0905 4654259
(17) IERI	Name: Elena D. Salazar Designation/Position: Treasurer, Chief Finance Officer & Compliance Officer Email Address: compliance@ayalaland.com.ph Business Address: 3rd Floor, Makati Stock Exchange, Ayala Triangle, Ayala Avenue, Makati City Phone Number: 0905 4654259
(18) ECI	Name: Elena D. Salazar Designation/Position: Treasurer, Chief Finance Officer & Compliance Officer Email Address: compliance@ayalaland.com.ph Business Address: 3rd Floor, Makati Stock Exchange, Ayala Triangle, Ayala Avenue, Makati City Phone Number: 0905 4654259
(19) ACC	Name: Michael E. Molinyawe Designation/Position: Chief Finance Officer & Treasurer Email Address: compliance@ayalaland.com.ph Business Address: 5th Floor, Ayala Malls Manila Bay, Diosdado Macapagal Blvd., Parañaque City Phone Number: 0905 4654259
(20) WHI	Name: Michael E. Molinyawe Designation/Position: Chief Finance Officer & Treasurer

Party	Contact Details
	Email Address: compliance@ayalaland.com.ph Business Address: No. 1 President Laurel Highway, Tanauan City, Batangas Phone Number: 0905 4654259
(21) AMFLI	Name: Michael E. Molinyawe Designation/Position: Chief Finance Officer & Treasurer Email Address: compliance@ayalaland.com.ph Business Address: 3rd Floor, Makati Stock Exchange Building, Ayala Avenue, Makati City Phone Number: 0905 4654259
(22) ADC	Name: Ma. Divina Y. Lopez Designation/Position: Treasurer Email Address: compliance@ayalaland.com.ph Business Address: 28th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Phone Number: 0905 4654259
(23) BLI	Name: Ma. Divina Y. Lopez Designation/Position: Treasurer Email Address: compliance@ayalaland.com.ph Business Address: 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Phone Number: 0905 4654259
(24) HDC	Name: Ma. Divina Y. Lopez Designation/Position: Treasurer Email Address: compliance@ayalaland.com.ph Business Address: 28th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Phone Number: 0905 4654259
(25) AltaPRC	Name: Ma. Divina Y. Lopez Designation/Position: Treasurer Email Address: compliance@ayalaland.com.ph Business Address: 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Phone Number: 0905 4654259
(26) RHI	Name: Hyacintha Mea G. Chim Designation/Position: Treasurer Email Address: compliance@ayalaland.com.ph

Party	Contact Details
	Business Address: Unit 1504 Picadilly Star Bldg., 4th Ave. Corner 27th St., Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City, Metro Manila Phone Number: 0905 4654259
(27) WPI	Name: Hyacintha Mea G. Chim Designation/Position: Treasurer Email Address: compliance@ayalaland.com.ph Business Address: 58B, Scout Mandriñan, Barangay South Triangle, Quezon City Phone Number: 0905 4654259
(28) CLCI	Name: Emma Elvira G. Mawe Designation/Position: Chief Finance Officer Email Address: compliance@ayalaland.com.ph Business Address: ACC Admin Office, 4th Level Mezzanine, Ayala Center Cebu, Cebu Business Park, Cebu City Phone Number: 0905 4654259
(29) NVCC	Name: Lea M. Tolentino Designation/Position: Chief Finance Officer Email Address: compliance@ayalaland.com.ph Business Address: Quirino Highway corner Maligaya Drive, Pasong Putik, Novaliches, Quezon City 1118 Phone Number: 0905 4654259
(30) WCVC	Name: Emma Elvira G. Mawe Designation/Position: Chief Finance Officer Email Address: compliance@ayalaland.com.ph Business Address: Ground Floor, The District North Point, Brgy. Zone 15, Talisay City, Negros Occidental Phone Number: 0905 4654259
(31) CMHVI	Name: Elaine Marie F. Alzona Designation/Position: Chief Finance Officer, Treasurer & Compliance Officer Email Address: compliance@ayalaland.com.ph Business Address: Sta. Ana Park, A.P. Reyes Avenue, Carmona, Makati City Phone Number: 0905 4654259
(32) CFEI	Name: Ma. Divina Y. Lopez Designation/Position: Treasurer Email Address: compliance@ayalaland.com.ph

Party	Contact Details
	Business Address: 10th Floor, BPI-Philam Life Alabang, Acacia Avenue, Alabang, Muntinlupa City Phone Number: 0905 4654259
(33) RCPI	Name: Ma. Divina Y. Lopez Designation/Position: Treasurer Email Address: compliance@ayalaland.com.ph Business Address: 10th Floor, BPI-Philam Life Alabang, Acacia Avenue, Alabang, Muntinlupa City Phone Number: 0905 4654259
(34) PGDC	Name: Hyacintha Mea G. Chim Designation/Position: Treasurer Email Address: compliance@ayalaland.com.ph Business Address: Unit 1504 Picadilly Star Bldg., 4th Ave. Corner 27th St., Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City, Metro Manila Phone Number: 0905 4654259
(35) AMSI	Name: Elaine Marie F. Alzona Designation/Position: Chief Finance Officer Email Address: compliance@ayalaland.com.ph Business Address: 5th Floor, One Ayala, 1 Ayala Avenue, Ayala Center, Barangay San Lorenzo, Makati City Phone Number: 0905 4654259

[Signature pages follows.]

IN WITNESS WHEREOF, the Constituent Corporations have caused this Plan of Merger to be signed in their respective corporate names by their respective representatives, all as of the day and year first above written.

AYALA LAND, INC.

ALI CAPITAL CORP.

Anna Ma. Margarita B. Dy
President

Alfonso Javier D. Reyes
President

Maria Franchette M. Acosta
Corporate Secretary

Manolito A. Manalo
Corporate Secretary

AYALA HOTELS INC.

WHITEKNIGHT HOLDINGS, INC.

Paolo O. Viray
President

Alfonso Javier D. Reyes
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

SOUTHPORTAL PROPERTIES, INC.

**AYALALAND MEDICAL FACILITIES
LEASING INC.**

Joseph Carmichael Z. Jugo
President

Alfonso Javier D. Reyes
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**VERDE GOLF DEVELOPMENT
CORPORATION**

George Bernard L. Cadhit
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

FIVE STAR CINEMA INC.

Remedios R. Aganon
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

PRIMAVERA TOWNCENTRE, INC.

Maria Clavel G. Tongco
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**AMORSEDIA DEVELOPMENT
CORPORATION**

Ma. Carmela K. Ignacio
Attorney-in-Fact

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

BUENDIA LANDHOLDINGS, INC.

Ma. Carmela K. Ignacio
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**HLC DEVELOPMENT
CORPORATION**

Ma. Carmela K. Ignacio
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**HILLSFORD PROPERTY
CORPORATION**

Francisco Ma. D. Roxas
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**ALTARAZA PRIME REALTY
CORPORATION**

Ma. Carmela K. Ignacio
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

ALO PRIME REALTY CORPORATION

Francisco Ma. D. Roxas
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

REDHEAP HOLDINGS INC.

May P. Rodriguez
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**SUNNYFIELD E-OFFICE
CORPORATION**

Francisco Ma. D. Roxas
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

WEDGEMORE PROPERTY, INC.

John Marcial E. Estacio
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

ENJAY HOTELS, INC.

Javier D. Hernandez
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

CEBU LEISURE CO. INC.

Maria Clavel G. Tongco
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**ALI TRIANGLE HOTEL VENTURES,
INC.**

Javier D. Hernandez
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**NORTH VENTURES COMMERCIAL
CORP.**

Maria Clavel G. Tongco
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**ARCASOUTH HOTEL VENTURES,
INC.**

Javier D. Hernandez
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**WESTVIEW COMMERCIAL
VENTURES CORP.**

Maria Clavel G. Tongco
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**REGENT HORIZONS
CONSERVATION COMPANY, INC.**

Maria Cristina Carmen M. Zuluaga
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**ONE MAKATI HOTEL VENTURES,
INC.**

Javier D. Hernandez
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

SEDA COLLEGE, INC.

Javier D. Hernandez
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**CIRCUIT MAKATI HOTEL
VENTURES, INC.**

Javier D. Hernandez
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**CRIMSON FIELD ENTERPRISES,
INC.**

Charlotte T. Cailao
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

RED CREEK PROPERTIES, INC.

Charlotte T. Cailao
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

ASIATOWN HOTEL VENTURES, INC.

Javier D. Hernandez
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

INTEGRATED ECO-RESORT INC.

Maria Cristina Carmen M. Zuluaga
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

ECOHOLDINGS COMPANY, INC.

Maria Cristina Carmen M. Zuluaga
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

**PRIMA GAEDI DEVELOPMENT
CORP.**

John Marcial E. Estacio
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

AMSI, INC.

Jose Ramon E. Katipunan
President

Nimfa Ambrosia L. Perez-Paras
Corporate Secretary

SIGNED IN THE PRESENCE OF:

[Acknowledgment page follows.]

ACKNOWLEDGEMENT

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

BEFORE ME a Notary Public in _____ City, Philippines, on this ____ day of _____,
personally appeared the following:

Name	ID	Date and Place of Issue, Expiry Date

known to me and to me know to be the same persons who executed the foregoing Plan of Merger which consists of ____ () pages, including this page on which this Acknowledgment is written, and sealed with my notarial seal and the parties acknowledged to me that it was an act of their free will and deed and the free and voluntary act and deed of the corporations they represent.

IN WITNESS WHEREOF, I set my hand and affix my notarial seal at the place and on the date first herein abovementioned.

Doc No. ____;
Page No. ____;
Book No. ____;
Series of 2024.



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

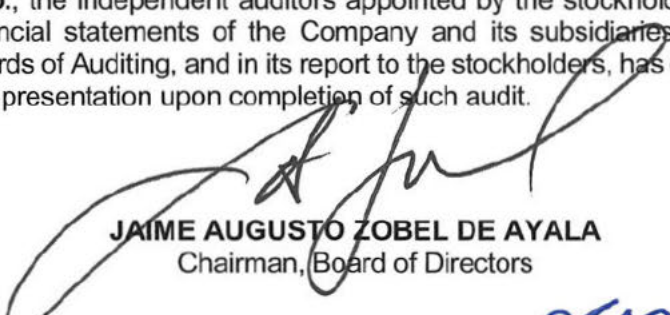
The management of **AYALA LAND, INC.** (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the years ended December 31, 2023, 2022 and 2021 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Company and its subsidiaries in accordance with Philippine Standards of Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


JAIME AUGUSTO ZOBEL DE AYALA
Chairman, Board of Directors


ANNA MA. MARGARITA B. DY
President and Chief Executive Officer


AUGUSTO D. BENGZON
Treasurer/Chief Finance Officer

SUBSCRIBED AND SWORN to before me this February 20, 2024, at Makati City, affiants exhibited to me their passports as competent evidence of their identities, as follows:

Name	Passport No.	Date/Place of Issue
Jaime Augusto Zobel de Ayala		
Anna Ma. Margarita B. Dy		
Augusto D. Bengzon		

WITNESS MY HAND AND SEAL on the date and at the place first above written.

Doc. No. 149
Page No. 21
Book No. 11
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





Independent Auditor's Report

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Report on the Audit of the Consolidated Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Ayala Land, Inc. (the "Parent Company") and its Subsidiaries (the "Group") as at and for the year ended December 31, 2023 are prepared, in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief issued and approved by the Securities and Exchange Commission (SEC), as described in Note 36 to the consolidated financial statements.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statement of financial position as at December 31, 2023;
- the consolidated statement of income for the year ended December 31, 2023;
- the consolidated statement of comprehensive income for the year ended December 31, 2023;
- the consolidated statement of changes in equity for the year ended December 31, 2023;
- the consolidated statement of cash flows for the year ended December 31, 2023; and
- the notes to the consolidated financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.



Independent Auditor's Report
To the Board of Directors and Stockholders of
Ayala Land, Inc.
Page 2

Emphasis of Matter

We draw attention to Note 36 to the consolidated financial statements, which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC in response to the COVID-19 pandemic. The details of the financial reporting relief availed by the Group and the impact of the application on the 2023 consolidated financial statements are discussed in Note 36.3. Our opinion is not modified in respect of this matter. Our opinion remains to be unqualified on the consolidated financial statements taken as a whole.

Other Matter

The consolidated financial statements of the Group as at December 31, 2022 and for the years ended December 31, 2022 and 2021 were audited by another firm of auditors whose report, dated February 21, 2023, expressed an unmodified opinion on those statements.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit pertains to the real estate revenue recognition based on percentage of completion (PoC) as a measure of progress.



Independent Auditor's Report
To the Board of Directors and Stockholders of
Ayala Land, Inc.
Page 3

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Real estate revenue recognition based on PoC as a measure of progress Refer to Note 35.2 to the consolidated financial statements for the discussion on critical accounting estimates and assumptions. The real estate revenue for the year ended December 31, 2023 amounts to P92.3 billion, which accounts for approximately 63% of the consolidated total revenue. It is therefore material to the consolidated financial statements. Real estate revenue from contracts with customers is recognized over time using the output method in accordance with the guidance set in PFRS 15, <i>Revenue from contracts with customers</i>, and Philippine Interpretations Committee Questions and Answers (PIC Q&A) 2018-12. Under the output method, revenue is calculated with reference to the PoC of the project. In the case of the Group, PoC is determined based on the actual physical completion of the project. Hence, real estate revenue recognition requires significant judgment and estimation.	We addressed the matter by understanding and evaluating the process employed by the Group in estimating the PoC of the real estate development projects. In particular, we performed a combination of controls and substantive testing procedures as follows: • Evaluated the design and tested the operating effectiveness of key controls surrounding the project budgeting, project costing and project milestone measurement activities. Further, we performed reasonableness testing of key inputs and assumptions used in the project budgeting and project costing activities, through site visits and inspection of bill of quantity and other relevant supporting documents. • Agreed the milestone percentage per project by inspecting the underlying project accomplishment reports prepared by project engineers and as evaluated and approved by independent quantity surveyors. • Performed test of details on incurred project costs through corroboration with supporting documents such as contractors' progress billing statements, supplier invoices, proof of delivery and other relevant supporting documents. • Performed mathematical accuracy check of PoC applied to each project and individually sold units and verified that the PoC is accurately used in the calculation of the Group's real estate revenue.



Independent Auditor's Report
To the Board of Directors and Stockholders of
Ayala Land, Inc.
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Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 36 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Independent Auditor's Report
To the Board of Directors and Stockholders of
Ayala Land, Inc.
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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 36 to the consolidated financial statements.



Independent Auditor's Report
To the Board of Directors and Stockholders of
Ayala Land, Inc.
Page 6

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Roderick M. Danao.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "R. Danao", with a checkmark-like flourish at the end.

Roderick M. Danao
Partner

CPA Cert. No.

P.T.R. No. , issued on January 12, 2024, Makati City

TIN 8

BIR A.N. , issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. , effective until November 14, 2025

Makati City
February 20, 2024



Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
Ayala Land, Inc
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited the consolidated financial statements of Ayala Land, Inc. (the "Parent Company") and its Subsidiaries as at and for the year ended December 31, 2023, on which we have rendered the attached report dated February 20, 2024. The supplementary information shown in the Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration and Map of the Group of Companies within which the Parent Company belongs, as additional components required by Part I, Section 5 of the Revised SRC Rule 68, and Schedules A, B, C, D, E, F and G, as required by Part II of the Revised SRC Rule 68, is presented for the purposes of filing with the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "R. Danao", with a long horizontal stroke extending to the right.

Roderick M. Danao

Partner

CPA Cert. No.

P.T.R. No. , issued on January 12, 2024, Makati City

TIN

BIR A.N. , issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. , effective until November 14, 2025

Makati City
February 20, 2024

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Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and its Subsidiaries (the "Group") as at and for the year ended December 31, 2023, and have issued our report thereon dated February 20, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the year ended December 31, 2023 and no material exceptions were noted.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "R. Danao", with a long horizontal stroke extending to the right.

Roderick M. Danao
Partner

CPA Cert. No.

P.T.R. No. , issued on January 12, 2024, Makati City

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February 20, 2024

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Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	2	17,066,330	11,885,329
Short-term investments	3	333,610	330,500
Financial assets at fair value through profit or loss (FVTPL)	4	419,802	291,989
Accounts and notes receivable, net	5	105,530,428	102,151,267
Inventories	6	209,316,511	180,348,474
Other current assets	7	80,290,824	64,849,846
Total current assets		412,957,505	359,857,405
Non-current assets			
Accounts and notes receivables, net of current portion	5	58,453,299	49,032,711
Financial assets at fair value through other comprehensive income (FVOCI)	8	1,121,969	1,033,481
Investments in associates and joint ventures	9	31,212,698	31,917,095
Right-of-use assets, net	31	11,808,541	12,418,841
Investment properties, net	10	241,061,619	245,525,507
Property and equipment, net	11	41,261,219	36,153,839
Deferred tax assets, net	21	15,345,133	13,889,287
Other non-current assets	12	33,410,499	29,826,354
Total non-current assets		433,674,977	419,797,115
Total assets		846,632,482	779,654,520
<i>(forward)</i>			

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in thousands of Philippine Peso)

(continuation)

	Notes	2023	2022
Liabilities and Equity			
Current liabilities			
Short-term debt	14	16,905,106	6,547,272
Accounts and other payables	13	162,475,442	143,952,127
Income tax payable		586,605	845,073
Current portion of lease liabilities	31	1,108,553	710,160
Current portion of long-term debt	14	18,969,421	19,258,289
Deposits and other current liabilities	15	34,131,984	31,211,023
Total current liabilities		234,177,111	202,523,944
Non-current liabilities			
Long-term debt, net of current portion	14	222,379,734	210,233,290
Pension liabilities	24	2,769,457	1,871,186
Lease liabilities, net of current portion	31	17,414,070	17,992,406
Deferred tax liabilities, net	21	7,324,267	5,849,288
Deposits and other non-current liabilities	16	42,638,781	47,519,881
Total non-current liabilities		292,526,309	283,466,051
Total liabilities		526,703,420	485,989,995
Equity			
Equity attributable to equity holders of Ayala Land, Inc.			
Paid-in capital	17	98,115,042	97,636,864
Remeasurement (loss) gain on defined benefit plans		(481,670)	106,942
Fair value reserve of financial assets at FVOCI	8	(680,620)	(877,913)
Cumulative translation adjustments		(107,679)	437,996
Equity reserves	17	(2,589,586)	(6,506,845)
Treasury stock	17	(22,776,361)	(19,080,714)
Retained earnings		202,381,286	183,535,858
		273,860,412	255,252,188
Non-controlling interests	17	46,068,650	38,412,337
Total equity		319,929,062	293,664,525
Total liabilities and equity		846,632,482	779,654,520

The notes on pages 1 to 126 are an integral part of these consolidated financial statements.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Income
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso, except earnings per share)

	Notes	2023	2022	2021
Revenue				
Real estate sales	18	140,141,723	116,356,382	96,144,850
Interest income from real estate sales	5, 18	5,359,526	6,694,930	6,801,012
Equity in net earnings of associates and joint ventures	9, 18	1,575,295	1,429,795	842,565
		147,076,544	124,481,107	103,788,427
Interest and investment income	19, 23	689,548	387,083	253,107
Other income	19	1,091,317	1,687,624	2,101,071
		1,780,865	2,074,707	2,354,178
		148,857,409	126,555,814	106,142,605
Costs and expenses				
Cost of real estate sales	20	87,138,671	75,628,711	64,641,519
General and administrative expenses	20	8,910,449	7,264,339	6,538,859
Interest and other financing charges	20	13,498,847	11,446,669	11,037,772
Other expenses	20	2,849,234	3,996,044	3,636,915
		112,397,201	98,335,763	85,855,065
Income before income tax		36,460,208	28,220,051	20,287,540
Provision for income tax				
Current tax expense		7,407,869	6,943,074	5,984,642
Deferred tax expense (benefit)		48,761	(1,247,276)	(1,356,465)
		7,456,630	5,695,798	4,628,177
Net income		29,003,578	22,524,253	15,659,363
Net income attributable to:				
Equity holders of Ayala Land, Inc.	25	24,507,581	18,617,234	12,228,148
Non-controlling interest		4,495,997	3,907,019	3,431,215
		29,003,578	22,524,253	15,659,363
Earnings Per Share				
Net income attributable to equity holders of Ayala Land, Inc.				
Basic and diluted	25	1.63	1.26	0.83

The notes on pages 1 to 126 are an integral part of these consolidated financial statements.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022	2021
Net income		29,003,578	22,524,253	15,659,363
Other comprehensive (loss) income				
Item that will be subsequently reclassified to profit or loss:				
Cumulative translation adjustment		(529,265)	229,224	265,284
Items that will not be subsequently reclassified to profit or loss:				
Changes in fair value reserve of financial assets at FVOCI	8	205,077	(16,905)	(97,378)
Remeasurement (loss) gain on defined benefit plan	24	(784,816)	186,961	1,099,585
Income tax effect		196,204	(46,740)	(274,896)
		(912,800)	352,540	992,595
Total comprehensive income		28,090,778	22,876,793	16,651,958
Total comprehensive income attributable to:				
Equity holders of Ayala Land, Inc.		23,570,587	18,936,821	13,049,676
Non-controlling interests		4,520,191	3,939,972	3,602,282
		28,090,778	22,876,793	16,651,958

The notes on pages 1 to 126 are an integral part of these consolidated financial statements

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Changes in Equity For the year ended December 31, 2023 (With comparative figures for the years ended December 31, 2022 and 2021) (All amounts in thousands of Philippine Peso)

	Attributable to equity holders of Ayala Land, Inc.										Total	Non-Controlling Interests	Total Equity
	Capital Stock (Note 17)	Additional Paid in Capital (Note 17)	Subscriptions Receivables	Appropriated Retained Earnings (Note 17)	Unappropriated Retained Earnings (Note 17)	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 24)	Fair value reserve of financial assets at FVOCI (Note 8)	Cumulative Translation Adjustments (Note 17)	Equity Reserves (Note 17)	Treasury Stock (Note 17)			
Balances at January 1, 2021	16,066,829	49,149,512	(2,262,756)	8,000,000	150,822,683	(818,101)	(748,220)	167,395	585,256	(1,260,780)	219,701,818	37,623,175	257,324,993
Comprehensive income													
Net income	-	-	-	-	14,221,177	-	-	-	-	-	14,221,177	3,431,215	17,652,392
Other comprehensive income	-	-	-	-	-	824,689	(97,378)	94,217	-	-	821,528	171,067	992,595
Total comprehensive income for the year	-	-	-	-	14,221,177	824,689	(97,378)	94,217	-	-	15,042,705	3,602,282	18,644,987
Appropriation of retained earnings	-	-	-	17,000,000	(17,000,000)	-	-	-	-	-	-	-	-
Cost of stock options	-	150,072	-	-	-	-	-	-	-	-	150,072	-	150,072
Collection of subscription receivable	-	-	324,725	-	-	-	-	-	-	-	324,725	-	324,725
Stock options exercised	11,389	335,219	(346,608)	-	-	-	-	-	-	-	-	-	-
Statutory merger	609,626	15,859,460	-	-	-	(39,867)	(35,297)	-	(276,774)	(13,976,965)	2,140,183	(2,140,183)	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	(1,656,635)	(1,656,635)	-	(1,656,635)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	981,129	-	981,129	-	981,129
Net change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	553,837	553,837
Cash dividends declared	-	-	-	-	(4,063,228)	-	-	-	-	-	(4,063,228)	(1,757,559)	(5,820,787)
Balances at December 31, 2021	16,687,844	65,494,263	(2,284,639)	25,000,000	143,980,632	(33,279)	(880,895)	261,612	1,289,611	(16,894,380)	232,620,769	37,881,552	270,502,321
Comprehensive income													
Net income	-	-	-	-	18,617,234	-	-	-	-	-	18,617,234	3,907,019	22,524,253
Other comprehensive income	-	-	-	-	-	140,221	2,982	176,384	-	-	319,587	32,953	352,540
Total comprehensive income for the year	-	-	-	-	18,617,234	140,221	2,982	176,384	-	-	18,936,821	3,939,972	22,876,793
Cost of stock options	-	78,860	-	-	-	-	-	-	-	-	78,860	-	78,860
Collection of subscription receivable	-	-	200,365	-	-	-	-	-	-	-	200,365	-	200,365
Stock options exercised	14,172	451,829	(391,994)	-	-	-	-	-	-	-	74,007	-	74,007
Stock issuance for properties	75,046	4,112,495	-	-	-	-	-	-	-	-	4,187,541	-	4,187,541
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	(2,186,334)	(2,186,334)	-	(2,186,334)
Acquisition of non-controlling interest	236,534	12,962,089	-	-	-	-	-	-	(7,796,456)	-	5,402,167	-	5,402,167
Net change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(1,755,347)	(1,755,347)
Cash dividends declared	-	-	-	-	(4,062,008)	-	-	-	-	-	(4,062,008)	(1,653,840)	(5,715,848)
Balances at December 31, 2022	17,013,596	83,099,536	(2,476,268)	25,000,000	158,535,858	106,942	(877,913)	437,996	(6,506,845)	(19,080,714)	255,252,188	38,412,337	293,664,525

(forward)

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Changes in Equity For the year ended December 31, 2023 (With comparative figures for the years ended December 31, 2022 and 2021) (All amounts in thousands of Philippine Peso)

(continuation)

	Attributable to equity holders of Ayala Land, Inc.												
	Capital Stock (Note 17)	Additional Paid in Capital (Note 17)	Subscriptions Receivables	Appropriated Retained Earnings (Note 17)	Unappropriated Retained Earnings (Note 17)	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 24)	Fair value reserve of financial assets at FVOCI (Note 8)	Cumulative Translation Adjustments (Note 17)	Equity Reserves (Note 17)	Treasury Stock (Note 17)	Total	Non- Controlling Interests	Total Equity
Balances at January 1, 2023	17,013,596	83,099,536	(2,476,268)	25,000,000	158,535,858	106,942	(877,913)	437,996	(6,506,845)	(19,080,714)	255,252,188	38,412,337	293,664,525
Comprehensive income													
Net income	-	-	-	-	24,507,581	-	-	-	-	-	24,507,581	4,495,997	29,003,578
Other comprehensive (loss) income	-	-	-	-	-	(588,612)	197,293	(545,675)	-	-	(936,994)	24,194	(912,800)
Total comprehensive income for the year	-	-	-	-	24,507,581	(588,612)	197,293	(545,675)	-	-	23,570,587	4,520,191	28,090,778
Cost of stock options	-	149,456	-	-	-	-	-	-	-	-	149,456	-	149,456
Collection of subscription receivable	-	-	251,426	-	-	-	-	-	-	-	251,426	-	251,426
Stock options exercised	14,579	317,960	(272,020)	-	-	-	-	-	-	-	60,519	-	60,519
Collection of VPS conversion	-	16,777	-	-	-	-	-	-	-	-	16,777	-	16,777
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	(3,695,647)	(3,695,647)	-	(3,695,647)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	489,276	-	489,276	(31,511)	457,765
Net change in non-controlling interest	-	-	-	-	-	-	-	-	3,427,983	-	3,427,983	6,121,631	9,549,614
Cash dividends declared	-	-	-	-	(5,662,153)	-	-	-	-	-	(5,662,153)	(2,953,998)	(8,616,151)
Balances at December 31, 2023	17,028,175	83,583,729	(2,496,862)	25,000,000	177,381,286	(481,670)	(680,620)	(107,679)	(2,589,586)	(22,776,361)	273,860,412	46,068,650	319,929,062

The notes on pages 1 to 126 are an integral part of these consolidated financial statements.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Cash Flows For the year ended December 31, 2023 (With comparative figures for the years ended December 31, 2022 and 2021) (All amounts in Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Income before income tax		36,460,208	28,220,051	20,287,540
Adjustments for:				
Interest and other financing charges	20	13,498,847	11,446,669	11,037,772
Depreciation and amortization	10,11,12	9,505,083	9,688,718	8,820,507
Dividends received from investees	9	915,983	589,221	321,617
Provision for impairment losses	20	595,646	253,738	539,692
Cost of share-based payments		149,456	78,860	150,072
Unrealized (gain) loss on financial assets at fair value through profit or loss		(108,589)	333,413	(99,372)
Equity in net earnings of associates and joint ventures	9	(1,575,295)	(1,429,795)	(842,565)
Gain on sale of investment in associates and jointly controlled entities	9	-	-	(807,618)
Interest income		(6,049,074)	(7,082,013)	(7,054,119)
Operating income before working capital changes		53,392,265	42,098,862	32,353,526
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Accounts and notes receivable - trade		(5,054,003)	(2,046,107)	251,492
Inventories	6	(18,291,371)	(15,136,166)	(1,459,729)
Other current assets	7	(15,576,013)	509,713	(7,279,935)
Increase (decrease) in:				
Accounts and other payables		17,129,876	14,018,427	(7,690,011)
Deposits and other current liabilities	15	2,922,441	(3,542,142)	2,154,067
Pension liabilities	24	309,659	(92,328)	(92,362)
Cash generated from operations		34,832,854	35,810,259	18,237,048
Interest received		6,016,868	6,638,191	7,008,224
Interest paid		(11,793,508)	(9,495,457)	(10,385,580)
Income tax paid		(7,695,965)	(6,604,639)	(6,933,615)
Net cash from operating activities		21,360,249	26,348,354	7,926,077
Cash flows from investing activities				
Proceeds from:				
Sale/redemption of short-term investments		327,150	-	41,160
Sale/redemption of financial assets at FVTPL		3,568,193	4,065,795	1,168,987
Sale of investments in FVOCI	8	42,894	16,371	-
Disposal of property and equipment	11	1,598,122	1,390,786	483,360
Disposal of investment properties	10	1,080,985	764,475	294,149
Disposal of investments in associates and jointly controlled entities		52,935	-	807,618
Additions to:				
Short-term investments	3	(3,617)	-	(8,680)
Financial assets at FVTPL	4	(3,604,552)	(4,179,683)	(805,248)
Financial assets at FVOCI	8	(2,124)	-	-
Investments in associates and joint ventures	9	(1,920,000)	(2,705,023)	(778,748)
Investment properties	10	(19,634,549)	(15,587,700)	(22,030,868)
Property and equipment	11	(1,819,873)	(4,424,285)	(3,215,492)
Net (increase) decrease in:				
Accounts and notes receivables - non-trade	5	(9,427,421)	(5,210,278)	(12,981)
Other non-current assets	12	(444,331)	2,944,192	(2,171,784)
Net cash used in investing activities		(30,186,188)	(22,925,350)	(26,228,527)
<i>(forward)</i>				

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Cash Flows For the year ended December 31, 2023 (With comparative figures for the years ended December 31, 2022 and 2021) (All amounts in Philippine Peso)

(continuation)

	Notes	2023	2022	2021
Cash flows from financing activities				
Proceeds from:				
Short and long-term debt	14	125,434,426	162,816,824	191,282,758
Capital stock subscriptions	17	328,722	274,373	324,724
Payments of short and long-term debt	14	(103,062,150)	(149,899,033)	(180,536,836)
Payments of principal portion of lease liabilities	31	(2,065,425)	(1,316,469)	(1,432,361)
(Decrease) increase in deposits and other non-current liabilities		(4,451,799)	(12,584,594)	10,695,432
Acquisition of non-controlling interest	17	6,114,435	1,675,369	1,534,967
Increase in equity reserves		3,917,259	2,004,323	-
Acquisition of treasury shares	17	(3,695,647)	(2,186,334)	(1,656,635)
Dividends paid to non-controlling interests		(2,953,998)	(1,653,840)	(1,324,396)
Dividends paid to equity holders of Ayala Land, Inc.	17	(5,679,961)	(4,667,960)	(4,051,013)
Net cash from (used in) financing activities		13,885,862	(5,537,341)	14,836,640
Net increase (decrease) in cash and cash equivalents		5,059,923	(2,114,337)	(3,465,810)
CASH AND CASH EQUIVALENTS				
At January 1		11,885,329	13,971,437	17,037,347
Effect of exchange rate changes on cash and cash equivalents		121,078	28,229	399,900
At December 31	2	17,066,330	11,885,329	13,971,437
Non-cash investing and financing activities	33			

The notes on pages 1 to 126 are an integral part of these consolidated financial statements.

Ayala Land, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

As at and for the year ended December 31, 2023

(With comparative figures and notes as at December 31, 2022 and for the years ended December 31, 2022 and 2021)

(In the notes, all amounts are shown in thousands of Philippine Pesos unless otherwise stated)

1 General information

Corporate information

Ayala Land, Inc. (the “Parent Company”, the “Company” or “ALI”) is domiciled and was incorporated on June 30, 1988 in the Republic of the Philippines with corporate life of fifty years. Its immediate Parent Company is Ayala Corporation (AC). AC is a publicly listed company which is 47.86%-owned by Mermac, Inc. and the rest by the public as at December 31, 2023. The Parent Company’s registered office and principal place of business is at 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The Parent Company and its Subsidiaries (the “Group”) are incorporated to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, residential including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property; to acquire, purchase, hold, manage, develop and sell subdivision lots, with or without buildings or improvements; to erect, construct, alter, manage, operate, lease, in whole or in part, buildings and tenements of the Group or of other persons; and to engage or act as real estate broker. The Group is also involved in hotels and resorts operations.

The consolidated financial statements represent the consolidation of the financial statements of the Parent Company and the following domestic and foreign subsidiaries:

	2023*	2022*
Real Estate:		
Alveo Land Corporation (Alveo)	100%	100%
Serendra, Inc.	39	39
Solinea, Inc. (Solinea)	65	65
BGSouth Properties, Inc. (BGS/BG South)	50	50
Portico Land Corp. (Portico)	60	60
Serendra, Inc.	28	28
Amorsedia Development Corporation (ADC)	100	100
OLC Development Corporation and Subsidiary	100	100
HLC Development Corporation	100	100
Allysonia International Ltd.	100	100
Avida Land Corporation (Avida)	100	100
Amicassa Process Solutions, Inc.	100	100
Avencosouth Corp.	70	70
BGNorth Properties, Inc. (BGN/BG North)	50	50
Buklod Bahayan Realty and Development Corp.	-	100
Avida Sales Corp.	-	100
Amaia Land Co. (Amaia)	100	100
Amaia Southern Properties, Inc. (ASPI)	65	65
AyalaLand Premier, Inc.	100	100
AKL Properties, Inc.	50	-
Ayala Land International Sales, Inc. (ALISI)	100	100
Ayala Land International Marketing, Inc. (AIMI)	100	100
Ayala Land International (Singapore) Pte. Ltd	100	100
Ayala Land International Marketing (Hong Kong) Ltd	100	100
Ayala Land International Marketing, SRL (ALIM SRL)	100	100
Ayala Land International Marketing London	100	100
Ayala Land Sales, Inc.	-	100
Southportal Properties, Inc. (Southportal)	100	100
Buendia Landholdings, Inc.	100	100

	2023*	2022*
Crimson Field Enterprises, Inc.	100	100
Crans Montana Holdings, Inc.	100	100
Ecoholdings Company, Inc. (ECI)	100	100
NorthBeacon Commercial Corporation (NBCC)	100	100
Red Creek Properties, Inc.	100	100
Regent Time International, Limited (Regent Time) (British Virgin Islands)	100	100
North Eastern Commercial Corp. (NECC)	100	100
Westview Commercial Ventures Corp. (Westview)	100	100
North Ventures Commercial Corporation	100	100
Hillsford Property Corporation (Hillsford)	100	100
Primavera Towncentre, Inc. (PTI)	100	100
Summerhill Commercial Ventures Corporation (Summerhill)	100	100
Sunnyfield E-Office Corporation (Sunnyfield)	100	100
Subic Bay Town Centre, Inc. (SBTCI)	100	100
Regent Wise Investments Limited (Regent Wise) (Hongkong company)	100	100
AyalaLand Real Estate Investments Inc. (Canada)	100	100
AyalaLand Advisory Broadway Inc. (Canada)	100	100
AyalaLand Development (Canada) Inc.	100	100
Blue Horizons Holdings PTE, Ltd (Singapore)	100	100
Avaland Berhad (formerly Modular Construction Technology (MCT) Bhd. (Malaysia)	66	66
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	100	100
Arvo Commercial Corporation (Arvo)	100	100
BellaVita Land Corporation (BellaVita)	100	100
Nuevo Centro, Inc. (Nuevo Centro)	54	54
Alviera Country Club, Inc. (Alviera)	50	50
Cavite Commercial Town Center, Inc. (CCTCI)	100	100
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)	66	66
AyalaLand Offices, Inc. (ALO)	100	100
First Gateway Real Estate Corp.	100	100
Glensworth Development, Inc. (Glensworth)	100	100
UP North Property Holdings, Inc.	100	100
ALO Prime Realty Corporation	100	100
Makati Cornerstone Leasing Corp. (MCLC)	100	100
Capitol Central Commercial Ventures Corp.	100	100
Bay City Commercial Venture Corp. (BCCVC)	100	100
Aurora Properties Incorporated	81	81
Soltea Commercial Corp.	16	16
Vesta Property Holdings, Inc. (VPHI)	88	84
Altaraza Prime Realty Corporation	100	100
Altaraza Development Corporation	51	51
Prow Holdings, Inc.	55	55
Station Square East Commercial Corporation (SSECC)	69	69
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.)	100	100
Accendo Commercial Corp. (Accendo)	67	67
Avencosouth Corp.	20	20
Aviana Development Corporation	7	7
Aviana Development Corporation	50	50
Cagayan de Oro Gateway Corp. (CDOGC)	70	70
Ceci Realty, Inc. (Ceci)	60	60
Soltea Commercial Corp.	12	12
Soltea Commercial Corp.	60	60
CMPI Holdings, Inc.	60	60
ALI-CII Development Corporation (ALI-CII)	50	50
Roxas Land Corporation (RLC)	50	50
Adauge Commercial Corporation (Adauge)	60	60
AyalaLand Estates, Inc	100	100
Prima Gaedi Development Corp	100	100
Redheap Holdings Inc.	100	100
Rookwood Properties, Inc.	100	100
Wedgemore Property Inc	100	100
Javantiger, Inc.	100	100
Ayalaland MetroNorth, Inc. (AMNI)	100	100
Verde Golf Development Corp.	100	100
(forward)		

	2023*	2022*
North Triangle Depot Commercial Corporation (NTDCC)	73	73
Ayalaland-Tagle Properties, Inc.	55	55
BGWest Properties, Inc. (BGW/BG West)	50	50
Lagdigan Land Corp. (Lagdigan)	60	60
Central Bloc Hotel Ventures, Inc.	100	100
Cebu Leisure Company, Inc.	100	100
CBP Theatre Management Inc.	100	100
Taft Punta Engaño Property Inc. (TPEPI)	55	55
Cebu Insular Hotel Company, Inc. (CIHCI)	37	37
Solinea, Inc.	35	35
Amaia Southern Properties, Inc. (ASPI)	35	35
Alabang Commercial Corporation (ACC)	50	50
South Innovative Theater Management (SITMI)	50	50
Ayalaland Malls Inc. (formerly ALI Commercial Center, Inc.) (ALMI)	100	100
AyalaLand Malls Vismin, Inc.	100	100
Kitrino Koudini Holdings Inc.	100	-
South Ralston Properties, Inc.	100	-
AyalaLand Logistics Holdings Corp. (ALLHC) (formerly Prime Orion Philippines, Inc.)	71	71
A-Flow Land I Corp.	43	43
Orion Solutions, Inc.	71	71
Orion I Holdings Philippines, Inc.	71	71
Orion Maxis, Inc.	71	71
Orion Land, Inc. and Subsidiaries	71	71
LCI Commercial Ventures, Inc.	71	71
Laguna Technopark, Inc. and Subsidiary	71	71
Unity Realty & Development Corp. (URDC)	71	71
FLT Prime Insurance Corporation	56	56
Ayalaland Malls Synergies, Inc.	100	100
Ayala Malls Zing (AMZING), Inc.	100	100
Construction:		
Makati Development Corporation (MDC)	100	100
MDC Subic, Inc.	100	100
MDC Build Plus, Inc.	100	100
MDC Concrete, Inc. (MCI)	100	100
MDC Equipment Solutions, Inc. (MESI)	100	100
MDBI Construction Corp.	67	67
Hotels and Resorts:		
Ayala Hotels, Inc. (AHI)	100	100
AyalaLand Hotels and Resorts Corporation (AHRC)	100	100
ALI Makati Hotel & Residences, Inc.	80	80
ALI Makati Hotel Property, Inc.	80	80
Ten Knots Phils., Inc. (TKPI)	40	40
Ten Knots Development, Corp. (TKDC)	40	40
Regent Horizons Conservation Company, Inc.	100	100
Enjay Hotels, Inc. (Enjay)	100	100
Greenhaven Property Venture, Inc. (GPVI)	100	100
Cebu Insular Hotel Company, Inc. (CIHCI)	63	63
Bonifacio Hotel Ventures, Inc.	100	100
Southcrest Hotel Ventures, Inc.	67	67
Northgate Hotel Ventures, Inc.	70	70
North Triangle Hotel Ventures, Inc.	100	100
Ecosouth Hotel Ventures, Inc.	100	100
Sentera Hotel Ventures, Inc.	100	100
Econorth Resorts Ventures, Inc.	100	100
ALI Triangle Hotel Ventures, Inc.	100	100
Circuit Makati Hotel Ventures, Inc.	100	100
Capitol Central Hotel Ventures, Inc.	100	100
Arca South Hotel Ventures, Inc.	100	100
Sicogon Town Hotel, Inc.	100	100
(forward)		

	2023*	2022*
Bay Area Hotel Ventures, Inc.	100	100
Makati North Hotel Ventures, Inc. (MNHVI)	100	100
One Makati Hotel Ventures, Inc. (OMHVI)	100	100
Sicogon Island Tourism Estate Corp. (SITE Corp.)	77	77
Asiatown Hotel Ventures, Inc.	100	100
Seda College, Inc. (formerly One Makati Residential Ventures, Inc.)	100	100
ALI Makati Hotels & Residences, Inc.	20	20
ALI Makati Hotel Property, Inc.	20	20
Ten Knots Phils., Inc. (TKPI)	60	60
Bacuit Bay Development Corporation	60	60
Lio Resort Ventures, Inc.	60	60
North Liberty Resort Ventures, Inc.	60	60
Turista.ph (formerly Paragua Eco-Resort Ventures Inc.)	60	60
Lio Tourism Estate Management Corporation	60	60
Ten Knots Development, Corp. (TKDC)	60	60
Chirica Resorts Corp.	60	60
Kingfisher Capital Resources Corp.	60	60
Pangulasian Island Resort Corporation	60	60
Integrated Eco-Resort Inc.	100	100
Sicogon Island Tourism Estate Corp.	5	-
Property Management:		
Ayala Property Management Corporation (APMC)	100	100
Prime Support Services, Inc.	100	100
Ayala Theatres Management, Inc. (ATMI)	100	100
DirectPower Services, Inc. (DirectPower)	100	100
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100	100
Entertainment:		
Five Star Cinema, Inc.	100	100
Leisure and Allied Industries Philippines, Inc. (LAIP)	50	50
Others		
Darong Agricultural Development Corporation (DADC)	100	100
First Longfield Investments Limited (First Longfield) (Hongkong Company)	100	100
Green Horizons Holdings Limited and Subsidiary	100	100
Aprisa Business Process Solutions, Inc. (Aprisa)	100	100
AyalaLand Club Management, Inc.	-	100
ALI Capital Corp. (formerly Varejo Corp.) (ALICap)	100	100
Airswift Transport, Inc. (formerly Island Transvoyager, Inc.) (Airswift)	100	100
Swift Aerodrome Services, Inc. (SASI)	100	100
Arca South Integrated Terminal, Inc. (ASITI)	100	100
Whiteknight Holdings, Inc.	100	100
Ayalaland Medical Facilities Leasing, Inc.	100	100
Anvaya Cove Beach and Nature Club, Inc. (Anvaya Cove Beach)	73	73
Anvaya Cove Golf and Sports Club, Inc. (Anvaya Cove Golf)	76	76

*Represents the Group's effective ownership

The above companies are domiciled in the Philippines except for the foreign entities which are domiciled and incorporated in the country as mentioned above.

The Parent Company, through its 50.0% effective ownership and by virtue of a management contract or shareholders' agreement, exercises control over the operations and management of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII, LAIP and AKL, a newly consolidated entity. Accordingly, the accounts of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII, LAIP and AKL are consolidated to the accounts of the Parent Company (Note 36).

The following were the changes in the group structure during 2023:

- a. On March 29, 2023, ALI sold 205,000,000 shares of AREIT, Inc. (AREIT) at a transaction price of P32.10 per share, equivalent to P6.58 billion, with an impact to equity reserves amounting to P4.41 billion in relation to its P22.5 billion property-for-share swap transaction with AREIT. As a result, ALI's holding in AREIT was reduced from 66.0% to 54.4%.
- b. On September 20, 2023, ALI, ALMI, NBCC and AREIT received the Securities and Exchange Commission's (SEC) approval of its property-for-share swap involving identified prime flagship offices and malls with an aggregate value of P22.5 billion in exchange for 607,559,380 primary common shares of AREIT, pursuant to the Deed of Exchange executed on June 2, 2023. Consequently, ALI's holding in AREIT increased to 66.0%.
- c. During the year, the following mergers have been completed:
 - The merger of Avida and its subsidiaries, namely Buklod Bahayan Realty and Development Corp. and Avida Sales Corp. (collectively referred to as the "Companies"), was approved by the SEC on April 20, 2023 with Avida as the surviving entity. Consequently, the companies' operations and its assets and liabilities have been absorbed by Avida effective May 1, 2023.
 - On October 17, 2023, the SEC approved the merger of Ayala Land Premier, Inc. (ALP), Ayala Land Sales, Inc. (ALSI) and Ayala Club Management Inc. (ACMI) where ALP is the surviving entity.
- d. The Parent Company acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of P31.51 million in July 2023. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% in July 2023. The acquisition involved entities under common control. As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves, as a result of this transaction, amounted to P351.13 million in 2023.
- e. On August 18, 2023, the Parent Company purchased 100,000 common shares of South Ralston for a total consideration of P0.10 million which is equivalent to 100% stake in the entity. This transaction was accounted as acquisition of asset.
- f. On September 18, 2023, ALMI, a subsidiary, acquired 5,000 common shares of Kitrino Koudouni Holdings, Inc. for a total consideration of P0.05 million, which is equivalent to 100% stake in the entity. This transaction was accounted as acquisition of asset.
- g. On November 14, 2023, the Parent Company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp. for a total consideration of P203.58 million from the existing investor which is equivalent to a 5% stake in the company. This acquisition is accounted as involving entities under control. As a result, the impact to equity reserves amounted to P132.15 million.
- h. The Parent Company, through its 50.0% effective ownership and by virtue of Development Management Agreement, exercises control over the operations and management of AKL Properties, Inc. Accordingly, the assets, liabilities, equity, and result of its operations are consolidated into the Group beginning 2023. The Group reclassified the amount from investment in joint ventures to investment in subsidiaries.

Approval and authorization for issuance of consolidated financial statements

The consolidated financial statements of the Group have been approved and authorized for issue by the Board of Directors (BOD) on February 20, 2024.

2 Cash and cash equivalents

The account as at December 31 consists of:

	2023	2022
Cash on hand	38,699	67,273
Cash in banks	10,615,507	10,227,350
Cash equivalents	6,412,124	1,590,706
	17,066,330	11,885,329

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term rates.

There is no restriction on the Group's cash and cash equivalents balances as at December 31, 2023 and 2022.

3 Short-term investments

Short-term investments consist of money market placements made for varying periods of more than three months and up to one year and earn interest at the respective short-term investment rates.

4 Financial assets at fair value through profit or loss (FVTPL)

The account as at December 31 consists of:

	2023	2022
Investment in Unit Investment Trust Funds (UITFs)	228,674	84,793
Investment in ARCH Capital Fund	191,128	207,196
	419,802	291,989

The Group's investment in UITFs consists of investments in BPI Money Market Fund and BPI USD Short Term Fund (collectively referred to as the "Funds") which aim to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments and with no minimum holding period requirement.

The Group's investments in UITFs are maintained with Bank of the Philippine Islands, a related party (Note 23).

Investment in ARCH Capital Fund pertains to monetary interest in a fund in which the Group takes the view that these are held for trading and it is a portfolio of identified property funds invested and managed by professional managers.

5 Accounts and notes receivable

The account as at December 31 consists of:

	2023	2022
Trade receivables from:		
Residential, commercial and office development	112,185,536	101,797,458
Shopping centers	5,033,715	6,315,550
Construction contracts	4,039,336	2,826,924
Corporate business	3,775,841	3,676,026
Management fees	187,566	231,510
Others	4,503,181	5,791,638
Advances to other companies	18,359,495	15,858,263
Accrued receivables	11,096,749	9,370,342
Receivables from related parties	6,537,813	6,927,883
Receivables from employees	1,048,211	927,787
	166,767,443	153,723,381
Allowance for impairment losses	(2,783,716)	(2,539,403)
	163,983,727	151,183,978
Less: Non-current portion	(58,453,299)	(49,032,711)
Current portion of accounts and notes receivable	105,530,428	102,151,267

The classes of trade receivables of the Group are as follows:

- Residential, commercial and office development consist of receivables from the sale of high-end, upper middle-income and affordable residential lots and units; economic and socialized housing units; sale of commercial lots; sale of office units; and leisure community developments;
- Shopping centers consist of lease receivables from retail spaces;
- Construction contracts consist of receivables from third party construction projects;
- Corporate business consists of lease receivables from office and factory buildings and receivables from sale of industrial lots;
- Management fees consist of receivables from facilities management services; and
- Others consist of receivables from hotel operations and other support services.

Residential, commercial and office development receivables are collectible in monthly installments over a period of one to ten years. These are carried at amortized cost using the effective interest rate method with annual interest rates ranging from 1.00% to 13.50%. Titles to real estate properties are transferred to buyers once full payment has been made.

Receivables from shopping centers, construction contracts and management fees are due within 30 days upon billing.

Corporate business receivables are collectible on a monthly or quarterly basis depending on the terms of the lease contracts.

Receivables from hotel operations and other support services included under other trade receivables are normally due within 30 to 90 days upon billing.

Advances to other companies mainly comprise of advances made to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The advances are liquidated when proceeds from the sale of the related projects are applied. The remaining amount of advances to other companies are collectible over a fixed term or on demand.

Advances to other companies also include receivables from MRT Development Corporation (MRTDC) shareholders which pertain to interest-bearing advances made by NTDCC to MRTDC equivalent to the Pre-2006 Development Rights Payment (DRP) Payables and the Residual Depot DRP which is due more than one year, in relation to the funding and repayment agreement. As at December 31, 2023, receivables including interest from MRTDC shareholders amounted to P309.5 million (2022 - P308.6 million).

On December 17, 2014, NTDCC and MRTDC shareholders executed a “funding and repayment agreement” wherein the latter agrees to repay NTDCC, for the account of MRTDC, its respective pro rata share in the Total Depot DRP Advances (the Pre-2006 DRP Payables and the Residual Depot DRP, including 15% interest rate accrued on such DRP payables).

Commencing on January 1, 2015, the MRTDC Shareholders shall effect the repayment of their respective pro-rata share in the Total Depot DRP Payables, through a set-off against their respective share in the commercial center royalties to be received from the Group.

Set off shall be effective as at the beginning of every calendar month, commencing January 30, 2015 and shall result in the settlement of the portion of the Total DRP Payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders.

Accrued receivables and receivables from related parties are due on demand.

Receivables from employees pertain to housing, car, salary and other loans granted to the Group's employees which are collectible through salary deduction, are interest-bearing (6.0% per annum) and payable on various maturity dates.

As at December 31, 2023, receivables amounting to P2,783.7 million (2022 - P2,539.4 million) were impaired and fully provided for.

Movements in the allowance for impairment losses follow:

	Trade						Advances to Other Companies	Total
	Residential and Office Development	Shopping Centers	Construction Contracts	Corporate Business	Management Fees	Others		
At January 1, 2022	62,314	1,074,658	152,231	633,108	16,630	221,488	133,725	2,294,154
Provision during the year (Note 20)	2,188	146,520	3,466	37,005	-	8,276	56,283	253,738
Accounts written-off	(410)	(3,761)	-	-	-	(4,318)	-	(8,489)
At December 31, 2022	64,092	1,217,417	155,697	670,113	16,630	225,446	190,008	2,539,403
Provision during the year (Note 20)	46,803	65,210	-	262,887	-	103,434	-	478,334
Reversal	-	(27,324)	(68,695)	-	(5,889)	(47,391)	-	(149,299)
Accounts written-off	(2,386)	-	-	-	(3,606)	(78,730)	-	(84,722)
At December 31, 2023	108,509	1,255,303	87,002	933,000	7,135	202,759	190,008	2,783,716

In 2023, reversal of allowance for impairment losses representing recoveries of previously impaired accounts amounting to P149.30 million is recognized within other income in the consolidated statement of income (2022 - nil).

As at December 31, 2023, nominal amounts of trade receivables from residential, commercial and office development totaling P111,181 million (2022 - P101,665 million) were recorded initially at fair value. The fair values of the receivables were obtained by discounting future cash flows using the applicable rates of similar types of instruments.

Movements in the unamortized discount of the Group's receivables follow:

	Note	2023	2022
At January 1		5,030,125	8,447,356
Additions during the year		4,458,289	3,277,699
Accretion for the year	18	(5,359,526)	(6,694,930)
At December 31		4,128,888	5,030,125

In 2023, the Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting to P45.0 million (2022 - nil). The transactions were without recourse and did not result in any gain or loss (Note 23).

In 2023, the Group sold residential receivables on a without recourse basis to partner mortgage banks, which include Bank of the Philippine Islands, a related party (Note 23), amounting to P15,110.4 million (2022 - P15,270.2 million) and were sold at a discount with total proceeds of P13,303.6 million (2022 - P12,366.1 million). The Group recognized loss on sale, presented as financial expenses and other charges within other expenses, amounting to P1,806.8 million (2022 - P2,904.1 million) (Note 20).

6 Inventories

The account as at December 31 consists of:

	2023	2022
Real estate - at cost		
Residential and condominium units	104,852,762	98,094,649
Residential and commercial lots	102,006,925	80,333,348
Offices - at cost	2,456,824	1,920,477
	209,316,511	180,348,474

Movements in inventories follow:

	Notes	Residential and commercial lots	Residential and Condominium units	Offices	Total
At January 1, 2022		58,590,787	87,509,406	2,056,532	148,156,725
Land acquired during the year		2,312,910	2,565,329	-	4,878,239
Construction/development costs incurred		11,857,664	35,642,819	549,044	48,049,527
Disposals (recognized as cost of real estate sales)	20	(9,302,984)	(27,622,905)	(685,099)	(37,610,988)
Transfers from investment properties	10	16,874,971	-	-	16,874,971
At December 31, 2022		80,333,348	98,094,649	1,920,477	180,348,474
Land acquired during the year		1,199,505	2,463,675	-	3,663,180
Construction/development costs incurred		34,152,455	26,025,306	1,022,282	61,200,043
Disposals (recognized as cost of real estate sales)	20	(23,080,092)	(21,730,868)	(485,935)	(45,296,895)
Transfers from investment properties	10	9,401,709	-	-	9,401,709
At December 31, 2023		102,006,925	104,852,762	2,456,824	209,316,511

As at December 31, 2023 and 2022, the Group has no purchase commitments, liens and encumbrances pertaining to its inventories.

7 Other current assets

The account as at December 31 consists of:

	2023	2022
Advances to contractors and suppliers	27,585,010	17,104,282
Prepaid expenses	20,824,812	19,402,131
Input value-added tax (VAT)	13,537,622	12,413,545
Creditable withholding taxes	12,220,825	9,528,091
Materials, parts and supplies	1,505,046	1,444,083
Others	4,617,509	4,957,714
	80,290,824	64,849,846

Advances to contractors and suppliers pertain to prepayments for the construction of inventories. These are recouped as application of payment to contractors and suppliers, which are expected to occur within 12 months.

Prepaid expenses consist of prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance.

In 2023, the cost to obtain contracts which includes prepaid commissions and advances to brokers amounted to P3,443.8 million (2022 - P3,302.0 million). If a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. Management performs an impairment assessment of the costs to complete the contract. The ability to reasonably forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract specific key performance indicators that could trigger variable consideration, or service credits.

Input VAT is to be applied against output VAT. The remaining balance is assessed to be recoverable in future periods.

Creditable withholding taxes are to be applied against income tax payable.

Materials, parts and supplies are expected to be used in the construction and maintenance of projects.

Others include deferred charges and letters of credit. Deferred charges pertain to project-related costs already paid but not yet consumed in the actual construction activities.

8 Financial assets at fair value through other comprehensive income (FVOCI)

The account as at December 31 consists of:

	2023	2022
Shares of stock:		
Quoted	759,308	769,903
Unquoted	1,043,281	1,141,491
	1,802,589	1,911,394
Net unrealized loss	(680,620)	(877,913)
	1,121,969	1,033,481

Investments in quoted shares of stock include shares held in clubs wherein the Group does not exercise control or demonstrate significant influence.

Investments in unquoted shares of stock include unlisted shares of public utility companies which the Group will continue to hold as part of the infrastructure that it provides to its real estate projects.

In 2023, the Group made an additional investment in FVOCI amounting to P2.1 million (2022 - nil) and disposed equity securities amounting to P42.9 million (2022 - P16.4 million) and recorded a gain of P6.5 million (2022 - P1.3 million) from the disposals.

Movements in the fair value reserve of financial assets at FVOCI follow:

	2023	2022
At January 1	(877,913)	(880,895)
Fair value changes during the year	203,828	2,982
Derecognition of unrealized gain due to redemption of shares	(6,535)	-
At December	(680,620)	(877,913)

9 Investment in associates and joint ventures

The account as at December 31 consists of:

	Note	2023	2022
Investment in stocks - cost			
At January 1		25,651,600	22,946,577
Additions		1,920,000	2,705,023
Disposals		(52,935)	-
Transfer to investment in subsidiary		(3,083,523)	-
At December 31		24,435,142	25,651,600
Accumulated equity in net earnings			
At January 1		5,921,822	5,081,248
Equity in net earnings	18	1,575,295	1,429,795
Dividends received		(915,983)	(589,221)
Transfer to investment in subsidiary		(131,941)	-
At December 31		6,449,193	5,921,822
Total		30,884,335	31,573,422
Equity share in cumulative translation adjustment		328,363	343,673
		31,212,698	31,917,095

The equity share in cumulative translation adjustments represents exchange differences arising from the translation of financial statements of the foreign operations, whose functional currency is other than Philippine Peso.

Details of the Group's investments in associates and joint ventures and the related effective percentages of ownership are shown below:

	Percentage of Ownership		Carrying amounts	
	2023	2022	2023	2022
Joint ventures:				
ALI-ETON Property Development Corporation (ALI ETON)	50%	50%	9,652,505	7,616,202
Emerging City Holdings, Inc. (ECHI)	50%	50%	4,190,077	3,999,608
Berkshires Holdings, Inc. (BHI)	50%	50%	2,052,670	1,970,587
Cebu District Property Enterprise, Inc. (CDPEI)	50%	50%	1,704,003	1,735,065
Alveo-Federal Land Communities, Inc.	50%	50%	539,381	947,037
AyaGold Retailers, Inc. (AyaGold)	50%	50%	135,552	141,605
SIAL Specialty Retailers, Inc. (SIAL Specialty)	50%	50%	26,462	26,462
AKL Properties, Inc. (AKL)*	50%	50%	-	3,230,774
A-FLOW Properties I Corp	36%	36%	177,001	181,145
BYMCW, Inc.	30%	30%	59,100	60,607
			18,536,751	19,909,092
Associates:				
Ortigas Land Corporation (OLC)	21%	21%	10,143,892	9,525,402
Bonifacio Land Corp. (BLC)	10%	10%	1,527,981	1,451,942
Rize-Ayalaland (Kingsway) GP, Inc. (Rize-Ayalaland)	49%	49%	804,166	794,185
Tianjin Eco-City Ayala Land Development Co., Ltd. (Tianjin Eco-City)	40%	40%	149,477	199,259
Lagoon Development Corporation (LDC)	30%	30%	50,431	37,215
			12,675,947	12,008,003
			31,212,698	31,917,095

*The Group reclassified the amount from investment in joint venture to investment in subsidiaries beginning 2023 (Note 1).

The Parent Company considers an associate and a joint venture with material interest if its net assets exceed 5% of the total consolidated net assets of the Group as at reporting period and considers the relevance of the nature of activities of the associate and joint venture compared to other operations of the Group. The financial information of the Parent Company's significant associates and joint ventures with material interest follows:

The financial information of the associates with material interest:

OLC

ALI has a 21% stake in OLC that was purchased from existing OLC shareholders. OLC owns 99.5% interest in Ortigas & Company Limited Partnership (OCLP), an entity engaged in real estate development and leasing businesses.

Set out below is the summarized financial information for OLC:

	2023	2022
Current assets	32,554,643	25,207,970
Non-current assets	28,827,055	23,705,727
Current liabilities	(23,147,183)	(12,793,028)
Non-current liabilities	(21,253,275)	(22,068,593)
Equity	16,981,240	14,052,076
Proportion of Group's ownership	21.0%	21.1%

	2023	2022
Group's share in identifiable net assets	3,566,060	2,964,988
Carrying amount of the investment	(10,143,892)	(9,525,402)
Fair value adjustments	(6,577,832)	(6,560,414)
Negative goodwill	(148,046)	(148,046)
Dividends received	77,592	71,447

As at December 31, 2023, net assets attributable to the equity holders of OLC amounted to P16,981.2 million (2022 - P14,052.0 million).

	2023	2022
Revenue	12,769,959	11,187,455
Cost and expenses	(9,529,626)	(8,498,323)
Net income (continuing operations)	3,240,333	2,689,132
Group's share in net income for the year	680,470	560,924
Total comprehensive income	2,553,524	2,671,067
Group's share in total comprehensive income for the year	536,240	560,924

BLC

The Group has a 10% interest in BLC, which is involved in the purchase, subscription or otherwise disposal of real and personal properties. BLC is a private company incorporated on October 20, 1994. Its registered office and principal place of business is Taguig City, Philippines.

Set out below is the summarized financial information for BLC:

	2023	2022
Current assets	12,196,122	10,493,988
Non-current assets	34,509,206	32,427,255
Current liabilities	(2,976,354)	(2,439,245)
Non-current liabilities	(9,187,034)	(7,723,742)
Equity	34,541,940	32,758,256
Less: Non-controlling interest	(15,513,945)	(14,693,397)
Equity attributable to Parent Company	19,027,995	18,064,859
Proportion of Group's ownership	10.1%	10.1%
Group's share in identifiable net assets	1,921,828	1,824,551
Carrying amount of the investment	1,527,981	1,451,942
Fair value adjustments	(393,847)	(372,609)
Negative goodwill	(393,847)	(372,609)
Dividends received	84,877	66,689

As at December 31, 2023, net assets attributable to the equity holders of BLC amounted P19,028.0 million (2022 - P18,064.9 million).

	2023	2022
Revenue	6,969,474	5,068,151
Cost and expenses	(3,587,994)	(2,875,984)
Net income (continuing operations)	3,381,480	2,192,167
Net income attributable to non-controlling interest	1,593,209	1,029,723
Net income attributable to Parent Company	1,788,271	1,162,444
Group's share in net income for the year	180,615	117,407
Total comprehensive income	1,788,271	1,162,444
Group's share in total comprehensive income for the year	180,615	117,407

Aggregate financial information on the associates with immaterial interest (Rize-Ayalaland, Tianjin Eco-City and LDC) follows:

	2023	2022
Carrying amount	1,004,074	1,030,659
Share in net income from continuing operations	26,739	44,455
Share in total comprehensive income	26,739	44,455
Dividends received	53,323	9,000

The financial information of the joint ventures with material interest:

ALI Eton

	2023	2022
Current assets	22,043,118	20,526,458
Non-current assets	4,289,259	4,377,413
Current liabilities	(6,426,059)	(8,420,911)
Non-current liabilities	(371,951)	(922,411)
Equity	19,534,367	15,560,549
Proportion of Group's ownership	50.0%	50.0%
Group's share in identifiable net assets	9,767,184	7,780,275
Carrying amount of the investment	9,652,505	7,616,202

As at December 31, 2023, net assets attributable to the equity holders of ALI Eton amounted to P19,534.4 million (2022 - P15,560.5 million).

	2023	2022
Revenue	3,617,321	1,974,714
Cost and expenses	(3,077,696)	(1,721,039)
Net income (continuing operations)	539,625	253,675
Group's share in net income for the year	269,813	126,837
Total comprehensive income attributable to equity holders of the Parent Company	539,625	253,675
Group's share in total comprehensive income for the year	269,813	126,837

ECHI

	2023	2022
Current assets	12,240,523	10,551,614
Non-current assets	34,509,206	32,427,265
Current liabilities	(3,305,063)	(2,767,955)
Non-current liabilities	(9,187,034)	(7,723,742)
Equity	34,257,632	32,487,182
Less: Non-controlling interest	25,219,280	23,923,304
Equity attributable to Parent Company	9,038,352	8,563,878
Proportion of Group's ownership	50.0%	50%
Group's share in identifiable net assets	4,519,176	4,281,939
Carrying amount of the investment	4,190,077	3,999,608
Dividends received	220,000	170,750

As at December 31, 2023, net assets attributable to the equity holders of ECHI amounted to P9,038.4 million (2022 - P8,563.8 million).

	2023	2022
Revenue	6,971,791	5,070,254
Cost and expenses	(3,595,568)	(2,883,590)
Net income (continuing operations)	3,376,223	2,186,664
Net loss attributable to non-controlling interest	(2,455,573)	(1,590,007)
Net income attributable to Parent Company	920,650	596,657
Group's share in net income for the year	460,325	298,329
Total comprehensive income attributable to equity holders of the Parent Company	922,112	597,171
Group's share in total comprehensive income for the year	461,056	298,586

Aggregate financial information on joint ventures with immaterial interest (BHI, CDPEI, Alveo-Federal, AyaGold, SIAL Specialty, AKL*, A-Flow and BYMCW) is as follows:

	2023	2022
Carrying amount	4,694,169	8,112,137
Share in net income from continuing operations	132,130	293,772
Share in total comprehensive income	132,130	293,772
Dividends received	447,535	73,185

*The financial information of AKL is only presented in 2022 as investment in joint venture as the Group reclassified the amount from investment in joint venture to investment in subsidiaries beginning 2023 (Note 1).

The following are the significant transactions affecting the Group's investments in associates and joint ventures:

Investments in BLC, ECHI, and BHI

As at December 31, 2023 and 2022, the Group's effective interest in BLC is 45.1%. The Parent Company's 5.3% direct investment in BLC and 4.8% through Regent Time aggregating 10.1% are accounted for using the equity method because the Parent Company has significant influence over BLC.

On April 17, 2003, the following transactions were consummated pursuant to the terms and conditions of the Assignment Agreement (Agreement), dated February 8, 2003, among the Parent Company, Evergreen Holdings, Inc. (EHI), Greenfield Development Corporation and Larouge, B.V. (Larouge), as amended, and the Agreement, dated November 23, 2002, among the Company, EHI and Neo Oracle Holdings, Inc. [formerly Metro Pacific Corporation (MPC)] as amended:

1. The assignment to the Parent Company and EHI of the rights and obligations of Larouge under the loan agreement between Larouge and Neo Oracle Holdings, Inc., pursuant to which, Larouge extended Neo Oracle Holdings, Inc. a loan in the principal amount of US\$90.0 million, together with all the rights, title and interests of Larouge in the pledge constituted 50.4% of the outstanding shares in BLC. The consideration paid by the Company and EHI for such assignment was approximately US\$90.0 million, subject in part to foreign exchange adjustment.
2. The assignment to the Parent Company and EHI, acting in this instance through the joint venture corporation, Columbus Holdings, Inc. (Columbus), of the controlling interest in BLC represents 50.4% of BLC's outstanding capital stock. This assignment was effected by Neo Oracle Holdings, Inc. under a dacion en pago arrangement, and included an assignment of payables of BLC in the principal amount of P655.0 million together with its underlying security in the form of shares in Fort Bonifacio Development Corporation (FBDC) representing 5.6% of its outstanding capital stock.

The Agreement, as amended, also provides for the constitution of a pledge over 5.0% of BLC's unencumbered shares as security for contingent liabilities and breach of representation and warranties. The pledge or lien over the 5.0% BLC shares shall continue to subsist until the third anniversary of the closing date.

The Parent Company and EHI jointly hold the 50.4% equity interest in BLC through ECHI and BHI. The Parent Company and EHI assigned the notes receivable from Neo Oracle Holdings, Inc. to ECHI and BHI, which acquired the shares of stock of Columbus. Columbus directly owns the 50.4% interest in BLC. BLC owns 55.0% interest in FBDC, the primary developer of certain areas in Fort Bonifacio Global City for residential, commercial and business development. Columbus accounted for the acquisition of the 50.4% interest in BLC using the purchase method.

Subsequent to this, the Parent Company and EHI acquired additional shares of BLC through a combination of direct acquisition and through its associates at varying dates.

On July 31, 2008, the Group acquired, through the Parent Company, Regent Time and Columbus, additional 4,360,178 shares of BLC from FBDC amounting to P689.0 million, equivalent to 7.7% ownership in BLC. In January and October 2009, a total of 2,295,207 BLC shares were acquired from Development Bank of the Philippines and MPC, pertaining to the pledged shares, through Columbus amounting to P362.6 million. This resulted in an increase in Group's effective interest in BLC to 45.4% and unchanged thereafter.

Investment in Rize-Ayalaland

Rize-Ayalaland (Kingsway) GP, Inc. was incorporated on January 25, 2013 under the laws of British Columbia, Canada. The Company's effective ownership is 49.0% through its Vancouver-based subsidiary, AyalaLand Real Estate Investments, Inc.

Investment in Tianjin Eco-City

Tianjin Eco-City is a registered Sino-foreign equity joint venture between RWIL and Sino-Singapore Tianjin Eco-City Investment & Development Co. (SSTEC) under the laws of the People's Republic of China to operate for 50 years until 2060. The agreement was entered into to develop a 19-tower residential complex in China, marking its initially foray into the growing China market. Its principal activities include property development rental, management property and parking lot management.

Investment in A-Flow Properties I Corp

On October 4, 2022, ALLHC entered into joint venture agreement with Flow Luna I Property Pte. Ltd (FLOW) representing 50% interest in A-FLOW Properties I Corp (FLOW PropCo), a joint venture that will engage in the business of providing data center, co-location and other related services, including both space and power, to various entities such as hyperscalers and domestic enterprises, and will acquire and/or construct data center.

Investment in BYMCW, Inc.

On August 2, 2017, Bouygues Travaux Publics Philippines Inc. (BYTPPI) incorporated BYMCW Inc. (BYMCW) to engage in general building and contracting business. BYMCW's registered office address is at 2nd floor, Welfare Building, LRTA Compound, Aurora Blvd., Barangay 189, Pasay City, Metro Manila.

Investment in ALI-ETON Property Development Corporation

ALI-ETON Property Development Corporation was incorporated on March 13, 2016. The company is a joint venture between ALI and LT Group, Inc. ALI and LT Group, Inc. entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be a township development that spans portions of Pasig City and Quezon City.

In 2023, the Parent Company and LT Group, Inc. made additional equity infusions to ALI-Eton to fund the development requirements of Parklinks amounting to P1,920 million each (2022 - P2,405.0 million).

Investment in Cebu District Property Enterprise, Inc.

Cebu District Property Enterprise, Inc. (CDPEI) was incorporated on February 20, 2014 and is a 50:50 venture between the Company and Aboitiz Land, Inc. CDPEI's main purpose is to create a mixed-use commercial and residential district with the 15.4-hectare property in Subangdaku, Mandaue. In 2021, the Group made additional equity infusions to CDPEI amounting to P217.0 million.

Investment in Alveo-Federal Land Communities, Inc.

Alveo Land Corp. signed a Joint Venture Agreement (JVA) with Federal Land, Inc. last April 29, 2015 for equal ownership over AFLCI. The JV is for the development of Venido and Aveia projects located in Laguna near Nuvali.

Investment in AyaGold Retailers, Inc.

AyaGold Retailers, Inc., a joint venture between Entenso Equities Incorporated (EEI, a wholly owned subsidiary of Puregold Price Company, Inc.) and ALI Capital Corp. (a wholly-owned subsidiary of the Company and the holding company for its retail-related initiatives), was incorporated on October 2, 2013. It is organized primarily to finance, build and operate mid-market supermarkets for some of Company's new integrated and mixed-use developments. The mid-market supermarkets will be carried under a new brand to be jointly developed by both ALI Capital Corp. and EEI. The partnership with EEI will enable the Company to support its mixed-use developments and, at the same time, grow its recurring income portfolio.

Investment in SIAL Specialty

SIAL Specialty was incorporated on September 27, 2012 as a joint venture between ALI Capital Corp. and Store Specialist, Inc. (SSI). ALI Capital Corp. is a wholly-owned subsidiary of the Parent Company. SSI is one of the largest specialty retail companies in the Philippines with the exclusive distribution rights to a variety of brands from around the world.

The partnership, which combines ALI Capital Corp.'s expertise in developing mixed-use developments and SSI's proven track record in retail, is aimed at pursuing retail solutions to address the growing and changing lifestyle needs of the market.

SIAL Specialty was organized primarily for the investment and operation of mid-market department stores and to pursue other investment opportunities in the Philippine retail sector.

On March 28, 2023, SEC approved the application to shorten the corporate life of SIAL Specialty up to June 30, 2024.

Investment in AKL Properties Inc.

The Parent Company's investments in AKL is a 50:50 venture between Ayala Land, Inc. and Royal Asia Land, Inc. (RALI), and is organized primarily for future mixed-use development in South Luzon area.

In 2023, the Parent Company, through its 50.0% effective ownership and by virtue of Development Management Agreement, exercises control over the operations and management of AKL. Accordingly, the assets, liabilities, equity, and result of its operations are consolidated into the Group. The Group reclassified the amount from investment in joint venture to investment in subsidiaries beginning 2023 (Note 1).

10 Investment properties, net

The account as at December 31 consists of:

	Notes	Land	Buildings	Construction-in-progress	Total
Cost					
At January 1, 2022		74,543,473	135,599,847	77,270,287	287,413,607
Additions		7,173,643	8,930,029	3,793,406	19,897,078
Disposals		(764,475)	(3,227,683)	-	(3,992,158)
Transfers	6, 11	(11,754,536)	14,197,110	(13,805,554)	(11,362,980)
At December 31, 2022		69,198,105	155,499,303	67,258,139	291,955,547
Additions		6,698,242	5,851,111	3,220,622	15,769,975
Disposals		(738,648)	(831,255)	-	(1,569,903)
Transfers	6, 11	(15,217,749)	8,734,644	(6,328,729)	(12,811,834)
At December 31, 2023		59,939,950	169,253,803	64,150,032	293,343,785
Accumulated depreciation					
At January 1, 2022		-	43,507,379	-	43,507,379
Depreciation	20	-	5,642,851	-	5,642,851
Disposals		-	(3,228,786)	-	(3,228,786)
At December 31, 2022		-	45,921,444	-	45,921,444
Depreciation	20	-	5,669,598	-	5,669,598
Disposals		-	(488,916)	-	(488,916)
Transfers	11	-	671,444	-	671,444
At December 31, 2023		-	51,773,570	-	51,773,570
Accumulated impairment losses					
December 31, 2022	20	160,378	348,218	-	508,596
December 31, 2023		160,378	348,218	-	508,596
Net book value					
December 31, 2022		69,037,727	109,229,641	67,258,139	245,525,507
December 31, 2023		59,779,572	117,132,015	64,150,032	241,061,619

Certain parcels of land are leased to several individuals and corporations. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove all improvements (such as buildings) introduced or built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit.

Construction-in-progress pertain to buildings under construction to be leased as retail and office spaces upon completion. The development and construction period normally range from three years to five years and depends heavily on the size of the assets.

The aggregate fair value of the Group's investment properties as at December 31, 2023 amounted to P658,425.3 million (2022 - P483,640.6 million).

The Group capitalized borrowing costs for investment properties under construction. In 2023, interest capitalized amounted to P683.1 million (2022 - P783.22 million). The capitalization rates are 4.5% to 6.0% (2022 - P3.84% to 4.17%) (Note 14).

In 2023, consolidated rental income from investment properties amounted to P32,896.2 million (2022 - P27,196.5 million and 2021 - P 17,797.7 million) (Note 18). For the year ended December 31, 2023, the consolidated direct operating expenses arising from the investment properties amounted to P10,118.96 million (2022 - P8,884.7 million and 2021 - P7,663.1 million) (Note 20).

For the year ended December 31, 2023, depreciation expense pertaining to investment properties amounted to P5,669.60 million (2022 - P5,642.9 million and 2021 - P3,645.3 million) (Note 20).

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancement, other than those already reflected or disclosed in the consolidated financial statements.

Certain short-term and long-term debt are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. As at December 31, 2023, net book value of these investment properties amounted to P3,154.5 million (2022 - P2,974.7) (Note 14).

For the capital commitments, please refer to Note 27.

11 Property and equipment, net

The account as at December 31 consists of:

	Notes	Land, Buildings and Improvements	Machinery and Construction Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Hotel Property and Equipment	Total
Cost							
At January 1, 2022		18,417,909	13,824,961	9,390,543	3,495,419	25,218,185	70,347,017
Additions		2,649,776	671,455	853,301	238,811	124,711	4,538,054
Disposals		(1,222,348)	(482,715)	(140,454)	(92,106)	-	(1,937,623)
Transfers	10	(5,597,249)	86,034	(778)	-	-	(5,511,993)
At December 31, 2022		14,248,088	14,099,735	10,102,612	3,642,124	25,342,896	67,435,455
At January 1, 2023							
Additions		856,253	1,519,063	1,212,661	871,384	1,232,393	5,691,754
Disposals		(264,780)	(512,673)	(274,539)	(16,845)	(1,539,616)	(2,608,453)
Transfers	10	3,223,868	-	175,296	10,961	-	3,410,125
At December 31, 2023		18,063,429	15,106,125	11,216,030	4,507,624	25,035,673	73,928,881
Accumulated depreciation and amortization							
At January 1, 2022		7,651,424	10,188,003	5,072,260	1,658,590	3,998,388	28,568,665
Depreciation and amortization	20	790,928	792,055	358,035	443,202	844,904	3,229,124
Disposals		(49,536)	(47,245)	(165,019)	(254,373)	-	(516,173)
At December 31, 2022		8,392,816	10,932,813	5,265,276	1,847,419	4,843,292	31,281,616
At January 1, 2023							
Depreciation and amortization	20	736,456	750,001	559,352	275,238	746,775	3,067,822
Disposals		(115,576)	(436,643)	(311,367)	(14,115)	(132,631)	(1,010,332)
Transfers	10	(713,741)	(12,054)	56,350	(1,999)	-	(671,444)
At December 31, 2023		8,299,955	11,234,117	5,569,611	2,106,543	5,457,436	32,667,662
Net book value							
December 31, 2022		5,855,272	3,166,922	4,837,336	1,794,705	20,499,604	36,153,839
December 31, 2023		9,763,474	3,872,008	5,646,419	2,401,081	19,578,237	41,261,219

For the year ended December 31, 2023, the depreciation and amortization of property and equipment (included under various accounts in the consolidated statement of income) amounted to P3,067.8 million (2022 - P3,229.1 million and 2021 - P4,443.8 million). No interest was capitalized in 2023, 2022 and 2021 (Note 14).

As at December 31, 2023, the Group has no restrictions on its property and equipment and none of these have been pledged as security for its obligations. Capital expenditures for hotel buildings in the course of construction amounted to P923.4 million (2022 - P952.8 million) and are included in property and equipment. In 2023, the total contractual commitments arising from awarded contracts for the acquisition, development and construction of property and equipment amounted to P1,242 million (2022 - P685.78 million).

The Group performed impairment testing on its hotel property and equipment, with a carrying value of P19,578.2 million as at December 31, 2023 (2022 - P20,499.6 million), by assessing its recoverable amount through estimation of its value-in-use (VIU). VIU is the present value of the future cash flows expected to be derived from an asset. The significant assumptions used in the valuation are discount rates of 5.00% to 13.00% with an average growth rate of 3.00%. Based on the impairment testing, there is no impairment loss on the Group's hotel property and equipment.

12 Other non-current assets

The account as at December 31 consists of:

	2023	2022
Prepaid expenses	16,744,120	13,478,639
Advances to contractors and suppliers	8,508,364	9,256,936
Leasehold rights	3,226,493	3,293,472
Deposits - others	2,839,321	2,142,815
Deferred input VAT	1,240,951	1,114,468
Net pension assets	352,313	52,529
Development rights	37,678	37,678
Others	461,259	449,817
	33,410,499	29,826,354

Prepaid expenses consist of project costs incurred for unlaunched projects of the Group, advance rental payments and non-current prepaid management fees. This also includes the non-current portion of cost to obtain contracts which includes prepaid commissions and advances to brokers, which amounted to P856.82 million in 2023 (2022 - P766.36 million).

Advances to contractors and suppliers represent prepayments for the construction of investment properties and property and equipment.

Leasehold rights mainly consist of the following:

- Through the acquisition of ALLHC, ALI acquired leasehold rights arising from their lease agreement with Philippine National Railways (PNR) which amounted to P2,711.86 million as at December 31, 2023 (2022 - P2,750.17 million) (Note 31).
- TKPI's leasehold rights pertains to the right to use the property in Apulit Island located in Taytay, Palawan expiring on December 31, 2029 which amounted to P40.5 million as at December 31, 2023 (2022 - P46.73 million).
- NTDCC's leasehold rights refer to development rights on an 8.3-hectare portion of the MRT Development Corporation, which is located on the North Triangle property, and enabled the Group to develop and construct a commercial center which amounted to P471.2 million as at December 31, 2023 (2022 - P491.2 million).

Movements in leasehold rights follow:

	2023	2022
At January 1	3,293,473	3,398,659
Additions	-	1,179
Amortizations	(66,980)	(106,365)
At December 31	3,226,493	3,293,473

Deposits - others pertain to various utility deposits and security deposits for leases.

Deferred input VAT pertains to unamortized VAT portion from purchases of capital goods.

Development rights pertain to the saleable and non-saleable development rights acquired by the Parent Company. The non-saleable portion is allocated to the gross floor area of a structure in a particular lot that can be developed in the future. The amortization of development rights is capitalized as additional cost of the structure once the development commences.

Others pertain to prepayments for expenses that are amortized for more than one year.

13 Accounts and other payables

The account as at December 31 consists of:

	Note	2023	2022
Accounts payable		112,906,119	95,187,175
Taxes payable		22,798,500	20,536,540
Liability for purchased land		7,508,478	8,136,983
Accrued salaries and employee benefits		4,575,640	6,269,161
Retentions payable		4,109,606	4,937,454
Interest payable		2,204,982	2,104,183
Accrued utilities		1,870,260	465,642
Accrued professional and management fees		1,381,895	1,479,837
Accrued advertising and promotions		927,854	925,552
Payable to related parties	23	714,068	630,525
Accrued repairs and maintenance		454,402	689,554
Dividends payable		63,222	81,030
Accrued rentals		9,959	88,639
Other accrued expenses		2,950,457	2,419,852
		162,475,442	143,952,127

Accounts payable and accrued expenses are non-interest bearing and are normally settled within 30 to 60 days.

Taxes payable pertain to the Group's output VAT, expanded withholding tax, capital gains tax and fringe benefit tax payable.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired. These are normally payable in quarterly or annual installment payments, or upon demand.

Retentions payable pertain to the amount withheld by the Group on contractor's billings to be released after the guarantee period, usually one year after the completion of the project or upon demand. The retentions payable serve as security from the contractor should there be defects in the project.

Other accrued expenses consist mainly of accruals from commissions, royalty, transportation, and travel, janitorial and security, postal and communication and other expenses.

The Group entered into and designated interest rate swaps as cashflow hedge instruments from interest-bearing loans at floating rate with notional value of MYR227.6 million as at December 31, 2023 and 2022. The fair value of the interest rate swap is estimated using valuation techniques with observable inputs, which uses present value calculations and incorporate various input including interest rate curves. As at December 31, 2023, the fair value of the derivative amounted to P55.6 million liability (2022 - P221.0 million liability), which is recognized as part of other accrued expenses.

14 Short-term and long-term debts

As at December 31, 2023, the short-term debt amounting to P16,905.1 million (2022 - P6,547.3 million) represents both Peso and foreign currency-denominated bank loans. Philippine Peso-denominated short-term bank loans have a weighted average cost of 6.00% per annum in 2023 (2022 - 2.58%).

In compliance with Bangko Sentral ng Pilipinas (BSP) rules on directors, officers, stockholders and related interests, certain long-term debt with a carrying value of P2,225.3 million as at December 31, 2023 (2022 - P4,623.2 million) are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. Net book value of the property amounted to P3,154.5 million as at December 31, 2023 (2022 - P2,974.8 million), which is accounted as part of the "Investment properties" account (Note 10).

Long-term debt consists of:

	2023	2022
Parent Company:		
Bonds:		
Due 2023	-	7,000,000
Due 2024	15,000,000	15,000,000
Due 2025	23,250,000	23,250,000
Due 2026	16,000,000	16,000,000
Due 2027	15,000,000	15,000,000
Due 2028	22,075,000	22,000,000
Due 2029	14,000,000	14,000,000
Due 2031	3,000,000	3,000,000
Due 2033	6,925,000	2,000,000
Philippine Peso - denominated long-term loans	80,148,000	68,244,727
US Dollar - denominated long-term loans	3,045,350	3,066,525
Fixed rate corporate notes (FXCNs)	-	4,500,000
	198,443,350	193,061,252
Subsidiaries:		
Bank loans - Philippine-Peso denominated	42,354,825	34,338,748
Bank loans - Malaysian-Ringgit denominated	1,879,516	442,470
Bonds	-	3,000,000
	44,234,341	37,781,218
	242,677,691	230,842,470
Less: Unamortized transaction costs	1,328,536	1,350,891
	241,349,155	229,491,579
Less: Current portion of long-term debt	18,969,421	19,258,289
Non-current portion of long-term debt	222,379,734	210,233,290

Parent Company

Below is the summary of the outstanding Peso bonds issued by the Parent Company:

Year Issued	Term (Years)	Interest Rate	Principal Amount	Carrying Value		Features
				2023	2022	
2013	20	6.00%	2,000,000	1,988,434	1,987,589	Fixed rate bond due 2033
2016	7	3.89%	7,000,000	-	6,976,738	Fixed rate bond due 2023
2016	10	4.85%	8,000,000	7,978,689	7,970,112	Fixed rate bond due 2026
2016	9.5	4.75%	7,000,000	6,984,429	6,990,957	Fixed rate bond due 2025
2017	10	5.26%	7,000,000	6,986,234	6,982,556	Fixed rate bond due 2027
2018	10	5.92%	10,000,000	-	9,927,761	Fixed rate bond due 2028
2019	7	6.37%	8,000,000	7,962,227	7,947,809	Fixed rate bond due 2026
2019	5	4.76%	3,000,000	2,993,838	2,985,944	Fixed rate bond due 2024
2019	7.3	4.99%	1,000,000	976,665	969,971	Fixed rate bond due 2027
2020	5	3.86%	6,250,000	6,222,200	6,207,139	Fixed rate bond due 2025
2021	4	3.63%	10,000,000	9,959,900	9,931,347	Fixed rate bond due 2025
2021	10	4.08%	3,000,000	2,981,600	2,979,655	Fixed rate bond due 2031
2022	6	5.81%	12,000,000	11,931,740	11,918,358	Fixed rate bond due 2028
2022	2	4.40%	12,000,000	11,964,602	11,897,140	Fixed rate bond due 2024
2022	5	6.21%	7,000,000	6,942,199	6,927,960	Fixed rate bond due 2027
2022	7	6.80%	14,000,000	13,870,012	13,851,289	Fixed rate bond due 2029
2023	5	6.03%	10,075,000	9,961,324	-	Fixed rate bond due 2028
2023	10	6.29%	4,925,000	4,866,279	-	Fixed rate bond due 2033
Total				114,570,372	116,452,325	

Philippine Rating Services Corporation (PhilRatings) rated the Parent Company's 2023 and 2022 bond issuances "PRS Aaa" with a stable outlook and maintained the "PRS Aaa" rating with a stable outlook for all other outstanding bonds. PRS Aaa is the highest credit rating possible on PhilRatings' rating scale for long-term issuances, indicating that the obligor's capacity to meet its financial commitment on the obligation is extremely strong and that it has the smallest degree of investment risk. A Stable Outlook indicates that the rating is likely to be maintained or to remain unchanged in the next twelve months.

Bonds

Philippine Peso 20-year Bonds due 2033

In October 2013, the Parent Company issued a P2,000.0 million bond due 2033 at a fixed rate equivalent to 6.0% p.a. The Credit Rating and Investors Services Philippines, Inc. (CRISP) assigned a "AAA" rating on the bonds indicating that it has a minimal credit risk owing to the Parent Company's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP.

Philippine Peso 7-year and 10-year Bonds due 2026

In March 2016, the Parent Company issued and listed on the PDEX a total of P8,000.0 million bonds due 2026 at a fixed rate equivalent to 4.85% p.a. This is the first tranche of debt securities issued under the Parent Company's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. In May 2019, the Parent Company issued and listed on the PDEX P8,000.0 million fixed rate bonds due 2026 at a rate equivalent to 6.37% p.a. The Bonds, the first tranche of Parent Company's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 9-year and 6-month Bonds due 2025

In April 2016, the Parent Company issued and listed on the PDEX a total of P7,000.0 million bonds due 2025 at a fixed rate equivalent to 4.75% p.a. The Bonds represent the second tranche of debt securities issued under the Parent Company's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 7-year Bonds due 2023

In October 2016, the Parent Company issued and listed on the PDEX a total of P7,000.0 million fixed rate bonds due 2023 at a rate equivalent to 3.89% p.a. The Bonds represent the third tranche of the Parent Company's P50,000.0 million Debt Securities Program registered and rendered effective by the SEC on March 8, 2016 (the "2016 Program"). The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year and 3-month and 10-year Bonds due 2027

In May 2017, the Parent Company issued its P7,000.0 million fixed rate bond due 2027 at a rate equivalent to 5.26% p.a. The Bonds, the fourth tranche of the Parent Company's 2016 Program, were listed on the PDEX and were rated PRS Aaa with a Stable Outlook by PhilRatings. In November 2019, the Parent Company issued a P1,000.0 million fixed rate bond due 2027 at a rate equivalent to 4.99% p.a. The Bonds, the third tranche of bonds issued under the Parent Company's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2028

In April 2018, the Parent Company issued and listed on the PDEX a total of P10,000.0 million fixed rate bonds due 2028 at a rate equivalent to 5.92% p.a. and subject to repricing on April 27, 2023, the fifth anniversary of the Issue Date, at the higher of 5.92% p.a. or the prevailing 5-year benchmark plus 75 bps. The Bonds represent the fifth tranche of the of debt securities issued under the Parent Company's 2016 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2024

In September 2019, the Parent Company issued and listed on the PDEX its P3,000.0 million bonds due 2024 at a fixed rate equivalent to 4.76% p.a. The Bonds represent the second tranche of debt securities issued under the Parent Company's 2019 Program and were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2025

In September 2020, the Parent Company issued and listed on the PDEX its P6,250.0 million fixed rate bonds due 2025 at a rate equivalent to 3.86% p.a. The Bonds represent the fifth tranche of debt securities issued under the Parent Company's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 4-year Bonds due 2025

In May 2021, the Parent Company issued and listed on the PDEX its P10,000.0 million fixed rate bonds due 2025 at a rate equivalent to 3.63% p.a. The Bonds represent the sixth tranche of debt securities issued under the Parent Company's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2031

In October 2021, the Parent Company issued a total of P3,000.0 million bonds due 2031 at a fixed rate equivalent to 4.08% p.a. and subject to repricing on October 26, 2026, the fifth anniversary of the Issue Date, at the higher of 4.08% p.a. or the prevailing 5-year benchmark plus 70 bps. The offering which was listed on the PDEX is composed of P2,750.0 million issued as the first tranche of Parent Company's 2021 Program while P250.0 million representing the seventh tranche of debt securities were issued under the Company's 2019 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. The Parent Company exercised the call option and the bonds were fully redeemed in April 2023.

Philippine Peso 6-year Bonds due 2028

In May 2022, the Parent Company issued a total of P12,000.0 million bonds due 2028 at a fixed rate equivalent to 5.81% p.a. The offering is composed of P9,500.0 million as the second tranche of debt securities issued under the Parent Company's P50,000.0 million Debt Securities Program registered and rendered effective by the SEC on October 11, 2021 (the "2021 Program") while P2,500.0 million represent the eighth and final tranche of debt securities that were issued under the 2019 Program. The Bonds were listed on the PDEX and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 2-Year, 5-Year and 7-year Bonds due 2024, 2027 and 2029

In July 2022, the Parent Company issued a total of P33,000 million fixed rate bonds, broken down into P12,000.0 million bonds due 2024 at a rate equivalent to 4.40% p.a., P7,000.0 million bonds due 2027 at a rate equivalent to 6.21% p.a. and a P14,000.0 million bond due 2029 at a rate equivalent to 6.80% p.a. The offering is the third tranche of debt securities issued under the Parent Company's 2021 Program. The Bonds were listed on the PDEX and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 5-Year and 10-year Bonds due 2028 and 2033

In June 2023, the Parent Company issued a total of P15,000 million fixed rate bonds, broken down into P10,075.0 million bonds due 2028 at a rate equivalent to 6.03% p.a. and P4,925.0 million bond due 2033 at a rate equivalent to 6.29% p.a. The offering is composed of P4,750.0 million issued as the fourth and final tranche of the Parent Company's 2021 Program while P10,250.0 million representing the first tranche of debt securities issued under the Company's 2023 Program. The Bonds were listed on the PDEX and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso - denominated Long-term Loans

In August to September 2015, the Parent Company assumed an aggregate of P15,526.9 million various long-term facilities of some subsidiaries from various banks. The loans bear fixed interest rates ranging from 4.50% to 4.70% p.a. and terms ranging from 4.4 years to 10.5 years. In March 2016, the Company additionally assumed from ALI Makati Hotel Property, Inc. US\$30.0 million in long-term loans from the Bank of the Philippine Islands. The loan carried a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR) and is repriced quarterly. The loan was prepaid in December 2018. In August 2022, coinciding with the repricing date of the Parent Company's P10,000.0 million 10.5-year long-term facility, the Company executed a Deed of Assignment with a domestic bank. The Parent Company assigned the remaining balance of the loan amounting to P7,872.0 million to Avida Land, Corp. (P4,086.0 million), Alveo Land, Corp. (P2,880.0 million) and Accendo Commercial, Corp. (P906.0 million) (collectively the "Assigned Loan"). The Assigned Loan carries a floating rate applicable for the remaining 3.5 years of the long-term facility. As at December 31, 2023, the remaining balance of the assumed long-term facilities amounted to nil (2022 - 1,903.6 million). This was fully paid upon its maturity in the first quarter of 2023.

In March 2017, the Parent Company executed a P10,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn an initial P5,000.0 million. The balance of P5,000.0 million was drawn in April 2017. The loan carries a fixed interest rate of 4.95% p.a. and a term of 10 years. As at December 31, 2023, the remaining balance of long-term facility amounted to P8,875.0 million (2022 - P9,175.0 million).

In March 2018, the Parent Company executed a P5,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn the entire facility amount. As at December 31, 2023, the remaining balance of long-term facility amounted to P4,712.5 million (2022 - P4,762.5 million).

In January 2020, the Parent Company executed and availed a P5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.50% p.a. for the initial 5 years. In December 2020, the Parent Company also executed and availed a P10,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.0% p.a. for the first 7 years. Both loans will be repriced on the 5th and 7th anniversary. As at December 31, 2023, the remaining balance of the loans amount to P4,912.5 million (2022 - P4,962.5 million) and P9,376.0 million (2022 - P9,584.0 million), respectively.

In 2021, the Company originated a total of P37,000 million in long-term financing with various domestic banks. In July 2021, the Company availed a P10,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.88% p.a. for the initial 5 years. In August 2021, the Company executed a P5,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.88% p.a. for the initial 5 years. Another P4,900.0 million 6-year long-term facility was drawn in October 2021 at an interest rate of 3.78% p.a. for the initial 3 years. In October 2021, the Company executed a P5,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.75% p.a. for the initial 5 years. In November 2021, the Company also executed a P5,000.0 million 9-year long-term facility which carries a fixed interest rate of 3.95% p.a. for the initial 5 years. In December 2021, the Company executed a P7,100.0 million 8-year long-term facility which carries a fixed interest rate of 3.87% p.a. for the initial 3 years. As at December 31, 2023 and 2022, the outstanding balance of the loans amount to P37,000 million.

On December 16, 2021, the SEC approved and made effective the merger of Cebu Holdings, Inc. (CHI), Asian-I Office Properties (AiO), Arca South Commercial Ventures Corp. (ASCVC) and Central Bloc Developers, Inc. (CBDI) with and into ALI, with ALI as the surviving entity (the "Merger"). ALI became the surviving entity in the Merger and thus, shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CBDI (the "Absorbed Corporations"), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations were taken and deemed transferred to ALI without further act or deed. With that, the Parent Company assumed an aggregate of P914.1 million long-term facilities of AiO from a domestic bank. As at December 31, 2023, the remaining balance of long-term facilities amounted to P272.0 million (2022 - P857.1 million).

In 2023, the Company originated a total of P15,000 million 10-year long-term financing with various domestic banks. The loans carry a floating interest rate and contain a one-time option to shift from a floating rate to a fixed rate available for one or two years from initial availment. In April 2023, the Parent Company executed and availed a P5,000.0 million 10-year long-term facility with a domestic bank which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 45 bps, (ii) BSP Overnight Reverse Repurchase Agreement Rate, and (iii) floor rate of 2.75% p.a., with one time option to convert all or a portion of Fixed to Floating or vice versa. In October 2023, the Company executed a P5,000.0 million 10-year long-term facility which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 70 bps, and (ii) BSP Overnight Reverse Repurchase Agreement Rate, with one time option to convert all or a portion of Fixed to Floating or vice versa. In November 2023, the Company executed another P5,000.0 million 10-year long-term facility which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 45 bps, (ii) BSP Overnight Reverse Repurchase Agreement Rate, and (iii) floor rate of 5.25% p.a., with one time option to convert all or a portion of Fixed to Floating or vice versa. As at December 31, 2023, the remaining balance of the long-term facilities amount to P15,000 million (2022 - nil).

As at December 31, 2023, the remaining aggregate balance of the Philippine Peso-denominated long-term loans amounted to P80,148 million (2022 - P68,244.7 million).

US Dollar-denominated Long-term Loans

In November 2019, the Parent Company executed and had simultaneously drawn a US\$125.0 million long-term facility. The loan bears a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR), repriced quarterly. All proceeds were lent to MCT to refinance its existing loans. The loan will mature on the fifth anniversary of the initial drawdown date. The Parent Company initiated a partial payment of US\$70.0 million in November 2022.

The remaining US\$55.0 million was repriced in 2022 by transitioning out of the LIBOR-based dollar loan pricing ahead of its cessation on June 30, 2023 by shifting to a two-year US\$ fixed rate of 3.95% (net of 10% onshore tax).

As at December 31, 2023, the remaining aggregate balance of US Dollar-denominated long term loans amounted to P3,045.4 million (2022 - P3,066.5 million).

Fixed rate corporate notes (FXCNs)

Philippine Peso 10-year and 3-month Notes due 2023

In December 2012, the Parent Company executed a P5,000.0 million committed Corporate Note facility with a local bank, of which an initial P3,500.0 million was drawn in 2012. The balance of P1,500.0 million was subsequently drawn in January 2013. The notes bear a fixed interest rate of 4.50% p.a. The Corporate Notes will mature on the third month succeeding the tenth anniversary of the initial drawdown date. As at December 31, 2023, the remaining balance of the notes amounted to nil (2022 - P4,500.0 million). The notes were fully paid upon maturity on March 10, 2023.

Subsidiaries

The subsidiaries' loans will mature on various dates up to 2032. Philippine Peso-denominated loans bear various floating interest rates at 45 bps to 90 bps spread over the benchmark 90-day PHP BVAL Reference Rate (previously PDST-R2) and/or fixed interest rates ranging from 3.27% to 4.83% p.a. Certain loans which are subject to floating interest rates are subject to floor floating interest rates equivalent to (i) Overnight Reverse Repurchase Agreement Rate of the Bangko Sentral ng Pilipinas (BSP ORRP) or (ii) 95.0% or par of the BSP ORRP or (iii) the BSP ORRP plus a spread of 10 bps to 75 bps p.a. or (iii) the average of the BSP ORRP and Term Deposit Facility with a term close to the 90-day interest period.

In 2023, the subsidiaries made a total bank loan availment of P9,725.0 million (2022 - P15,455.0 million). As at December 31, 2023, the subsidiaries paid a total bank loan of P4,664.4 million (2022 - P2,835.5 million). The total outstanding balance of the subsidiaries' loans as at December 31, 2023 amounted to P44,234.3 million (2022 - P34,781.2 million).

Philippine Peso 3.0 Billion Fixed Rate Bonds due 2023

In December 2021, AREIT issued a total of P3,000.0 million bonds due 2023 at a fixed rate equivalent to 3.04% p.a. The Bonds represent the first tranche of debt securities issued under its P15,000.0 million Debt Securities Program registered with the SEC and listed on the PDEX. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings, indicating that the obligor's capacity to meet its financial commitment on the obligation is extremely strong. It was fully paid on the maturity date.

The loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional loans maturing beyond a year which will result in non-compliance of the required debt-to-equity ratios; merger or consolidation where the Company/subsidiary is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets. These restrictions and requirements were complied with by the Group as at December 31, 2023 and 2022.

In 2023, the interest capitalized amounted to P683.10 million (2022 - P783.22 million and 2021 - P560.14 million). The capitalization rates are 4.5% to 6.0% in 2023 (2022 - 2.04 to 4.50% and 2021 - 2.14% to 3.44%) (Note 6 and 10).

In 2023, transaction costs capitalized amounted to P371.2 million (2022 - P497.5 million and 2021 - P500.0 million). In 2023, amortization amounted to P393.6 million (2022 - P292.35 million and 2021 - P472.07 million) and included under "Interest and other financing charges" (Note 20).

The Group is required to maintain a debt-to-equity ratio not exceeding 3:1. The Group has complied with the debt covenant as at December 31, 2023 and 2022 (Note 27.2).

15 Deposits and other current liabilities

This account as at December 31 consists of:

	2023	2022
Current portion of customers' deposits	29,988,271	26,688,566
Security deposits	3,065,471	3,197,804
Others	1,078,242	1,324,653
	34,131,984	31,211,023

Customers' deposits consist of collections from real estate customers who have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivable based on percentage of completion.

In 2023, the amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to P20,873.4 million (2022 - P16,779.9 million and 2021 - P30,239.3 million).

Security deposits are equivalent to three to six months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. These will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts.

Other current liabilities mainly pertain to accrued project costs and unearned income.

16 Deposits and other non-current liabilities

This account consists of:

	2023	2022
Deposits	14,745,702	16,970,031
Customers' deposits, net of current portion	9,289,576	9,751,887
Liability for purchased land	7,043,929	10,185,888
Retentions payable	4,905,747	3,331,070
Contractors' payable	4,629,579	5,479,129
Deferred output VAT	768,641	856,698
Subscriptions payable	507,550	728,633
Other liabilities	748,057	216,545
	42,638,781	47,519,881

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three to six months' rent of long-term tenants with non-cancellable leases. These will be refunded to the lessees at the end of the lease term or applied to the last months' rentals on the related contracts. Deferred credits which are also recognized under "Deposits" account pertain to advances from buyers of real estate properties to cover various processing fees including, but not limited to, fees related to transfer of title such as registration fees, documentary taxes and transfer taxes. Payments made by the Group for the processing of title are charged to this account.

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion.

Liability for purchased land pertains to the non-current portion of unpaid unsubdivided land acquired during the year. These are normally payable in quarterly or annual installment payments within three or five years.

Retentions payable pertain to the amount withheld by the Group on contractors' billings to be released after the guarantee period, usually one year after the completion of the project or upon demand. The retentions payable serve as security from the contractors when there are claims for defects in projects requiring rework.

Contractors' payable represent accrued costs incurred for property development that are not yet billed.

Deferred output VAT pertains to output VAT on receivables for which sales recognition has been deferred based on sales collection threshold for VAT recognition purposes.

The Group's subscription payable pertains to ALLHC's investment in Cyber Bay.

On April 25, 1995, Central Bay, a wholly owned subsidiary of Cyber Bay, entered into a Joint Venture Agreement with the Philippine Reclamation Authority (PRA; formerly Public Estates Authority) for the complete and entire reclamation and horizontal development of a portion of the Manila-Cavite Coastal Road and Reclamation Project (the Project) consisting of three partially reclaimed and substantially eroded islands (the Three Islands) along Emilio Aguinaldo Boulevard in Parañaque and Las Piñas, Metro Manila with a combined total area of 157.8 hectares, another area of 242.2 hectares contiguous to the Three Islands and, at Central Bay's option as approved by the PRA, an additional 350 hectares more or less to regularize the configuration of the reclaimed area.

On March 30, 1999, the PRA and Central Bay executed an Amended Joint Venture Agreement (AJVA) to enhance the Philippine Government's share and benefits from the Project which was approved by the Office of the President of the Philippines on May 28, 1999.

On July 9, 2002, the Supreme Court (SC) (in the case entitled "Francisco Chavez vs. Amari Coastal Bay and Reclamation Corp.") issued a ruling declaring the AJVA null and void. Accordingly, PRA and Central Bay were permanently enjoined from implementing the AJVA.

On July 26, 2002, Central Bay filed a Motion for Reconsideration (MR) of said SC decision. On May 6, 2003, the SC En Banc denied with finality Central Bay's MR. On May 15, 2003, Central Bay filed a Motion for Leave to Admit Second MR. In an En Banc Resolution of the SC dated July 8, 2003, the SC resolved to admit the Second MR of Central Bay.

On November 11, 2003, the SC rendered a 7-7 split decision on Central Bay's Second MR. Because of the new issues raised in the SC's latest resolution that were never tried or heard in the case, Central Bay was constrained to file on December 5, 2003 a Motion for Re-deliberation of the SC's latest resolution which motion was denied with finality by the SC.

With the nullification of the AJVA, Central Bay has suspended all project operations. On August 10, 2007, in view of the failure by the PRA to comply with its obligations and representations under the AJVA, Cyber Bay and Central Bay have filed their claims for reimbursement of Project expenses in the amount of P10,200.0 million with the PRA. Cyber Bay and Central Bay provided the PRA with the summary and details of their claims on September 5, 2007. On July 15, 2008, Cyber Bay sent a follow-up letter to the PRA. The PRA, in its letter dated July 18, 2008, informed Cyber Bay that its claim is still being evaluated by the PRA.

A series of petitions and motion for reconsideration were filed by Central Bay. In a Decision dated April 5, 2022, the Supreme Court declared the Compromise Agreement between Central Bay Reclamation and Development Corporation (Central Bay) and the Philippine Reclamation Authority void ab initio for being contrary to the 1987 Constitution, Executive Order No. 292, Administrative Code of 1987, and the Government Auditing Code of the Philippines. Further, the Supreme Court disallowed Central Bay's money claims except for the amount of Seven Hundred Fourteen Million Nine Hundred Thirty-Seven Thousand Seven Hundred Ninety and 29/100 Pesos (Php714,937,790.29) representing advance payment for the reclamation and project development. Central Bay then filed a Motion for Reconsideration dated December 15, 2022.

In a Resolution dated February 7, 2023, the Supreme Court denied with finality Central Bay's Motion for Reconsideration dated December 15, 2022, and affirmed the Commission on Audit's (COA) Decision dated 23 May 2019 in COA CP Case No. 2010-350. In the Notice, it stated that Entry of Judgment will be made immediately.

As at December 31, 2023, the Group has unpaid subscription in Cyber Bay amounting to P481.7 million (2022 - P481.7 million).

Other liabilities include non-trade payables, accrued payables and warranty payables.

17 Equity

The details of the number of shares follow:

2023				
	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
Authorized	15,000,000	20,000,000	1,500,000	20,000,000
Issued*	13,066,495	15,595,195	1,306,649	15,595,195
Subscribed	-	126,331	-	126,331
	13,066,495	15,721,526	1,306,649	15,721,526

*Out of the total issued shares (in absolute number), 779,349,914 common shares at P1.00 par value and 623,999,728 preferred shares at P0.10 par value or aggregate of P841.75 million pertain to Treasury shares at December 31, 2023

2022				
	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
Authorized	15,000,000	20,000,000	1,500,000	20,000,000
Issued*	13,066,495	15,580,699	1,306,649	15,580,699
Subscribed	-	126,248	-	126,248
	13,066,495	15,706,947	1,306,649	15,706,947

*Out of the total issued shares (in absolute number), 642,283,806 common shares at P1.00 par value and 623,970,536 preferred shares at P0.10 par value or aggregate of P704.68 million pertain to Treasury shares, as at December 31, 2022.

2021				
	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
Authorized	15,000,000	20,000,000	1,500,000	20,000,000
Issued*	13,066,495	15,257,294	1,306,649	15,257,294
Subscribed	-	123,901	-	123,901
	13,066,495	15,381,195	1,306,649	15,381,195

**Out of the total issued shares (in absolute number), 570,069,282 common shares at P1.00 par value or P570.07 million pertain to Treasury shares as of December 31, 2021.

The movement in the Parent Company's treasury shares follows:

	2023		2022		2021	
	Shares (in absolute number)	Amount (in millions)	Shares (in absolute number)	Amount (in millions)	Shares (in absolute number)	Amount (in millions)
<i>Common</i>						
At January 1	642,283,806	19,017.81	570,069,282	16,894.40	29,785	1,260.80
Additions	137,066,108	3,695.65	72,214,524	2,123.41	570,039,497	15,633.60
At December 31	779,349,914	22,713.46	642,283,806	19,017.81	570,069,282	16,894.40
<i>Preferred</i>						
At January 1	623,970,536	62.90	-	-	-	-
Additions	29,192	0.03	623,970,536	62.90	-	-
At December 31	623,999,728	62.93	623,970,536	62.90	-	-
	1,403,349,642	22,776.39	1,266,254,342	19,080.71	570,069,282	16,894.40

Preferred Shares (P0.10 par value per share)

The Parent Company's preferred shares prior to 2012 were subscribed and issued through a stock rights offer with the following features: (a) non-voting; (b) dividend rate of 4.6% p.a., payable annually, non-cumulative; (c) non-participating; (d) convertible at the option of the holder at a ratio of one (1) preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (e) no pre-emptive rights; (f) non-redeemable; (g) non-listed; and, (h) preferred in liquidation to the extent of par value.

The dividends for preferred shares are declared upon the sole discretion of the Parent Company's BOD.

On February 20, 2012, the BOD approved the following restructuring exercise in order to comply with the regulatory requirement on Filipino-ownership following the Supreme Court's ruling that non-voting shares do not count as equity when computing for a Parent Company's Filipino-ownership level:

- Redemption and retirement of the 13.0 billion outstanding preferred shares with par value of P0.10.
- Reclassification of the 1,970.0 million unissued preferred shares to voting preferred shares through an amendment of Article Seventh of the Articles of Incorporation.
- Increase in authorized capital stock by P1,300.0 million creating new voting preferred shares and a stock rights offer of 13,000 million voting preferred shares from the increase in the authorized capital stock.

On April 18, 2012, the stockholders ratified the BOD resolution on the capital restructuring. The voting preferred shares shall have the following features, rights, and privileges: (a) voting; (b) dividend rate of 4.7% per annum, equivalent to 90.0% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative; (c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (d) no pre-emptive rights; (e) redeemable at par at the sole option of the corporation; (f) non-listed; and, (g) preferred in liquidation to the extent of par value.

The SEC approved on January 31, 2013 the following:

- The decrease in authorized capital stock by P1,303.5 million, the aggregate par value of the 13,034.6 million preferred shares which have been redeemed and retired, from P22,803.5 million to P21,500.0 million, and
- The amendments to Articles of Incorporation reflecting the decrease in capital stock.

On June 24, 2022, 623,392,160 Voting Preferred Shares (VPS) were redeemed. The remaining number of outstanding VPS is 12,443,102,599. All of the redeemed VPS will be retired subject to the final approval of the SEC.

As at December 31, 2023, the Parent Company's authorized and outstanding preferred shares amounted to P1,244 million (2022 - P1,244 million and 2021 - P1,307 million) at P0.10 par value.

Common Shares (P1.00 par value per share)

On April 7, 2014, the stockholders resolved to approve the amendment of the Seventh Article of the Articles of Incorporation exempting from pre-emptive rights (1) the issuance of 1 billion common shares for properties or assets needed for the business of the Parent Company or for cash to acquire properties or assets needed for the business of the Parent Company or in payment of a debt contracted prior to the issuance of such shares, and (2) the issuance of common shares covered by the Parent Company's Stock Option Plans for members of the management committees of the Parent Company's subsidiaries or affiliates.

Likewise, the stockholders resolved to approve the amendment of the Stock Option Plan of the Parent Company to include the members of the Management Committees of the Parent Company's subsidiaries and affiliates as eligible grantees of stock options.

The roll forward analysis of the common shares follows:

	Number of Shares		Amount	
	2023	2022	2023	2022
Issued capital stock*				
At beginning of year	15,580,699	15,257,294	15,580,699	15,257,294
Issued shares	14,496	323,405	14,496	323,405
At end of year	15,595,195	15,580,699	15,595,195	15,580,699
Subscribed capital stock				
At beginning of year	126,248	123,901	126,248	123,901
Issued shares	(14,496)	(11,825)	(14,496)	(11,825)
Additional subscriptions	14,579	14,172	14,579	14,172
At end of year	126,331	126,248	126,331	126,248
	15,721,526	15,706,947	15,721,526	15,706,947

*Out of the total issued shares (in absolute number), 779,349,914 shares or P779,350 million as at December 31 2023 and 642,283,806 shares or P642,284 million as at December 31, 2022 pertain to Treasury shares.

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Parent Company.

The Parent Company's track record of capital stock is as follows:

Type of Shares	Number of shares registered	Issue/ Offer price	Date of approval	Number of holders of securities as of 2023***	Number of holders of securities as of 2022***
Class B shares	800,000,000	Par Value - P1.00/ Issue Price P26.00	April 18, 1991	13,115	13,181
Class B shares	400,000,000	Par Value - P1.00*	July 6, 1992		
Class A shares	900,000,000	Par Value - P1.00**	July 5, 1993		
Class B shares	600,000,000	Par Value - P1.00**	July 5, 1993		

Note: Class A Shares and Class B Shares were declassified into one type of Common Shares on September 12, 1997.

*Increase in authorized capital stock, registered to cover the shares held by the directors and 20% stock dividend amounting to P108,662,000.00

**Increase in authorized capital stock, registered to cover the 20% stock dividend amounting to P391,240,953.00

***In absolute number

On January 9, 2015, the Executive Committee of the Parent Company approved a top-up placement of 484,848,500 common shares of the Parent Company at a price of P33.00 per share. The placement was conducted via an accelerated bookbuilt offering structured as a top-up placement, whereby AC sold 484,848,500 listed common shares of stock to qualified third party buyers and subscribe to the same number of new shares from the Parent Company. The Parent Company completed the placement on January 12, 2015, raising an aggregate of P16,000.0 million in paid-up capital. The price was at 3.9% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to P194.0 million.

On April 13, 2013, the stockholders resolved to approve the amendment of the Seventh Article of the Company's Articles of Incorporation for the purpose of excluding or exempting treasury shares from the pre-emptive rights of stockholders.

On March 6, 2013, the Parent Company's Board resolved to approve the placement made by AC of its existing 320,000,000 listed common shares of the Company to certain qualified third party buyers or investors at P30.50 per share. The Parent Company completed the top-up placement, raising an aggregate of P12,200.0 million in paid up capital. The price was at 3.6% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to P162.4 million.

On July 10, 2012, the Parent Company's Executive Committee approved the placement of 680 million listed common shares of stock with par value of P1.00 per share, at a price of P20.00 per share, and the issuance of equal number of new shares of the Parent Company, at the same price of P20.00 per share, with AC as the seller of the placement tranche and subscriber of the subscription tranche. The Parent Company completed the top-up placement, raising an aggregate of P13,600 million in paid up capital. The price was at 5.0% discount to the closing price. Transaction cost charged to additional paid-in capital amounted to P200.0 million.

On April 2, 2008, the Parent Company's stockholders approved the allotment and subsequent issuance of the shares for the below-mentioned purposes and for the further amendment of the Amended Articles of Incorporation of the Parent Company to exclude the issuance of shares from the pre-emptive rights of the stockholders pursuant to Section 39 of the Philippine Corporation Code.

On February 12, 2008, the BOD approved the allotment and subsequent issuance of up to 1 billion common shares of stock with an aggregate par value of P1,000.0 million for the purpose of exchanging such shares for properties or assets and/or to raise funds to acquire properties or assets needed for the business of the Parent Company via issuance of equity or equity-linked instruments, the price and the terms and conditions of which shall be determined by the BOD based on prevailing market conditions or on agreements negotiated.

On July 5, 1991, the Parent Company launched its initial public offering where a total of 400 million common shares were offered at an offering price of P26.00 per share. The registration statement was approved on July 20, 1992. As at December 31, 2023, the Parent Company has 13,115 existing shareholders (2022 - 13,181 existing shareholders).

Treasury shares

In 2023, ALI purchased a total of 137,066,108 common shares at an average price of P26.96 per share for a total consideration of P3,695.6 million.

Under its buyback program in 2022, ALI purchased a total of 71,214,524 common shares at an average price of P27.95 per share for a total consideration of P2,124.0 million and 623,970,536 preferred shares at an average price of P0.10 per share for a total consideration of P62.9 million which aggregated to P2,186.9 million.

In April and December 2021, ALI purchased a total of 48,976,900 common shares at an average price of P33.90 per share for a total consideration of P1,656.6 million under its share buyback program.

On December 16, 2021, SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). All of the shares of the absorbed entities owned by their respective stockholders prior to the Merger were acquired by ALI, and in exchange for the net assets of the absorbed entities, a total of 609,626,351 ALI common shares were issued to the stockholders of the absorbed entities. Of these shares, 491,306,375 shares were issued to ALI itself and were treated as treasury shares with a total consideration of P13,977.0 million.

On February 28, March 11, March 12, and March 16, 2020, ALI purchased a total of 4,412,000 common shares at an average price of P35.67 per share for a total consideration of P156.4 million, pursuant to its share buyback program.

On February 21, 2020, the Board of Directors of ALI at its regular meeting approved the increase of an additional P25 billion to the Company's current share buyback program bringing the available balance to P26.1 billion. The program has been implemented through open market purchases executed via the trading facilities of the Philippine Stock Exchange.

On March 5, 2019, the Parent Company purchased a total of 10,372,746 of its common shares at P43.20 per share through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P448.10 million in relation to its share buyback program. On November 26, 2019, the Parent Company also acquired a total of 15million of its common shares at P43.75 per share for a total purchase price of P656.25 million.

The amendment of the Articles of Incorporation on April 17, 2013 allowed the re-selling of the 79,528,299 listed common shares as part of the top-up placement transaction completed in July 2013. Treasury common shares were sold at P30.50 per share resulting in additional paid-in capital of P1,601.6 million.

On August 12, 2008, the BOD approved a share buyback program. It is part of the Parent Company's balance sheet management program and aims to (i) improve the Parent Company's balance sheet structure and capital efficiency and (ii) enhance shareholder value through the repurchase of shares whenever the stock is trading at a price discount perceived by the Parent Company as not reflective of its fair corporate value.

In 2008, the Parent Company repurchased a total of 79,528,228 of its common shares through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P823.9 million in relation to its share buyback program. These have been reported as treasury shares.

Retained earnings

In 2023, the BOD approved the declaration and payment from unappropriated retained earnings of cash dividends of P0.38 per share (2022 - P0.28 per share and 2021 - P0.28 per share) to all issued and outstanding common and preferred shares.

On February 21, 2023, the Board of Directors during its meeting approved the declaration of cash dividends of P0.1495 per outstanding common share. The cash dividends were paid on March 23, 2023, to stockholders of common shares as of record date of March 7, 2023.

On May 30, 2023, the Board of Directors approved the declaration of cash dividends to all stockholders of unlisted voting preferred shares of P0.006 per share. The dividends were paid on June 27, 2023 to stockholders of voting preferred shares as of record date of June 13, 2023.

On October 25, 2023, the Board of Directors during its meeting approved the declaration of cash dividends of P0.2231 per outstanding common share. The cash dividends were paid on November 24, 2023, to stockholders of common shares as of record date of November 13, 2023.

On February 24, 2022, the BOD during its meeting approved the declaration of cash dividends of P0.1352 per outstanding common share. The cash dividends were paid on March 25, 2022 to stockholders of common shares as of record date of November 11, 2022.

On October 21, 2022, the BOD during its meeting approved the declaration of cash dividends of P0.1355 per outstanding common share. The cash dividends were paid on November 18, 2022 to stockholders of common shares as at record date of March 8, 2022.

On May 31, 2022, the BOD during its meeting approved the declaration of cash dividends of P0.0047 per outstanding common share. The cash dividends were paid on June 24, 2022 to stockholders of common shares as at record date of June 9, 2022.

On February 23, 2021, the BOD during its meeting approved the declaration of cash dividends of P0.14 per outstanding common share. The cash dividends were paid on March 25, 2021 to stockholders of common shares as at record date of March 10, 2021.

On October 19, 2021, the BOD during its meeting approved the declaration of cash dividends of P0.14 per outstanding common share. The cash dividends were paid on November 18, 2021 to stockholders of common shares as at record date of November 3, 2021.

In 2023, total dividends for common shares declared amounted to P5,583.4 million (2022 - P4,000.0 million and 2021 - P4,001.2 million). Total dividends for preferred shares declared for 2023 amounted to P78.7 (2022 and 2021 amounted to P62.0 million each year).

On May 27, 2021, the Board of Directors during its meeting approved the declaration of cash dividends of P0.0047 per outstanding preferred share. The cash dividends were paid on June 25, 2021 to stockholders of preferred shares as of record date of June 10, 2021.

As at December 31, 2023, 2022 and 2021, retained earnings of P25,000.0 million are appropriated for future expansion. The increase of P17,000.0 million, as approved by the BOD on November 25, 2021, represents a continuing appropriation for land banking activities and planned building construction projects. Each year, the Parent Company incurs capital expenditures for property development which include among others land banking and building construction projects. The appropriation is being fully utilized to cover part of the annual expenditure requirement of the Parent Company.

The Parent Company has earmarked additional funds for expansion projects in the residential, shopping centers, office and hotel business segments, as well as various infrastructure projects for the Parent Company's mixed-use developments.

The following are among the major capital expenditures of the Parent Company which were approved by the BOD on November 25, 2021:

- a) Arca South, a 74 hectares lifestyle district in the City of Taguig with residential, office, retail, hotel and other commercial component. Phase 1 of the mixed-use development was approved by the Board on November 25, 2014. It consists of a retail project with 20k sqm Gross Leasable Area (GLA), 2 BPO towers with 31k sqm GLA and a 265-room hotel with total estimated cost of P11 billion, for completion phase by 2024-2027.
- b) Vertis North, a 29 hectares estate positioned as the Central Business District of the North with residential, office, retail and hotel component. Phase 1 of the mixed-use development was approved by the Board on October 11, 2013. It consists of the completed Vertis mall with 40k sqm GLA, three office towers with 125k sqm GLA and a 438 room Seda hotel. For future development consists of the 4th Office Tower with 46k sqm GLA estimated at P5 billion, for completion beyond 2026.

- c) Vermosa, which is a 700-hectare estate located south of Ayala Alabang. It is a mixed-use development with residential and commercial component. Phase 1 of the mixed-use development consists of residential developments, commercial lots, school and sports and lifestyle complex. For future development consists of a mall with 41k sqm GLA approved by the Board on May 19, 2017. Estimated cost for this project is at P2.5 billion, for completion in phases by 2022-2024.
- d) Continuing payments for various acquisitions within the country amounting to P14.5 billion to be paid until 2024-2026.

Retained earnings also include undistributed net earnings amounting to P121,264.74 million as at December 31, 2023 (2022 - P108,047.70), representing accumulated equity in the net earnings of subsidiaries, associates and joint ventures. These are not available for dividend distribution unless declared by subsidiaries and other investees. In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company's retained earnings available for dividend declaration as at December 31, 2023 amounted to P62.24 billion (2022 - P55.36 billion).

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

Cumulative Translation Adjustment

The cumulative translation adjustments represent exchange differences arising from the translation of financial statements of the foreign operations, whose functional currency is other than Philippine Peso.

Equity Reserves

On March 29, 2023, ALI sold 205,000,000 shares of AREIT at a transaction price of P32.10 per share, equivalent to P6.58 billion with an increase to equity reserves amounting to P4,406.5 million, in relation to its P22.5 billion property-for-share swap transaction with AREIT.

The Parent Company acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of P31.51 million in July 2023. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% as of July 2023. The acquisition is accounted as involving entities under control (Note 36). As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. The impact to equity reserves is a decrease of P357.13 million in 2023.

On November 14, 2023, the Parent Company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp. for a total consideration of P203.58 million from the existing investor which is equivalent to a 5% stake in the company. This acquisition is accounted as involving entities under control. As a result, the impact to equity reserves is a decrease of P132.15 million.

The resulting equity reserve from 2023 transactions amounted to P3,917.2 million.

On January 20, 2022, the Board of Directors of ALI approved a property-for-share swap with AC and Mermac, Inc. (Mermac). Under the transaction, AC will subscribe to 309,597,711 primary common shares for assets valued at P17,275.55 million, and Mermac will subscribe to 1,982,289 primary common shares for assets worth P110.61 million, totaling 311,580,000 primary common shares at a value of P55.80 per share, as validated by a third-party fairness opinion.

The primary common shares issued by ALI to AC and Mermac came from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of ALI.

On December 29, 2022, the property-for-share swap has been approved by the SEC. As a result, ALI received 258,023,645 common share of Ayala Hotels Inc. (AHI) representing 50% ownership of the entity. This transaction was regarded as acquisition involving common control with an impact to equity reserves amounting to P9,800.78 million in 2022.

ALI acquired additional 187,985 common shares and 149,007 preferred shares of Vesta Property Holdings, Inc. for a value of P415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022. The acquisition involved entities under control. As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves as a result of this transaction amounted to P523.36 million.

On April 27, 2022, ALI sold 87,370,000 shares of AREIT at a transaction price of P39.70 per share, equivalent to P3.47 billion (exclusive of fees and taxes). ALI's net equity reserve from the sale of AREIT shares aggregated to a decrease of P2.53 billion out of the P3.40 billion net proceeds. This transaction was executed in relation to the property-for-share swap transaction with AREIT.

On May 19, 2022, ALI and AREIT executed the Deed of Exchange on the property-for-share swap transaction involving the issuance of 252,136,383 primary common shares of AREIT to ALI, at an issue price of P44.65 per share in exchange for identified properties valued at P11,257.89 million. This was approved by the SEC on December 29, 2022.

On December 29, 2022, ALI and AREIT executed the Amendment to the Deed of Exchange to set October 1, 2022 as the effective date of assignment by ALI of the income of the properties and the tenant lease contracts and permits to AREIT.

The resulting equity reserve from 2022 transactions amounted to P7,796.5 million.

On December 16, 2021, the SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). ALI shall possess all the rights, privileges, and immunities of mentioned entities (the "Absorbed Corporations"), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed. The impact of merger is a decrease to equity reserve amounting to P276.8 million.

On October 8, 2021, ALI and AREIT received the approval from the SEC of the property-for-share swap, specifically the subscription of ALI and its subsidiaries namely, Westview Commercial Ventures Corp. and Glensworth Development, Inc. (collectively referred to as Subsidiaries) to 483,254,375 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, under the Deed of Exchange dated June 8, 2021. This resulted in ALI's increased interest in AREIT from 54% to 66%. The impact to equity reserve amounted to P981.1 million.

The resulting equity reserve from 2021 transactions amounted to P704.4 million.

Non-controlling interest

The Parent Company considers a subsidiary as having a material NCI if its net assets exceed 5% of the total consolidated net assets of the Group as at reporting period and considers the relevance of the nature of activities of the subsidiary compared to other operations of the Group. The financial information on the Parent Company's significant subsidiaries with material NCI follows:

AREIT

AREIT was incorporated on September 4, 2006. As at December 31, 2023, it is 43% owned by ALI (2022 - 54.88%), 4% owned by ALO (2022 - 5.47%), 3% owned by GDI, 2% owned by WCVC (2022 - 2.13%), 12% owned by ALMI (2022 - nil), 2% owned by NBCC (2022 - nil) and 34% (2022 - 33.9%) by the public after being listed in the Philippine Stock Exchange (PSE) on August 13, 2020.

It was organized primarily as a real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations and other applicable laws.

The related balances for the years ended December 31 follows:

	2023	2022
Proportion of equity interests held by non-controlling interests	34.0%	34.0%
Accumulated balances of material non-controlling interests	7,039,983	5,563,707
Net income allocated to material non-controlling interests	1,023,641	763,912
Comprehensive income allocated to material non-controlling interests	1,023,641	763,912

The summarized financial information of AREIT as at and for the years ended December 31, 2023 and 2022 are provided below. This information is based on amounts before inter-company eliminations.

	December 31, 2023	December 31, 2022
Statement of financial position		
Current assets	5,357,019	2,137,763
Non-current assets	87,915,273	65,548,226
Current liabilities	(5,926,645)	(5,019,325)
Non-current liabilities	(3,935,810)	(2,593,774)
Total equity	83,409,837	60,072,890
Attributable to:		
Equity holders of AREIT	83,409,837	60,072,890
Non-controlling interests	-	-
Dividends paid to non-controlling interests	-	-

	For the years ended December 31	
	2023	2022
Statement of comprehensive income		
Revenue	7,140,336	5,072,846
Cost and expenses	2,100,959	2,185,159
Income before income tax	5,039,377	2,887,687
Provision for income tax	(1,067)	(124)
Income from operations	5,038,310	2,887,563
Other comprehensive income	-	-
Total comprehensive income	5,038,310	2,887,563
Attributable to:		
Equity holders of AREIT	5,038,310	2,887,563
Non-controlling interests	-	-

	For the years ended December 31	
	2023	2022
Statement of cash flows		
Operating activities	6,545,044	3,833,174
Investing activities	(2,038,849)	(263,046)
Financing activities	(4,527,190)	(3,599,385)
Net decrease in cash and cash equivalents	(20,995)	(29,257)

The fair value of the investment in AREIT amounted to P52,266 million as at December 31, 2023 (2022 - P41,145.1 million).

ALLHC and Subsidiaries

ALLHC was incorporated in the Republic of the Philippines. It is engaged in real estate and property development, manufacturing and retailing/distribution, non-life insurance and other allied services, organized under a number of intermediate holding companies. The Company wholly owns Tutuban Properties, Inc., which holds the lease and development rights over Tutuban Center in downtown Divisoria.

	2023	2022
Proportion of equity interests held by non-controlling interests	28.5%	28.5%
Accumulated balances of material non-controlling interests	4,199,052	4,008,230
Net income allocated to material non-controlling interests	190,822	261,064
Comprehensive income allocated to material non-controlling interests	190,822	261,064

The summarized financial information of ALLHC is provided below. This information is based on amounts before inter-company eliminations:

	December 31, 2023	December 31, 2022
Statement of financial position		
Current assets	10,624,856	7,538,773
Non-current assets	17,861,463	20,031,125
Current liabilities	(9,028,381)	(7,242,901)
Non-current liabilities	(5,551,520)	(5,874,649)
Total equity	13,906,418	14,452,348
Attributable to:		
Equity holders of ALLHC	13,635,607	14,425,627
Non-controlling interests	270,811	26,721
Dividends paid to non-controlling interests	-	-
	For the years ended December 31	
	2023	2022
Statement of comprehensive income		
Revenue	3,499,326	4,184,753
Cost and expenses	(2,765,088)	(2,979,222)
Income before income tax	734,238	1,205,531
Provision for income tax	(99,144)	(198,285)
Income from operations	635,094	1,007,246
Other comprehensive loss	41,459	(6,222)
Total comprehensive income	676,553	1,001,024
Attributable to:		
Equity holders of ALLHC	624,208	1,009,118
Non-controlling interests	10,885	(8,095)
Statement of cash flows		
Operating activities	(851,219)	750,548
Investing activities	(1,741,259)	(3,198,568)
Financing activities	2,355,668	2,811,365
Net (decrease) increase in cash and cash equivalents	(236,810)	363,345

The fair value of the investment in ALLHC amounted to P7,968.9 million as at December 31, 2023 (2022 - P13,267.3 million).

18 Revenue

This account for the years ended December 31 consists of:

	Notes	2023	2022	2021
Revenue from contracts with customers				
Residential development		92,337,260	81,244,149	75,939,410
Hotels and resorts		8,780,374	6,194,072	2,833,075
Construction		6,595,611	4,235,503	3,909,051
Others		4,891,792	4,181,058	2,466,666
Rental income	10	32,896,212	27,196,530	17,797,660
Equity in net earnings of associates and joint venture		1,575,295	1,429,795	842,565
Total revenue		147,076,544	124,481,107	103,788,427

Others are mainly composed of property management facilities of the Group and third-party projects.

The Group's disaggregation of each source of revenue from contracts with customers for the years ended December 31 are presented below:

Residential development

	2023	2022	2021
Type of product			
Middle income housing	32,204,567	23,539,723	24,101,342
Core-mid	25,990,604	19,831,937	19,789,427
Condominium	24,297,144	25,218,522	23,733,274
Lot only	9,844,945	12,653,967	8,315,367
	92,337,260	81,244,149	75,939,410

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time.

Hotels and resorts

	2023	2022	2021
Type of product			
Rooms	5,086,501	3,464,771	1,581,171
Food and beverage	2,727,063	1,933,309	816,326
Others	484,620	453,477	213,465
Other operated department	482,190	342,515	222,113
	8,780,374	6,194,072	2,833,075

The Group's revenue from hotels and resorts is attributed to the operations from the development and management of hotels and resorts or serviced apartments.

During 2022 and 2021, in view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported under this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment.

In 2023, the Group's hotel and resorts properties posted significant improvements in revenues from higher occupancies due to easing of health and travel restrictions, surging leisure demand and increased guests' spending. In addition, a number of restaurants and food outlets have reopened and operated, improving the food and beverage revenues.

Construction

The Group's construction revenue pertains to transactions with related parties such as joint ventures and associates.

Set-out below is the reconciliation of contracts with customers with the amounts disclosed in segment information (in millions) for the years ended December 31:

2023						
	Residential development	International	Construction	Hotels and resorts	Property management and others	Total
Sales to external customers	79,545	7,433	6,596	8,780	4,892	107,246
Interest	5,360	-	-	-	-	5,360
Total revenue from contracts with customers	84,905	7,433	6,596	8,780	4,892	112,606
2022						
	Residential development	International	Construction	Hotels and resorts	Property management and others	Total
Sales to external customers	71,792	2,757	4,236	6,194	4,181	89,160
Interest	6,695	-	-	-	-	6,695
Total revenue from contracts with customers	78,487	2,757	4,236	6,194	4,181	95,855
2021						
	Residential development	International	Construction	Hotels and resorts	Property management and others	Total
Sales to external customers	65,260	3,878	3,909	2,833	2,467	78,347
Interest	6,801	-	-	-	-	6,801
Total revenue from contracts with customers	72,061	3,878	3,909	2,833	2,467	85,148

19 Interest and investment income; Other income

Interest and investment income for the years ended December 31 consists of:

	2023	2022	2021
Interest income from short term investments	342,441	58,938	-
Interest income from advances to officers/employees and other companies	152,217	187,668	46,546
Interest income from banks	121,945	85,121	79,765
Gain on sale of equipment and other properties	-	-	106,051
Others	72,945	55,356	20,745
	689,548	387,083	253,107

Other income for the years ended December 31 consists of:

	2023	2022	2021
Marketing and management fees	508,244	693,144	528,345
Others, net	583,073	994,480	1,572,726
	1,091,317	1,687,624	2,101,071

Others, net mainly pertain to reversal of allowance for impairment losses, forfeitures of deposits and penalties.

20 Cost and expenses and other charges

(a) Cost of real estate sales

The account for the years ended December 31 consists of:

	Note	2023	2022	2021
Cost of real estate sales	6	45,296,895	37,610,988	38,883,964
Depreciation and amortization		7,779,126	7,880,751	7,162,971
Hotels and resorts operations		7,106,025	5,399,588	1,907,908
Manpower costs of real estate sales		7,499,364	5,208,820	2,654,700
Marketing and management fees		1,835,940	860,521	95,753
Rental		1,616,214	305,465	260,548
Materials and overhead		1,239,974	258,066	54,636
Direct operating expenses:				
Taxes and licenses		4,247,232	4,109,408	3,663,470
Repairs and maintenance		3,151,083	2,749,054	2,643,460
Commission		2,588,564	2,720,178	2,414,648
Light and water		1,460,553	4,364,283	2,701,440
Insurance		385,258	298,804	232,980
Professional fees		260,963	225,795	280,323
Transportation and travel		221,671	195,121	137,865
Entertainment, amusement and recreation		64,854	42,494	28,166
Others		2,384,955	3,399,375	1,518,687
		87,138,671	75,628,711	64,641,519

(b) General and administrative expenses

The account for the years ended December 31 consists of:

	2023	2022	2021
Manpower costs	4,764,329	3,876,043	3,717,324
Depreciation and amortization	934,691	951,210	770,666
Taxes and licenses	809,481	658,149	561,136
Professional fees	536,652	473,277	484,133
Repairs and maintenance	522,475	406,659	382,734
Utilities	276,177	239,435	64,717
Security and janitorial	162,717	126,827	116,821
Advertising	104,459	70,264	53,271
Rent	90,245	99,951	-
Dues and fees	85,027	62,811	199,639
Transport and travel	74,288	80,573	45,038
Supplies	50,395	57,238	42,937
Training and seminars	43,080	24,207	11,635
Insurance	40,974	85,857	34,998
Entertainment, amusement and recreation	37,087	27,105	12,607
Donations and contribution	17,531	15,212	38,624
Others	360,841	9,521	2,579
	8,910,449	7,264,339	6,538,859

Manpower costs for the years ended December 31 included in the consolidated statement of income follows:

	2023	2022	2021
Real estate costs and expenses			
Cost of real estate sales	7,499,364	5,208,820	2,654,700
Hotels and resorts operations	323,477	222,014	178,732
General and administrative expenses	4,764,329	3,876,043	3,717,324
	12,587,170	9,306,877	6,550,756

Depreciation and amortization expense for the years ended December 31 included in the consolidated statement of income follows:

	2023	2022	2021
Real estate costs and expenses			
Cost of real estate sales	7,779,126	7,880,751	7,162,971
Hotels and resorts operations	791,267	856,768	886,870
General and administrative expenses	934,691	951,210	770,666
	9,505,084	9,688,729	8,820,507

(c) Interest and other financing charges

The account for the years ended December 31 consists of:

	Note	2023	2022	2021
Interest expense on:				
Long-term debt		10,608,421	9,198,060	8,778,056
Lease liabilities	31	1,489,221	1,439,756	1,409,177
Short-term debt		981,613	383,094	391,435
Other financing charges		419,592	425,759	459,104
		13,498,847	11,446,669	11,037,772

(d) Other expenses

The account for the years ended December 31 consists of:

	Notes	2023	2022	2021
Financial expenses and other charges		2,253,588	3,742,306	3,097,223
Net provision for impairment losses on:				
Receivables	5	478,334	253,738	359,129
Other assets		117,312	-	-
Investment properties	10	-	-	180,563
		2,849,234	3,996,044	3,636,915

21 Income tax

(a) *Deferred tax assets, net*

The account for the years ended December 31 consists of:

	2023	2022
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate transactions	7,852,007	7,922,784
Lease liabilities	4,469,166	4,088,076
Accrued expenses	3,779,561	1,669,844
Net operating loss carryover (NOLCO)	1,651,180	1,295,590
Allowance for probable losses	668,228	355,047
Retirement benefits	117,925	285,623
Unrealized foreign exchange losses	63,892	521,998
Others	680,433	1,172,398
	19,282,392	17,311,360
Deferred tax liabilities on:		
Right-of-use assets	(2,844,490)	(1,974,313)
Capitalized interest and other expenses	(167,010)	(736,613)
Prepaid expenses	(69,477)	(15,460)
Unrealized foreign exchange gains	(38,284)	(100,216)
Others	(817,998)	(595,471)
	(3,937,259)	(3,422,073)
	15,345,133	13,889,287

(b) *Deferred tax liabilities, net*

The account for the years ended December 31 consists of:

	2023	2022
Deferred tax assets on:		
Lease liabilities	161,489	13,359
NOLCO	96,128	337,908
Accrued expense	65,457	61,331
Retirement benefits	37,070	45,125
Allowance for probable losses	27,701	11,990
Unrealized foreign exchange loss	294	-
Others	474,206	58,656
	862,345	528,369
Deferred tax liabilities on:		
Difference between tax and book basis of accounting for real estate transactions	(7,230,239)	(1,771,278)
Unrealized foreign exchange gain	(64,187)	(128,854)
Right-of-use assets	(107,645)	(32,785)
Capitalized interest and other expenses	(3,766)	(6,448)
Fair value adjustment arising from business combination	-	(3,445,212)
Others	(780,775)	(993,080)
	(8,186,612)	(6,377,657)
	(7,324,267)	(5,849,288)

As at December 31, 2023 and 2022, deferred tax liabilities have not been recognized on the undistributed earnings and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future.

Certain subsidiaries of the Parent Company have NOLCO amounting to P1,671 million (2022 - P2,052 million), and MCIT amounting to P106 million as at December 31, 2023 (2022 - P32.8 million). Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. As at December 31, 2023, total unrecognized NOLCO amounted to P646.3 million (2022 - P349.9 million). As at December 31, 2023, total unrecognized MCIT amounted to P20.2 million (2022 - P0.75 million). The subsidiaries will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

The Group has incurred NOLCO in the taxable years 2023 and 2022 which can be claimed as deduction from the regular income tax over a period of three years and NOLCO in the taxable years 2021 and 2020 which can be claimed as deduction from the regular income tax over a period of five years as follows:

Year incurred	Amount	Used/Expired	Balance	Expiry Year
2023	1,671,085	-	1,671,085	2026
2022	2,052,441	140,109	1,912,332	2025
2021	2,039,719	771,544	1,268,175	2026
2020	3,105,402	2,115,757	989,645	2025
	8,868,647	3,027,410	5,841,237	

The carryover MCIT that can be used as deductions against income tax liabilities is as follows:

Year incurred	Amount	Used/Expired	Balance	Expiry Year
2023	106,089	-	106,089	2026
2022	32,844	337	32,507	2025
2021	13,409	9,668	3,741	2024
2020	6,992	6,992	-	2023
	159,334	16,997	142,337	

The reconciliation (in %) between the statutory and the effective income tax rates follows:

	2023	2022
Statutory income tax rate	25.00	25.00
Tax effect of:		
Equity in net earnings of associates and joint ventures	(4.32)	(5.07)
Income under tax holiday and other non-taxable income	(0.56)	0.76
Interest income and capital gains taxed at lower rate	(0.33)	(1.87)
Others, net	0.66	1.36
Effective income tax rate	20.45	20.18

Deferred tax related to remeasurement gain on defined benefit plans recognized in OCI amounted to P196.2 million in 2023 (2022 - P330.7 million).

Board of Investments (BOI) Incentives

The Board of Investments issued certificates of registrations to the following companies in accordance with the existing Omnibus Investment Code. The projects have been granted an Income Tax Holiday (ITH) for a fixed period from the date of registration or actual start of operations, whichever is earlier.

	Registration Date	Project Location	ITH Start	ITH Period
Bonifacio Hotel Ventures, Inc.	January 11, 2012	Seda BGC	June 1, 2018	6 years
Econorth Resort Ventures Inc.	November 21, 2017	Seda Lio	March 1, 2018	5 years
Capitol Central Hotel Ventures, Inc.	September 8, 2017	Seda Capitol Central	January 1, 2018	4 years
		Amaia Scapes Bulacan		
Amaia Land Corp	July 18, 2018	Sector 3B	July 1, 2018	3 years
Bonifacio Hotel Ventures, Inc.	May 22, 2019	Seda BGC Expansion	May 1, 2019	3 years
Makati North Hotel Ventures, Inc.	August 16, 2019	Seda Residences Makati	August 1, 2019	4 years
Central Bloc Hotel Ventures, Inc.	June 16, 2020	Seda Central Bloc Cebu	January 1, 2021	4 years
Amaia Land Corp	October 31, 2019	Amaia Scapes Rizal	October 1, 2019	4 years
MDC Concrete, Inc.	October 5, 2020	PBU and WallQrete	January 1, 2021	3 years
Ayala Land Inc.	December 2019	Cresendo Industrial Park	January 1, 2020	4 years

22 Acquisition of non-controlling interests

Vesta Property Holdings Inc.

In July 2023, the Parent Company acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of P31.51 million. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% as of July 2023. The acquisition is accounted as involving entities under control (Note 1). As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves, as a result of this transaction, amounted to P351.13 million in 2023.

The Parent Company acquired additional 187,985 common shares and 149,007 preferred shares of Vesta Property Holdings, Inc. for a value of P415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022.

The acquisition involved entities under common control. As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves as a result of this transaction amounted to P523.36 million.

Sicogon Island Tourism Estate (SITE) Corp.

On November 14, 2023, the Parent Company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp., for a total consideration of P203.58 million from the existing investor and this is equivalent to a 5% stake in the company. This acquisition is accounted as involving entities under common control (Note 1). As a result, the impact to equity reserves amounted to P132.15 million.

Ayala Hotels, Inc. (AHI)

On January 20, 2022, the Board of Directors of ALI approved a property-for-share swap with AC and Mermac. Under the transaction, AC subscribed to 309,597,711 primary common shares for assets valued at P17,275.55 million, and Mermac subscribed to 1,982,289 primary common shares for assets worth P110.61 million, totaling 311,580,000 primary common shares at a value of P55.80 per share, as validated by a third-party fairness opinion. The total assets included 258,023,645 common shares of AHI and 714,116 common shares of DADC representing 50% and 100% stake of the companies, respectively.

The primary common shares issued by ALI to AC and Mermac came from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of ALI.

On December 29, 2022, the SEC approved the transaction which resulted in additional 50% stake in AHI through acquisition involving common control with impact to equity reserves amounting to P9,800.78 million and a 100% holdings in DADC which was regarded as an asset acquisition.

23 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

In its regular conduct of business, the Group has entered into transactions with its Parent Company, associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, development, management, underwriting, marketing, leasing and administrative service agreements.

Terms and conditions of transactions with related parties

Transactions with related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free and settlement occurs generally in cash, except if otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivable from related parties. The Group has an active intercompany lending program and intercompany receivables are short-term. Related party borrowers are assessed to have financial capacity based on operational performance and cash flow requirements.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

(a) Transactions with Bank of the Philippine Islands (BPI), an associate of Ayala Corporation (AC)

Cash and cash equivalents earn interest from 1.75% to 6.00% per annum for Philippine Peso-denominated and 2.00% to 4.63% per annum for USD-denominated investments. Investment in FVTPL are UITF which earns interest depending on the duration of time invested in the fund. Interest earned from investments placed with BPI amounted to P72.79 million for the year ended December 31, 2023 (2022 - P30.99 million; 2021 - P12.30 million).

Short-term debts are secured Peso denominated bank loans with interest rate ranging from 5.6% to 7.3% while long-term debts bear fixed rates ranging from 4.5% to 6.9% and floating rates ranging from 6.3% to 6.8% per annum with remaining terms ranging from less than a year to five years. Interest expense incurred on borrowings from BPI amounted to P274.3 million for the year ended December 31, 2023 (2022 - P220.7 million; 2021 - P451.2 million).

As at December 31, the Group maintains current and savings account, money market placements and short-term and long-term debt payable with BPI broken down as follows:

	2023	2022
Cash in bank	4,673,399	6,074,938
Cash equivalents	999,294	357,929
Marketable securities	206,772	66,444
Short-term debt	8,800,000	1,636,000
Long-term debt	2,225,325	4,623,237

As at December 31, the fair value of the Group's financial assets at FVTPL and the Funds' Net Asset Value (NAV) follow (amounts are presented in millions):

2023	Fair Value	Funds' NAV	Duration
BPI Money Market Fund	63	34,804	124 days
BPI USD Short Term Fund	166	31,607	120 days

2022	Fair Value	Funds' NAV	Duration
BPI Money Market Fund	80	38,946	124 days
BPI USD Short Term Fund	5	33,852	120 days

(b) Outstanding balances with Parent Company, associates and other related parties

Receivables from/payables to other related parties pertain mostly to advances and reimbursement of operating expenses related to development cost and land acquisitions. Payables to related parties consist of expenses incurred on utilities, professional services and other miscellaneous services as well as purchases of vehicles. These are generally trade-related, non-interest bearing and settled within one year.

Outstanding balances from/to related parties follow:

As at December 31, 2023

	Receivable from related parties			Payable to related parties		
	Current	Non-current	Total	Current	Non-current	Total
Ayala Corporation	85,127	-	85,127	151,401	-	151,401
Associates	5,010,288	-	5,010,288	376,387	-	376,387
Other related parties:						
Globe Telecom (Globe)	234,460	-	234,460	9,648	-	9,648
Bank of the Philippine Islands	557,321	-	557,321	32,252	-	32,252
Columbus	42,922	-	42,922	-	-	-
Manila Water Philippine Ventures, Inc.	137,942	-	137,942	42,735	-	42,735
Manila Water Company Inc.	231,022	-	231,022	32,189	-	32,189
Others	238,731	-	238,731	69,456	-	69,456
	1,442,398	-	1,442,398	186,280	-	186,280
	6,537,813	-	6,537,813	714,068	-	714,068

As at December 31, 2022

	Receivable from related parties			Payable to related parties		
	Current	Non-current	Total	Current	Non-current	Total
Ayala Corporation	90,805	-	90,805	151,143	-	151,143
Associates	5,444,563	-	5,444,563	321,912	-	321,912
Other related parties:						
Globe Telecom (Globe)	213,324	-	213,324	10,800	-	10,800
Bank of the Philippine Islands	389,057	-	389,057	18,193	-	18,193
Columbus	42,922	-	42,922	-	-	-
Manila Water Philippine Ventures, Inc.	345,760	-	345,760	20,814	-	20,814
Manila Water Company Inc.	223,075	-	223,075	29,861	-	29,861
Others	178,377	-	178,377	77,802	-	77,802
	1,392,515	-	1,392,515	157,470	-	157,470
	6,927,883	-	6,927,883	630,525	-	630,525

(c) Revenues and expenses from related parties

The revenue from Parent Company, associates and other related parties pertains mostly to income from leasing and development projects while expenses composed of management fees and training expenses. These are usually non-interest bearing and are assessed for impairment on an annual basis. There are no impairment needed to be recognized on these related receivables as at December 31, 2023 and 2022. Transactions are settled within one year.

Revenues from related parties as at December 31 follow:

	2023	2022	2021
Ayala Corporation	182,235	7,727	4,208
Associates	3,537,610	2,254,914	2,660,806
Other related parties			
Bank of the Philippine Islands	1,129,467	764,546	493,893
Manila Water Philippine Ventures, Inc.	122,578	170,445	134,767
Globe Telecom, Inc.	104,235	103,011	99,099
Innove Communications	9,953	10,671	7,673
Manila Water Company, Inc. (MWCI)	172,530	722,225	619,288
Laguna AAA Waterworks Corp. (LAWC)	1,500	1,500	1,500
Michigan Holdings, Inc.	1,202	1,203	1,203
Others	232,752	87,685	76,144
	1,774,217	1,861,286	1,433,567
Total	5,494,062	4,123,927	4,098,581

Expenses from related parties for the years ended December 31 follow:

	2023	2022	2021
Ayala Corporation	14,330	9,913	10,432
Associates	198,592	193,082	298,823
Other related parties			
Manila Water Company, Inc.	431,531	261,417	204,324
Bank of the Philippine Islands	261,478	208,570	299,693
Innove Communications, Inc.	105,417	102,283	124,233
AG Counselors Corp.	27,213	58,823	41,247
Globe Telecom, Inc.	82,951	43,812	71,291
Manila Water Philippine Ventures, Inc.	367,350	299,329	187,534
Others	462,232	867,662	1,114,088
	1,738,172	1,841,896	2,042,410
Total	1,951,094	2,044,891	2,351,665

The following describe the nature of the material transactions of the Group with related parties as at December 31, 2023 and 2022:

- On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc., for the waterworks of ALI's projects nationwide. The MOA was signed by ALI and its subsidiaries and affiliates, Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Revenue and expense in 2023 amounted to P122.6 million and P367.3 million, respectively (2022 - P170.4 million and P299.3 million, respectively; 2021 - P134.8 million and P187.5 million, respectively).
- Revenue from Manila Water Company, Inc. (MWCI) primarily pertains to MDC's project on the design & build of the Calawis Water Treatment Plant in Antipolo. The project started on March 1, 2021 and was completed on June 1, 2023.
- Certain credit facilities with BPI with a total carrying value of P2,225.3 million as at December 31, 2023 (2022 - P4,623.2 million) are secured by a real estate mortgage. This is in compliance with BSP ruling on directors, officers, stockholders and related interests.
- In October 2012 and July 2013, BG South, a subsidiary of Alveo, entered into a contract with FBDC for the purchase of land in Bonifacio Global City. In 2023, there were no land cost recognized in profit or loss (2022 - P117.4 million and 2021 - P210.6 million).
- On May 20, 2013, DirectPower and its customers, which are all within the Ayala Group, entered into a Retail Electricity Supply contract wherein DirectPower agreed to supply electricity at a specific rate pursuant to the provisions and implementing rules and regulations of R.A. No. 9136 or the Electric Power Industry Reform Acts of 2001. Among the customers of Direct Power are FBDC, LDC, BPI, San Lazaro BPO Complex and 6750 Ayala Ave and Manila Water Phils.
- The Group sold residential receivables on a without recourse basis to Bank of the Philippine Islands, a related party, amounting to P5,423.6 million in 2023 (2022 - nil). Proceeds of receivables sold to BPI amounted to P4,480.4 million in 2023 (2022 - nil). The Group recognized loss on sale (under "Other charges") amounting to P943.2 million in 2023 (2022 - nil and 2021 - P1,648.1 million).
- The Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting to P45.0 million in 2023 (2022 - nil) (Note 5).
- Revenue from Globe pertains to development management fee and for lease of spaces.

(d) Remuneration of key management personnel (KMP)

Key management personnel of the Group include all officers with position of vice president and up. Compensation of key management personnel amounted to P220.0 million in 2023 (2022 - P199.5 million and 2021 - P179.0 million).

Compensation of key management personnel by benefit type for the years ended December 31 follows:

	2023	2022	2021
Short-term employee benefits	201,610	183,969	163,513
Post-employment benefits	18,431	15,497	15,497
	220,041	199,466	179,010

The Related Party Transaction Review Committee approves all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10%) or more of the total assets of the corporation that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

24 Retirement plans

The Group has funded, non-contributory tax-qualified defined benefit type of retirement plans (the Plan) covering substantially all of their employees. The benefits are based on a defined benefit formula.

The Plan aims to maintain a full funding, i.e., the Plan's assets fully covered the Plan's liabilities, as measured through generally accepted actuarial methodologies. Such will provide a higher level of assurance that all promised benefits can be paid from existing assets and expected investment returns. The target funded status is within the range of 80% to 100%.

The Group's fund is in the form of a trust funds being maintained by the trustee bank, BPI Asset Management and Trust Corporation (collectively the "Retirement Fund"). The primary objective of the Retirement Fund is to achieve the highest total rate of return possible, consistent with a prudent level of risk. The investment strategy articulated in the asset allocation policy has been developed in the context of long-term capital market expectations, as well as multi-year projections of actuarial liabilities. Accordingly, the investment objectives and strategies emphasize a long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective.

The components of expense for the years ended December 31 (included in manpower costs under "General and administrative expenses") in the consolidated statement of income follows:

	2023	2022	2021
Current service cost	421,809	410,726	484,161
Past service cost	16,612	20,192	(27,986)
Settlement gains	(1,334)	(4,431)	(11,213)
Net interest cost on benefit obligation	127,764	107,590	124,910
Total pension expense	564,851	534,077	569,872

The remeasurement effects recognized in other comprehensive income (included in Equity under "Remeasurement (loss) gain on defined benefit plans") in the consolidated statement of financial position follow:

	2023	2022	2021
(Loss) return on plan assets (excluding amount included in net interest)	(71,182)	12,195	(29,028)
Remeasurement (losses) gains due to:			
Liability experience	(107,816)	106,793	709,847
Liability assumption changes - demographic	(5,166)	(108,921)	-
Liability assumption changes - economic	(600,652)	176,894	418,766
Remeasurements in other comprehensive (loss) income	(784,816)	186,961	1,099,585

As at December 31, the funded status and amounts recognized in the consolidated statement of financial position for the retirement plans are as follows:

	2023	2022
Defined benefit obligations	4,254,616	3,581,087
Plan assets	(1,837,381)	(2,068,413)
Defined benefit obligations	2,417,235	1,512,674

As at December 31, 2023, pension assets (included under “Other non-current assets”) amounted to P352.1 million (2022 - P52.5 million) and pension liabilities amounted to P2,769.5 million (2022 - P1,871.2 million).

Changes in net defined benefit liability of funded plans in 2023 are as follow:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1	3,581,087	(2,068,413)	1,512,674
Net benefit cost in consolidated statement of income			
Current service cost	421,809	-	421,809
Past service cost, net of settlement gain	15,278	-	15,278
Net interest	127,764	-	127,764
	564,851	-	564,851
Remeasurements in other comprehensive income:			
Remeasurement loss due to liability experience	107,816	-	107,816
Remeasurement loss due to liability assumption changes - demographic	5,166	-	5,166
Remeasurement loss due to liability assumption changes - economic	600,652	-	600,652
Return on plan assets*	-	71,182	71,182
Net remeasurement loss	713,634	71,182	784,816
Benefits paid	(604,956)	704,636	99,680
Contribution by employer	-	(549,651)	(549,651)
Transfer in	-	4,865	4,865
At December 31, 2023	4,254,616	(1,837,381)	2,417,235

*Excluding amount included in net interest

Changes in net defined benefit liability of funded plans in 2022 are as follows:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1	4,280,435	(2,187,661)	2,092,774
Net benefit cost in consolidated statement of income			
Current service cost	410,726	-	410,726
Past service cost, net of settlement gain	15,761	-	15,761
Net interest	179,848	(72,258)	107,590
	606,335	(72,258)	534,077
Remeasurements in other comprehensive income:			
Remeasurement gain due to liability experience	84,657	22,136	106,793
Remeasurement gain due to liability assumption changes - demographic	(100,616)	(8,305)	(108,921)
Remeasurement gain due to liability assumption changes - economic	(152,878)	329,772	176,894
Net remeasurement loss	(168,837)	343,603	174,766
Benefits paid	(416,320)	210,374	(205,946)
Return on plan assets*	(49,034)	61,228	12,194
Contribution by employer	(678,974)	(420,747)	(1,099,721)
Transfer in (out)	7,482	(2,952)	4,530
At December 31, 2022	3,581,087	(2,068,413)	1,512,674

*Excluding amount included in net interest

The movements in the present value of the defined benefit obligations for the years ended December 31 follow:

	2023	2022	2021
At January 1	3,581,087	4,280,435	5,094,096
Current service cost	421,809	410,726	484,161
Past service cost	16,612	20,192	(27,986)
Settlement gain	(1,334)	(4,431)	(11,213)
Net interest cost on benefit obligation	127,764	179,848	124,910
Benefits paid	(604,956)	(416,320)	(159,567)
Contribution by employer	-	(678,974)	-
Transfers	-	7,482	3,313
Return on plan assets		(49,034)	
Remeasurement (gains) losses on obligations arising from:			
Experience adjustments	107,816	84,657	(709,847)
Demographic adjustment	5,166	(100,616)	-
Economic adjustments	600,652	(152,878)	(418,766)
At December 31	4,254,616	3,581,087	4,379,101

The movements in the fair value of plan assets for the years ended December 31 follow:

	2023	2022	2021
At January 1	2,068,413	2,187,661	2,085,519
Net interest	-	72,258	88,282
Benefits paid	(704,636)	(210,374)	(186,948)
Return on plan assets	(71,182)	(61,228)	(29,028)
Contribution by employer	549,651	420,747	229,836
Transfers	(4,865)	2,952	-
Remeasurement (gains) losses on obligations arising from:			
Experience adjustments	-	(22,136)	-
Demographic adjustment	-	8,305	-
Economic adjustments	-	(329,772)	-
At December 31	1,837,381	2,068,413	2,187,661

All equity and debt instruments held have quoted prices in an active market. The remaining plan assets do not have quoted market prices in an active market.

The plan assets have diverse investments and do not have any concentration risk.

As at December 31, the fair value of plan assets by each class are as follows:

	2023	2022
Cash and cash equivalents	11,485	55,100
Equity investments		
Property	314,771	284,836
Holding firms	239,516	201,763
Unit Investment Trust Funds	184,743	373,006
Services	9,628	36,704
Financials	7,928	34,272
Industrials	4,525	7,171
Mutual funds	2,266	3,885
	774,862	996,737
Debt investments		
Government securities	540,059	294,914
AAA rated debt securities	152,593	544,674
Unit Investment Trust Funds	60,826	144,204
Mutual funds	-	27,341
Unrated debt securities	309,041	60,543
	1,062,519	1,071,676
	1,837,381	2,068,413

The plan asset's investments are appropriately diversified to control overall risk and exhibit portfolio characteristics similar to the set benchmark for each asset class. In case of securities, the aggregate holdings of any security may not exceed 10% of the plan assets. The criteria for including an asset class in the strategic policy include: (a) wide recognition and acceptance among institutional investors; (b) low correlation with other accepted asset classes; and (c) a meaningful performance history. The Group expects to make contributions of P312.1 million to its retirement fund in 2024.

The allocation of the fair value of plan assets as at December 31 follows:

	2023	2022
Investments in debt securities	45.48%	52.17%
Investments in equity securities	38.50%	29.56%
Others	16.02%	18.27%

Funds invested in debt securities include government securities, corporate notes and bonds and money market placements. Investments in equity securities consist of investments in PSE listed stocks and unit investment trust funds. Others were in the form of cash and cash equivalents.

The Group's transactions with the funds mainly pertain to contributions, benefit payments and settlements.

As at December 31, 2023 and 2022, the carrying amount of plan assets approximates its fair value.

The plan assets include shares of stock of the Parent Company with fair value amounting to P90.50 million as at December 31, 2023 (2022 - P50.85 million). The Parent Company gives the trustee bank the discretion to exercise voting rights over the shares. The plan assets include debt securities of the Parent Company amounting to P72.33 million as at December 31, 2023 (2022 - P11.56 million). As at December 31, 2023, the loss of the fund arising from investment in debt and equity securities of the Parent Company is P5.8 million (2022 - P0.89 million gain).

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension liabilities are determined using actuarial valuation. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2023	2022
Discount rates	6.06% to 7.71%	4.94 to 7.65%
Future salary increases	5.00% to 10.00%	4.00 to 9.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2023		2022	
	Effect on Defined benefit obligation Increase (decrease)			
Change in basis points	+ 100 basis points	- 100 basis points	+ 100 basis points	- 100 basis points
Discount rate	(381,651)	525,892	(251,501)	325,793
Salary increase rate	490,081	(362,272)	309,550	(245,352)

Shown below is the maturity analysis of the undiscounted benefit payments:

Year ending:	2023	2022
One year and less	149,382	392,219
More than 1 years to 5 years	1,013,566	623,555
More than 5 years to 10 years	3,439,559	2,475,139
More than 10 years to 15 years	27,416,499	17,626,358
More than 15 years to 20 years	3,396,329	2,017,630
More than 20 years	15,844,264	14,661,951

The weighted average duration of the defined benefit obligation is 5 to 29 years in 2023 (2022 - 12 to 22 years).

25 Earnings per share

The following table presents information necessary to compute EPS (amounts in thousands, except EPS):

EPS on net income attributable to equity holders of Ayala Land, Inc. are as follows:

	2023	2022	2021
Net income attributable to equity holders of Ayala Land, Inc.	24,507,581	18,617,234	12,228,148
Less: Dividends on preferred stock	(78,744)	(62,038)	(62,038)
Net income attributable to equity holders of the Parent Company for basic and diluted earnings per share	24,428,837	18,555,196	12,166,110
Weighted average number of common shares for basic EPS	14,977,735	14,777,782	14,724,716
Add: Dilutive shares arising from stock options	8,031	5,582	2,143
Adjusted weighted average number of common shares for diluted EPS	14,985,766	14,783,364	14,726,859
Basic and diluted EPS	1.63	1.26	0.83

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

The convertibility of the preferred shares will start on the 10th year from the issue date which was in 2012. This has an anti-dilutive effect on the computation of diluted EPS.

26 Stock options and ownership plans

The Parent Company has stock option plans for key employees covering 2.5% of the Parent Company's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a three-year period.

Employee Stock Option Plan (ESOP)

The ESOP grantees may exercise in whole or in part the vested allocation in accordance with the vesting percentage and vesting schedule stated in the ESOP. Also, the grantee must be an employee of the Parent Company or any of its subsidiaries during the 10-year option period. In case the grantee retires, he is given three (3) years to exercise his vested and unvested options. In case the grantee resigns, he is given 90 days to exercise his vested options.

The Parent Company has no ESOP grant and availment during 2023, 2022 and 2021.

Employee Stock Ownership Plan (ESOWN)

In November 2001, the Parent Company offered all its ESOWN subscribers with outstanding ESOWN subscriptions the option to cancel the subscriptions within the 5-year holding period. In December 2001, the program for ESOWN was indefinitely suspended.

In 2005, the Parent Company introduced a revised ESOWN Plan (the Plan) wherein grantees may subscribe in whole or in part to the shares awarded to them based on a discounted market price that was determined by the Compensation Committee as the offer price set at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. The subscription is subject to a holding period stated in the plan. To subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the ten (10)-year payment period. In case the grantee resigns, unsubscribed shares are cancelled, while the subscription may be paid up to the percent of holding period completed and payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the Plan are subject to the Parent Company's right to repurchase.

The subscribed shares are effectively treated as options exercisable within a given period which is the same time as the grantee's payment schedule. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula and Binomial Tree Model (BTM), taking into account the terms and conditions upon which the options were granted. The BSM Formula and BTM Model requires six inputs to produce an option stock value namely; market value of the share, book value of the share, time to maturity, volatility rate, dividend yield, and risk free rate. The expected volatility was determined based on an independent valuation.

Movements in the number of options outstanding and weighted average exercise prices (WAEP) under ESOWN follow:

	2023	WAEP	2022	WAEP
At January 1	-	-	-	-
Granted	20,741,692	-	17,349,169	-
Subscribed	(14,579,090)	24.68	(14,170,576)	30
Availment	859,789	-	1,067,483	-
Cancelled	(7,022,391)	-	(4,246,076)	-
At December 31	-	-	-	-

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	March 31 2023	March 31 2022	March 15 2021	August 17 2020	March 21 2019	March 28 2018	March 01 2017	April 05 2016	March 20 2015
Number of unsubscribed shares	-	-	-	-	-	-	-	181,304	-
Fair value of each option (BTM)	-	-	-	-	-	-	8	14	16
Fair value of each option (BSM)	9	13	9	9	17	13	-	18	21
Weighted average share price	29	36	39	33	45	41	40	36	37
Exercise price	25	30	33	28	44	45	36	26	30
Expected volatility	27.50%	24%	27.19%	25.05%	31.48%	34.04%	30.95%	32.03%	31.99%
Dividend yield	1.11%	0.77%	0.38%	0.81%	1.16%	1.22%	1.34%	1.27%	1.02%
Interest rate	5.00%	1.18%	1.03%	1.13%	5.57%	4.14%	4.41%	4.75%	4.11%

Total expense (included under "General and administrative expenses") recognized in 2023 in the consolidated statement of income arising from share-based payments amounted to P149.45 million (2022 - P152.87 million; 2021 - P150.07 million) (Note 20).

ALLHC

ALLHC introduced the Plan wherein grantees (employees within the ALLHC Group) may subscribe in whole or in part to the shares awarded to them based on a discounted market price, but in no case lower than the par value, that was determined at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. To subscribe, the grantee must be an employee, officer or director of ALLHC as at June 30, 2015. In case the grantee resigns, unsubscribed shares are cancelled and returned to the plan pool, while the subscription payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares.

The BOD of ALLHC approved the allocation of 32 million shares (first tranche) for ESOWN plan which will be taken from the remaining unissued shares (with grant date in 2016) and the increase in authorized stock of ALLHC, which was approved by the SEC in July 2016. In 2017, notice of grant for the 218 million shares (second tranche of ESOWN plan) was issued to employees for the right to subscribe to the common shares of ALLHC at P1.68 per share which were fully availed as at December 31, 2018. In 2023 and 2022, ALLHC has no ESOWN grant.

27 Financial risk and capital management

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including foreign currency risk, interest rate risk and equity price risk), and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyze these risks and to monitor the risks by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practices.

27.1 Financial risk management

27.1.1. Credit risk management

Credit risk

Credit risk is a risk that a counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Group's credit risks are primarily attributable to installments receivable, rental receivables, and other financial assets. To manage credit risk, the Group maintains defined credit policies and monitors its exposure to credit risk on a continuous basis.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements.

Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of the buyers. Also, to the extent allowed by regulations, certain payments are not returned which minimizes exposure to bad debts.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity. The amount of exposure from bad debts is minimized to the extent of the advance rentals and security deposits from the tenants.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, short term investments, financial assets at FVTPL and financial assets at FVOCI. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas at liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Group has an active intercompany lending program and intercompany receivable that are short term. To minimize credit exposures, the Group assesses the financial capacity of the affiliated entities and operating cash flows.

The Group's maximum exposure to credit risk as at December 31, 2023 and 2022 is equal to the carrying values of its financial assets.

The table below shows the credit quality of the Company's financial assets as at December 31:

	2023					Past due but not impaired	Impaired	Total
	High Grade	Medium Grade	Low Grade	Unrated	Total			
Cash and cash equivalents (excluding cash on hand)	17,027,631	-	-	-	17,027,631	-	-	17,027,631
Short-term investments	333,610	-	-	-	333,610	-	-	333,610
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	82,463,605	7,317,861	2,777,013	-	92,558,479	19,518,548	108,509	112,185,536
Shopping centers	1,200,732	625,542	493,318	-	2,319,592	1,458,820	1,255,303	5,033,715
Construction contracts	972,084	19,011	-	-	991,095	2,961,239	87,002	4,039,336
Corporate business	1,489,156	21,202	20,500	-	1,530,858	1,311,983	933,000	3,775,841
Management fees	66,568	-	-	-	66,568	113,863	7,135	187,566
Others	3,350,387	-	533,249	-	3,883,636	416,786	202,759	4,503,181
Advances to other companies	10,218,792	35,987	730,554	-	10,985,333	7,184,154	190,008	18,359,495
Accrued receivables	8,882,484	2,914	392,993	-	9,278,391	1,818,358	-	11,096,749
Related parties	6,537,813	-	-	-	6,537,813	-	-	6,537,813
Receivable from employees	709,458	150	846	-	710,454	337,757	-	1,048,211
	133,252,320	8,022,667	4,948,473	-	146,223,460	35,121,508	2,783,716	184,128,684

2022								
	Neither past due nor impaired					Past due but not impaired	Impaired	Total
	High Grade	Medium Grade	Low Grade	Unrated	Total			
Cash and cash equivalents (excluding cash on hand)	11,818,056	-	-	-	11,818,056	-	-	11,818,056
Short-term investments	330,500	-	-	-	330,500	-	-	330,500
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	72,403,724	5,493,083	3,310,970	-	81,207,777	20,525,589	64,092	101,797,458
Shopping centers	2,092,054	688,530	675,920	-	3,456,504	1,641,629	1,217,417	6,315,550
Construction contracts	841,177	57,881	13,249	-	912,307	1,758,920	155,697	2,826,924
Corporate business	1,369,710	503,095	6,959	-	1,879,764	1,126,149	670,113	3,676,026
Management fees	97,585	-	-	-	97,585	117,295	16,630	231,510
Others	4,639,176	178,530	175,979	-	4,993,685	572,507	225,446	5,791,638
Advances to other companies	6,743,814	40,054	1,364,875	-	8,148,743	7,519,512	190,008	15,858,263
Accrued receivables	6,810,233	1,093	470,278	-	7,281,604	2,088,738	-	9,370,342
Related parties	4,207,106	173,844	2,546,933	-	6,927,883	-	-	6,927,883
Receivable from employees	724,804	20,925	27,137	-	772,866	154,921	-	927,787
	112,077,939	7,157,035	8,592,300	-	127,827,274	35,505,260	2,539,403	165,871,937

As at December 31, the analysis of past due but not impaired accounts and notes receivables presented per class follow:

	Neither past due nor Impaired	Past due but not impaired							
2023		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Trade:									
Residential, commercial and office development	92,558,479	6,368,761	1,074,654	328,386	5,514,367	6,232,380	19,518,548	108,509	112,185,536
Shopping centers	2,319,592	181,947	156,016	153,425	119,099	848,333	1,458,820	1,255,303	5,033,715
Corporate business	1,530,858	-	112,659	27,031	25,686	1,146,607	1,311,983	933,000	3,775,841
Construction contracts	991,095	1,615,128	231,898	128,277	203,817	782,119	2,961,239	87,002	4,039,336
Management fees	66,568	-	21,850	16,788	30,814	44,411	113,863	7,135	187,566
Others	3,883,636	9,302	1,684	333,635	7,057	65,108	416,786	202,759	4,503,181
Advances to other companies	10,985,333	42,568	16,308	39,189	165,522	6,920,567	7,184,154	190,008	18,359,495
Accrued receivables	9,278,391	249,326	69,384	47,686	87,677	1,364,285	1,818,358	-	11,096,749
Related parties	6,537,813	-	-	-	-	-	-	-	6,537,813
Receivables from employees	710,454	210,524	8,298	7,396	2,406	109,133	337,757	-	1,048,211
Total	128,862,219	8,677,556	1,692,751	1,081,813	6,156,445	17,512,943	35,121,508	2,783,716	166,767,443

	Neither past due nor impaired	Past due but not impaired							
2022		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Trade:									
Residential, commercial and office development	81,207,777	5,045,060	1,734,959	1,697,084	2,825,851	9,222,635	20,525,589	64,092	101,797,458
Shopping centers	3,456,504	214,593	276,044	126,431	376,215	648,346	1,641,629	1,217,417	6,315,550
Construction contracts	912,307	799,310	278,208	225,769	173,619	282,014	1,758,920	155,697	2,826,924
Corporate business	1,879,764	30,810	510,631	14,382	94,852	475,474	1,126,149	670,113	3,676,026
Management fees	97,585	-	41,215	21,708	21,870	32,502	117,295	16,630	231,510
Others	4,993,685	343,315	62,862	9,580	53,855	102,895	572,507	225,446	5,791,638
Advances to other companies	8,148,743	139,602	1,752	17,516	425,156	6,935,486	7,519,512	190,008	15,858,263
Accrued receivables	7,281,604	276,212	-	12,729	46,845	1,752,952	2,088,738	-	9,370,342
Related parties	6,927,883	-	-	-	-	-	-	-	6,927,883
Receivables from employees	772,866	13,223	11,854	12,742	4,088	113,014	154,921	-	927,787
Total	115,678,718	6,862,125	2,917,525	2,137,941	4,022,351	19,565,318	35,505,260	2,539,403	153,723,381

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents and short-term investments - based on the nature of the counterparty and the Group's internal rating system.

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables with more than 3 defaults in payment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate is based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. Intercompany receivables are also evaluated for impairment. The security deposits and advance rental from tenants are considered in the calculation of impairment as recoveries.

As at December 31, 2023, the exposure at default amounted to P23,669.3 million (2022 - P23,587.7 million). The average expected credit loss rate (over total receivables) is 1.70% resulting in the ECL of P 2,783.7 million (2022 - 1.67%; P2,539.4 million) (Note 5).

27.1.2. Liquidity risk management

Liquidity risk

Liquidity risk is defined by the Group as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Group that makes it difficult for the Group to raise the necessary funds or that forces the Group to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where conversion to cash is possible but at a loss due to wider than normal bid-offer spreads.

The Group employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Group has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as back-up liquidity.

The Group ascertains that its cash is invested in short-term bank placements and special deposit accounts, as well as in high-quality and marketable government and corporate securities.

Credit line

The Group has a total short term credit line up to P119.0 billion with various local banks, of which P60.0 billion remain undrawn as at December 31, 2023 (2022 - P110.8 billion, P70.3 billion undrawn).

The table below summarizes the maturity profile of the Group's financial instruments at December 31 based on contractual undiscounted payments:

2023					
	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	17,066,330	-	-	-	17,066,330
Short-term investments	-	-	-	333,610	333,610
Financial assets at FVTPL	-	-	-	419,802	419,802
Accounts and notes receivable	168,112,615	-	-	-	168,112,615
Total undiscounted financial assets	185,178,945	-	-	753,412	185,932,357
Financial liabilities					
Accounts and other payables*	100,114,121	-	-	-	100,114,121
Short-term debt	16,905,106	-	-	-	16,905,106
Long- term debt	18,969,421	105,341,624	118,366,646	-	242,677,691
Deposits and other current liabilities	34,131,984	-	-	-	34,131,984
Deposits and other non-current liabilities**	-	41,870,140	-	-	41,870,140
Total undiscounted financial liabilities	170,120,632	147,211,764	118,366,646	-	435,699,042
Net liquidity position	15,058,313	(147,211,764)	(118,366,646)	753,412	(249,766,685)
2022					
	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	11,885,329	-	-	-	11,885,329
Short-term investments	-	-	-	330,500	330,500
Financial assets at FVTPL	-	-	-	291,989	291,989
Accounts and notes receivable	107,181,392	-	-	-	107,181,392
Total undiscounted financial assets	119,066,721	-	-	622,489	119,689,210
Financial liabilities					
Accounts and other payables*	143,952,127	-	-	-	143,952,127
Short-term debt	6,574,272	-	-	-	6,574,272
Long- term debt	19,258,289	95,613,291	114,620,000	-	229,491,580
Deposits and other current liabilities	31,211,023	-	-	-	31,211,023
Deposits and other non-current liabilities**	-	47,519,881	-	-	47,519,881
Total undiscounted financial liabilities	200,995,711	143,133,172	114,620,000	-	458,748,883
Net liquidity position	(81,928,990)	(143,133,172)	(114,620,000)	622,489	(339,059,673)

*Excludes payable to government agencies

**Excludes deferred output vat

Cash and cash equivalents, short-term investments and financial assets at FVTPL are used for the Group's liquidity requirements. Please refer to the terms and maturity profiles of these financial assets shown on the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section. There are no undrawn loan commitments from long-term credit facilities as at December 31, 2023 and 2022.

27.1.3. Market risk management

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by lever on its premier credit rating and increasing the fixed interest component of its debt portfolio.

As at December 31, 2023, the Company's ratio of fixed to floating rate debt stood at around 77:23 (2022 - 90:10).

The following table demonstrates the sensitivity of the Group's income before income tax to a reasonably possible change in interest rates as at December 31, with all variables held constant:

Changes in floating rate borrowings	2023	2022
	Increase (decrease) on income before income tax	
+ 100 basis points increase	(591,321)	(243,172)
- 100 basis points increase	591,321	243,172

The assumed change in rate is based on the currently observable market environment.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values as at December 31 are shown in the following table (in thousands):

		2023					
	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Group							
Cash and cash equivalents (excluding cash on hand)	Fixed at the date of investment	Various	17,027,631	17,027,631	-	-	17,027,631
Short-term investments	Fixed cut-of at the date of investment or revaluation	Various	333,610	333,610	-	-	333,610
Receivables from employees	Fixed at the date of sale	Date of sale	1,048,211	772,292	275,919	-	1,048,211
			18,409,452	18,133,533	275,919	-	18,409,452
Parent Company							
Short-term debt							
Floating-Peso	Variable	Monthly	7,005,000	7,005,000	-	-	7,005,000
Long-term debt							
Fixed							
Peso	Fixed at 6.00%	20 years	2,000,000	-	-	1,988,434	1,988,434
Peso	Fixed at 4.75% to 4.85%	9.5 and 10 years	15,000,000	-	14,963,119	-	14,963,119
Peso	Fixed at 5.2624%	10 years	7,000,000	-	6,986,235	-	6,986,235
US Dollars	Fixed at 4.3889%	5 years	3,045,350	3,045,350	-	-	3,045,350
Peso	Fixed at 4.758% to 6.369%	5, 7 and 7.25 years	12,000,000	2,993,838	8,938,892	-	11,932,730
Peso	Fixed at 3.862%	5 years	6,250,000	-	6,222,200	-	6,222,200
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	13,000,000	-	9,959,900	2,981,600	12,941,500
Peso	Fixed at 4.3969% to 6.8045%	2, 5, 6 and 7 years	45,000,000	11,964,602	18,873,939	13,870,013	44,708,554
Peso	Fixed at 6.0253% to 6.2948%	5 and 10 years	15,000,000	-	9,961,324	4,866,279	14,827,603
Peso	Fixed at 3.75% to 6.5312%	6 to 10 years	64,876,000	475,175	20,010,500	44,057,823	64,543,498
Floating-Peso	Variable	3 months	15,272,000	16,836	779,596	14,365,268	15,161,700
Subsidiaries							
Short-term debt							
Peso	Variable	Monthly	9,900,106	9,900,106	-	-	9,900,106
Long-term debt							
Fixed							
Peso	Fixed at 4.0% to 6.7967%	5 to 10 years	17,279,313	170,279	1,950,385	14,820,489	16,941,153
Floating-Peso	Variable	3 months	26,955,028	303,341	10,366,632	16,417,106	27,087,079
			259,582,797	35,874,527	109,012,722	113,367,012	258,254,261

2022							
	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Group							
Cash and cash equivalents (excluding cash on hand)	Fixed at the date of investment	Various	11,558,329	11,885,329	-	-	11,885,329
Short- term investments	Fixed cut-of at the date of investment or revaluation	Various	330,500	330,500	-	-	330,500
Receivables from employees		Various	927,787	772,866	154,921	-	927,787
			12,816,616	12,988,695	154,921	-	13,143,616
Parent Company							
Short-term debt							
Floating-Peso	Variable	Monthly	688,000	688,000	-	-	688,000
Long-term debt							
Fixed							
Peso	Fixed at 6.00%	10 years	2,000,000	-	-	1,666,347	1,666,347
Peso	Fixed at 6.0%	20 years	22,000,000	6,865,033	13,846,461	-	20,711,494
Peso	Fixed at 4.5000%	7 years	7,000,000	-	6,343,553	-	6,343,553
Peso	Fixed at 3.892 to 4. 85%	7, 9.5 and 10 years	72,455,727	62,494,696	11,313,724	20,214,935	94,023,355
Peso	Fixed at 5.2624%	10 years	10,000,000	-	-	9,162,218	9,162,218
Peso	Fixed at 3.75% to 4.95%	Up to 10.5 years	6,250,000	-	5,680,329	-	5,680,329
Peso	Fixed at 5.920%	10 years	12,000,000	-	11,481,913	-	11,481,913
Peso	Fixed at 3.1764% to 3.187%	5 years	45,000,000	-	24,060,520	13,188,640	37,249,160
Peso	Fixed at 4.76% to 6.37%	5, 7 and 7.25 years	3,000,000	-	9,182,310	2,230,628	11,412,938
Peso	Fixed at 3.00% to 3.86%	2 and 5 years				-	-
Peso	Fixed at 3.63% to 4.08%	4 and 10 years	289,000	25,187	227,844	-	253,031
Floating-Peso	Variable	3 months	5,859,271	5,859,271	-	-	5,859,271
Subsidiaries							
Short-term debt							
Peso	Variable	Monthly	20,300,250	3,937,785	3,527,142	9,047,038	16,511,965
Long-term debt							
Fixed							
Peso	Fixed at 4.0% to 6.7967%	5 to 10 years	17,480,968	1,937,112	9,157,146	3,901,020	14,995,278
Floating-Peso	Variable	3 months					
			224,323,216	81,807,084	94,820,942	59,410,826	236,038,852

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The financial instruments and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso.

	December 31, 2023		December 31, 2022	
	US Dollar	MYR ringgit	US Dollar	MYR ringgit
Foreign currency placements	26.30 million	573.73 million	33.06 million	666.47 million
Foreign currency debt	65.80 million	844.18 million	67.90 million	490.78 million

The following table shows the Group's consolidated foreign currency-denominated monetary assets and liabilities and their Peso equivalents:

Net foreign currency denominated	2023			2022		
	US Dollar	MYR ringgit	Php Equivalent	US Dollar	MYR ringgit	Php Equivalent
Financial assets						
Cash and cash equivalents	6,138	142,927	2,163,601	5,491	405,201	1,010,733
Short-term investments	-	-	-	-	-	-
Accounts and notes receivable, net	16,370	365,066	5,315,288	24,163	175,457	3,587,493
Other current assets	3,410	58,537	890,277	3,027	84,903	1,234,780
Other non-current assets	380	7,195	104,480	380	908	29,191
Total	26,298	573,725	8,473,646	33,061	666,469	5,862,197
Financial liabilities						
Accounts and other payables	5,285	572,731	7,188,381	8,631	422,676	5,791,517
Other current liabilities	1,725	-	87,775	690	-	35,019
Short-term debt	-	129,980	1,567,106	-	31,050	391,521
Long-term debt	55,000	141,473	4,751,021	55,000	35,091	3,508,995
Other non-current liabilities	3,792	-	194,929	3,578	1,961	209,400
Total	65,802	844,184	13,789,212	67,899	490,778	9,936,452
Net foreign currency denominated financial instruments	(39,504)	(270,459)	(5,315,566)	(34,838)	175,691	(4,074,255)

In translating the foreign currency-denominated monetary assets in Peso amounts as at December 31, 2023, the Philippine Peso - US Dollar exchange rates and the Philippine Peso - Malaysian ringgit exchange rate used were P55.37 to US\$1 (2022 - P55.76 to US\$1.00) and P12.07 to MYR1.00 (2022 - P12.61 to MYR1.00), respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso - US dollar exchange rate and Philippine peso - Malaysian ringgit exchange rate, with all variables held constant, on the Group's income before income tax (due to changes in the fair value of monetary assets and liabilities):

Change in exchange rate	Effect on income before income tax	
	Increase (decrease)	
	2023	2022
USD		
+ 100 basis points	(21,873)	(19,426)
- 100 basis points	21,873	19,426
MYR		
+ 100 basis points	(32,644)	22,155
- 100 basis points	32,644	(22,155)

Equity price risk

Quoted financial assets at FVOCI are acquired at a certain price in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, country's economic performance, political stability, and domestic inflation rates, the changes in price reflect how market participants view the developments.

The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; limits on investment in each country, sector and market.

Quoted financial assets at FVTPL pertain to investment in UITF (Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments.

As at December 31, 2023 and 2022, the impact on net income and equity as a result of 100 basis points decrease (increase) in interest rates is as follows:

	2023		2022	
	Net income and Equity	Duration	Net income and Equity	Duration
BPI UITF Money Market	+/- P0.63 million	0.15 year	+/- P0.20 million	0.34 year
BPI UITF USD Short Term	+/- P2.45 million	0.26 year	+/- P0.02 million	0.33 year

27.1.4 Fair value information

Financial Value Information

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and liabilities recognized:

		2023		2022	
	Note	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at FVTPL	4	419,802	419,802	291,989	291,989
Financial assets at FVOCI	8				
Unquoted equity securities		627,181	627,181	440,811	440,811
Quoted equity securities		372,064	372,064	522,807	522,807
		1,419,047	1,419,047	1,255,607	1,255,607
Financial assets at amortized cost					
Cash and cash equivalents	2	17,066,330	17,066,330	11,885,329	11,885,329
Short-term investments	3	333,610	333,610	330,500	330,500
Non-current trade residential, commercial and office development	5	57,090,311	56,344,737	48,400,251	50,628,112
Receivable from employees	5	1,048,211	1,007,201	927,787	927,787
Accounts and notes receivables	5	105,530,428	105,530,428	102,151,267	102,151,267
Other current assets	7	80,290,824	80,290,824	64,849,846	64,849,846
		261,359,714	260,573,130	228,544,980	230,772,841
Other financial liabilities					
Short-term debt	14	16,905,106	16,905,106	6,547,271	6,547,271
Accounts and other payables	13	162,475,441	162,475,441	144,662,288	144,662,288
Lease liabilities	31	18,522,623	18,522,623	17,992,406	17,992,406
Long-term debt	14	241,349,155	219,856,402	229,491,580	229,141,647
Deposits and other liabilities	15,16	76,002,124	76,002,124	100,362,989	100,362,989
		515,254,449	493,761,696	499,056,534	498,706,601

*Excluding deferred output VAT

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents, short-term investments and current receivables, accounts and other payables and short-term debt - Carrying amounts approximate their fair values due to the relatively short-term maturities of these financial instruments.

Financial assets at FVTPL - These are investments in funds. Fair value of the funds is based on net asset values as at reporting date.

Financial assets at FVOCI quoted equity securities - fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities - fair values are based on the latest selling price available.

Liabilities - The fair value of non-current unquoted instruments (long-term debt and deposits) are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates (IBR) for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged 5.1% to 11.5% as at December 31, 2023 (2022 - 2.70% to 7.40). The fair value of non-current unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Non-current accounts and notes receivables - The fair values of residential, commercial and office development accounts and notes receivable, and receivable from employees, are based on the discounted value of future cash flows using the applicable rates for similar types of instruments.

	Discount rates
December 31, 2023	5.1% to 11.5%
December 31, 2022	2.70% to 7.40%

The fair value of non-current unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group categorizes trade receivable, receivable from employees, long-term debt and deposits and other non-current liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

As at December 31, 2023, the Investment in Arch Capital Fund amounting to P191.1 million (2022 - P207.2 million) was classified under Level 3 (Note 4).

Investments in Unit Investment Trust Fund (UITF) amounting to P228.7 million as at December 31, 2023 were classified under Level 2 (2022 - P84.8 million) (Note 4).

As at December 31, 2023, the quoted FVOCI financial assets amounting to P416.2 million (2022 - P573.0 million) were classified under Level 1 (Note 8).

Unquoted FVOCI financial assets amounting to P660.7 million as at December 31, 2023 were classified under Level 3 (2022 - P440.8 million) (Note 8).

There have been no reclassifications to and from Level 1, Level 2 and Level 3 categories in 2023 and 2022 for financial assets at FVTPL and FVOCI.

Investment properties

The fair values of the investment properties were determined by independent professionally qualified appraisers.

The following tables provide the fair value hierarchy of the Group's investment properties as at December 31:

	2023			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total fair value
Land properties	-	-	364,702,719	364,702,719
Retail properties	-	-	116,522,159	116,522,159
Office properties	-	-	177,200,377	177,200,377
Hospital properties	-	-	-	-
	-	-	658,425,255	658,425,255

	2022			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total fair value
Land properties	-	-	241,486,227	241,486,227
Retail properties	-	-	83,890,525	83,890,525
Office properties	-	-	157,471,235	157,471,235
Hospital properties	-	-	792,637	792,637
	-	-	483,640,624	483,640,624

The values of the land were arrived using the Market Data Approach which provides an indication of value by comparing the subject asset with identical or similar assets for which the price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For Market Data Approach, the higher the price per square meter (sqm), the higher the fair value.

The values of the buildings (retail, office, hospital) were arrived using the Income Approach which provides an indication of value by converting future cash flow to a single current value. Under this approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

The significant unobservable inputs to valuation of investment properties ranges from P3,780 to P403,047 per sqm.

A significant increase (decrease) in any of the unobservable input may result in a significantly higher (lower) fair value measurement. The Parent Company considers that it is impracticable to disclose the possible effects of sensitivities surrounding the estimation of the fair value of investment properties as at the reporting date.

There has been no transfer between levels of fair value hierarchy in 2023 and 2022.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, short-term investments, financial assets at FVTPL, FVOCI quoted and unquoted equity securities, bonds payable, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Group's operations. The Group has various financial assets such as trade receivables and trade payables which arise directly from the conduct of its operations.

Exposure to liquidity, credit, interest rate, currency and equity risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of derivative financial instruments, if any, is solely for management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

There were no changes in the Group's financial risk management objectives and policies in 2023 and 2022.

The fair value hierarchy of the Group's financial instruments which are measured at fair value as at December 31 is as follows:

	2023			
	Fair value measurement using			Total Fair Value
	Level 1	Level 2	Level 3	
Financial assets at FVTPL				
Investment in Unit				
Investment Trust Fund (UITF)	-	228,674	-	228,674
Investment in ARCH				
Capital Fund	-	-	191,128	191,128
	-	228,674	191,128	419,802
Financial assets at FVOCI				
Shares of stock				
Quoted				
Tourism and leisure	421,880	-	-	421,880
Retail	1,457	-	-	1,457
Real estate	14,598	-	-	14,598
Utilities and energy	18,554	-	-	18,554
Financial asset management	539	-	-	539
Telecommunications	3,453	-	-	3,453
Unquoted				
Tourism and leisure	-	2,800	528,616	531,416
Financial asset management	-	-	27,755	27,755
Utilities and energy	-	-	37,497	37,497
Real estate	-	-	7,468	7,468
Retail	-	-	53,042	53,042
Telecommunication	-	-	4,310	4,310
	460,481	2,800	658,687	1,121,969
	460,481	231,474	849,815	1,541,771

	2022			
	Fair value measurement using			Total Fair Value
	Level 1	Level 2	Level 3	
Financial assets at FVTPL				
Investment in Unit				
Investment Trust Fund (UITF)	-	84,793	-	84,793
Investment in ARCH				
Capital Fund	-	-	207,196	207,196
	-	84,793	207,196	291,989
Financial assets at FVOCI				
Shares of stock				
Quoted				
Tourism and leisure	325,181	-	-	325,181
Retail	1,993	-	-	1,993
Real estate	29,552	-	-	29,552
Utilities and energy	13,984	-	-	13,984
Financial asset management	55,666	-	-	55,666
Telecommunications	3,556	-	-	3,556
Unquoted				
Tourism and leisure	-	-	483,613	483,613
Financial asset management	-	-	1,676	1,676
Utilities and energy	-	-	42,851	42,851
Real estate	-	-	22,361	22,361
Retail	-	-	55,042	55,042
Telecommunication	-	-	6	6
	429,932	-	605,549	1,035,481
	429,932	84,793	812,745	1,327,470

Reconciliation of fair value measurement of Investment in UITF as at December 31 is shown below:

	Notes	2023	2022
At January 1		84,793	407,025
Redemptions		(3,470,828)	(4,052,417)
Additions		3,604,552	4,179,683
Unrealized gains (loss) included in Other income	19	27,292	(260,209)
Reclassification to escrow account included under			
Other current assets	7	(17,135)	(189,289)
At December 31		228,674	84,793

Reconciliation of fair value measurement of Investment in ARCH Fund as at December 31 is shown below:

	2023	2022
At January 1	207,196	293,778
Net redemptions	(97,365)	(13,378)
Unrealized gain (loss) included in Other income	81,297	(73,204)
At December 31	191,128	207,196

The fair value of the investment in UITF is based on net asset values as at reporting date.

The fair value of the investment in ARCH Capital Fund is determined using the discounted cash flow (DCF) method. Under the DCF method in fund valuation, the value is estimated using assumptions regarding the benefits and liabilities of ownership over the underlying asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest.

To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream, associated with the underlying asset. The exit yield is normally separately determined and differs from the discount rate. Significant inputs considered were rental, growth and discount rates. The higher the rental and growth rates, the higher the fair value. The higher the discount rates, the lower the fair value.

27.2 Capital management

The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks. The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As at December 31, the Group had the following ratios:

	2023	2022
Debt-to-equity	0.81:1	0.80:1
Net debt to equity	0.75:1	0.76:1

Debt consists of short-term and long-term debts. Net debt includes short-term and long-term debt less cash and cash equivalents, short-term investments and financial assets at FVTPL. Equity, which the Group considers as capital, pertains to the total equity. The Group excludes the "Fair value reserve of financial assets at FVOCI" attributable to the equity holders of the Company in computing the debt-to-equity ratio.

The Group is subject to externally imposed capital requirements due to loan covenants (Note 14). No changes were made in the objectives, policies or process on capital during the years ended December 31, 2023 and 2022.

Financial risk assessment

The Group's financial condition and operating results would not be materially affected by the current changes in interest, currency, credit, liquidity and market conditions.

Exposure to changes in interest rates is reduced by a debt portfolio mix of both fixed and floating interest rates. As at December 31, 2023, the Group's ratio of fixed to floating rate debt stood at 77:23 (2022 - and 90:10). As a result, any adverse movement in interest rates is mitigated.

As at December 31, 2023, the exposure to foreign currency holdings is at MYR270.5 million and US\$39.5 million (2022 - MYR175.6 million and US\$34.8 million).

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Group's base of counterparties remains diverse. As such, it is not exposed to large concentration of credit risk.

Liquidity risk is addressed with long term funding already locked in, while funds are placed on cash equivalents, short term investment and financial assets at FVTPL.

28 Segment information

The industry segments where the Group and its associates and joint ventures operate follows:

- Property developments - sale of high-end and upper middle-income residential lots and units, affordable housing units and lots, economic housing and leisure community developments; lease of residential developments under joint venture; acquisition, development and sale of large-scale, mixed-use, master-planned communities; sale of override units or the Company's share in properties made available to subsidiaries for development.
- International - development and sale of residential lots and units in Avaland Berhad (formerly Modular Construction Technology (MCT) Bhd. (Malaysia)
- Shopping centers - development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities, gas stations and carparks in these shopping centers; management and operation of malls which are co-owned with partners
- Offices - development and lease or sale of office buildings; sale of industrial lots and lease of factory building
- Hotels and resorts - development and management of hotels and resorts/serviced apartments and lease of land to hotel tenants
- Construction - land development and construction of the Group and third-party projects
- Property management and others - facilities management of the Group and third-party projects

Assets, liabilities, revenues and expenses of the Strategic Landbank Management Visayas-Mindanao segment were reallocated to other business segments namely shopping centers, corporate businesses and residential developments according to the nature of the products and services provided.

The Company and its subsidiaries generally account for inter-segment sales and transfers as if the sales and transfers were to third parties at current market prices.

Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

For the years ended December 31, 2023, 2022 and 2021, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

Business segments

The following tables regarding business segments present assets and liabilities as at December 31 and revenue and profit information for each of the three years in the period ended December 31 (in millions):

As at December 31, 2023

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	79,545	7,433	-	-	8,780	6,596	4,892	-	-	107,246
Interest income from real estate sales	5,360	-	-	-	-	-	-	-	-	5,360
Rental revenue	-	-	21,088	11,808	-	-	-	-	-	32,896
Intersegment sales	-	-	-	-	-	40,606	-	-	(40,606)	-
Earnings of associates and joint ventures	1,570	-	13	-	-	(2)	(6)	-	-	1,575
Total revenue	86,475	7,433	21,101	11,808	8,780	47,200	4,886	-	(40,606)	147,077
Real estate costs and expenses	57,661	5,296	8,437	3,385	7,877	44,162	8,495	362	(39,626)	96,049
Gross margin (loss)	28,814	2,137	12,664	8,423	903	3,038	(3,609)	(362)	(980)	51,028
Interest and investment income										690
Other charges										(2,849)
Interest and other financing charges										(13,499)
Other income										1,091
Provision for income tax										(7,457)
Net income										29,004
Net income attributable to:										
Equity holders of Ayala Land, Inc.										24,508
Non- controlling interests										4,496
										29,004
Other Information										
Segment assets	653,142	21,528	230,133	195,918	56,849	48,080	14,281	95,422	(515,279)	800,074
Investment in associates and joint ventures	30,942	-	50	-	-	59	162	-	-	31,213
	684,084	21,528	230,183	195,918	56,849	48,139	14,443	95,422	(515,279)	831,287
Deferred tax assets	2,269	104	3,076	289	417	194	110	1,168	7,718	15,345
Total assets	686,353	21,632	233,259	196,207	57,266	48,333	14,553	96,590	(507,561)	846,632
Segment liabilities	252,342	10,384	95,794	32,008	22,311	35,784	7,335	210,420	(146,999)	519,379
Deferred tax liabilities	2,920	-	1,274	386	12	-	-	(1,099)	3,831	7,324
Total liabilities	255,262	10,384	97,068	32,394	22,323	35,784	7,335	209,321	(143,168)	526,703
Segment additions to:										
Property and equipment	967	-	1,494	17	2,589	597	317	12	-	5,993
Investment properties	4,302	-	12,876	21,287	2	76	-	-	-	38,543
Depreciation and amortization	621	169	4,417	2,481	852	276	436	254	-	9,506
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Impairment losses	164	1	25	377	30	-	-	-	-	597

As at December 31, 2022

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	71,792	2,757	-	-	6,194	4,236	4,181	-	-	89,160
Interest income from real estate sales	6,695	-	-	-	-	-	-	-	-	6,695
Rental revenue	-	-	16,075	11,121	-	-	-	-	-	27,196
Intersegment sales	-	-	-	-	-	38,257	-	-	(38,257)	-
Earnings of associates and joint ventures	1,419	-	10	-	-	6	(5)	-	-	1,430
Total revenue	79,906	2,757	16,085	11,121	6,194	42,499	4,176	-	(38,257)	124,481
Real estate costs and expenses	55,795	2,074	8,239	2,992	6,029	39,117	6,497	199	(38,049)	82,893
Gross margin (loss)	24,111	683	7,846	8,129	165	3,382	(2,321)	(199)	(208)	41,588
Interest and investment income										387
Other charges										(3,996)
Interest and other financing charges										(11,447)
Other income										1,688
Provision for income tax										(5,696)
Net income										22,524
Net income attributable to:										
Equity holders of Ayala Land, Inc.										18,617
Non- controlling interests										3,907
										22,524
Other Information										
Segment assets	589,589	17,440	215,705	155,712	54,615	44,480	13,557	102,294	(459,543)	733,849
Investment in associates and joint ventures	31,252	-	37	-	-	61	349	218	-	31,917
	620,841	17,440	215,742	155,712	54,615	44,541	13,906	102,512	(459,543)	765,766
Deferred tax assets	2,074	33	1,980	341	423	126	102	1,076	7,734	13,889
Total assets	622,915	17,473	217,722	156,053	55,038	44,667	14,008	103,588	(451,809)	779,655
Segment liabilities	236,536	6,421	94,346	25,122	20,916	33,705	7,724	195,016	(139,645)	480,141
Deferred tax liabilities	1,599	-	255	354	18	-	-	(229)	3,852	5,849
Total liabilities	238,135	6,421	94,601	25,476	20,934	33,705	7,724	194,787	(135,793)	485,990
Segment additions to:										
Property and equipment	141	50	1,484	74	351	440	1,406	478	-	4,424
Investment properties	7,773	655	18,529	3,149	-	26	2	4,543	-	34,677
Depreciation and amortization	542	162	4,420	2,340	920	552	504	249	-	9,689
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Impairment losses	56	-	158	62	1	-	3	1	-	281

As at December 31, 2021

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	65,260	3,878	-	-	2,833	3,909	2,467	-	-	78,347
Interest income from real estate sales	6,801	-	-	-	-	-	-	-	-	6,801
Rental revenue	-	-	7,925	9,872	-	-	-	-	-	17,797
Intersegment sales	-	-	-	-	-	36,578	-	-	(36,578)	-
Equity in earnings of associates and joint ventures	971	-	7	-	-	3	(16)	(122)	-	843
Total revenue	73,032	3,878	7,932	9,872	2,833	40,490	2,451	(122)	(36,578)	103,788
Real estate costs and expenses	49,401	2,896	5,204	2,803	4,095	39,062	2,736	229	(35,246)	71,180
Gross margin (loss)	23,631	982	2,728	7,069	(1,262)	1,428	(285)	(351)	(1,332)	32,608
Interest and investment income										253
Other charges										(3,637)
Interest and other financing charges										(11,038)
Other income										2,101
Provision for income tax										(4,628)
Net income										15,659
Net income attributable to:										
Equity holders of Ayala Land, Inc.										12,228
Non- controlling interests										3,431
										15,659
Other Information										
Segment assets	559,211	20,190	226,343	135,653	59,038	48,601	11,549	94,146	(450,625)	704,106
Investment in associates and joint ventures	28,194	-	45	-	-	55	172	-	-	28,466
	587,405	20,190	226,388	135,653	59,038	48,656	11,721	94,146	(450,625)	732,572
Deferred tax assets	1,901	163	1,732	389	436	114	183	1,299	6,675	12,890
Total assets	589,306	20,353	228,120	136,042	59,474	48,770	11,904	95,445	(443,950)	745,462
Segment liabilities	235,677	979	95,934	29,686	25,986	38,035	6,158	200,436	(164,449)	468,442
Deferred tax liabilities	2,619	0	177	225	4	0	(2)	(196)	3,693	6,520
Total liabilities	238,296	979	96,111	29,911	25,990	38,035	6,156	200,240	(160,756)	474,962
Segment additions to:										
Property and equipment	2,035	-	298	4	285	555	14	24	-	3,215
Investment properties	12,426	508	8,141	1,100	146	103	-	1,757	-	24,181
Depreciation and amortization	733	-	4,438	1,908	887	238	475	221	-	8,900
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Impairment losses	11	-	22	114	-	114	98	181	-	540

29 Performance obligations

Information about the Group's performance obligations are summarized below:

Real estate sales

The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) serviced lot and house, and (iii) condominium unit and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two to ten years with fixed monthly payment. The amount due for collection under the amortization schedule from each of the customer does not necessarily coincide with the progress of construction, which results in either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, the Group provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

Hotels and resorts

Rooms revenue from hotel and resort operations is recognized when the services are rendered. Revenues from banquets and other special events are recognized when the events take place.

Construction

Revenue from fixed price construction contracts are recognized over time using the milestone-based revenue recognition which is in reference to output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) for the years ended December 31 are as follows:

	2023	2022	2021
Within one year	66,739,284	31,674,330	45,005,469
More than one year	59,864,314	29,307,910	55,587,158
	126,603,598	60,982,240	100,592,627

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

30 Registration with Philippine Economic Zone Authority (PEZA)

The following projects/properties were registered with PEZA:

Company	Property/Project	Date of Registration	Particular
Accendo Commercial Corp.	Abreeza Corporate Center	16-Dec-2013	Developer/operator
Ayala Land Inc.	Southpark Corporate Center	13-Dec-2017	Developer/operator
Ayala Land Inc.	Vertis North IT Park	6-Nov-2017	Developer/operator
Ayala Land Inc.	Ayala North Point Technohub	17-Dec-2010	Developer/operator
Ayala Land, Inc.	Asiatown IT Park E-Bloc	18-Dec-2007	Ecozone Facilities Enterprise
Ayala Land, Inc.	South Coast City Information Technology Park	22-Jun-2022	Developer/Operator
Ayala Land, Inc.	CBP IT Park	20-May-2010	Developer/Operator
Ayala Land, Inc.	CCTC IT Park	10-Oct-2001	Developer/Operator
Ayalaland Metro North, Inc.	UP Town Corporate Center	16-Jan-2017	Developer/operator
AyalaLand Offices, Inc.	Building K to P (UP Technohub)	25-May-2012	Ecozone Facilities Enterprise
Cagayan de Oro Gateway Corp.	Centrio Corporate Center	24-Feb-2016	Developer/operator
Ceci Realty, Inc.	Lakeside Evozone	14-Dec-2007	Developer/Operator
Central Block Developers, Inc.	Central Bloc 1 & 2	19-Jun-2017	Ecozone Facilities Enterprise
Ecozone Power Management Inc.	Alogis Artico 1	13-Dec-2021	As Ecozone Facilities Enterprise
Ecozone Power Management Inc.	Alogis Sto Tomas	21-Dec-2021	Domestic Market Enterprise
First Gateway Real Estate Corp.	TP Ayala/People Support Center	25-Sep-2007	Developer/Operator
Hillsford Property Corp.	Baguio Technohub	29-Jan-2009	Ecozone Facilities Enterprise
Laguna Technopark, Inc.	Cavite Technopark	13-Jul-2016	Ecozone Developer/Operator
Laguna Technopark, Inc.	Alviera Industrial Park, Phase 1	17-Nov-2017	Ecozone Facilities Enterprise
Laguna Technopark, Inc.	Laguna Technopark	17-Oct-1991	Ecozone Developer/Operator
North Eastern Commercial Corp.	30th Corporate Center	5-Jul-2017	As developer/operator
Nuevocentro, Inc.	Alviera Industrial Park	19-Jul-2016	Developer/Operator
Pangulasian Island Resort Corporation	Green Tourism Ecozone - Pangulasian	21-Mar-2016	Operator
Subic Bay Town Center Inc	Harbor Point Mall	9-Mar-2010	Developer/ Operator
Sunnyfield E-Office Corp.	Ilo-ilo Technohub	17-Dec-2010	Ecozone Developer/Operator
UP North Property Holdings Inc.	Building A to J (UP Technohub)	25-Sep-2007	Ecozone Facilities Enterprise
Westview Commercial Ventures Corp	BPO Technohub/The District North Point	17-Dec-2010	Information Technology Facilities Enterprise

31 Leases

Operating Leases - Group as Lessor

The Group entered into lease agreements with third parties covering its investment properties portfolio. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals receivable under non-cancellable operating leases of the Group follows:

	2023	2022	2021
Within one year	14,225,222	3,498,321	5,591,888
After one year but not more than five years	40,592,506	12,422,006	15,982,405
More than five years	21,570,082	55,262,893	56,106,720
	76,387,810	71,183,220	77,681,013

In 2023, there were no rent concessions during the year (2022 - P2.36 billion and 2021 - P7.15 billion). These rent concessions did not qualify as a lease modification, thus, were accounted for as a variable lease payment and reported as reduction of lease income in 2023, 2022 and 2021 (Note 36).

Operating leases - Group as Lessee

The Group entered into lease agreements with third parties. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rental payable under non-cancellable operating leases of the Group follows:

	2023	2022	2021
Within one year	1,533,997	3,033,292	3,003,107
After one year but not more than five years	6,940,852	7,790,454	7,973,751
More than five years	56,491,798	49,234,687	53,597,269
	64,966,647	60,058,433	64,574,127

Set out below are the carrying amounts of right-of-use assets recognized and the movements in 2023 and 2022:

As at December 31, 2023

	Land	Building	Aircraft	Others	Total
Cost					
At January 1	16,119,347	777,178	1,701,823	419,119	19,017,467
Additions	34,350	17,977	-	149,419	201,746
Adjustments	(277,478)	80,447	106,209	(76,229)	(167,051)
At December 31	15,876,219	875,602	1,808,032	492,309	19,052,162
Accumulated depreciation and amortization					
At January 1	4,644,277	745,721	885,261	323,367	6,598,626
Depreciation	483,116	36,905	143,635	37,027	700,683
Adjustments	(42,278)	(23,153)	-	(18,337)	(83,768)
Capitalized as investment property	-	-	27,994	86	28,080
At December 31	5,085,115	759,473	1,056,890	342,143	7,243,621
Net book value	10,791,104	116,129	751,142	150,166	11,808,541

As at December 31, 2022

	Land	Building	Aircraft	Others	Total
Cost					
At January 1	14,684,025	731,053	1,701,823	385,169	17,502,070
Additions	1,435,322	46,125	-	33,950	1,515,397
At December 31	16,119,347	777,178	1,701,823	419,119	19,017,467
Accumulated depreciation and amortization					
At January 1	3,843,728	488,648	713,632	299,822	5,345,830
Depreciation	284,283	231,565	171,629	22,902	710,379
Adjustments	517,115	23,302	-	(1,674)	538,743
Capitalized as investment property	(849)	2,206	-	2,317	3,674
At December 31	4,644,277	745,721	885,261	323,367	6,598,626
Net book value	11,475,070	31,457	816,562	95,752	12,418,841

The roll forward analysis of lease liabilities follows:

	Note	2023	2022
At January 1		18,702,566	17,837,354
Additions		418,740	614,921
Accretion of interest expense	20	1,489,221	1,439,756
Capitalized interest		(11,793)	-
Foreign exchange (loss) gain		(10,686)	127,004
Payments		(2,065,425)	(1,316,469)
As at December 31		18,522,623	18,702,566
Less: Current portion of lease liabilities		1,108,553	710,160
Lease liabilities, net of current portion		17,414,070	17,992,406

The following are the amounts recognized in the consolidated statement of income:

	Note	2023	2022	2021
Depreciation expense of right-of-use assets		700,683	710,380	623,272
Accretion of interest expense on lease liabilities	20	1,489,221	1,439,756	1,409,177
Rent expense - short- term leases		1,416	556	9,426
Rent expense - variable lease payments		631,292	256,331	168,963
Foreign exchange (gain) loss		(10,686)	127,004	210
Total amounts recognized in the consolidated statement of income		2,811,926	2,534,027	2,211,048

The Group has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

2023			
	Fixed Payments	Variable Payments	Total
Fixed	1,420,958	-	1,420,958
Variable rent with minimum payment	29,028	9,820,596	9,849,624
Variable rent only	-	1,345,824	1,345,824
At December 31	1,449,986	11,166,420	12,616,406

2022			
	Fixed Payments	Variable Payments	Total
Fixed	971,072,555	-	971,072,555
Variable rent with minimum payment	11,987,292	69,014,261	81,001,553
Variable rent only	-	2,851,096,952	2,851,096,952
At December 31	983,059,847	2,920,111,213	3,903,171,060

The significant leases entered into by the Group are as follows:

Parent Company

On January 2017, the Parent Company signed a Lease Agreement with Philippine Racing Club, Inc. for the lease of land located in Circuit Makati, Brgy. Carmona, Makati City with an aggregate area of 12,793 sqm. The term of the lease shall be twenty-three years and three months commencing from Delivery Date. The Lessee shall have the option to renew the lease under the same terms and conditions for another period of five years, provided that renewal period shall be mutually agreed by the Parties. For the period commencing from delivery date until sixty-three (63) months thereafter, the Lessee shall pay the Lessor the rent amounting to P100.00 million. Commencing on the sixty fourth month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

In September 2018, the Parent Company signed a Lease Agreement with Manila Seedling Bank Foundation, Inc. (MSBFI) for the lease of a 4.5-hectare portion of land located at the corner of EDSA and Quezon Avenue, Diliman, Quezon City. The term of the lease shall be coterminous with the Lessor's usufruct over the Leased Premises, or until September 20, 2027. The lessee shall pay lessor P50.53 million or 40% of lease upon execution of the contract and turnover of the premise while the remaining 60% amounting to P75.79 million shall be payable upon securing all necessary permits from Local Government of Quezon City but not later than six months from payment of preceding lease payment.

Bay City

On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City with an aggregate area of 92,317 sqm. Parent Company signed a 45-year lease contract with an option to renew for another 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The Parent Company assigned the parcels of land to Bay City in December 2017.

On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City, with an aggregate area of 92,317sqm. Parent Company signed a 45-year lease contract with an option to renew the lease for another term of 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The rent due to the Lessor shall be either the Minimum Guaranteed Rent or Percentage Rent (7% of Gross Rental Income), whichever is higher.

ALI also assigned the Air Rights and Basement Rights over the leased property with an aggregate area of 1,686.48 sqm and 8,294 sqm, respectively, subject to the same terms and conditions as the contract of lease dated September 2, 2014. The lessee shall pay the lessor (a) P100/sq meters subjects to annual escalation starting year 2020 ranging from P100/sq meter for the first 3 years, and subject to 25% escalation on the 4th year then 5% escalation from the 5th year to 17th year and finally 6% escalation from 18th to 45th year per square meter, or (b) rent equal to seven percent (7%) of the Gross Rental Income, whichever is higher. The lessee shall pay P100/sq meters for the Basement Right.

AMNI

On January 28, 2011, the Board of Regents of the University of the Philippines awarded to the Parent Company the P4.0 billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. The Parent Company signed a 25-year lease contract for the property last June 22, 2011, with an option to renew for another 25 years subject to mutual agreement of the parties. The lease payments shall commence as soon as sales are registered by the merchants. The rights were subsequently assigned by ALI to AMNI in 2015.

A retail establishment with about 63,000 sqm of gross leasable area and an office/BPO building about 8,000 sqm of gross leasable area have been constructed on the property.

Monthly rent is equal to the higher of either: (i) P215.65/sqm of the Gross Useable Area, subject to annual escalation at the rate of 5% (Minimum Guaranteed Rent); or (ii) Seventeen percent of the Gross Rental Income.

NTDCC

The Company entered into an assignment agreement with MRTDC wherein the latter has assigned its development rights to the Company in exchange for the Company's assumption of DRP obligation beginning January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration with escalation rate of 3% annually starting inception.

In consideration of the lease, the Group will be charged an annual rent related to the original DRP obligation on the MRTDC and 5% of the rental income from the Group's commercial center business. Of the 5% variable amount due, 2.42% shall be directly paid by the Group to the minority shareholders of Monumento Rail Transit Corporation, 28.47% shall be paid directly to Metro Global Holdings Corporation and the remaining 69.11% shall be applied against receivables.

On January 13, 2006, the deed of assignment between MRTDC and NTDCC was acknowledged by DOTC making MRTDC and NTDCC jointly and severally liable for the DRP and all other obligations attached thereto. NTDCC has been paying rent to DOTC in behalf of MRTDC since January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration. As at December 31, 2023, the DRP obligation amounted to P3,684.5 million (2022 - P3,722.9 million). Additionally, the total DRP obligation paid amounted to nil (2022 - P289.2 million)

On October 29, 2015, the Company entered into a non-cancellable land lease agreement with Global-Estate Resort Inc (GERI) for the lease of an aggregate of 10,994.86 square meters undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development's rights period. Advanced rent amounting P294.4 million was paid at the beginning of the contract. Commencing on the 3rd year and until the 10th year of the contract, annual rent is P62.5 million.

During 2016, the Company entered into a non-cancellable land lease agreement with Anglo Philippine Holdings, DBH Inc. and Allante Realty & Development Corporation for the lease of an aggregate of 1,964.20 square meters, 687.47 square meters and 687.47 square meters, respectively, undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development's rights period. Advanced rent amounting P120.5 million, P18.4 million and P18.4 million was paid to Anglo, DBH and Allante, respectively, at the beginning of the contract. Commencing on the 3rd year and until the 10th year of the contract, annual rent payable for both DBH and Allante is P3.9 million.

ALICAP

In December 2017, the Company entered into 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1440 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US\$0.42 million. The ATR72-600 with MSN 1440 was delivered to the Company in February 2018 and has started flight operations in March 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term for US\$14.16 million.

In June 2018, the Company entered into another 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1492 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US\$0.42 million. The ATR72-600 with MSN 1492 was delivered to the Company on the same month and has started flight operations in August 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term amounting to US\$14.16 million.

AHRC

On January 30, 2018, the Company signed a Lease Agreement with Dunes & Eagle Land Development Corporation for the lease of ten parcels of land located at Barangay Mactan, Lapu-Lapu City, Mactan Island, Cebu with an aggregate area of 144,087 sqm. The term of the lease shall be for a period of fifty (50) years commencing from the date of execution of the agreement. Rent payment should be as follows: (a) P70 million per annum for the first 5 years (b) 5% of Gross Revenues or P70 million per annum whichever is higher for the 6th year to the 30th year, and (c) 5.5% of Gross Revenues or P70 million per annum whichever is higher for the 31st year to the 50th year.

On July 26, 2012, ALI entered into a renewable contract of lease with Province of Negros Occidental for 40,481 square meters area of land with a monthly lease of P73.00 per square meter which shall be escalated every five years by ten percent (10%) of the current rate of rent. The term of the lease shall be for a period of fifty (50) years commencing from the date of delivery subject to renewal by mutual agreement of the parties under such terms and conditions as may be mutually acceptable. The Company has assessed that the lease agreement is a non-cancellable lease. On December 23, 2014, ALI assigned its rights and obligations to Capitol Central Hotel Ventures, Inc. under the Contract of Lease Assignment over a portion on which Seda Capitol Central was constructed equivalent to an area of 3,714.80 square meters. The agreement on lease assignment transfers and conveys the Company to take over the lease of the assigned portion subject to the same terms and conditions contained in the contract of lease.

Bonifacio Hotel Ventures, Inc.

Bonifacio Hotel Ventures, Inc. entered into a non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which Seda BGC Tower 1 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or P350 per square meter for the 1st year, P375 per square meter for the 2nd year and P400 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period. The Company entered into another non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which the Seda BGC Tower 2 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or P575 per square meter for the 1st year, P616.06 per square meter for the 2nd year and P657.15 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period.

ALLHC

On August 28, 1990, the Company, through a Deed of Assignment, acquired all the rights, titles, interests and obligations of Gotesco Investment, Inc. in a contract of lease of the land owned by PNR for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental plus a certain percentage of gross sales. The lease covers a period of 25 years until 2014 and is automatically renewable for another 25 years, subject to compliance with the terms and conditions of the lease agreement. On December 22, 2009, ALLHC entered into an agreement with PNR for the renewal of its lease contract for another 25 years beginning September 5, 2014 until 2039. The fixed rent from 2014 to 2039 is P3.8 billion and variable rent is 2% of gross revenue.

SSECC

The Company has an existing contract with Bases Conversion and Development Authority (BCDA) to develop, under a lease agreement signed on July 2000, a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. Subsequently, the Company transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounted to P106.5 million while the variable rent ranges from 5% to 20% of gross revenues.

Capitol

On April 26, 2012 Parent Company signed a Lease Agreement with the Province of Negros Occidental for the lease of a parcel of land with an aggregate area of 40,481 sq. m. located along Gatuslao cor. North and South Capitol Roads, Bacolod City, registered in the name of the Province of Negros Occidental. The Parent Company signed a 50-year lease contract with an option to renew as may be mutually agreed upon by the lessor and the Company. The Parent Company assigned the parcels of land to Capitol in December 2017. Lease payment is P2.47 million per month and shall be escalated every five years by ten percent (10%) of the then current rate of rent.

Arvo

On October 15, 2014, Arvo entered into a property lease agreement with Rotonda Development Corporation for the construction, development and operation of a commercial and mall center. The terms of the lease shall be 42 years, with an option to renew for another 40 years subject to mutual agreement of the parties. The lease agreement provided rent-free period of two years and lease payments shall commence thereafter. Lease payments shall be paid annually at P60.00 per sqm, subject to an annual escalation of 4%.

The Group performed impairment testing on its right-of-use assets with a carrying value of P1,365.5 million as at December 31, 2023 (2022 - P1,431.0 million), by assessing its recoverable amount through estimation of its value-in-use. Based on the impairment testing, there is no impairment loss on the Group's hotel and resorts' right-of-use assets as at December 31, 2023 and 2022 (Note 35).

32 Concession agreement with Department of Transportation (DOTr)

On January 26, 2016, the Group through ASITI entered into a Concession Agreement (CA) with the Department of Transportation (DOTr). The CA sets forth the rights and obligations of ASITI as concessionaire, including the construction and operation of the South Integrated Transport System Project (the Project) of DOTr. During the concession period, DOTr will monitor and review the performance of the concessionaire.

The concession will run for a period of 35 years from the start of the construction of the Project. Under the terms of the concession agreement, ASITI will design, engineer, construct, operate and maintain a mass transportation intermodal terminal at the outskirts of Metro Manila. The operation of the Project includes the collection and remittance of terminal fees to DOTr of the concessionaire during the concession period. In addition, ASITI will be permitted to develop and operate commercial leasing facilities.

Upon the start of the construction of the Project, DOTr will give ASITI the full, exclusive and uninterrupted use and possession of a 5.57 hectare property known as the Project Land. Ownership of the Project Land shall remain with DOTr at all times while the possession, custody and risk of loss or deterioration of the Project and commercial assets shall vest in the concessionaire during the concession period. ASITI shall transfer the Project and the related assets, free from any liens or encumbrances, to DOTr at the end of the concession period. ASITI will be entitled to annual payments from DOTr amounting to P277.9 million during the 35-year concession period, subject to meeting benchmarks set for certain key performance indicators enumerated in the CA.

As at December 31, 2023, construction of the Project has not yet commenced.

33 Notes to consolidated statement of cash flows

Disclosed below is the roll forward of liabilities under financing activities:

2023

	Notes	January 1, 2023	Cash flows	Other changes	Foreign exchange movement	December 31, 2023
Short-term debt	14	6,547,272	10,357,835	-	-	16,905,107
Current portion of long-term debt	14	19,228,289	(288,868)	-	-	18,939,421
Long-term debt, net of current portion (a)	14	210,233,290	12,145,265	22,354	(21,175)	222,379,734
Dividends payable (b)	13	81,030	(5,679,961)	5,662,153	-	63,222
Lease liabilities (a)	31	18,702,566	(2,065,425)	1,885,482	-	18,522,623
Deposits and other non-current liabilities	16	47,519,881	(4,881,100)	-	-	42,638,781
Total liabilities from financing activities		302,312,328	9,587,746	7,569,989	(21,175)	319,448,888

Other changes pertain to:

(a) Interest expense

(b) Dividend declaration

2022

	Note	January 1, 2022	Cash flows	Other changes	Foreign exchange movement	December 31, 2022
Short-term debt	14	16,782,500	(10,235,228)	-	-	6,547,272
Current portion of long-term debt (a)	14	26,173,997	(26,173,997)	19,228,289	-	19,228,289
Long-term debt, net of current portion (a)	14	180,140,242	49,327,017	(19,433,435)	229,466	210,263,290
Dividends payable (b)	13	686,982	(4,667,960)	4,062,008	-	81,030
Lease liabilities (a)	31	17,837,354	(1,316,469)	2,891,842	-	19,412,727
Deposits and other non-current liabilities	16	60,735,602	(13,299,983)	-	-	47,435,619
Total liabilities from financing activities		302,356,677	(6,366,620)	6,748,704	229,466	302,968,227

Other changes pertain to:

- (a) Interest expense
- (b) Dividend declaration

2021

	Note	January 1, 2021	Cash flows	Other changes	Foreign exchange movement	December 31, 2021
Short-term debt	14	9,131,325	7,651,175	-	-	16,782,500
Current portion of long-term debt (a)	14	18,732,401	(18,732,401)	26,173,997	-	26,173,997
Long-term debt, net of current portion (a)	14	184,087,192	21,483,082	(25,829,931)	399,899	180,140,242
Dividends payable (b)	13	241,606	(5,375,409)	5,820,785	-	686,982
Lease liabilities (a)	31	17,755,843	(1,432,361)	1,513,872	-	17,837,354
Deposits and other non-current liabilities	16	50,040,170	10,695,432	-	-	60,735,602
Total liabilities from financing activities		279,988,537	14,289,518	7,678,723	399,899	302,356,677

Other changes pertain to:

- (a) Interest expense
- (b) Dividend declaration

The non-cash activities of the Group pertain to the following:

2023

- Transfer from investment properties to inventories amounting to P9,411 million
- Transfer from investment properties to property and equipment amounting to P4,072 million
- Transfer from inventory to property and equipment amounting to P9 million
- Capitalized interest amounted to P683.10million

2022

- Transfer from investment properties to inventories amounting to P16,875 million
- Transfer from property and equipment to investment properties amounting to P5,597.3 million
- Property for share swap transaction with AC and Mermac that resulted in acquisition of investment properties amounting to P4,785.39 million and inventories amounting to P78.06 million, in exchange for the issuance of capital stock and recognition of additional paid-in capital amounting P311.58 million and P17,074.58 million, respectively. This also involved the recognition of non-cash transactions such as equity reserves amounting to P9,800.78 million and non-controlling interest amounting to P3,397.84 million.
- Capitalized interest amounted to P783.22 million

2021

- Transfer from investment properties to inventories amounting to P4,062.9 million
- Transfer from property and equipment to investment properties amounting to P1.2 million
- Transfer from inventories to investment properties amounting to P4,106.9 million
- Transfer from inventories to property and equipment amounting P2.6 million
- Capitalized interest amounted to P574.1 million

34 Events after the reporting date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

On January 17, 2024, AREIT completed the acquisition of the 153-room Seda Lio in Palawan from Ayala Land's wholly-owned subsidiary, Econorth Resort Ventures, Inc. for P1,192,000,000.

On January 19, 2024, the SEC approved the merger of Northeastern Commercial Corp. (NECC) and Bay City Commercial Ventures Corp. (Bay City) with Bay City as the surviving entity.

On January 26, 2024, Ayala Land, and its wholly-owned subsidiaries, AyalaLand Offices, Inc. and Glensworth Development, Inc. sold an aggregate of 181,000,000 common shares of AREIT at a transaction price of P31.10/share, equivalent to P5,629,100,000 (exclusive of fees and taxes), in relation to its property-for-share swap transaction with AREIT, with BPI Capital Corporation, UBS AG Singapore Branch, and CLSA Limited as Placement Agents. The transaction has been upsized by over 40%, anchored on high-quality long-only institutional investors. The proceeds from the block sale were settled on January 30, 2024, under the Placement Agreement.

On January 31, 2024, the SEC approved the merger of BGWest Properties, Inc. (BGW), BGNorth Properties, Inc. (BGN) and BGSouth Properties, Inc. (BGS) with BGW as the surviving entity.

On February 12, 2024, the shareholders of AREIT owning a majority of the outstanding capital stock, approved the issuance of 841,259,412 primary common shares to ALI and its subsidiaries, and Buendia Christiana Holdings Corp., a wholly-owned subsidiary of ACEN Corporation, at an issue price of P34.00/share, in exchange for four prime commercial buildings of ALI and a 276-hectare industrial land, with an aggregate value of P28,602,820,008.

On February 20, 2024, the Board of Directors of ALI approved the following:

- a. The raising of up to Php50 billion in debt capital to partially finance general corporate requirements and refinance maturing debt through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation, and/or execution of bilateral term loans.
- b. The declaration of a cash dividend of P0.2050 per outstanding common share payable on March 21, 2024 to stockholders of common shares as at record date of March 5, 2024. This reflects a 37% increase from the cash dividends declared in the first half of 2022 amounting to P0.1495.
- c. The 2024 stock option program pursuant to our Employee Stock Ownership Plan (the "Plan") which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 18,542,878 common shares at a subscription price of P28.82 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 30-day trading as of February 13, 2024, less a prescribed discount.

35 Critical accounting judgments and estimates

The preparation of the consolidated financial statements in conformity with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

35.1 Critical accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Existence of a contract

The Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition, is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress

The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

The Group has determined that the output method used in measuring the progress of the performance obligation (i.e., percentage of completion) faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Distinction of land between real estate inventories, property and equipment and investment properties

The Group determines whether a property will be classified as real estate inventories, property and equipment or investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. The Group also considers whether the property is held for administrative purposes and classifies the property under property and equipment. All other properties that are not yet determined to be sold in the normal operating cycle nor held for administrative purposes are classified as investment properties.

Consolidation of entities in which the Group holds only 50% or less than majority of voting rights

The Group considers that it controls the following entities even though it owns 50% or less than majority of the voting rights. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

ACC

For ACC, ALI holds 50% of the voting rights, and is also the single largest shareholder and the remaining 50% of the equity shares are held by several shareholders. The second largest stockholder of ACC holds 8.3% share while the other shareholders' equity interest ranges from 2.1% to 8.3%. In addition, ALI has an existing management services agreement with ACC which gives ALI the exclusive control and decision over the relevant activities of ACC.

BG Entities (BGWest, BGNorth and BGSouth)

For the BG entities, wherein ALI and the other shareholder each own 50% of the voting rights, ALI controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

RLC, ALI-CII, AKL and LAIP

ALI has an existing management development and/or services agreement with RLC, ALI-CII, AKL and LAIP which gives ALI the exclusive control and decision over the relevant activities of RLC, ALI-CII, AKL and LAIP.

Service concession agreement

The Group has made a judgment that the concession agreement with DOTr qualifies under Philippine Interpretation IFRIC 12, Service Concession Arrangements (Note 32). Management has assessed that DOTr controls and regulates the service, determines to whom this service will be provided and controls the price. In addition, management has also determined that the DOTr has the significant control over the residual interest of the Terminal at the end of the term. Management has also made a judgment that the Terminal and commercial assets (mall facilities) are physically separable and are capable of being operated independently.

Management has further assessed that said concession agreement qualifies under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial assets (i.e., the Annual Grantor Payment) for its construction, operating and maintenance services directly from DOTr.

Contingencies

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's consolidated financial statements (Note 31).

Sale of real estate receivables

The Group has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. The Group believes that the sales transactions are not more than infrequent and that the receivables discounted is insignificant in value both individually and in aggregate. Accordingly, the Group continues to present trade receivables at amortized cost as it remains to hold trade receivables with the objective of collecting contractual cash flows until maturity.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria - for residential, commercial and office development receivables, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria

The customer meets unlikelihood to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

- a. The customer is experiencing financial difficulty or is insolvent
- b. The customer is in breach of financial covenant(s)
- c. An active market for that financial assets has disappeared because of financial difficulties
- d. Concessions or deferrals have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty (e.g., Bayanihan Acts I and II considerations)
- e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Determination of lease term of contracts with renewal and termination options - Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether the provisions to renew or terminate the lease is enforceable. For leases where the Group has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Assessment on whether lease concessions granted constitute a lease modification

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

The Group applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Group determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

There are no rent concessions granted by the Group for the year ended December 31, 2023 (2022 - P2.36 billion).

Judgements made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 122 of PAS 1, Presentation of Financial Statements. Upon adoption of the Interpretation, the Group has assessed whether it has any uncertain tax position. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined, based on its assessment, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

35.2 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition on real estate projects

The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Group's revenue from real estate is recognized based on the percentage of completion and this is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the percentage of completion is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Following the pattern of real estate revenue recognition, the cost to sell and cost to obtain a contract (e.g., commission), is determined using the percentage of completion. To determine the cost of sales, the percentage of completion is applied to the standard cost which is regularly reviewed and adjusted to actual cost. In view of the community quarantines and restricted mobility in 2022 and 2021, the progress of the Group's performance obligation was adversely affected which resulted in lower percentage of completion as compared to previous years. In 2023, the Group's percentage of completion posted improvement due to easing of health and travel restrictions.

Evaluation of NRV of real estate inventories

The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell.

In evaluating NRV, recent market conditions and current market prices have been considered. See Note 6 for the related balances.

Share-based payments

The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Group (Note 26).

Estimating pension liabilities and other retirement benefits

The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Significant assumptions are disclosed in Note 24 and include among others, discount rate and salary increase rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on 1994 Group Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect retirement obligations (Note 24).

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology (Note 27).

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables other than residential, commercial and office development receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for residential, commercial and office development receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's trade receivables is disclosed in Notes 5 and 27.

Estimating the Incremental Borrowing Rate (IBR) for leases

The Group uses its IBR to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

As at December 31, 2023, the Group's lease liabilities amounted to P18,522.6 million (2022 - P18,702.6 million) (Note 31).

Evaluation of impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (i.e., property and equipment, investment properties, right-of-use assets and other current assets) at each financial reporting date. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In view of the improving economy that was severely impacted by the pandemic and the government's easing travel and mobility restrictions (both domestic and international), the Group's hotels and resorts segment has registered positive growth in its revenues during the year. The hotel and resorts properties continue to post significant improvements in revenues and net income from higher occupancies due to easing of health and travel restrictions, surging leisure demand and increased guests spending. In addition, many restaurants and food outlets have reopened and operated, improving the food and beverage revenues of the segment. With a better economic outlook and market forecast, the segment is expected to continue its recovery in the future. Accordingly, there are no impairment indicators in 2023 and 2022 requiring the assessment of the recoverable amount of the property and equipment and right-of-use assets.

As at December 31, 2023, the carrying value of the property and equipment and right-of-use assets of the hotels and resorts segment amounted to P19,578 million (2022 - P20,499.6 million) and P1,365.5 million (2022 - P1,431.3 million). There is no impairment of investment properties in 2023 and 2022.

Useful lives of property and equipment and investment properties

The useful life of each item of the Group's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimate is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded operating expenses and decrease non-current assets.

In 2023 and 2022, there were no changes in the estimated useful lives of property and equipment.

36 Summary of material accounting policies

36.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with PFRSs, as modified by the application of the financial reporting relief on the accounting for significant financing component as issued and approved by the SEC in response to the COVID-19 pandemic. The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

The Group has availed the relief granted by the SEC under Memorandum Circular (MC) No. 34- 2020 which further extended the deferral of PIC Q&A 2018-12-D, assessment if the transaction price includes a significant financing component, until December 31, 2023.

SEC MC No. 4-2020, deferring the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, *Borrowing Cost* (the IFRIC Agenda Decision on Borrowing Cost), not applicable to the Group as it is already in full compliance with the requirements of the IFRIC Agenda Decision.

The details and the impact of the adoption of the above financial reporting relief are discussed in Note 36.3 - Adoption of amended accounting standards and interpretation.

Basis of measurement

The financial statements have been prepared using the historical cost basis, except for financial assets FVTPL and financial assets at FVOCI and plan assets of retirement benefit obligation that have been measured at fair value.

The preparation of financial statements in conformity with PFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 35.

Functional and presentation currency

The consolidated financial statements of the Group are presented in Philippine Peso. All amounts are shown in thousands of Philippine Peso unless otherwise stated.

36.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2023 (with comparative figures as at December 31, 2022) and for the year ended December 31, 2023 (with comparative figures for the years ended December 31, 2022 and 2021).

The financial statements of the subsidiaries are prepared using the same reporting date and reporting period as those of the Parent Company, using consistent accounting policies.

Investees are fully consolidated from the date when control is transferred to the Group. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full in the consolidated financial statements.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions. The portion of profit or loss and net assets in subsidiaries not wholly-owned are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, separately from the Parent Company's equity.

Non-controlling interests are net of any outstanding subscription receivable.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction and recognized as equity reserves in the consolidated statement of changes in equity (Notes 1 and 17). If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the Parent Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

36.3 Adoption of amended accounting standards and interpretation

(a) Amendments to existing standards adopted by the Group effective January 1, 2023

The following amendments to existing standards have been adopted by the Group effective January 1, 2023:

- Amendments to PAS 1, '*Presentation of Financial Statements*', and *PFRS Practice Statement 2*

The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, PFRS Practice Statement 2, *Making Materiality Judgements*, was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The adoption of these amendments resulted in changes in the accounting policies disclosed by the Group.

- Amendments to PAS 8, *'Definition of Accounting Estimates'*

The amendment to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

- Amendments to PAS 12, *'Income Taxes'*

The amendments require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with (a) right-of-use assets and lease liabilities, and (b) decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2023 that are considered to be relevant or have a material impact on the Group's consolidated financial statements.

(b) *Amendments to existing standards not yet effective and not early adopted by the Group*

The following amendments to existing standards are not mandatory for December 31, 2023 reporting period and have not been early adopted by the Group:

- PAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)*

Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The amendments must be applied retrospectively in accordance with the normal requirements in PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

- Amendments to PFRS 16, *'Lease Liability in a Sale and Leaseback'*

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right-of-use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

- Deferral of Certain Provisions of PIC Q&A 2018-12, *PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)*

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of the PIC Q&A until December 31, 2023. The PIC Q&A provisions covered by the SEC deferral that the Group availed pertain to 'Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)' with allowed deferral period until December 31, 2023.

After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

The Group availed the SEC relief on the accounting for significant financing component in its 2023 consolidated financial statements. Had this provision been adopted, the Group would follow the allowed modified retrospective approach allowing it to only adjust the beginning balance of Retained earnings in 2023. The net income for the current period is not expected to materially change as it would only require allocation of transaction price from one revenue line item to another.

The Group assessed that the overall impact of the adoption of the requirement of PIC Q&A No. 2018-12 pertaining to significant financing component is not material to the 2023 consolidated financial statements. Upon the adoption in 2024, the adjustment on the beginning balance of Retained earnings approximates an increase of P393.0 million.

- PFRS 17, '*Insurance Contracts*'

PFRS 17 was issued in May 2017 as replacement for PFRS 4, *Insurance Contracts*. PFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period. The standard allows a choice between recognizing changes in discount rates either in the statement of income or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under PFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

The IC, in coordination with Philippine Insurers and Reinsurers Association, is currently reviewing the impact of PFRS 17 across the entire industry and has established a project team to manage the implementation approach. The IC, considering the extension of IFRS 17 and the challenges of the COVID-19 pandemic to the insurance industry, has deferred the implementation of PFRS 17 to January 1, 2025, granting an additional two-year period from the date of effectivity proposed by the IASB.

The new standard is not applicable to the Group since none of the entities within the Group has activities that are predominantly connected with insurance or issue insurance contracts.

The adoption of the above amendments is not expected to have a material impact on the consolidated financial statements of the Group.

36.4 Current and non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current classification. An asset is current when it is:

- a. expected to be realized or intended to be sold or consumed in normal operating cycle;
- b. held primarily for the purpose of trading;
- c. expected to be realized within twelve (12) months after reporting date; or
- d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is current when:

- a. it is expected to be settled in the normal operating cycle;
- b. it is held primarily for the purpose of trading;
- c. it is due to be settled within 12 months after reporting date; or
- d. there is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

36.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by corporate finance after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Group, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

36.6 Cash and cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

36.7 Financial instruments

Date of recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Derivatives are recognised on a trade date basis. Financial liabilities are recognized when cash is received by the Group.

(a) Financial assets

i. Initial recognition, classification and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. All financial instruments are initially recognised at fair value plus or less, except for financial instruments at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, respectively. Trade receivables, except for contracts with customers in residential, commercial and office development receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on *Revenue from contracts with customers*.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The classification requirements for financial assets are described below:

- a. Financial assets at amortized cost (debt instruments);
- b. Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
- c. Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- d. Financial assets at fair value through profit or loss

ii. *Subsequent measurement*

(a) *Financial assets at amortized cost*

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments and accounts and notes receivables.

The Group accounts for regular way amortized cost financial instruments using trade date accounting. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. If the initial fair value is lower than the cash amount advanced, the difference is deferred and recognised over the life of the financial assets through the recognition of interest income.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Interest income and impairment losses or reversals are recognized in the consolidated statement of income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

When financial assets at amortized cost are disposed, these are assessed whether the Group is consistent with its objective of collecting contractual cash flows until maturity. In the event that disposals have been concluded as infrequent and insignificant, the financial assets continue to be accounted at amortized cost (Note 5).

(b) *Financial assets at FVOCI (debt instruments)*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's debt financial assets at FVOCI includes investment in bonds classified as financial assets at FVOCI.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

(c) Financial assets designated at FVOCI (equity instruments)

The equity securities for which fair value movements are shown in other comprehensive income are investments where the Group holds the financial assets other than to generate a capital return. Gains or losses on derecognition of these equity securities are not transferred to profit or loss. Otherwise, equity securities are measured at fair value through profit or loss (except for dividend income which is recognised in profit or loss).

The Group's equity financial assets at FVOCI includes investments in quoted and unquoted equity instruments.

(d) Financial assets at FVTPL

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; and
- the financial liability contains one or more non-closely related embedded derivatives.

Designated financial assets are recognised when the Group enter into contracts with counterparties, which is generally on trade date, and are normally derecognised when the rights to the cash flows expire or are transferred. Designated financial liabilities are recognised when the Group enters into contracts with counterparties, which is generally on settlement date, and are normally derecognised when extinguished. Subsequent changes in fair values are recognised in profit or loss.

The Group's financial assets at FVTPL includes investments in UITF and ARCH Capital Fund.

iii. Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVTPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes allowance for impairment loss based on lifetime ECL at each reporting date. The Group has established a provision matrix for trade receivables and a vintage analysis for residential, commercial and office development receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECL are recognized in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payments are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

iv. Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12- months ECL.

v. *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- a. the rights to receive cash flows from the asset have expired, or
- b. the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

vi. *Modification of financial assets*

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest rate (EIR) (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

(b) Financial liabilities

i. *Initial recognition, classification and measurement*

Financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities. The category depends on the purpose for which the liabilities were incurred and whether they are quoted in an active market. Management determines the category of its financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

All financial liabilities are recognized initially at fair value and, in the case of those measured at amortized cost, net of directly attributable transaction costs. Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fees and other fees.

The Group's financial liabilities include accounts and other payables (except for taxes payable), short-term and long-term debts, deposits and other liabilities, and lease liabilities. The Group has no financial liabilities at FVTPL.

ii. Subsequent measurement

Financial liabilities at amortized cost is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of income.

iii. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position, if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

There is no offsetting of financial instruments as at December 31, 2023 and 2022.

36.8 Derivatives

The Group uses derivative financial instruments, such as non-deliverable forwards, cross currency swaps, interest rate swaps and principal only swaps contracts to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

36.9 Concession receivable

The Group accounts for its concession arrangement with the DOTr under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial asset for its construction services from or at the direction of the grantor. Under the concession arrangement, the Group is awarded the right to build and operate an integrated transport terminal for Metro Manila and its adjacent provinces. The legal title to these assets shall be transferred to the government at the end of the concession period.

The concession financial receivable (shown as part of "Other Non-current Assets") pertains to the fair value of the Annual Grantor Payment related to the operating and maintenance services and recovery of construction costs of the terminal facility. These are amortized using the effective interest rate over the life of the related concession.

In addition, the Group recognizes and measures construction revenues and costs in accordance with 'percentage of completion method'. Contract revenue and costs from construction works are recognized as "Construction revenue" and "Construction costs", respectively, in profit or loss in the period in which the work is performed.

36.10 Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and estimated costs to sell.

Cost of inventories represents accumulated costs of the unsold units of the completed projects. Cost includes those directly attributable to the construction of the projects and includes:

- Land cost;
- Land improvement cost;
- Amounts paid to contractors for construction and development; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Inventories that are leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as inventory. The rent income from inventories that are leased out is included in other income in the consolidated statement of comprehensive income.

Inventories are derecognized when they are sold or there are no future benefits to the Group. The carrying amount of those properties held for sale is recognized as an expense, reported as cost and expenses in the period in which the related revenue is recognized.

36.11 Materials, parts and supplies

Materials, parts and supplies are valued at the lower of cost or NRV. Cost is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

An allowance for inventory losses is provided for slow-moving, obsolete and defective materials, parts and supplies based on management's physical inspection and evaluation. When inventories are sold, the cost and related allowance is removed from the account and the difference is charged against operations.

36.12 Investments in associates and joint ventures

Investments in associates and joint ventures (investee companies) are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes an associate or joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as subsumed goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and instead included in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Unless otherwise, additional losses are not recognized when the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Upon loss of significant influence over the investee companies, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of income.

36.13 Interest in joint operation

Makati Development Corporation (MDC), a subsidiary of the Parent Company, has an interest in joint arrangement, whereby the parties have a contractual arrangement that establishes joint control. MDC recognizes its share of jointly held assets, liabilities, income and expenses of the joint operation with similar items, line by line, in its financial statements.

The financial statements of the joint operation are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

36.14 Investment properties

Investment properties comprise completed property and property under construction or under re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group.

The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Assets that are under construction are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or under the condition as intended by the Group.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful lives of investment properties which comprised of buildings, range from 20-40 years.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of income in the year of retirement or disposal.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

As at December 31, 2023 and 2022, the Group engages independent valuation specialist to assess the fair value. The Group's investment properties consist of land and building pertaining to land properties, retail (malls) and office properties. These are valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property and income approach by reference to the value of income, cash flow or cost saving generated by the asset.

36.15 Property and equipment

Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Buildings and improvements	20-40
Machinery and construction equipment	5
Furniture, fixtures and equipment	3-10
Transportation equipment	3-5
Hotel property and equipment	20-50

The assets' residual values, estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the amounts, periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment items are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

36.16 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

Leasehold rights with finite lives are amortized using the straight-line method over the estimated useful life of 20 to 23 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income.

As at December 31, 2023 and 2022, intangible asset pertaining to leasehold right is included under "Other non-current assets" (Note 12).

36.17 Business combinations and goodwill

Business combinations are accounted for using the acquisition method which involves recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interests in the acquiree.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as bargain purchase gain. The Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure amounts to be recognized at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

36.18 Combinations of entities under common control

Business combinations of entities under common control are accounted for using the pooling of interest method.

The effects of intercompany transactions on current assets, current liabilities, revenues, and cost of sales for the current period presented and on retained earnings at the beginning of the current period presented are eliminated to the extent possible.

36.19 Asset acquisitions

If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition (Note 17). The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction or event does not give rise to goodwill. Where the Group acquires a controlling interest in an entity that is not a business, but obtains less than 100% of the entity, after it has allocated the cost to the individual assets acquired, it notionally grosses up those assets and recognizes the difference as non-controlling interests.

36.20 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired (e.g., investments in associates and joint ventures, investment properties, property and equipment and right-of-use assets). If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The following criteria are also applied in assessing impairment of specific assets:

Investments in associates and joint ventures

After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the consolidated statement of income.

36.21 Pension cost

Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

The present value of the defined benefit obligation is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

36.22 Long-term commitments and contingencies

Commitments

- a. On December 8, 2017, ALI assigned to NTDCC development rights on certain portions of the North Triangle lot pads covered by a Deed of Assignment and Encroachment Settlement Agreement amounting to P631.2 million.

- b. On June 30, 2015, the Parent Company, through SM-ALI Group Consortium (the Consortium), participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is portion of Cebu City-owned lot located at the South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963. The Consortium is a consortium among SMPHI, the Parent Company and CHI (together with the Parent Company collectively referred to as the “ALI Group”). Consistent with the agreed payment schedule in the Deed of Absolute Sale, as of August 1, 2018, the Parent Company has fully paid P4.56 billion, excluding taxes. The SM-ALI Group has finished with the joint masterplan and has secured the development permit last November 2019 from the Cebu City Council.

On January 29, 2020, SM-ALI Group broke ground the 263,384sqm development and the construction of road networks and underground utilities commenced on February 18, 2020.

As of December 2023, actual completion of the land development works for the launched lots of ALI in the South Road Properties project is at 100%.

The development is positioned to be “The Gateway and Epicenter of Growth in Central Visayas”.

It is envisioned to create a commercially viable mixed-use development and to create a living, vibrant community with world-class facilities, a well-designed urban setting, and lush, extensive landscaping.

- c. On August 11, 2015, the Group won the bid for the Integrated Transport System Project - South Terminal (“ITS South Project”). The Company was awarded by the Department of Transportation and Communications (“DOTC”) with a 35-year concession agreement to build and operate the ITS South Project and will likewise have the right to develop and operate commercial leasing facilities on the same 5.57-hectare of the former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Company is developing an integrated mixed-use estate.
- d. On August 8, 1997, an “Assignment Agreement” was executed between Department of Transportation and Communications (DOTC), Metro Rail and MRTDC whereby MRTDC agreed to be bound by all obligations in respect of the Development Rights and make payments to DOTC.
- e. On June 4, 2014, AHRC, a wholly owned subsidiary of the Parent Company has signed a long-term management agreement with the Mandarin Oriental Hotel Group to develop and operate luxury hotel in Makati City. Set to open its doors by 2027, the new Mandarin Oriental Manila will be featuring 276 spacious rooms complemented by an extensive range of modern amenities including premium selection of restaurants and a signature spa. AHRC is committed to pay US\$5 million (P223.6 million) to Manila Mandarin Hotel, Inc. upon the opening of the New Hotel or on June 30, 2017, whichever is earlier. In 2017, the Group fully paid the said amount.
- f. On February 26, 2021, The Group entered into agreements to restructure the long-outstanding receivables from Mercado General Hospital, Inc., Panay Medical Ventures, Inc., Mercado General Hospital Sta. Rosa, Inc. and Mercado General Hospital San Jose Del Monte, Inc. amounting to P209.0 million, P79.0 million, P5.0 million and P129.1 million, respectively, to a 5-year loan with interest rate of 4% per annum.
- g. ALI and LT Group, Inc. (LTG) entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be an estate development that spans portions of Pasig City and Quezon City. A new company, named ALI-ETON Property Development Corporation, was incorporated on May 13, 2016.

On January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of ALI in partnership with Eton Properties Inc. The first residential project of Ayala Land Premier, Parklinks North Tower was launched on the same year, while the Parklinks lifestyle mall broke ground as well, expected to provide a new destination for residents and office workers within the area when it opens in 2026. Alveo’s first residential development, The Lattice, was also launched in 2019, together with ALP’s second tower, Parklinks South tower.

On November 28, 2022, Parklinks Bridge was inaugurated. The Parklinks Bridge connects Quezon City and Pasig City over the Marikina River and is considered an iconic feature of the 35-hectare Parklinks Estate.

- h. On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc, for the waterworks of Parent Company's projects nationwide. The Memorandum of Agreement (MOA) was subsequently amended on May 31, 2021 to amend certain provisions. The original MOA and its amendments were signed by the Parent Company and its subsidiaries and affiliates including Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Total expenses amounted to P0.2 million. As a result of the merger of CHI into CPVDC and later on CHI to the Parent Company, the Parent Company assumes the rights and obligations of CHI and CPVDC.

Contingencies

The Group has various contingent liabilities arising in the ordinary conduct of business including a case related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material nor adverse effect on the Group's financial position and results of operations. Accordingly, no provision for any liability has been made in the consolidated financial statements.

Disclosures required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, were not provided as it may prejudice the Group's position in ongoing claims and it can jeopardize the outcome of the claims and contingencies.

36.23 Share-based payments

The Group has equity-settled, share-based compensation plans with its employees.

PFRS 2 Options

For options granted after November 7, 2002 that have not vested on or before January 1, 2005, the cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the Black-Scholes model, further details of which are given in Note 26.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instrument that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Pre-PFRS 2 Options

For options granted before November 7, 2002 that has vested before January 1, 2005, the intrinsic value of stock options determined as at grant date is recognized as expense over the vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Note 25).

ESOWN

The Parent Company has an ESOWN which allows the grantees to purchase the Parent Company's shares. The Parent Company recognizes stock compensation expense over the holding period. The Parent Company treats its ESOWN plan as option exercisable within a given period. These are accounted for similar to the PFRS 2 options. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. For the unsubscribed shares where the employees still have the option to subscribe in the future, these are accounted for as options.

36.24 Equity

When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid shall be recognized directly in equity and included under "Equity reserves" account in the equity section of the consolidated statement of financial position (Note 17).

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

36.25 Revenue from contract with customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Group has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 35.

Residential development revenue (part of real estate sales in the consolidated statement of income)

The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue and the related trade receivables on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as trade receivables under residential and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the "customer's deposit" account in the liabilities section of the consolidated statement of financial position.

The impact of the significant financing component on the transaction price has not been considered since the Group availed of the relief granted by the SEC under Memorandum Circular No. 34 until December 31, 2023.

Hotel and resorts revenue (part of real estate sales in the consolidated statement of income)

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Rooms revenue from hotel and resort operations is recognized when the services are rendered. Revenue from banquets and other special events are recognized when the events take place.

Construction revenue (part of real estate sales in the consolidated statement of income)

Revenue from fixed price construction contracts is recognized over time using the milestone-based revenue recognition which is in reference to the output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

Rental income (part of real estate sales in the consolidated statement of income)

Rental income under non-cancellable and cancellable leases on investment properties is recognized in the consolidated statement of income on a straight-line basis over the lease term and the terms of the lease, respectively, and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. No rental income is recognized when the Group waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment (Note 4).

The contract for the commercial spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and Common use service area (CUSA) charges such as maintenance, janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the Buildings, the Group acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air-conditioning charges.

Other services

Revenue from other services is recognized at a point in time when services are rendered.

Interest income is recognized as it accrues using the effective interest method.

Investment income is recognized when the Group's right to receive the payment is established.

36.26 Cost recognition

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance which are determined based on standard cost method. The standard cost method is revisited regularly and adjusted to approximate actual cost. Contract cost also includes warranties, provisions and post construction works. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Cost of hotel operations (part of cost of real estate sales in the consolidated statement of income)

Cost of hotel operations pertains to expenses incurred in relation to sale of goods and rendering of services. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

Construction costs (part of cost of real estate sales in the consolidated statement of income)

Contract costs, which is determined using the standard cost method, include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, warranties, post constructions works and final contract settlements which may result in revisions to estimated costs (e.g., standard cost to actual cost) and gross margins are recognized in the year in which the changes are determined.

Customers' deposit

Customers' deposit is a contract liability which is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a customers' deposit is recognized when the payment is made or the payment is due (whichever is earlier). Customers' deposit are recognized as revenue when the control of the goods or services are transferred to the customers by the Group which is essentially fulfillment of its performance obligation under the contract.

Customers' deposit also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

36.27 Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, de-recognition and impairment of capitalized costs to obtain a contract

Following the pattern of real estate revenue recognition, the Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

36.28 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Investment properties" and "Property and equipment" accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

The Group capitalizes borrowing costs relating to its investment properties and property and equipment under construction. The interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

36.29 Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
- b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
- c. There is a change in the determination of whether fulfilment is dependent on a specified asset; or
- d. There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Group as a lessee

Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful Life
Building	20-40
Aircraft	10
Others	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of non-financial assets section.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its IBR at the lease commencement date because the interest rate implicit in the lease is not readily determinable. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

36.30 Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period.

36.31 Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and interests in joint ventures.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax assets to be recovered.

36.32 Foreign currency transactions

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The exchange differences arising on the translation are taken directly to a separate component of equity under "Cumulative translation adjustments" account. Upon disposal of a foreign subsidiary, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the consolidated statement of income.

Investments in foreign associates are translated to Philippine Peso using the closing exchange rate prevailing at reporting date. The Group's share in the results of operations of the foreign investee is translated using the exchange rate at the dates of the transactions or, where practicable, the rate that approximates the exchange rates at the dates of the transactions, such as the average rate for the period. Any resulting exchange difference is recognized as a separate component of equity.

36.33 Earnings per share (EPS)

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. Calculation of dilutive EPS considers the potential ordinary shares of subsidiaries, associates and joint ventures that have dilutive effect on the basic EPS of the Parent Company. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

36.34 Segment reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 28 to the consolidated financial statements.

36.35 Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

36.36 Events after the reporting period

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

Ayala Land, Inc.**Reconciliation of Retained Earnings Available for Dividend Declaration**

For the year ended December 31, 2023

Unappropriated Retained Earnings, beginning of the year/period	53,000,568,937
Add: Category A: Items that are directly credited to Unappropriated retained earnings	
Reversal of Retained earnings appropriation/s	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
Less: Category B: Items that are directly debited to Unappropriated retained earnings	
Dividend declaration during the reporting period	(5,662,154,745)
Retained earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	(5,662,154,745)
Unappropriated Retained Earnings, as adjusted	47,338,414,192
Add/Less: Net Income (loss) for the current year/period	18,578,320,220
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	844,331,912
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	2,686,740
Unrealized fair value gain of investment property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
	847,018,652
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	-
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	(326,348,835)
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Realized fair value gain of Investment property	-
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
	(326,348,835)
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of investment property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-
	-
Adjusted net income/loss	19,098,990,037
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others (describe nature)	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	(3,695,647,069)
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(2,234,626)
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	6,353,946
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others (describe nature)	(3,691,527,749)
Total Retained Earnings, end of the year/period available for dividend declaration	62,745,876,480

Ayala Land, Inc. and Subsidiaries**Financial Soundness Indicators**

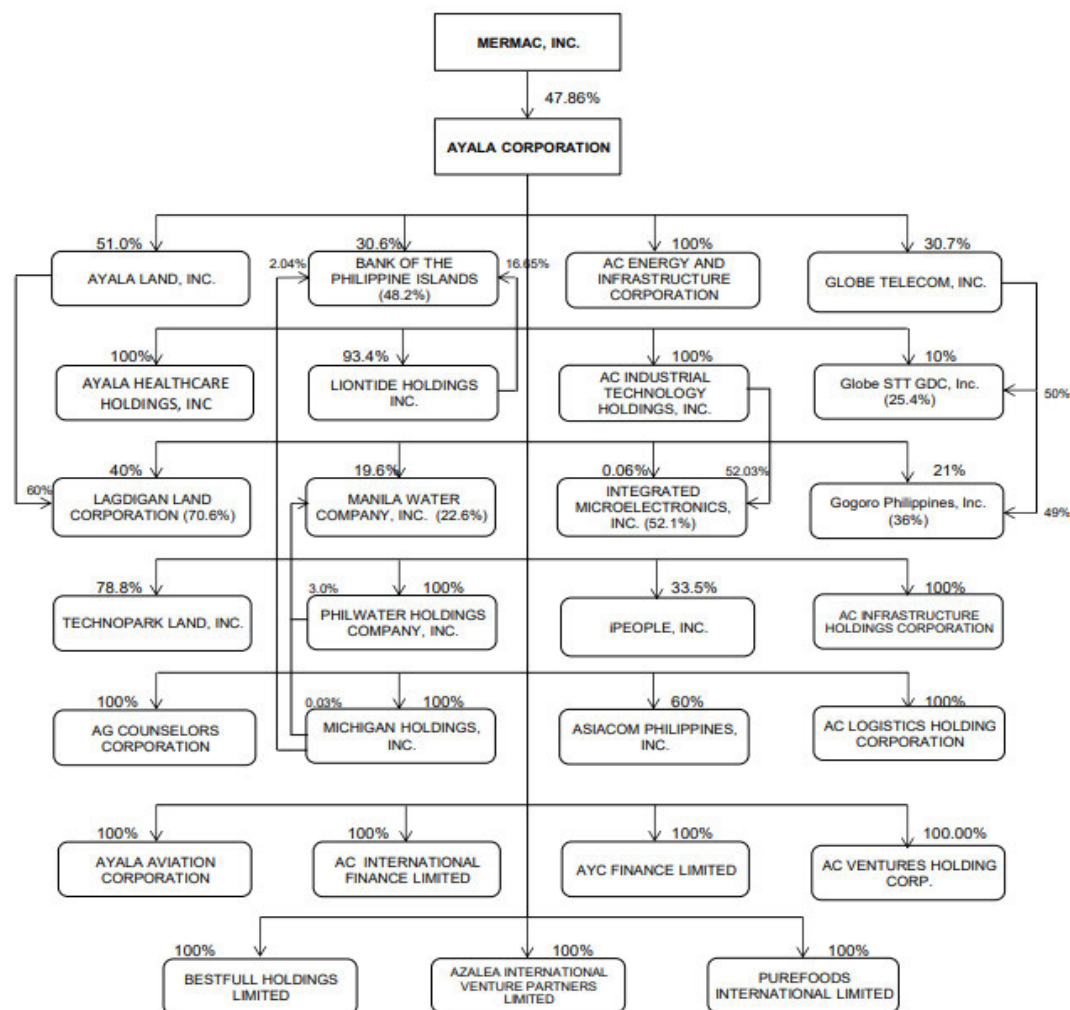
As at December 31, 2023

Ratio	Formula	2023	2022	2021
Current ratio	Current assets / Current liabilities	1.76	1.77	1.58
Acid test ratio	Quick assets (Total current assets excluding inventory)/ Current liabilities	0.87	0.88	0.87
Solvency ratio	EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt)	0.23	0.2	0.16
Debt-to-equity ratio	Total debt / Consolidated stockholders' equity	0.81	0.8	0.82
Asset-to-equity ratio	Total assets / Consolidated stockholders' equity	2.65	2.66	2.76
Interest rate coverage ratio	EBITDA / Interest expense	5.19	4.82	4.01
Return on equity	Net income attributable to equity holders of the company / Average total stockholders' equity	0.09	0.07	0.05
Return on assets	Net income after tax / Average total assets	0.04	0.03	0.02
Net profit margin	Net income attributable to equity holders of the company / Total consolidated revenue	0.16	0.15	0.12

Ayala Land, Inc. and Subsidiaries

Map of the Group of Companies within which the Parent Company belongs

As at December 31, 2023

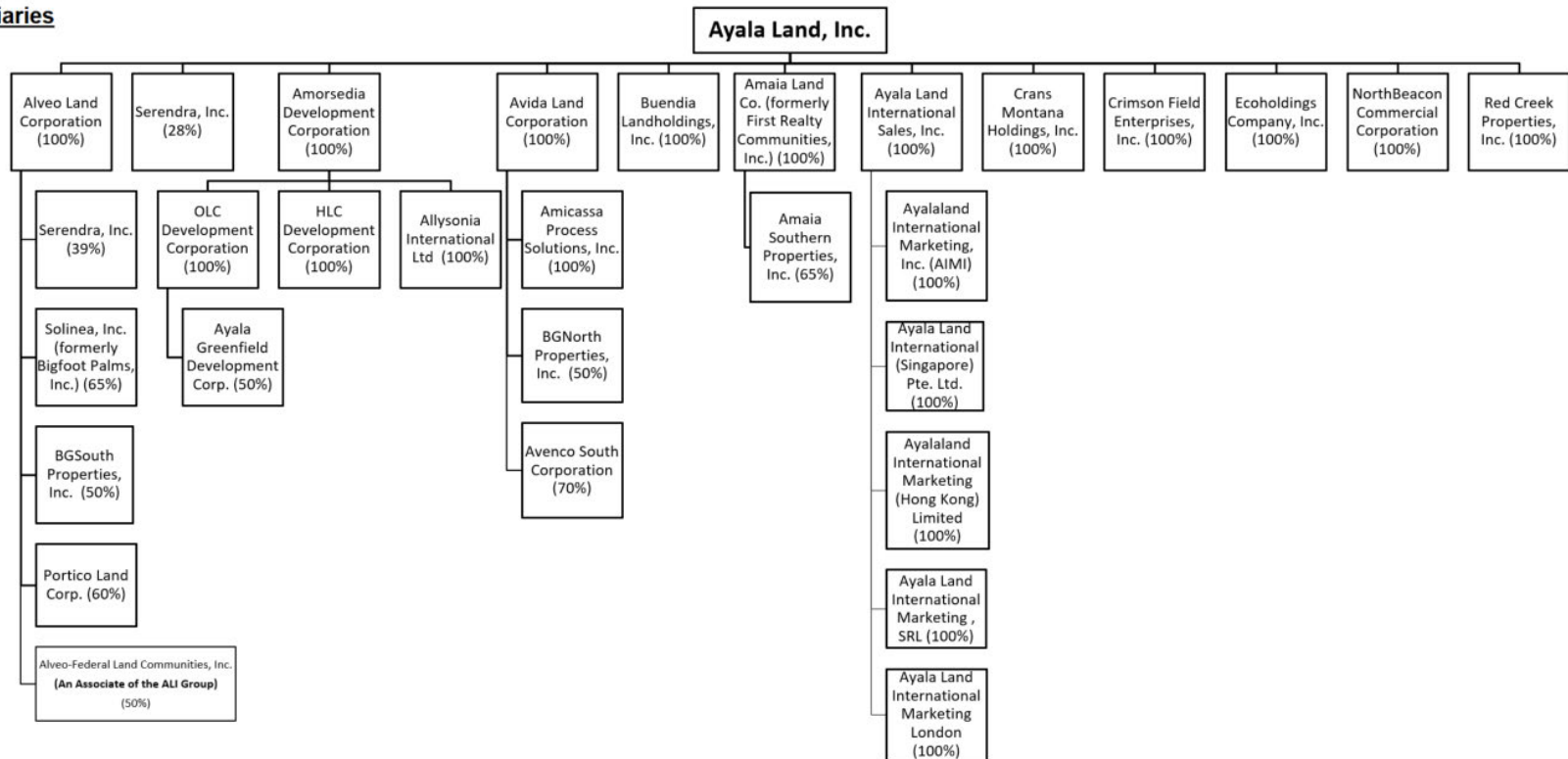


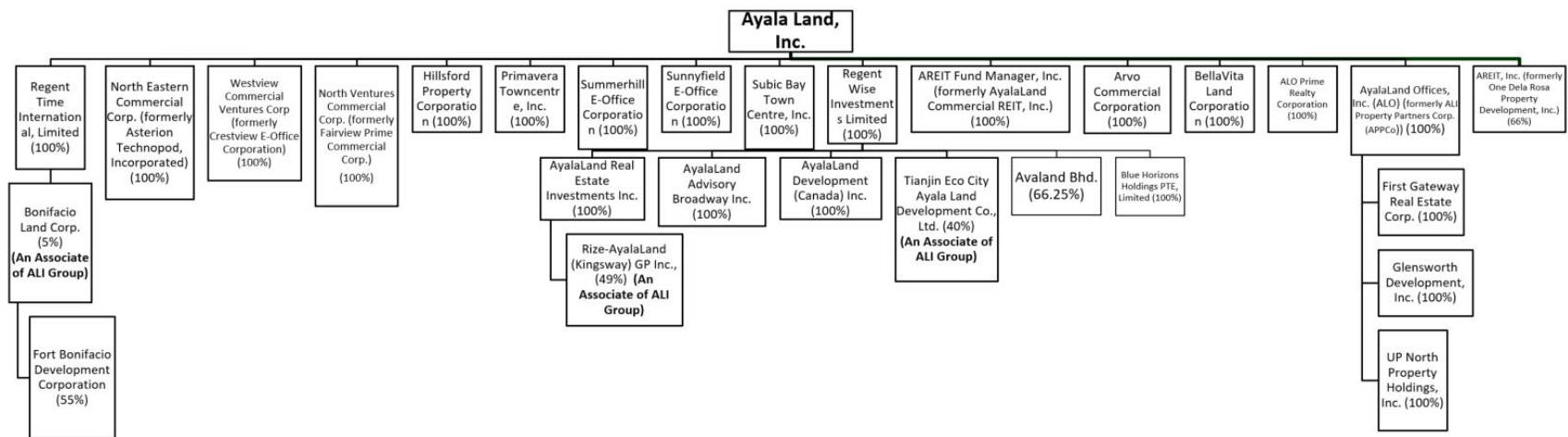
Legend:

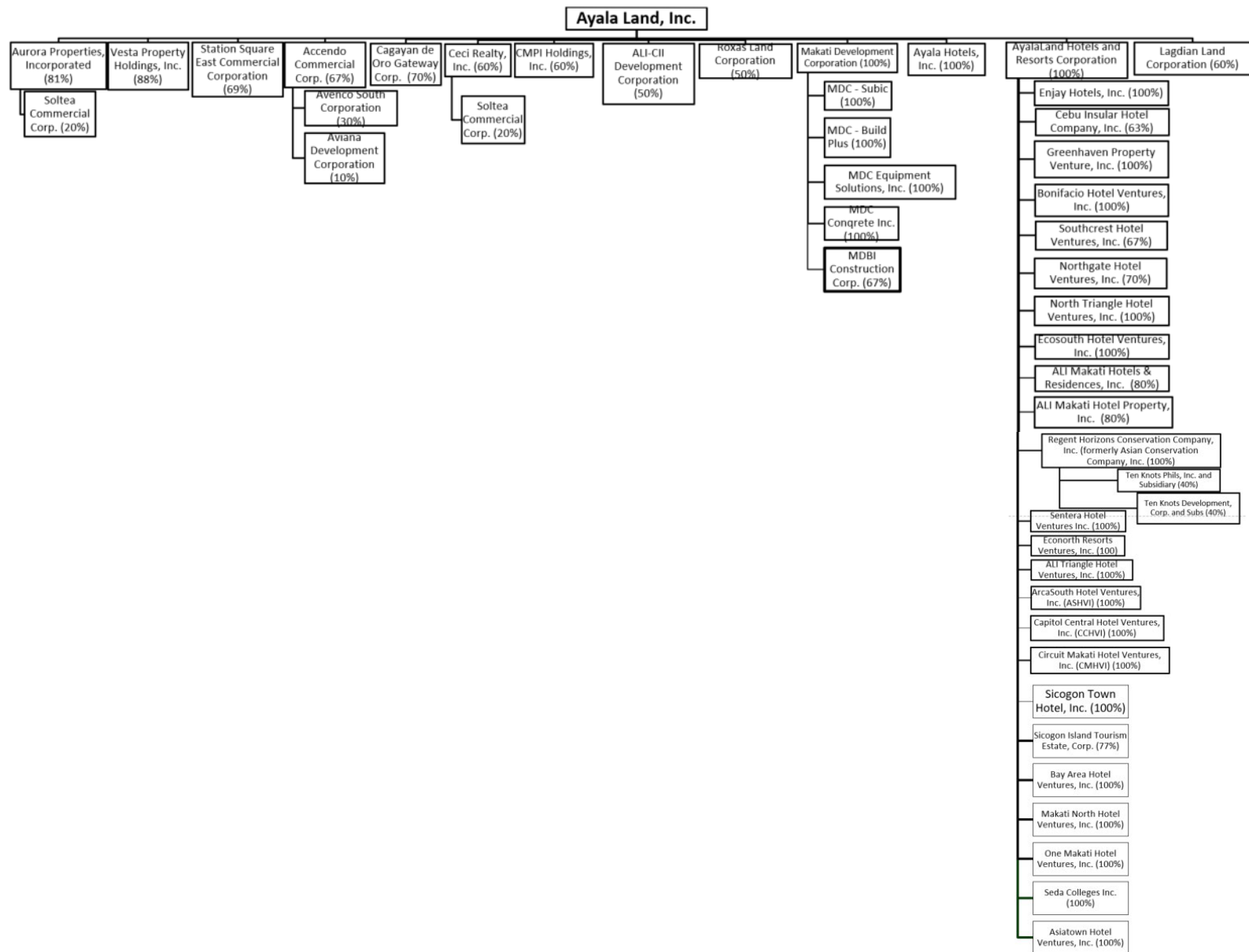
% of ownership appearing outside the box - direct % of economic ownership

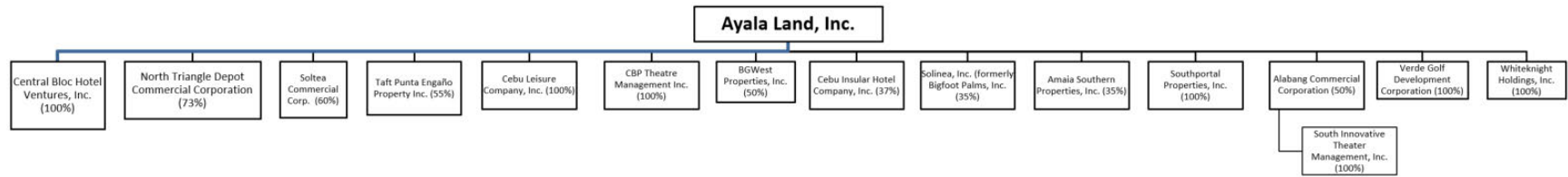
% of ownership appearing inside the box - effective % of economic ownership

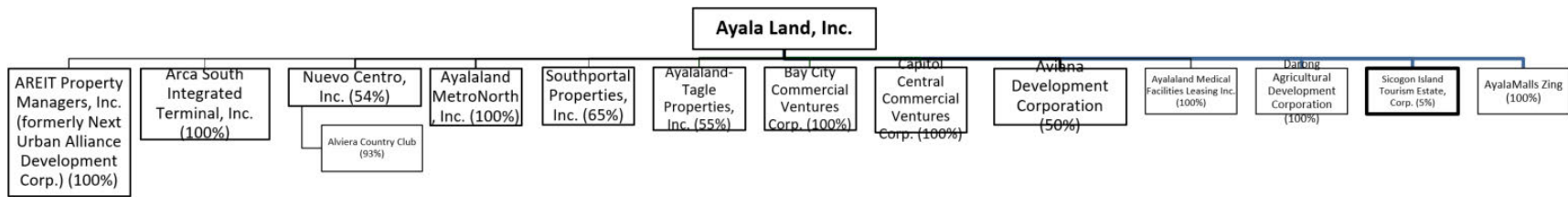
Subsidiaries

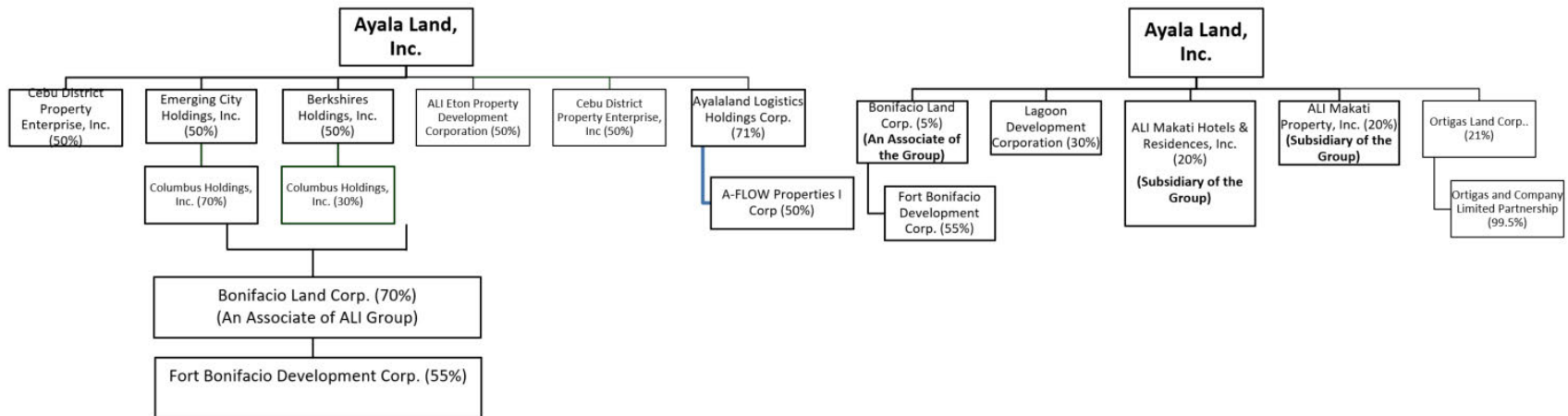












Ayala Land, Inc. and Subsidiaries**Bond Proceeds**

As at December 31, 2023

P15.0 Billion Fixed Rate Bonds due 2028 (Series A- P10.1 Billion) and 2033 (Series B- P4.9 Billion)

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	14,000,000	15,000,000
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	6,123	6,123
Documentary Stamp Tax	105,000	112,500
Underwriting Fee	52,500	56,250
Estimated Professional Expenses & Agency fees	8,420	8,156
Marketing/Printing/Photocopying Costs and OPEs	1,000	545
Listing Fee	200	200
Total Expenses	173,243	183,775
Net Proceeds	13,826,757	14,816,225
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P15.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P14.82 billion were used to partially refinance various short-term Philippine peso-denominated obligations amounting to ₱4.42 billion and approximately ₱10.40 billion to fund general corporate requirements, including but not limited to various capital expenditures.

P33.0 Billion Fixed Rate Bonds due 2024 (Series A - P12.0 Billion), 2027 (Series B- P7.0 Billion) and 2029 (Series C - P14.0 Billion)

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	33,000,000	33,000,000
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	8,333	8,333
Documentary Stamp Tax	247,500	247,500
Underwriting Fee	123,750	123,750
PDEX Listing Fee	100	585
Accounting	2,000	1,800
Legal	80	633
Credit Rating	6,600	3,780
Registry and Paying Agency	300	300
Trusteeship	150	150
Out-of-pocket expenses	500	187
Total Estimated Upfront Expenses	389,313	387,018
Net Proceeds	32,610,687	32,612,982
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P33.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P32.61 billion were used to partially refinance various short-term Philippine peso-denominated obligations amounting to ₱22.10 billion and approximately ₱10.52 billion to fund general corporate requirements, including but not limited to expenses in the ordinary course of business including the ₱1.20 billion worth of various capital expenditures.

P12.0 Billion Fixed Rate Bonds due 2028

(In thousands)	Estimated	
	Per prospectus	Actual
Issue Amount	12,000,000	12,000,000
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,030	3,030
Documentary Stamp Tax	90,000	90,000
Underwriting Fee	45,000	45,000
PDEX Listing Fee	100	223
Accounting	2,500	2,500
Legal	563	1,013
Credit Rating	2,402	2,463
Registry and Paying Agency	285	285
Trusteeship	150	150
Out-of-pocket expenses	500	93
Total Estimated Upfront Expenses	144,530	144,756
Net Proceeds	11,855,470	11,855,244
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P12.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P11.86 billion were used to partially refinance short-term loans that were drawn to finance the full settlement of the Company's 6.0% per annum ₱5.65 billion fixed-rate bonds issued in 20124 ("6.0% ALI 2022 Bonds") and the balance to partially fund the settlement of the 4.5% per annum ₱7.00 billion fixed-rate bonds issued in 20155 ("4.5% ALI 2022 Bonds", together, the "ALI 04-2022 Bonds") that matured on April 27 and 29, 2022, respectively, and approximately ₱1.00 billion to fund general corporate requirements, including but not limited to expenses in the ordinary course of business including capital expenditures.

P3.0 Billion Fixed Rate Bonds due 2031

(In thousands)	Estimated	
	Per prospectus	Actual
Issue Amount	2,750,000	3,000,000
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,263	1,957
Documentary Stamp Tax	20,625	22,500
Underwriting Fee	10,313	11,250
Estimated Professional Expenses & Agency fees	7,300	5,733
Marketing/Printing/Photocopying Costs and OPEs	1,000	334
Listing Fee	100	100
Total Expenses	40,600	41,874
Net Proceeds	2,709,400	2,958,126
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to refinance the short-term loan drawn to finance the early redemption of the Company's 7.0239% per annum ₱8.00 billion fixed-rate bonds due 2023 issued in 2018 on October 5, 2021 (the "7.0239% p.a. 2018 Bonds") and partially finance the Company's capital expenditures.

P10.0 Billion Fixed Rate Bonds due 2025

(In thousands)	Estimated	
	Per prospectus	Actual
Issue Amount	10,000,000	10,000,000
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525	2,525
Documentary Stamp Tax	75,000	75,000
Underwriting Fee	37,500	37,500
Estimated Professional Expenses & Agency fees	5,000	4,758
Marketing/Printing/Photocopying Costs and OPEs	1,000	177
Listing Fee	100	100
Total Expenses	121,125	120,060
Net Proceeds	9,878,875	9,879,940
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to refinance any short-term loans that will be drawn to finance the early redemption of the Company's 5.625% per annum ₱8.0 billion fixed-rate bonds due 2025 issued in 2014, and partially finance the Company's general corporate requirements.

P6.3 Billion Fixed Rate Bonds due 2025

(In thousands)	Estimated	
	Per prospectus	Actual
Issue Amount	6,250,000	6,250,000
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,578	1,578
Documentary Stamp Tax	46,875	46,875
Underwriting Fee	23,438	23,438
Estimated Professional Expenses & Agency fees	5,000	5,520
Marketing/Printing/Photocopying Costs and OPEs	1,000	274
Listing Fee	100	100
Total Expenses	77,991	77,785
Net Proceeds	6,172,009	6,172,215
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P6.3 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.17 billion. Net proceeds were used to refinance the Company's 4.725% per annum ₱1.8 billion term loan maturity on September 29, 2020, 4.625% per annum ₱4.0 billion bond maturity on October 10, 2020 and a portion of its existing short-term loans.

P9.0 Billion Fixed Rate Bonds due 2021 and P1.0 Billion Fixed Rate Bonds due 2027

	Estimated	
(In thousands)	Per prospectus	Actual
Issue Amount	10,000,000	10,000,000
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,093	3,093
Documentary Stamp Tax	75,000	75,000
Underwriting Fee	37,500	37,500
Estimated Professional Expenses & Agency fees	9,000	4,207
Marketing/Printing/Photocopying Costs and OPEs	1,000	118
Listing Fee	150	254
Total Expenses	125,743	120,172
Net Proceeds	9,874,257	9,879,828
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to partially finance various projects.

P3.0 Billion Fixed Rate Bonds due 2024

	Estimated	
(In thousands)	Per prospectus	Actual
Issue Amount	3,000,000	3,000,000
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	758	758
Documentary Stamp Tax	22,500	22,500
Underwriting Fee	11,250	11,025
Estimated Professional Expenses & Agency fees	9,000	3,965
Marketing/Printing/Photocopying Costs and OPEs	1,000	69
Listing Fee	150	152
Total Expenses	44,658	38,469
Net Proceeds	2,955,343	2,961,531
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to partially finance various projects.

P8.0 Billion Fixed Rate Bonds due 2026

	Estimated	
(In thousands)	Per prospectus	Actual
Issue Amount	8,000,000	8,000,000
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588	2,588
Documentary Stamp Tax	60,000	60,000
Underwriting Fee	30,000	30,000
Estimated Professional Expenses & Agency fees	9,000	6,066
Marketing/Printing/Photocopying Costs and OPEs	5,000	339
Listing Fee	150	218
Total Expenses	106,738	99,211
Net Proceeds	7,893,262	7,900,789
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.90 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2027

	Estimated	
(In thousands)	Per prospectus	Actual
Issue Amount	7,000,000	7,000,000
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,768	1,768
Documentary Stamp Tax	35,000	35,000
Underwriting Fee	26,250	26,250
Estimated Professional Expenses & Agency fees	9,000	3,161
Marketing/Printing/Photocopying Costs and OPEs	5,000	990
Listing Fee	100	100
Total Expenses	77,118	67,269
Net Proceeds	6,922,883	6,932,731
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.92 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2025

	Estimated	
(In thousands)	Per prospectus	Actual
Issue Amount	7,000,000	8,000,000
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,768	1,768
Documentary Stamp Tax	35,000	35,000
Underwriting Fee	26,250	26,250
Estimated Professional Expenses & Agency fees	7,500	2,302
Marketing/Printing/Photocopying Costs and OPEs	2,500	249
Listing Fee	100	100
Total Expenses	73,118	65,668
Net Proceeds	6,926,883	7,934,332
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P7.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.9 billion. Net proceeds were used to partially finance various projects.

P8.0 Billion Fixed Rate Bonds due 2026

	Estimated	
(In thousands)	Per prospectus	Actual
Issue Amount	8,000,000	8,000,000
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588	2,588
Documentary Stamp Tax	40,000	40,000
Underwriting Fee	30,000	30,000
Estimated Professional Expenses & Agency fees	7,500	3,651
Marketing/Printing/Photocopying Costs and OPEs	2,500	399
Listing Fee	100	100
Total Expenses	82,688	76,738
Net Proceeds	7,917,312	7,923,262
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.9 billion. Net proceeds were used to partially finance various projects.

P4.0 Billion in Fixed Rate Bonds due 2020 and P2.0 Billion Fixed Rate Bonds due 2033

(In thousands)	Estimated	
	Per prospectus	Actual
Issue Amount	6,000,000	6,000,000
Expenses		
Documentary Stamp Tax	30,000	30,000
Upfront Fees		
Underwriting Fee (375 bps + GRT)	22,500	22,500
Professional Expenses	1,458	2,518
Listing Fee	100	100
Out of Pocket Expenses (publication, printing etc.)	1,000	6
Total Expenses	55,058	55,123
Net Proceeds	5,944,943	5,944,877
Balance of Proceeds as of December 31, 2023		NIL

Ayala Land raised from the Bonds gross proceeds of P6.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P5.9 billion. Net proceeds were used to partially finance various projects.