



SPONSOR REINVESTMENT PLAN

In connection with the sale of Seda Lio to AREIT, Inc.

As of 26 September 2024 

Table of Contents

I.	EXECUTIVE SUMMARY	3
II.	ABOUT THE SPONSOR	3
a.	Company Background	3
b.	Management and Organization	4
III.	PROCEEDS RECEIVED BY THE SPONSOR	5
IV.	REINVESTMENT PLAN	6
V.	MONITORING AND REVIEW	8
VI.	REPORTING	8

I. EXECUTIVE SUMMARY

This Reinvestment Plan sets forth the planned use of the proceeds received by Ayala Land, Inc. (“Ayala Land”) from the sale of Seda Lio (“Seda Lio”) to AREIT, Inc. (“AREIT”). Ayala Land, through its subsidiary Econorth Resort Ventures, Inc. (“ERVI”),¹ received net cash proceeds of ₱1,263,520,000.00 (inclusive of value-added tax). The net cash proceeds were fully received on 26 September 2024.²

Seda Lio is a one hundred fifty-three (153)-room resort-hotel with a gross floor area of 17,680 square meters (sq.m) and the surrounding amenities located along Lio Beach, El Nido, Palawan. It is a prime leisure destination within Ayala Land’s Lio Estate, catering to meeting and incentive groups, leisure tourists, families, destination weddings, and other discerning visitors. Upon transfer to AREIT, ERVI, as hotel operator, will lease the building over the next 25 years beginning January 2024.

Pursuant to Securities and Exchange Commission (“SEC”) Memorandum Circular No. 1, series of 2020, and Bureau of Internal Revenue (“BIR”) – Revenue Regulations No. 3-2020, any sponsor/promoter of a REIT who contributes income-generating real estate to a REIT, shall submit a sworn statement to the SEC, the Philippine Stock Exchange (“PSE”), and the BIR, a reinvestment plan undertaking to reinvest any proceeds realized by the sponsor/promoter from the sale of REIT shares or other securities issued in exchange for income-generating real estate transferred to the REIT, and any money raised by the sponsor/promoter from the sale of any of its income-generating real estate to the REIT, in any real estate, including any redevelopment thereof, and/or infrastructure projects in the Philippines, within one (1) year from the date of receipt of proceeds or money by the sponsor/ promoter.

Following current regulations, Ayala Land intends to invest its net proceeds in various real estate developments comprising of one (1) hotel building, two (2) office buildings, one (1) land acquisition, and one (1) estate development in Parañaque City, Lio Estate in El Nido, Palawan, Arillo Estate in Nasugbu, Batangas, Nuvali in Laguna, and Evo City, Kawit, Cavite. All disbursements for such projects are intended to be distributed within one year upon receipt of the full proceeds from the sale of Seda Lio to AREIT. Please see the “Reinvestment Plan” section starting on page 6 of this Sponsor Reinvestment Plan, for more details on the real estate developments. Ayala Land does not intend to reinvest the proceeds from the sale of the AREIT shares in any infrastructure project.

II. ABOUT THE SPONSOR

a. Company Background

Ayala Land is a public corporation organized under the laws of the Philippines. Spun off from its parent company, Ayala Corporation, in 1988, Ayala Land focuses on the real estate business of the Ayala group. Ayala Land went public in July 1991 when its common class “B” shares were listed on the Manila and Makati Stock Exchanges. In 1997, the SEC approved the declassification of Ayala Land’s common class “A” and “B” shares into common shares. Ayala Corporation holds 51.56% of Ayala Land’s common shares, 47.51% are owned by the public, and 15.01% are by foreign owners as of 30 June 2024.

Ayala Land Inc. is the largest property developer in the Philippines, with more than 11 thousand hectares of land bank and a solid track record in developing large-scale, integrated, mixed-use, and sustainable estates.

With 53 estates across the country, Ayala Land hosts its diversified portfolio of complementary businesses: development of residential, office condominiums, commercial, and industrial properties for sale; commercial leasing through shopping centers, offices, hotels, resorts, factory buildings, warehouses, co-living, and co-working spaces; services such as construction, property management, retail energy supply, airlines, and strategic property-related investments.

¹ 100% owned by AyalaLand Hotels and Resorts Corp, a wholly-owned subsidiary of Ayala Land.

² Initial proceeds were received on 17 January 2024 and the balance on 26 September 2024.

Following the success of the Makati Central Business District (Makati CBD), Ayala Alabang, Cebu Park District, Bonifacio Global City (BGC), and Nuvali, Ayala Land pioneers' sustainability standards and practices in all its developments and acts with integrity, foresight, and prudence as a responsible corporate citizen.

Focused on the vision of "enhancing land and enriching lives for more people," Ayala Land continuously strives to deliver quality products and services that result in long-term value for its stakeholders.

Ayala Land's property development activities concern the sale of high-end, upscale, middle-income, affordable, and socialized residential lots, units (including leisure community developments), house and lot packages, office spaces, and commercial and industrial lots. These products are developed and sold through Ayala Land Subsidiaries under a variety of brands, including AyalaLand Premier for luxury village lots and condominium and office units; Alveo Land Corp. for upscale village lots, condominiums, and office units; Avida Land Corp. for middle-income village lots, house and lot packages, condominium, and office units; Amaia Land Corp. for the affordable house and lot packages and condominium units; and BellaVita Land Corp. for the socialized house and lot packages.

Ayala Land's experience with commercial leasing is broad and encompasses the development and leasing of office buildings, factory buildings, shopping centers, and hotels and resorts. This experience also includes the operation of movie theaters, food courts, entertainment facilities, and carparks in developed shopping centers; management and operations of co-owned malls with partners; and operation and management of branded and owner-operated hotels.

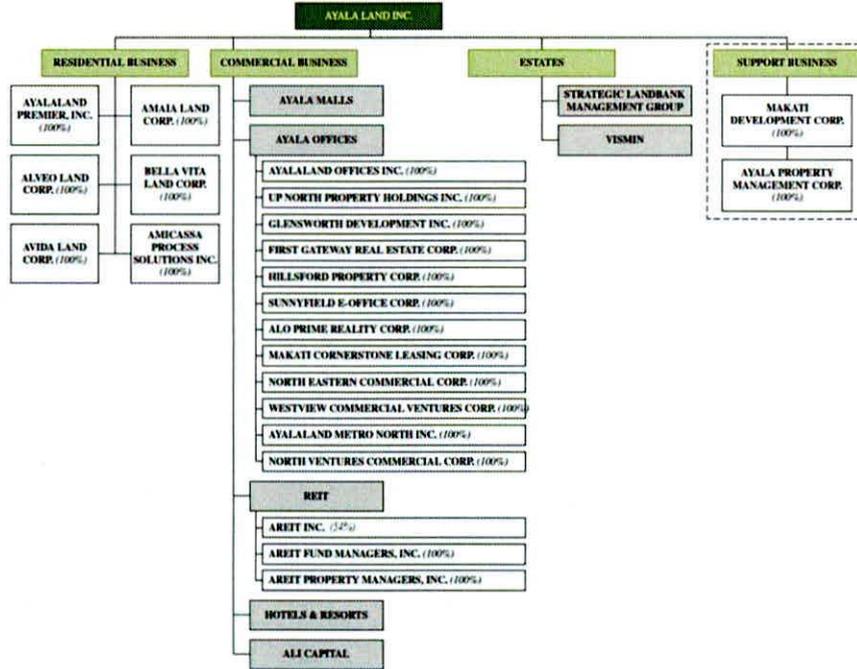
Ayala Land is also engaged in construction and property management as rendered by its subsidiaries, Makati Development Corporation and Ayala Property Management Corporation, respectively. Property management activities include the distribution of district cooling systems and bulk purchase and supply of electricity for energy solutions.

b. Management and Organization

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

Management Committee Members	Position
Anna Ma. Margarita B. Dy	President and CEO, Ayala Land, Inc.
Dante M. Abando	President and CEO, Makati Development Corp.
Augusto D. Bengzon	CFO and Treasurer, Ayala Land, Inc.
Raquel S. Cruz	Group Head, Core Residential
Joseph Carmichael Z. Jugo	Group Head, Premium Residential
Laurent P Lamasuta	President and CEO, Ayala Property Management Corp.
Robert S. Lao	Group Head, Strategic Growth and New Ventures and Central Land Acquisition
Isabel D. Sagun	Chief Human Resources Officer and Group Head, Human Resources, Ayala Land, Inc.
Mariana Beatriz Zobel de Ayala	Group Head, Leasing and Hospitality

Ayala Land's group structure is as follows:



III. PROCEEDS RECEIVED BY THE SPONSOR

Pursuant to the sale of Seda Lio, Ayala Land received net cash proceeds of ₱1,263,520,000.00 (inclusive of value-added tax). The net cash proceeds were fully received on 26 September 2024.³

IV. REINVESTMENT PLAN

Ayala Land intends to invest its net proceeds in various real estate developments comprising of one (1) hotel building, two (2) office buildings, one (1) land acquisition, and one (1) estate development in Parañaque City, Lio Estate in El Nido, Palawan, Arillo Estate in Nasugbu, Batangas, Nuvali in Laguna, and Evo City, Kawit, Cavite which Ayala Land may undertake on its own or through its subsidiaries and affiliates (as indicated in the table below) (each an "Ayala Land Subsidiary or Affiliate"). The transfer of funding from Ayala Land to the relevant Ayala Land Subsidiary or Affiliate may be through a capital infusion or through shareholder financing. In either case, the relevant documentary stamp taxes will be paid by the proper party, subject to their agreement. The projected disbursements in connection with the proposed use of proceeds is provided in the succeeding table:

³ Initial proceeds were received on 17 January 2024 and the balance on 26 September 2024.

Project name	Description	Location	Investment Type	Product	Percentage Completion	Completion Date	Total Planned Use for one year	Feb 1, 2024 to Jan 29, 2025	Disbursing Entity
1 Seda Manila Bay	350- room hotel	Metro Manila	Investment in Building	Hotel	100%	2024	60,121,992	60,121,992 <i>100%</i>	Ayala Land, Inc.
2 Lio Estate	Tourism Estate	Palawan	Estate Development	Leisure Estate	n/a	n/a	80,767,984	80,767,984 <i>100%</i>	Ten Knots Philippines, Inc.
3 Arillo Estate	Tourism Estate	Batangas	Estate Development	Leisure Estate	3%	2027	37,070,429	37,070,429 <i>100%</i>	Ayala Land, Inc.
4 Nuvali Technohub	Office development	Laguna	Investment in Building	Office	99%	2025	421,521,306	421,521,306 <i>100%</i>	Ayala Land, Inc.
5 Evo Technohub	Office development	Cavite	Investment in Building	Office	99%	2025	664,038,289	664,038,289 <i>100%</i>	Ayala Land, Inc.
TOTAL							1,263,520,000		

While Ayala Land, and its subsidiaries and affiliates shall endeavor to cause the completion of the construction of the projects enumerated above within the projected time-frame, the time of completion and accordingly, the timing of disbursements projected above, are subject to fire, earthquake, other natural elements, acts of God, war, civil disturbance, government and economic controls, delay in the construction timetable and progress billings arising out of unforeseen site conditions or difficulty in obtaining the necessary labor or materials for the projects, or due to any other cause beyond the control of Ayala Land, and its subsidiaries and affiliates.

V. MONITORING AND REVIEW

Ayala Land shall monitor the actual disbursements of projects proposed in this Reinvestment Plan on a quarterly basis. For purposes of monitoring, Ayala Land shall prepare a quarterly progress report of actual disbursements on the projects covered by this Reinvestment Plan.

In the event of changes in the actual disbursements of projects proposed in this Reinvestment Plan, Ayala Land, shall inform the SEC, PSE, BIR or the appropriate government agency, by sending a written notice to that effect.

VI. REPORTING

Ayala Land shall comply with the reportorial and disclosure requirement prescribed by the SEC, PSE, BIR, or the appropriate government agency.

Ayala Land shall submit with the PSE, a quarterly progress report, and a final report on the implementation of the Reinvestment Plan, duly certified by its Chief Finance Officer, Treasurer, and External Auditor. The quarterly progress report shall be submitted to the PSE following the relevant PSE rules. Ayala Land shall likewise submit a final report on the implementation of the REIT Plan and submit the same to the PSE.

The Reinvestment Plan and the status of its implementation shall be included in the appropriate structured reports of Ayala Land to the SEC, and the PSE. Any investment pursuant to the Reinvestment Plan shall also be disclosed by Ayala Land via SEC Form 17-C as such investment is made. Ayala Land shall likewise furnish the SEC with copies of the relevant documentary stamp tax returns, as may be applicable.

[Signature page follows.]

CERTIFICATION

This REINVESTMENT PLAN was prepared and assembled under our supervision in accordance with existing rules of the Securities and Exchange Commission, Philippine Stock Exchange, and the Bureau of Internal Revenue. The information and data provided herein are complete, true, and correct to the best of our knowledge and/or based on authentic records.

By:

AYALA LAND, INC.
Sponsor


AUGUSTO D. BENGZON
Attorney-in-Fact


JOSE EMILIO B. JAMIR
Attorney-in-Fact

SUBSCRIBED AND SWORN to before me this 26th day of September 2024 at Makati City, with the affiant/s exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC. <i>Represented by:</i> Augusto D. Bengzon Jose Emilio B. Jamir	TIN: 000-153-790-000 Passport No. P4323352B Passport No. P7014683B	08 Jan 2020 / DFA NCR East 18 Jun 2021 / DFA Angeles

Doc. No. 41 ;
Page No. 10 ;
Book No. XVII ;
Series of 2024. *figure*



Notarial DST pursuant to Sec. 61 of the TRAIN Act (Amending Sec. 188 of the NIRC) affixed on Notary Public's copy


MA. FLORENCE THERESE D.G. MARTINEZ-CRUZ
Notary Public – Makati City
Appt. No. M-198 until December 31, 2025
Roll of Attorneys No. 60896
IBP No. 496323 – 01/03/2025 - Makati City
PTR No. MKT10473033 – 01/06/2025 - Makati City
MCLE Compliance No. VII – 0018684 – 01/25/2022
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines