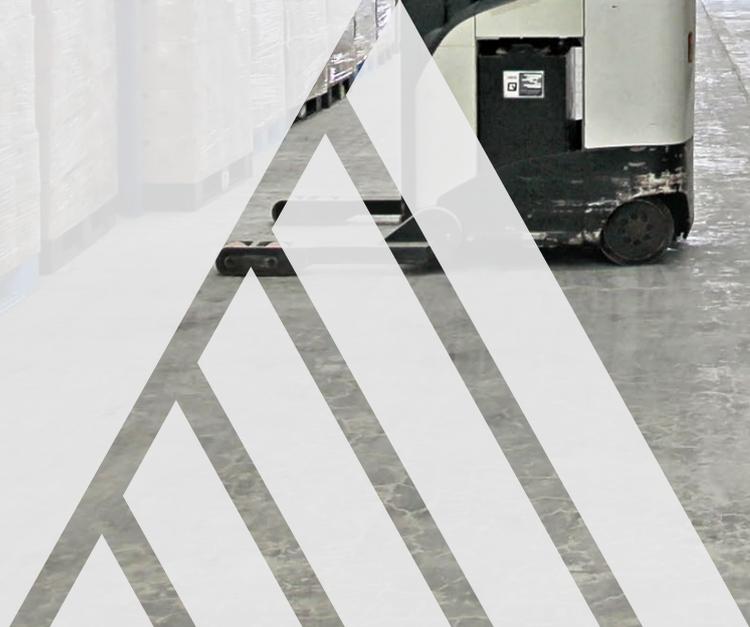




 AyalaLand
LOGISTICS
HOLDINGS CORP.

2021 ANNUAL REPORT

Transforming
tomorrow through resilient
industrial communities today





ABOUT THE COVER

A warehouse employee handles product inventory for storage, at a locator's facility in Laguna Technopark. The industrial estate is home to about 270 global and local business locators, spurring growth and progress in the Calabarzon region.

On this page:

A canopy of trees gives a refreshing view of green spaces in Laguna Technopark.



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OUR COMPANY

AyalaLand Logistics Holdings Corp. (ALLHC) pursues real estate logistics and industrial estate development.

ALLHC is the leading industrial real estate company in the Philippines. ALLHC is present in six growth areas nationwide through its industrial parks, warehouses, cold storage facilities, and commercial properties.

Among its developments are world-class industrial estates; Laguna Technopark, Cavite Technopark, Pampanga Technopark, Laguindingan Technopark in Misamis Oriental. Its ALogis warehouse facilities are located in Biñan and Calamba, Laguna; Naic in Cavite; Porac, Pampanga; Sto. Tomas, Batangas, and Manila, complemented by the ALogis Artico cold storage facilities in Biñan, Laguna. Its commercial leasing portfolio comprises Tutuban Center in Manila and South Park Center in Muntinlupa City.

OUR VISION-MISSION

Our vision is to be the leading industrial and real estate logistics company in the country. By developing dynamic industrial and logistics hubs, we create environments that energize and support businesses.

We empower our people to provide exceptional service and nurture partnerships with our stakeholders.

We build long-term value for our stakeholders and enhance lives in the communities where we are present.

OUR CORE VALUES

Leadership

We empower our people to make decisions and be accountable for their actions.

Integrity

We do the right thing.

Vision

We innovate and lead with a vision.

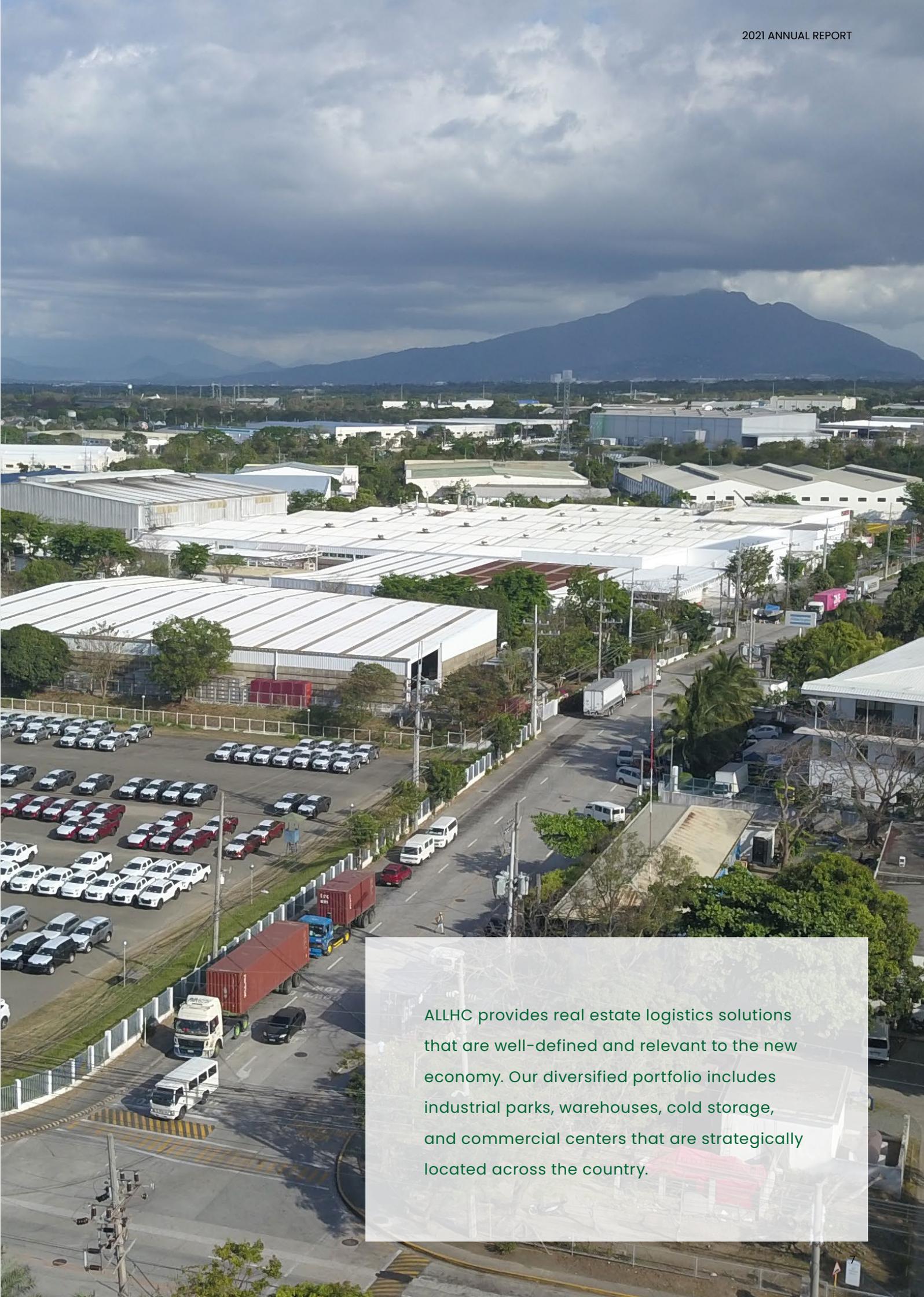
Excellence

We give our best in all that we do.

Malasakit (Compassion)

We care for our employees, our customers, and the community. We go the extra mile.

OUR PORTFOLIO



ALLHC provides real estate logistics solutions that are well-defined and relevant to the new economy. Our diversified portfolio includes industrial parks, warehouses, cold storage, and commercial centers that are strategically located across the country.



INDUSTRIAL PARKS

Laguna Technopark

Sta. Rosa and Biñan, Laguna

471 hectares

Cavite Technopark

Naic, Cavite

166 hectares

Alviera Industrial Park

Porac, Pampanga

62 hectares

**Managed only by ALLHC*

Laguindingan Technopark

Habini Bay, Misamis Oriental

105 hectares

Pampanga Technopark

Mabalacat, Pampanga

247 hectares





Laguna Technopark, Sta. Rosa and Biñan, Laguna





WAREHOUSES

Alogis Biñan

Biñan, Laguna

103,000 sqm GLA

Alogis Naic

Naic, Cavite

13,000 sqm GLA

Alogis Porac

Porac, Pampanga

31,000 sqm GLA

Alogis Calamba

Calamba, Laguna

76,000 sqm GLA

Alogis Tutuban

Tondo, Manila

1,000 sqm GLA



Alogis Porac, Alviera Industrial Park, Pampanga



COLD STORAGE

Alogis Artico Biñan 1

Biñan, Laguna

4,000 pallet positions

Alogis Artico Biñan 2

Biñan, Laguna

3,300 pallet positions







Tutuban Center, Tondo, Manila



COMMERCIAL CENTERS

Tutuban Center

Tondo, Manila

36,000 sqm GLA

South Park Center

Muntinlupa

57,000 sqm GLA

PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS	2021	2020	2019
Statement of Income (in million pesos)			
Revenues	4,297	3,717	5,346
Lot Sales	2,053	1,276	1,809
Warehouse	452	353	287
Commercial	425*	520	854
Power	1,066	1,568	2,396
Cold Logistics	49	-	-
Net Income	780	703	641
Statement of Financial Position (in million pesos)			
Total Assets	20,385	19,354	19,369
Stockholders' Equity	11,968	11,841	11,176
Stock Information			
Earnings Per Share (EPS)	0.12	0.11	0.10
Price/Earnings Per Share (P/E)	53.95	31.17	31.24
Stock Price**	6.73	3.40	2.99
Market Capitalization** (in billion Php)	42	21	18
Financial Ratios			
Current Ratio	1.91	1.35	1.09
Net Debt-to-Equity Ratio	0.54	0.46	0.55
Return on Equity (ROE)	0.07	0.06	0.06

*Does not include recoveries amounting to P251 million
 **As of last applicable trading date of the year

OPERATIONAL HIGHLIGHTS

	2021	2020	2019
Gross Land Area (in hectares)	988	934	934
Warehouse Leasing GLA (in thousand sqm)	224	207	175
Commercial Leasing GLA (in thousand sqm)	93	90	84

SUSTAINABILITY HIGHLIGHTS (in million pesos)

Economic Value Generated (Total Revenues)	4,297	3,717	5,346
Economic Value Distributed	3,190	2,907	3,894
Payments to suppliers / contractors	2,743	2,368	3,467
Payments to employees	56	52	41
Payments to providers of capital	176	218	148
Payments to governments	214	264	237
Payments to communities	1.5	4.5	0.7
Economic Value Retained	1,107	810	1,452



MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT

The year 2021 was a period of resetting our business plans while keeping focus on our goals. It was a significant year for AyalaLand Logistics Holding Corp. (ALLHC) despite the ongoing crisis. Hurdling two strict lockdowns last year, ALLHC remained committed to supporting the country's economic recovery and growth.

Throughout the year, ALLHC continued to operate across its industrial parks, logistics facilities, malls and office, sustaining the manufacturing and commercial activities in the areas where we are present. The easing up of pandemic restrictions towards the end of the year buoyed overall business climate.

In 2021, ALLHC's revenues rose by 16% to P4.3 billion, while net income grew by 11% to 780 million. The strong performance was driven by continuous demand for industrial lots and stable operations of ALLHC's warehouses and offices. ALLHC ended the year with a total warehouse gross leasable area of 224,000 sqm, an 8% growth from 207,000 sqm in 2020.

ALLHC focused on diversifying its products. From dry warehouses, we ventured into cold logistics through the acquisition of two existing cold storage facilities that jumpstarted our portfolio under the ALogis Artico brand. ALLHC secured an additional 55 hectares for the expansion of our Pampanga Technopark.

With higher customer confidence and improved foot traffic, ALLHC reopened and expanded the popular Tutuban Night Market with over 400 stalls. We strengthened our specialty leasing program and provided the option of online shopping to our mall patrons through TutuBuy.

As the pandemic pressed on, we continued to prioritize the safety and well-being of our

employees, our customers, and the needs of our stakeholders. ALLHC's commercial properties Tutuban Center and South Park Center were accorded Safety Seals from the local government. South Park Center continues to serve as Muntinlupa's mega vaccination site, the Philippine Red Cross' RT-PCR testing center, and the Philippine Statistics Authority Phil Sys National I.D. registration site.

Aligned with our mission of supporting the communities where we are in, we participated in the Alagang AyalaLand program through our support to MSMEs and through our community pantries and distribution drives in Laguna, Cavite, Pampanga, Laguingan, and Manila. Through these, we are able to help enrich lives and build nurturing environments.

Our deep commitment to environmental protection will take a bold step forward as we continue to shift to renewable energy sources and explore more sustainable ways in developing and managing our properties. We believe that in shaping the future, we address the challenges today in mitigating climate change and working towards carbon neutrality.

As we move forward, ALLHC will continue to take advantage of global market opportunities. Anchoring our products on the new economy, we will diversify our product line further with additional cold storage facilities and data centers.

We are optimistic that, in 2022, ALLHC's clear strategy and road map will ensure our long-term growth and financial sustainability. As a co-catalyst for growth and development, we remain committed to building a national footprint through increased presence in key locations all over the country. Our focused real estate logistics play, strong branding, strategic landbank and proven track record will enable

us to sustain our momentum.

To our Board of Directors, thank you for your guidance and support to the organization during this crucial period. To our employees, thank you for the solid teamwork, perseverance, and dedication while facing the challenges of the times. To our stakeholders, thank you for continuing to work and grow with us in achieving plans and aspirations.

Together, we transform tomorrow as we build resilient industrial communities today.



Jose Emmanuel H. Jalandoni
Chairman

Maria Rowena M. Tomeldan
President and Chief Executive Officer

CFO'S REPORT

AyalaLand Logistics Holdings Corp. (ALLHC) had a successful year of growth in 2021. The company achieved P4.3 billion in revenues, a growth of 16% versus last year, while net income registered at P780 million, up by 11% from 2020. The overall performance was driven by steady industrial lot sales and an increase in the company's leasable areas, coupled with prudent and efficient cost management measures.

The sale of industrial lots contributed P2.05 billion in revenues, 61% higher compared to P1.28 billion in 2020. Warehouse leasing revenues stood at P452 million, up by 28% from P353 million the previous year. Due to continued strict community quarantines, commercial leasing revenues contracted by 18% at P425 million versus P520 million last year. However, stable operations with a 100% occupancy rate at South Park Corporate Center tempered the effect on retail leasing. Recoveries amounting to P251 million were also recognized as part of revenue in 2021. ALLHC ventured into cold logistics with the acquisition of two existing cold storage facilities. Adding to the company's dynamic mix of recurring revenue, the new business line recognized P49 million in revenues by year-end.

To support its 2021 growth pipeline and expansion, ALLHC spent P2.5 billion in capital expenditures, an increase of 150% versus P1 billion in 2020. To meet the continuous demand for warehouse facilities, ALLHC delivered additional warehouse gross leasable area (GLA) in our ALogis Biñan and ALogis Calamba sites. These contributed an 8% growth from previous year, from 207,000 sqm to 224,000 sqm. We also accelerated our build-up of leasing assets through the acquisition of cold storage facilities. With a combined pallet position of 7,300, these cold facilities complement our industrial parks and warehouses.

Our strength lies in our capacity to evolve

– to diversify our products and broaden our portfolio, thus, fortifying ALLHC's financial foundation. Our strong balance sheet will support ALLHC's goal of building its national footprint, while offering products that are diverse and distinctly positioned. Our financial standing gives us confidence in fulfilling our role as co-catalyst for progress and development.

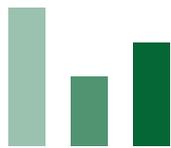
As we embrace a more positive business outlook in 2022, we endeavor to execute our forward plans well, by upholding high standards in cost management, ensuring the disciplined use of our resources, and carefully managing risks.

Furthermore, we will continue to be guided by best practices in corporate governance. In 2021, the Institute of Corporate Directors awarded ALLHC the 1 Golden Arrow recognition for its ASEAN Corporate Governance Scorecard results, signaling the company's improved performance and compliance to corporate governance principles.

To our stockholders and shareholders, we thank you for your solid trust and support to ALLHC's strategies and plans. We will continue to strive towards further strengthening the company's financial position for the long term.



Francis M. Montojo
Chief Finance Officer, Chief Risk Officer,
and Compliance Officer



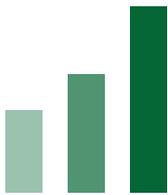
2019 2020 2021

4.3B

2021 Revenue

2020 3.7B

2019 5.3B



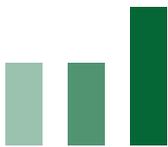
2019 2020 2021

780M

2021 Net Income

2020 703M

2019 641M



2019 2020 2021

20.4B

2021 Total Assets

2020 19.4B

2019 19.4B

BUSINESS REVIEW AND OUTLOOK

BUSINESS REVIEW

Financial Performance

AyalaLand Logistics Holdings Corp. (ALLHC) registered total revenues of P4.3 billion and net income of P780 million, 16% and 11% higher than previous year, respectively. The continuous demand for industrial lots and increased leasable areas boosted the company's overall performance.

Portfolio

Supporting the country's trade and commercial activities amidst the ongoing pandemic, operations continued across ALLHC's properties throughout the year.

ALLHC ended 2021 with a portfolio of 4 owned industrial estates totaling 988 hectares in gross land area, warehouse facilities across 5 locations with a total gross leasable area (GLA) of 224,00 square meters, and 2 commercial centers in Metro Manila with 93,000 square meters of GLA. ALLHC broadened its warehouse offering with its entry into cold storage. In 2021, it acquired two existing facilities within Laguna Technopark, with a combined capacity of 7,300 pallet positions in April and December.

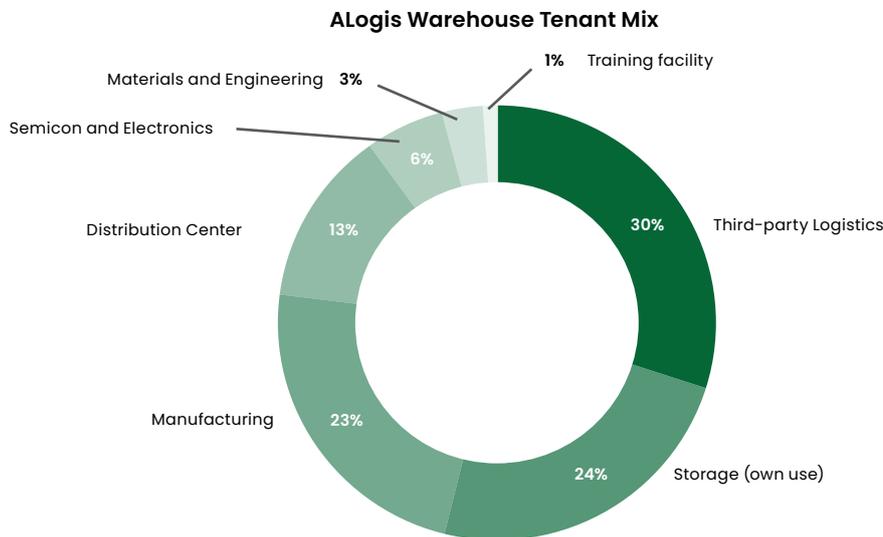
ALLHC maintains a stable and diversified warehouse tenant mix composed of companies which utilize our facilities for third-party logistics (30%), own-use storage (24%), and manufacturing (23%). ALLHC closed the year with a 100% warehouse lease-out rate. The weighted average lease expiry of its warehouse tenants is 3.5 years.

By end-2021, ALLHC's cold storage facilities had an occupancy rate of 99%, serving companies with diverse products such as processed meat products, dairy and ice cream, and adhesives. With both cold and dry storage capabilities, ALLHC aims to be the partner of choice for real estate logistics.

Growth Prospects

ALLHC aims to strengthen its leadership position in the industrial real estate logistics space. It remains committed to building national footprint by growing the company's warehouse gross leasable area to 500,000 sqm, establishing presence in 10 key locations across the country and creating new business platforms by the year 2025.

In February 2022, ALLHC acquired an existing 64,000-sqm ready-built facility in Sto. Tomas, Batangas, increasing the company's warehouse leasing GLA to 288,000 sqm. This acquisition marks ALLHC's growing presence in the CALABA region, the country's industrial corridor.



OUTLOOK

While COVID-19 severely impacted the Philippine economy the prior year, 2021 was a period of business recovery. The country saw an overall GDP growth of 5.6% for 2021¹, a welcome improvement from the previous fiscal year's contraction of 9.5%². Manufacturing contributed to 19.2% of the country's full-year GDP in 2021³.

Economic indicators have improved compared to previous years. Cash remittances from overseas Filipinos also experienced growth, attaining USD 31.4 billion, a 5.1% increase from the previous year and higher than pre-pandemic remittances in 2019 at USD 29.9 billion⁴, an indicator of continued support for the country as a consumer-driven economy. Moreover, the country's Manufacturing Purchasing Manager's Index (PMI) ratings were positive for more than half the year, as opposed to 2020, where only the pre-pandemic months were able to breach higher than 51⁵.

The Philippine government has continued to provide support to the private sector. The Bayanihan Acts were continued in 2021, with a total of PHP 536.71 billion disbursements from the Bayanihan Laws⁶. In support of MSMEs, PHP 5.9 billion of loans were also approved for multi-sectoral MSMEs⁷. Such support by the government cushioned the negative impact of the pandemic, allowing continuous consumption of various goods and services among individuals and enterprises alike. Additionally, the CREATE law and the various agencies' marketing efforts to spur investments have led to new entrants of locators. Warehousing and Storage, Real Estate, Electronics, Utilities, Metal Fabrication, and Machine & Equipment were the top industries that registered in 2021⁸. Approved foreign investments have begun its course to recovery, as it grew by 71% year-on-year to PHP 192.34 billion⁹, strongly driven by the reopened economy in the latter part of the year. PHP 26.56 billion were in Manufacturing, second to Information and Communication, which comprised of majority of the approved investments for the year at 75%.

2021 also earmarked milestones in infrastructure, with the formal opening of the Skyway Stage in January¹⁰, further providing ease of access within Metro Manila and its

surrounding provinces. DPWH has also completed 4,097 kilometers of roads, 510 bridges, and 1,593 flood control structures nationwide, producing an estimated 1.6 million jobs from the priority infrastructure projects.

Despite the challenges brought about by the pandemic, the Philippine industrial sector was highlighted as resilient, with warehouse demand remaining stable. Demand for industrial spaces logged at over 1 million sqm for ready-built facilities and industrial land within 2021. Requirements were spread nationwide. Among ready-built facilities, occupancy rates remained high at 96.4%, on the back of active requirement for dry warehouses for logistics purposes¹¹.

The cold storage market looks to continue its growth as new facilities are slated for completion. For 2022, at least 53,000 pallets look to be completed across the country, increasing total estimated supply by 8.3%, consistent with the CCAP estimate of 8 to 10% annually over the next five years.

Setting aside the disruptions caused by the pandemic, ALLHC remains positive about the long-term growth prospects of the economy and the industrial real estate sector. The country's fundamentals remain intact, with a consumption-driven economy supported by remittances and BPO revenues. The rise of e-commerce and the consumers' adaptation to digital platforms continue to be a major catalyst in the growth of the industrial sector across the country. As consumption activity has decentralized towards the various provinces, companies and their logistics partners have set their sights on establishing provincial presence and providing ease of access to their consumers through industrial real estate.

With the stability of the industrial property sector and the company's commitment to delivering dynamic industrial hubs, ALLHC will continue to expand its portfolio and offerings, building long-term value for its shareholders.

¹ Philippine Statistics Authority, Annual National Accounts 2021

² Philippine Statistics Authority, Annual National Accounts 2020

³ Philippines Statistics Authority, National Accounts of the Philippines 2021

⁴ Bangko Sentral ng Pilipinas, Overseas Filipino Cash Remittances 2021

⁵ IHS Markit, Manufacturing Purchasing Managers' Index, Philippines (January 3, 2022)

⁶ Department of Budget and Management (July 2021)

⁷ Small Business Corp. / Department of Trade and Industry

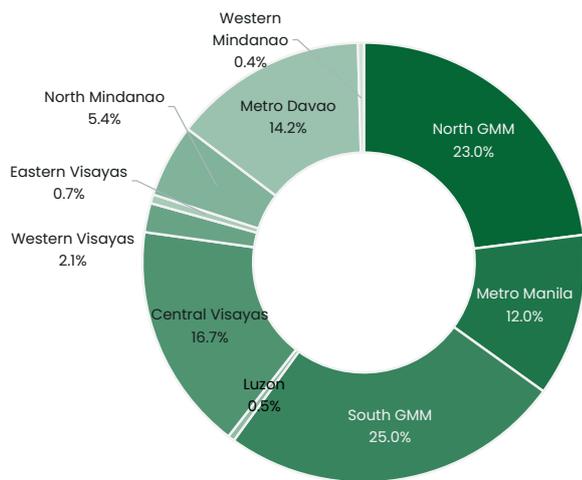
⁸ Philippine Economic Zone Authority (Q4 2021)

⁹ Philippine Statistics Authority, Total Approved Foreign Investments by Industry at Current Prices 2020 to 2021

¹⁰ Public-Private Partnership Center, "Skyway Stage 3 opens to motorists" (2021)

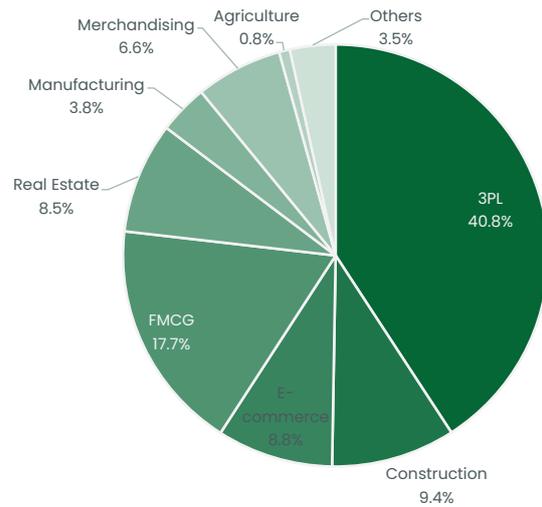
¹¹ PRIME Philippines, Industrial Market Report 2022

PHILIPPINES INDUSTRIAL DEMAND BASED ON LOCATION (as of YE 2021)



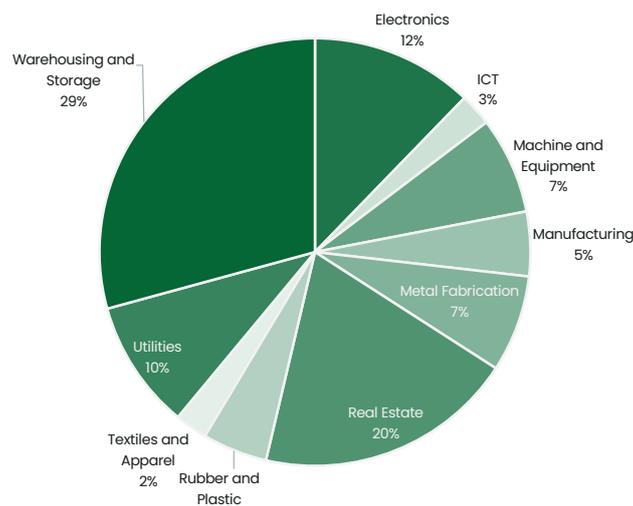
Source: PRIME Philippines Research & Advisory 2022
 Note: Data from PRIME Philippines' urgent and validated industrial lot or facility inquiries in sqm as of 2021 H2 Demand comprises of 913 thousand sqm for 2021H2 and 2022 Q1

PHILIPPINES INDUSTRIAL DEMAND SHARE PER INDUSTRY (as of YE 2021)



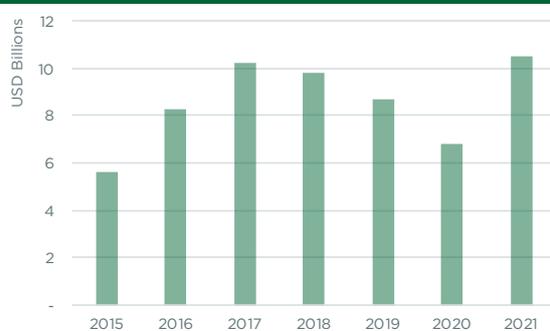
Source: PRIME Philippines Research & Advisory 2022
 Note: Data from PRIME Philippines' urgent and validated industrial inquiries in sqm

2021 ECOZONE NEW INDUSTRIAL LOCATORS BY INDUSTRY



Based on locator count per ecozone for 2021
 Source: PEZA, PRIME Philippines Research & Advisory 2022

Net Foreign Direct Investments (2015 – 2021)



Source: BSP, PSA

	2019	2020	2021	2022F	2023F
PH GDP Growth	6.1%	-9.6%	5.6%	6.0%	6.3%

Source: PSA, forecasts by ADB

Employment Rate	93.4% December 2021
Inflation Rate	3.6% December 2021

Philippine Manufacturing Purchasing Managers' Index												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2020	52.1	52.3	39.7	31.6	40.1	49.7	48.4	47.3	50.1	48.5	49.9	49.2
2021	52.5	52.5	52.2	49	49.9	50.8	50.4	46.4	50.9	51	51.7	51.8
2022	50.0	52.8	53.2									

Source: IHS Markit

OUR LEADERS

BOARD OF DIRECTORS



Jose Emmanuel H. Jalandoni



Felipe U. Yap



Maria Rowena M. Tomeldan



Rex Ma. A. Mendoza



Renato O. Marzan



Cassandra Lianne S. Yap



Bernard Vincent O. Dy



Jaime Alfonso E. Zobel de Ayala



Nathanael C. Go

SENIOR LEADERS



(From left to right)

MARIA ROWENA M. TOMELDAN
President and Chief Executive Officer

PATRICK JOHN C. AVILA
Head, Industrial Parks and Real Estate Logistics

FRANCIS M. MONTOJO
Chief Finance Officer, Chief Risk Officer,
and Compliance Officer

JESSICA O. SANTOS
Head, Commercial Leasing

MARITA C. CABRAL
Head, Human Resources and Special Projects



(From left to right)

AUGUSTO D. BENGZON
Treasurer

JUNE VEE D. MONTECLARO-NAVARRO
Corporate Secretary

NIMFA AMBROSIA L. PEREZ-PARAS
Assistant Corporate Secretary

FRANCIS PAOLO P. TIOPIANCO
Assistant Corporate Secretary

AMELIA ANN T. ALIPAO
Data Protection Officer

MANAGEMENT TEAM

CORPORATE



(From left to right)

EVELYN D. GAÑO
Office and Admin Manager

APRIL MAE F. SIASON
Operations Manager

MA. RHODORA P. DELA CUESTA
Investor Relations and
Compliance Manager

BETTINA MARIE A. ESGUERRA
Corporate Communications
Manager

JEFFREY R. LEGASPI
Internal Audit Manager

COMMERCIAL LEASING



(From left to right)

JOEL PATRICK M. VILLANUEVA
Engineering Director

ROCHELLE A. SAN MIGUEL
Chief Finance Officer

JONE PAUL A. MARCELO
Chief Engineer, Tutuban Center

INDUSTRIAL PARKS & REAL ESTATE LOGISTICS



(From left to right)

RODETTE BIANCA S. TAN
Head, ALogis and External Affairs

JUSTIN DAVE V. DAVID
Head, Property Management and
Retail Electricity Supply

SHERRI ROSE C. PASQUIL
Head, ALogis Artico
Human Resources Manager

HEZRON C. ARANDELA
Head, Engineering
and Project Management

ANNA GAIL T. SANTOS
Head, Technoparks

EDWARD VINCENT E. RAMOS
Operations Manager, ALogis Artico

REY ANDREW C. CAMAROTE
Head, Facilities Management
ALogis Artico & Waterworks

MAIDA B. CASTRO
Chief Finance Officer

ONGOING PROJECTS



Pampanga Technopark

247 hectares

Mabalacat City, Pampanga



Laguindingan Technopark

105 hectares

Habini Bay, Misamis Oriental



Alogis Naic
15,000 sqm GLA
Cavite Technopark, Naic, Cavite

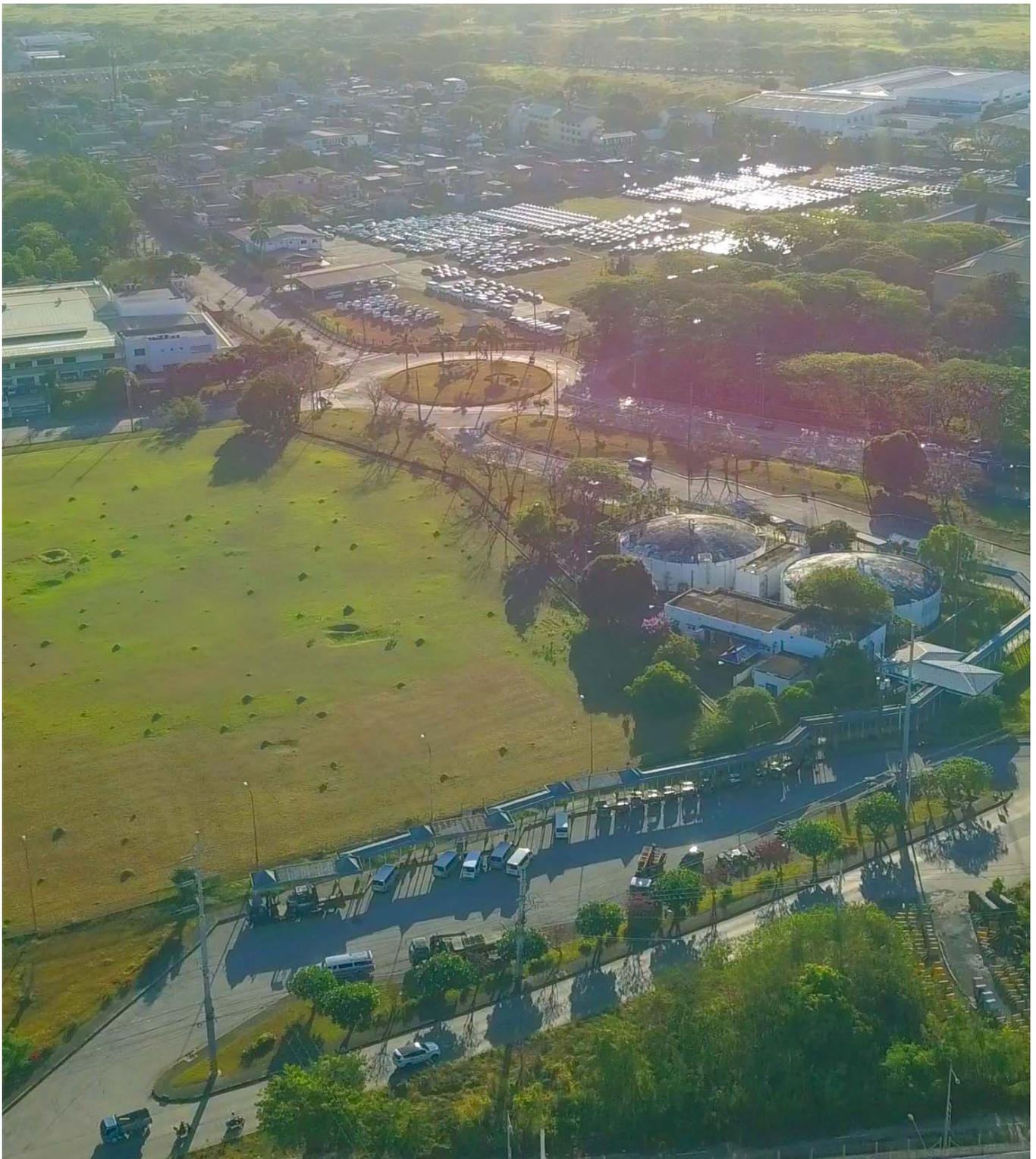


Alogis Calamba
Over 100,000 sqm GLA
Calamba, Laguna



Alogis Sto. Tomas
64,000 sqm GLA
Sto. Tomas, Batangas

SUSTAINABILITY FOUR FOCUS AREAS



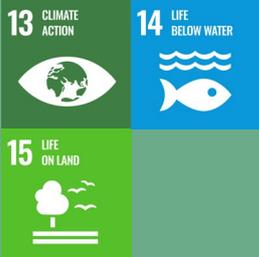
As we continuously transform landscapes to sustainable and resilient business environments, we remain committed to creating value to our stakeholders in the communities where we are present.

We share with our parent company, Ayala Land, the same commitment in monitoring the economic, environmental, and social impacts of our developments. Four major concerns identified that recur locally are: 1) Climate change; 2) continuing loss of natural resources; 3) urban mobility; and 4) unbalanced socio-economic development.

ALLHC has adopted Ayala Land's sustainability four focus areas – Site Resilience, Pedestrian Mobility and Transit Connectivity, Resource Efficiency, and Local Economic Development. Integrated in the way we do business, these four focus areas serve as guides in embedding sustainability practices in our project development and operations while mitigating possible risks.

Ayala Land's Four Focus Areas and the UN Sustainable Development Goals

With the establishment of the United Nations Sustainable Development Goals (SDGs) in 2015, Ayala Land aligned each of the focus areas with the relevant SDGs.

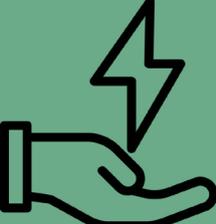
Site Resilience

We take into consideration the long-term risks of climate change and environmental stress. We continue to make our sites and developments resilient and emergency-ready by conducting technical due diligence to screen geohazards, periodically practicing disaster-readiness exercises, providing permeable spaces for rainwater absorption, and allocating green spaces.




Pedestrian Mobility and Transit Connectivity

Urban mobility is an important concern as we move from our home to our place of work and business. We prioritize the safety, comfort, and convenience of the community. We provide opportunities for commuters to easily connect to public transport routes and terminals, and for pedestrians to walk safely.




Resource Efficiency

We practice strict monitoring of the conscientious use of resources such as energy and water, and the management of waste in our properties.




Local Economic Development

We spur economic activity to generate employment opportunities in our industrial and commercial properties. We contribute to nation-building, creating value for the communities where we are in through projects and initiatives that help uplift lives.

SITE RESILIENCE	MOBILITY & CONNECTIVITY
<p>7 detention ponds</p> <p>192 hectares of green and open space</p> <p>166 sqm vegetable garden and tree nursery</p> <p>90 emergency response team drills and night drills</p> <p>6,021 sqm space used as evacuation area</p>	<p>5 transport terminals</p> <p>16 priority signs</p> <p>1,756 sqm space for PUVs</p> <p>358 sqm covered walkways</p> <p>28 marked crosswalks</p> <p>69 PWD ramps</p>
RESOURCE EFFICIENCY	LOCAL ECONOMIC DEVELOPMENT
<p>22,004,304 kWh energy consumption</p> <p>243,687 sqm cubic meters water consumption</p> <p>392,795 kg waste generated</p>	<p>53 direct employees</p> <p>37 hours average training hours</p> <p>91% employee engagement score</p> <p>619 jobs generated (direct hires and service providers)</p>

Sustainability Four Focus Areas and ALLHC’s Material Topics

ALLHC uses the GRI topics that correspond to Ayala Land’s four focus areas to measure and report its own performance and impact. Matters on corporate governance, risk management, labor practices and employment are other identified material topics.

	Sustainability Four Focus Areas				Other Material Topics	
	Site Resilience	Pedestrian Mobility & Transit Connectivity	Resource Efficiency	Local Economic Development	Corporate Governance & Risk Management	Labor Practices & Decent Employment
Economic			204: Procurement Practices		201: Economic Performance	
Environmental	303: Water and Effluents		302: Energy 305: Emissions 306: Waste			
Social		416: Customer Health and Safety		401: Employment 404: Training and Education 405: Diversity and Equal Opportunity 413: Local Communities	418: Customer Privacy	403: Occupational Health and Safety

ENVIRONMENTAL STEWARDSHIP



Laguna Technopark

Resource Efficiency

ALLHC's properties are aligned with Ayala Land's principle of using resources efficiently and judiciously in its operations. Conservation efforts for energy and water are in place to maintain or curb overall consumption. Properties have waste management schemes established for responsible disposal.

Energy Management <GRI 302>

Total energy consumption of ALLHC properties slightly increased by 14% to 22 million kWh versus the previous year mainly due to the pick-up of business operations in 2021. The increase in power consumption was attributed mainly to the longer operating hours of our commercial properties as compared to reduced operations during 2020's community quarantines, and the addition of cold storage in industrial properties. Electricity intensity in both common areas and tenant areas, measured as kWh consumption per square meter of occupied floor area, likewise increased by 19% to 111 kWh/sqm.

Energy Consumption (kWh)	2019	2020	2021
Within the Organization			
Electricity (Common Area)	9,826,057	6,739,527	6,994,408
Fuel	-	-	165,203
Outside the Organization			
Electricity (Leased Area)	17,361,292	12,485,878	14,844,693
Total	27,187,349	19,225,405	22,004,304

Notes: 2019 and 2020 energy consumptions restated to include consumption of South Park Corporate Center. 2019 and 2020 fuel consumption data unavailable as collection and monitoring commenced only in 2021.

Electricity Intensity*	Unit	2019	2020	2021
Whole Building	kWh/sqm GFA	136.85	93.31	111.18
Common Area	kWh/sqm GCA	85.82	57.45	70.45
Leased Area	kWh/sqm GLA	210.26	163.94	163.52

Legend: GFA – Gross Floor Area; GCA – Gross Common Area; GLA – Gross Leasable Area

* For commercial properties only. To take into account significant changes in the occupancy rate during the pandemic, intensity was measured as kWh consumption per square meter of occupied area. 2019 and 2020 intensities restated to include South Park Corporate Center.

Water Management <GRI 303>

Water consumption in leased areas grew by 5% to 137,192 cubic meters, while consumption within common areas declined by 15% to 106,495 cubic meters. Water intensity, measured by cubic meter consumption per square meter of occupied floor area, increased by 7% for leased areas and decreased by 2% for common areas.

Water Consumption (m³)	2019	2020	2021
Within the Organization (Common Area)	406,262	125,209	106,495
Outside the Organization (Leased Area)	N/A	130,754	137,192
Total	406,262	255,963	243,687

Notes: Breakdown of consumption between common area (within the organization) and leased area (outside the organization) started in 2020. For 2019, water consumption of the whole building was classified as within the organization. 2019 and 2020 water consumptions restated to include consumption of South Park Corporate Center.

Water Intensity*	Unit	2019	2020	2021
Whole Building	m³/sqm GFA	1.90	1.17	1.20
Common Area	m³/sqm GCA	-	1.48	1.45
Leased Area	m³/sqm GLA	-	0.94	1.01

Legend: GFA – Gross Floor Area; GCA – Gross Common Area; GLA – Gross Leasable Area

* For commercial properties only. To take into account significant changes in the occupancy rate during the pandemic, intensity was measured as cubic meter consumption per square meter of occupied area. 2019 and 2020 intensities restated to include South Park Corporate Center.

Effluents <GRI 303>

No discharges from results from industrial processes as locator-companies are responsible for their own discharges. All discharges from our commercial properties are collected rainwater and domestic discharges only. We treat and recycle wastewater for safe discharging. We ensure the presence of sewerage treatment plant (STP) in our developments and avail third-party services for wastewater treatment.

Carbon Neutrality <GRI 305>

ALLHC is committed in supporting Ayala Land’s goal of reaching its interim carbon neutrality goal, and Ayala Corporation’s net zero by 2050 target. We prioritize renewable energy sources to power our various developments, and study ways for us to shift properties from non-renewable.

Renewable Energy

ALLHC’s commercial properties purchase electricity from renewable energy sources via their retail electricity supplier. By end-2021, renewable energy comprises 85% of the company’s total energy consumption.

Energy Mix	2019	2020	2021
Electricity (Renewable)	97%	93%	85%
Electricity (Non-renewable)	3%	7%	14%
Fuel	-	-	1%



Emissions

Total net emissions reached 2,250 t-CO₂e, rising 170% mainly due to increases in ALLHC's net Scope 1 and Scope 3 emissions. In 2021, for Scope 1, fuel use monitoring started, while a significant increase for Scope 3 may be noted given the addition of a cold storage property.

Emission tests and air ambient monitoring procedures are conducted where applicable to ensure results are within set limits by the Department of Natural Resources (DENR) and the National Pollution Control Commission (NPCC).

Net Emissions in t-CO ₂ e	2019	2020	2021
Scope 1	-	-	42
Scope 2	15	329	225
Scope 3	397	502	1,983
Total	412	832	2,250

Notes: No scope 1 emissions stated for 2019 and 2020 as fuel consumption monitoring commenced in 2021. Scope 2 emissions declared are market-based and calculated using the GHG Protocol Corporate Accounting and Reporting Standard. For properties that shifted to purchasing electricity from renewable energy power plants, Scope 2 emissions were zeroed out from the date of shifting.

Circular Economy <GRI 306>

Solid Waste

ALLHC properties practice proper waste disposal to avoid environmental and health hazards. We continuously identify our waste profile, and ensure that our service partners practice waste segregation for proper disposal. In line with Ayala Land's practice, ALLHC adopts a circular waste management model wherein waste generated in properties are either sent to or diverted from landfills. In 2021, total waste generated decreased by 9% to 392,795 kgs versus the previous year due to lower tenant occupancies in our commercial properties. In 2021, 176,590 kgs of waste were diverted and sent to recyclers.

Additionally, ALLHC employees contributed a total of 908 kgs of clean and dry plastics collected from their households, while mall merchants contributed 183 kgs. These plastic discards were sent to Ayala Land's sustainability partner, Green Antz Builders, a manufacturer that converts these plastic wastes into construction eco-materials. These recycled products, eco-pavers and eco-bricks, are then used in different Ayala Land projects. ALLHC likewise diverted 36 tons through its purchase of 1,400 pallets, which were made purely from recycled plastics, for use in its cold storage facilities.

Solid Waste Generation and Diversion	2019	2020	2021
Total Waste Generation (kg)	983,198	431,624	392,795
Sent to Landfill			
Food	661,476	199,928	165,571
Residual	114,283	54,780	50,634
Diverted from Landfill			
Sent to Recyclers	207,439	176,916	176,590

Notes: 2019 and 2020 waste data restated. Data collection and monitoring of waste generated in industrial properties (common areas only) commenced in 2021. Locator tenants in our industrial properties are responsible for their own proper waste disposal.



Cavite Technopark, Naic, Cavite

SOCIAL ENGAGEMENT



ALLHC's commitment to create environments that energize businesses rests on the support of its different stakeholders and their engagement. We value their contributions and impact, which are integral to the long-term success of the company.

Customers

We acknowledge that our customers contribute significantly to the success of the company. We ensure that our products and services are of the highest quality, and will perform their intended functions to the satisfaction and safety of our customers. We continuously strengthen customer focus and relationships by ensuring quality service.

Regular meetings are held with warehouses lessees and mall merchants with varying degrees of frequency. Our facilities engineers closely work with our warehouse lessees to discuss technical concerns post-turnover. For mall and office tenants, coordination meetings are conducted by the chief engineers. Operations teams, likewise, meet with lessees and merchants with concerns as needed.

Key developments and property updates are disseminated to Industrial lot buyers, mall merchants, and warehouse lessees through advisory notices.

Employees and Workers

We recognize our employees and workers as integral to the attainment of our goals, and that their welfare is our primary concern. Behind ALLHC's workforce is a team of highly committed and competent professionals. We ensure that our people are well-informed about our policies on hiring, employee conduct, training, health, safety and welfare.

Employee Engagement

We continuously maintain open lines of communication between management and employees through regular town halls, periodic updates, individual performance reviews and regular discussion of managers with their direct reports. Based on the latest biennial employee engagement survey, ALLHC has an engagement score of 91% in 2021.

Contribution to Local Economic Development <GRI 401, 402> and Diversity and Equal Opportunity <GRI 401, 405>

ALLHC recognizes the importance of diversity and equal opportunity in the workplace to ensure a safe and fulfilling environment for employees.

As of end-2021, ALLHC's total headcount was 53, comprising 33 women and 20 men. Women account for 62% of the company's workforce. By age, 53% were below 30 years old; 47% were 30 and above. Attrition rate increased to 21% from 20% the previous year.

Direct Employees by Gender	
Men	20
Women	33
Total	53

Headcount by Gender			
	Total	Men	Women
Corporate	10	4	6
Industrial Parks and Real Estate Logistics	25	9	16
Commercial Leasing	18	7	11
Total	53	20	33
Percentage	100%	38%	62%

The organization complies with the Labor Code of the Philippines for minimum notice periods regarding significant operational changes.

ALLHC contributes to local employment through its tenants and service providers. As of end-2021, ALLHC's industrial parks and commercial centers generated 619 jobs (direct hires and support staff). In 2017, the Philippine Economic Zone Authority (PEZA) reported that the locator-companies in Laguna Technopark generated over 120,000 in direct employment.

Health and Safety <GRI 403>

We ensure safe working conditions in our sites. On-site property managers oversee ALLHC’s properties and regularly conduct preventive maintenance checks. In response to the ongoing pandemic, health and safety protocols aligned with the government guidelines were implemented in all properties. These included regular sanitation of high-touch surfaces, temperature checks at entry points, and mandatory wearing of personal protective equipment such as face masks and face shields. ALLHC’s commercial properties were awarded Safety Seals from their respective local government units.

No major incidents were recorded in ALLHC’s properties in 2021. A total of 90 emergency response team drills were conducted across all managed properties.

For its employees, ALLHC continued to implement flexible work arrangements to protect the workforce. Annual physical examinations and vaccinations for COVID-19 were made available and were extended to their family members. Both employees and eligible family members are also provided health insurance coverage.

Training and Development <GRI 404>

Giving our employees professional development and capacity building opportunities is imperative to the organization. In 2021, ALLHC conducted a total of 1,960 training hours. The average training hours for women was at 34, while average training hours for men was at 42.

In coordination with Ayala Land’s Corporate Learning Center, learning and development programs, such as Coursera self-paced courses and webinars tackling various topics, were rolled out to employees. ALLHC likewise conducted online learning sessions featuring topics on personal growth, mental health and spiritual awareness, and personal finance and business. Other training programs covered the areas of technical knowledge, values, ethics, management, and corporate governance.

Training Hours by Gender		
	Total Training Hours	Average Training Hours
Men	831	41.54
Women	1,129	34.23

Compensation and Rewards

ALLHC provides compensation and benefits mandated by national labor laws, and rejects all forms of forced and compulsory labor. We also provide variable pay such as performance-based bonus that is directly linked to an individual’s key deliverables and performance. All regular employees receive health insurance coverage, medical allowances, and retirement benefits. ALLHC offers government-mandated maternity and paternity leaves, following the Expanded Maternity Law.

Ethical Behavior <GRI 205>

As mandated by ALLHC’s Code of Ethics, the organization fosters and maintains a high level of accountability and self-discipline among all employees. All employees are responsible for upholding prescribed standards of conduct and professionalism. We have zero tolerance for corruption, fraud, and bribery in any form, and other unethical practices.

Under our Whistleblowing Policy, any individual or organization may report any suspected irregularities or misconduct involving ALLHC’s employees, business partners, suppliers, and service providers to management via Ayala Land’s business integrity channels. Whistleblowers may report on incidents through face-to-face meetings, through email, SMS, and website of Ayala Land’s auditor. In 2021, there was no recorded significant incident of such illegal or unethical behavior. For more information on the Whistleblowing Policy and other anti-corruption programs and procedures, see page 59 of this report.





Business Partners, Suppliers, and Service Providers <GRI 204, 205, 308>

ALLHC recognizes the rights of all our suppliers and strive to forge long-term and mutually-beneficial relationships through honest and fair dealings, and observance of the highest level of moral and ethical business conduct.

We grant equal opportunities to, and promote fair and open competition among, vendors and trade partners by encouraging the highest level of productivity, efficiency, quality, and cost-competitiveness. Suppliers across the Ayala Land Group, ALLHC included, are accredited upon full compliance with the standards and requirements, with preference for those who practice environmental sustainability. To the best extent possible, suppliers and materials are sourced locally.

Accredited suppliers abide by the Vendor's Code of Ethics. Accredited vendors, suppliers, and service providers do not employ children or underage workers in their operations. No aspect of our operations has been identified as susceptible to child, forced, or any other form of illegal labor.

Creditors

ALLHC acknowledges the rights of creditors as stakeholders and are committed to honoring our contracted financial obligations and covenants. Creditors have access to readily available information about ALLHC so that they may adequately assess the company's credit standing.

Shareholders and Analysts

As a publicly listed company, ALLHC is committed to disclosing timely, accurate, and materially relevant information about the company to our shareholders and the investing public. Management and key representatives make themselves available for one-on-one investor meetings and conferences. We maintain open communication lines by providing the contact details of our Investor Relations Officer and other officers to address the information requirements of the investing community.

ALLHC complies with all the disclosure and transparency rules of the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) to ensure that all relevant information is publicly available. Further, we endeavor to protect and promote the rights and interests of all shareholders.

Communities

ALLHC is committed to improving the quality of life not only of our customers, but also the families and people in the communities around our developments, and the society. We continuously strive to create significant impact in the areas where we operate.

In 2021, ALLHC engaged in multiple community initiatives such as providing assistance to Missionaries of Charity in Tondo, Manila, setting up community pantries in Brgys. Loma and Timbao in Laguna, and distributing food packs to the communities in Naic, Mabalacat and Laguindingan. We likewise made a donation to Upskills+ Foundation, in support of its livelihood programs. ALLHC also put up the e-Library of Mabalacat City College in their Dapdap Campus in Pampanga.

National and Local Government

ALLHC actively ensures that the organization is compliant with all applicable laws and regulations imposed by regulators and government institutions. We work hand-in-hand with the government, both at the national and local levels, to address various environmental and social issues.

In 2021, ALLHC worked with the local government units and agencies for initiatives such as Muntinlupa City's Mega Vaccination site, Philippine Red Cross' Saliva RT-PCR testing site, and the PhilSys National ID registration site in South Park Center. COMELEC's Voter Registration was also held in both Tutuban Center and South Park Center.

Community Projects



Helping Divisoria SMEs through TuTuBuy



Donation and distribution of food packs to nearby barangays



Muntinlupa City Mega Vaccination Site



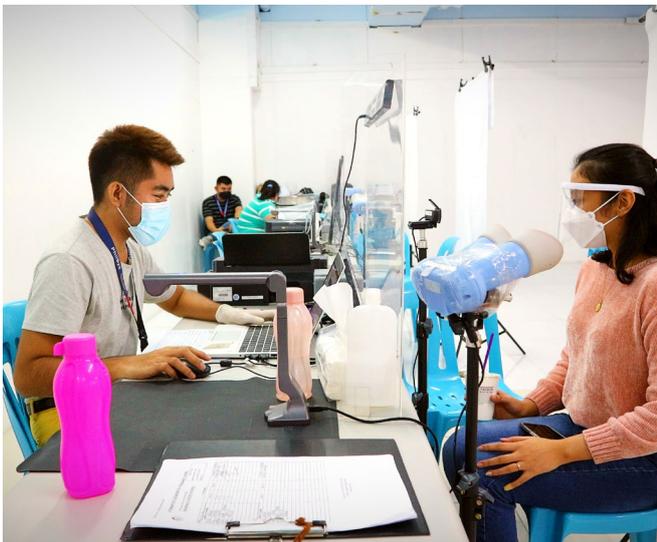
Philippine Red Cross RT-PCR Testing Site



Community pantries held in Laguna



Assistance to Missionaries of Charity in Tondo, Manila



PhilSys National ID Registration Site



COMELEC Voter Registration in Tutuban Center and South Park Center



Mabalacat e-Library Donation

CORPORATE GOVERNANCE AND RISK MANAGEMENT

Board of Directors

(as of 31 December 2021)

Jose Emmanuel H. Jalandoni, Filipino, 54, has served as the Chairman of the Company since April 12, 2018. He was the President of the Company from February 24, 2016 to February 19, 2018. He is a Senior Vice President and a member of the Management Committee of ALI. He is the Group Head of ALI's commercial businesses including malls, offices, hotels, resorts. He is Chairman of AREIT, Inc., a publicly-listed subsidiary of ALI. His other significant positions are: Chairman, President and Chief Executive Officer of Northgate Hotel Ventures, Inc. and Southcrest Hotel Ventures, Inc.; Chairman of the Board of ALI Commercial Center, Inc., ALI Makati Hotel and Residences, Inc., ALI Makati Hotel Property, Inc., ALI Triangle Hotel Ventures, Inc., Arca South Hotel Ventures, Inc., AsiaTown Hotel Ventures, Inc., Ayala Hotels, Inc., AyalaLand Hotels and Resorts Corporation, AyalaLand Medical Facilities Leasing, Inc., AyalaLand Offices, Inc., Bacuit Bay Development Corporation, Bay Area Hotel Ventures, Inc., Bonifacio Hotel Ventures, Inc., Capitol Central Hotel Ventures, Inc., Cebu Insular Hotel Company, Inc., Central Bloc Hotel Ventures, Inc. Chirica Resorts Corporation, Circuit Makati Hotel Ventures, Inc., Direct Power Services, Inc., Ecoholdings Company Inc., Econorth Resort Ventures, Inc., EcoSouth Hotel Ventures, Inc., Enjay Hotels, Inc., Greenhaven Property Ventures, Inc., Integrated Eco-Resort, Inc., Lio Resort Ventures, Inc., Lio Tourism Estate Management Corporation, Makati Cornerstone Leasing Corp., Makati North Hotel Ventures, North Eastern Commercial Corporation, North Liberty Resort Ventures, Inc., North Triangle Hotel Ventures, Inc., One Makati Hotel Ventures, Inc., One Makati Residential Ventures, Inc. Pangulasian Island Resort Corporation, Paragua Eco-Resort Ventures, Inc., Regent Horizons Conservation Company, Inc., Sentera Hotel Ventures, Inc., Sicogon Island Tourism Estate Corporation, Sicogon Town Hotel, Inc., Ten Knots Development Corporation, Ten Knots Philippines, Inc., and Whiteknight Holdings, Inc.. He is also a Director of the following companies: Accendo Commercial Corporation, Alabang Commercial Corporation, ALI Capital Corporation, Anvaya Cove Golf And Sports Club, Inc., Ayagold Retailers, Inc., Ayala Property Management Corporation, Cagayan de Oro Gateway Corporation, Columbus Holdings, Inc., Fort Bonifacio Development Corporation, Lio Tourism Estate Association, Makati Cornerstone Leasing Corporation, Makati Development Corporation, Philippine Family Mart CVS, Inc., Philippine Integrated Energy Solutions, Inc., SIAL CVS, Inc., SIAL Specialty Retailing, Inc., and Station Square East Commercial Corporation. He served as a Director of Cebu Holdings, Inc. from August 2016 to December 2021. 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.

Felipe U. Yap, Filipino, 84, has been Vice Chairman from February 24, 2016. He was Chairman of the Board of Directors of the Company from 2000 to February 2016 and its Vice Chairman from 1993 to 2000. His other significant positions include: Chairman of the Board and Chief Executive Officer of publicly-listed companies Lepanto Consolidated Mining Company, and Manila Mining Corporation, of Far Southeast Gold Resources, Inc., Lepanto Investment and Development Corporation, Diamant Manufacturing and Trading Corporation, Diamond Drilling Corporation of the Philippines, and Shipside, Inc.; Chairman of the Board of publicly-listed company Zeus Holdings, Inc., Kalayaan Copper-Gold Resources, Inc., and Yapster e-Conglomerate, Inc.; Director of Manila Peninsula Hotel, Inc., Philippine Associated Smelting & Refining Corp. (PASAR), FLT Prime Insurance Corporation, Orion Land Inc. and Tutuban Properties, Inc. He graduated with a degree in B.A. Philosophy from the University of San Carlos in Cebu. He has extensive experience in the mining industry. He served as Chairman of the PSE Board of Governors from 2000 to 2002.

Bernard Vincent O. Dy, Filipino, 58, has been a director of the Company since February 24, 2016. He served as its Chairman from February 24, 2016 to April 12, 2018. He is the President and CEO of Ayala Land, Inc. (ALI) and a Senior Managing Director and a member of the Ayala Group Management Committee since 2014. He is also a Director of publicly listed companies, AREIT, Inc. and MCT Bhd of Malaysia. Concurrently, he is the Chairman of Alveo Land Corporation, Amaia Land Corporation, Avencosouth Corp., Aviana Development Corp., Ayagold Retailers, Inc., Ayala Property Management Corporation, Bellavita Land Corporation, BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Cagayan De Oro Gateway Corp., Makati Development Corporation, Portico Land Corporation, Station Square East Commercial Corporation, and Vesta Property Holdings, Inc.; Vice Chairman of Alviera Country Club, Inc., Aurora Properties Incorporated, and Ayala Greenfield Development Corporation, and Director of AKL Properties, Inc., ALI Eton Property Development Corporation, Alveo-Federal Land Communities, Inc., Amicassa Process Solutions, Inc., AyalaLand Medical Facilities Leasing, Inc., Nuevocentro, Inc., Philippine Integrated Energy Solutions, Inc., Serendra, Inc., and Whiteknight Holdings, Inc. He is also the President and CEO of Berkshires Holdings, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc., and Fort Bonifacio Development Corporation; President of Accendo Commercial Corporation, Alabang Commercial Corporation, Bonifacio Art Foundation, Inc., Ceci Realty Inc., and Hero Foundation Inc.; member of the Board of Trustees of Ayala Foundation, Inc. and Ayala Group Club, Inc., and Director of the Junior Golf Foundation of the Philippines since 2010 and Vice Chairman since 2017. Mr. Dy earned a degree of BBA in Accountancy from the University of Notre Dame in 1985, an MBA in 1997, and Masters in International Relations in 1989 from the University of Chicago.

Maria Rowena Victoria M. Tomeldan, Filipino, 60, is the President and Chief Executive Officer of AyalaLand Logistics Holdings Corp, a publicly-listed subsidiary of ALI, which develops and manages industrial parks, logistics facilities, and commercial centers since February 19, 2018. She has been a director of the Company since February 26, 2016. Among the Company's developments are Laguna Technopark, Cavite Technopark, Alviera Industrial Park, Laguindingan Technopark, Pampanga Technopark, ALogis standard factory buildings, ALogis Artico cold storage facilities, Tutuban Center, and South Park Center. She is the Vice President and Head of the Real Estate Logistics and Special Investments of ALI. Her other significant positions include: Chairman of the Board of Ecozone Power Management, Inc. (EPMI), Laguna Technopark, Inc. (LTI), LCI Commercial Ventures, Inc., and Unity Realty & Development Corp.; Chairman and President of Orion Land, Inc., Tutuban Properties, Inc., AMSI, Inc., ESTA Galleria, Inc., FLT Prime Insurance Corporation. and Orion Property Development, Inc. She is a Board Member of BF Jade E-Services Philippines, Inc. (Zalora PH) since 2017. She was formerly President of Ayala Land Malls, Inc. She served as a member of the International Council of Shopping Centers (ICSC), Asia Pacific Advisory Board from 2008 until 2020. She is a 2015 International Council of Shopping Centers (ICSC) Trustees Distinguished Service Awardee. She graduated as cum laude of Bachelor of Arts in Economics from the University of the Philippines in 1983 and earned her Masters in Business Administration from the same university in 1988. She finished the Executive Development Program at the Aresty Institute of Executive Education in Wharton University, Pennsylvania, USA in 2005.

Jaime Alfonso E. Zobel de Ayala, Filipino, 31, has been a Director of the Company since May 14, 2020. He currently heads the Business Development and Innovation Units of Ayala Corporation. He is also the Co-Deputy Head of Corporate Strategy Group. He is a Director of ACE Enexor, Inc. and MCT Berhad, publicly listed companies in the Philippines and Malaysia, respectively. He is also a Director of AC Energy International, Inc., AC Ventures Corporation, BPI Capital Corporation, and BPI Direct Banko Inc. He is the Chairman of Global Ideas Committee of the Makati Business Club and a member of the Investment Committee of the

Kickstart Ventures Inc. Previously, he was Head of Business Development (Prepaid Division) of Globe Telecom. Before joining Ayala Group, he was an Analyst at Goldman Sachs Singapore under the Macro Sales Desk (FICC Division). He graduated at Harvard University, with a Primary Concentration in Government in 2013 and his Master of Business Administration from Columbia Business School in 2019.

Nathanael C. Go, Filipino, 46, has been a Director of the Company since January 13, 2017. He is also the President of Grenelle Central Corporation, Mighty and Strong (MAS) Food Corporation, United Harvest Corporation, and United Sustainment Solutions Corporation. Mr. Go graduated magna cum laude from Georgetown University with a BS degree in Foreign Service and completed his graduate studies in International Political Economy from the University of Warwick as a British Chevening scholar. Mr. Go worked in the Public Affairs practice of Burson Marsteller Beijing, and before that was a senior member of the Policy and Strategy Division of the National Security Council, Philippines.

Rex Ma. A. Mendoza, Filipino, 59, has been an Independent Director of the Company since February 26, 2016 and its Lead Independent Director since July 18, 2017. He is the President & CEO 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 the lead independent director of Globe Telecom, Inc., a publicly listed company and an independent director of the National Reinsurance Corporation of the Philippines and ALI, also publicly listed companies. He is also a director of the Cullinan Group, Esquire Financing, Inc., Mobile Group, Inc., Seven Tall Trees Events Company, Inc., and TechnoMarine Philippines. 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.

Renato O. Marzan, Filipino, 73, has been an Independent Director of the Company since January 13, 2017. He is currently the Chairman of the Board of Directors of UBS Securities Philippines, Inc. (USPI), a wholly-owned subsidiary of UBS AG. He has been an independent director of the USPI since May 2010. He is also a consultant and director in a number of private corporations. He was formerly connected with Ayala Corporation where he retired in December 31, 2008. At the time of his retirement, he was the General Counsel, Managing Director and the Group Head of the Corporate Governance and Legal Affairs Group of the corporation. In such capacity, he exercised direct supervision and oversight over the Legal

Division, Office of the Corporate Secretary, the Compliance Unit and the Internal Audit of the corporation. He played an important role in the adoption and implementation of the principles and best practices of good corporate governance in the Ayala Group of Companies. During his career in Ayala, he also served as a director and corporate secretary of a number of companies within the Ayala Group. He graduated magna cum laude with a degree of Bachelor of Arts major in Philosophy in 1969, and cum laude with a degree of Bachelor of Laws in 1973, both from San Beda College. Prior to joining Ayala in 1978, he was in the active practice of law.

Cassandra Lianne S. Yap, Filipino, 32, has been an Independent Director of the Company since April 13, 2020. She is the Vice President and Corporate Secretary of Zamcore Realty & Development Corp. She is also the President, Chief Operating Officer and Chief Executive Officer of Ferenzo Holdings & Development Corp. and the Executive Vice President of FelCris Hotels & Resorts Corp. She graduated in 2011 with a degree in Psychology from Kwantlen Polytechnic University in British Columbia.

Governance Structure

Board of Directors and Board Committees

The Board of Directors exercises full authority in matters of governance and managing the regular business of the Corporation. The Board has the responsibility to promote the success and sustained competitiveness of the Corporation over the long term while adhering to sound corporate governance principles and practices. The Board sets the Corporation's vision, mission, strategic objectives, key management policies and procedures, and the procedure to evaluate the performance of management.

The Board has established six (6) committees to assist in the performance of its functions. These are the Executive Committee, Audit Committee, Corporate Governance and Nomination Committee, Personnel and Compensation Committee, Sustainability Committee, Risk Management and Related Party Transactions Committee¹. The function of each committee is discussed on pages 55-57 of this report.

The Chairman, Vice-Chairman and President and Chief Executive Officer (CEO)

The Chairman of the Board and the President/CEO have distinct and separate roles and responsibilities to ensure balance of power and independent decision-making.

The Chairman of the Board is Mr. Jose Emmanuel H. Jalandoni who first assumed the post in February 2018. He was the President of the Corporation from February 2016 to February 2018. The Chairman presides over all meetings of the board and stockholders. The Chairman renders advice and counsel to the President and ensures compliance with the corporate governance guidelines.

The Vice-Chairman is Mr. Felipe U. Yap, who was elected in February 2016. Prior to this date, he served as Chairman of the Corporation from January 2002 to February 2016. In the absence of the Chairman, the Vice Chairman shall preside at the Board and stockholders' meetings.

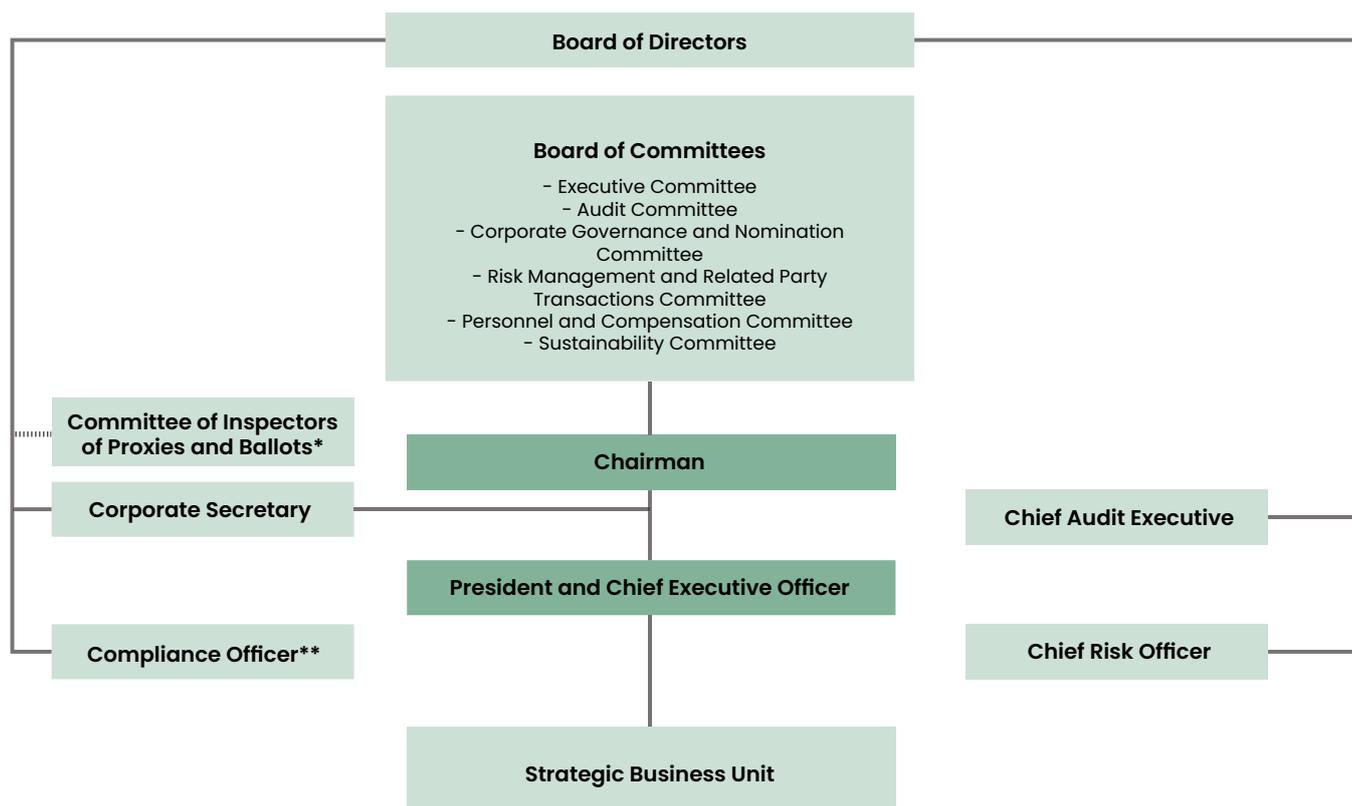
The Corporation's President/CEO is Ms. Maria Rowena M. Tomeldan who assumed office in February 2018. As President, she has general supervision over the business and properties of the Corporation. She executes the resolutions of the Board and of the stockholders, determines the strategic direction of the Corporation and implements the strategic plans. She manages the operations and the human and financial resources of the Corporation in accordance with the strategic plans.

Corporate Secretary

The Corporate Secretary acts as adviser to the directors on

¹ On November 9, 2021, the Board approved to combine the Board Risk Oversight Committee and the Related Party Transactions Review Committee into the Risk Management and Related Party Transactions Committee.

ALLHC CORPORATE GOVERNANCE CHART



*Composed on non-directors
 **Concurrent CRO

their responsibilities and assists the Board and the board committees in the conduct of their meetings. She has custody of the minutes of the meetings of the stockholders, the Board and its committees, and other official records of the Corporation. The Corporate Secretary ensures that adequate and timely information is provided to the Board and Board committees before their respective meetings. Atty. June Vee D. Monteclaro-Navarro is ALLHC's Corporate Secretary who assumed the post in February 2016.

Compliance Officer

The Compliance Officer (CO) monitors and ensures compliance by the company, its directors and officers with relevant laws and regulations and implementation of best corporate governance practices across the group. Ms. Francis M. Montojo is the Corporation's CO since December 2018, and concurrently serves as its Chief Finance Officer and Chief Risk Officer.

Chief Audit Executive

The Chief Audit Executive (CAE) heads the Internal Audit Group and is responsible for the internal audit activities of the Corporation and reports functionally to the Audit Committee and administratively to the President. The Internal Audit Group assists the Audit Committee by providing timely objective reports on internal control and compliance issues. The Corporation's CAE is Ms. Annabeth R. Bernardo who was appointed on February 11, 2021 vice Ms. Divina Y. Lopez.

Chief Risk Officer

The Chief Risk Officer (CRO) supervises the enterprise-wide risk management process, its implementation and development. The CRO conducts the annual risk assessments to identify the risks, their impact or potential impact, and measures to address or mitigate such risks. The CRO reports to the Risk Management and Related Party Transactions Committee². The Corporation's CRO is Ms. Francis M. Montojo.

Strategic Business Units

ALLHC's strategic business units (SBUs) execute the

² Previously, the CRO reported to the Board Risk Oversight Committee (BROC). The BROC was replaced by the Risk Management and Related Party Transactions Committee in November 2021.

Corporation's strategies and oversee day-to-day operations of its product lines. Each SBU is led by a group head who reports to the President and CEO. ALLHC has three (3) main business lines: industrial parks, warehouse leasing and commercial leasing. The industrial parks group is responsible for the acquisition of land and the development of industrial parks. The warehouse leasing group handles leasing of standard factory buildings and warehouses, including cold storage facilities. The commercial leasing group handles operation of the Corporation's commercial centers, Tutuban Center and South Park Center.

ALLHC has established policies and practices which are posted on its website. These are also available in this report, its corporate governance manual, and integrated annual corporate governance report (I-ACGR).

ALLHC complies with all the listing and disclosure rules of the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC).

Board Matters

Composition

The Board of Directors is composed of nine (9) members, more than majority of whom are non-executive and/or independent directors. They hold office for a period of one (1) year and serve until their successors have been elected and have duly qualified.

Skills, Competency and Diversity

The Board as a group has the necessary knowledge, skills and experience required to perform its duties. Each director adds value and contributes independent judgment in formulating sound corporate strategies, policies and decisions.

The Board is composed of individuals with diverse professional backgrounds, knowledge, skills and competencies in the fields of management, business

2021 Board of Directors
 (as of 31 December 2021)

Director	Designation	Year Elected (No. of years in the board)	Expertise
Jose Emmanuel H. Jalandoni	Non-Executive, Chairman	February 2016 (5)	General management, real estate, finance
Felipe U. Yap	Non-Executive, Vice Chairman	November 1993 (28)	General management, mining, real estate, securities
Bernard Vincent O. Dy	Non-Executive	February 2016 (5)	General management, real estate, accounting, finance
Maria Rowena M. Tomeldan	Executive, President & CEO	February 2016 (5)	General management; industrial parks, mall and retail management; real estate
Jaime Alfonso E. Zobel de Ayala	Non-Executive	May 2020 (1)	Business development, product development, innovation, and general management
Nathanael C. Go	Non-Executive	January 2017 (4)	General management, retail business, manufacturing, marketing
Rex Ma. A. Mendoza	Non-Executive, Lead Independent	February 2016 (5)	Finance and investments, marketing, real estate, insurance, risk management
Renato O. Marzan	Non-Executive, Independent	January 2017 (4)	Legal, corporate governance, general management
Cassandra Lianne S. Yap	Non-Executive, Independent	April 2020 (1)	Real estate management, hotel & resort management, marketing

development, real estate, legal, finance, marketing, and risk management, each contributing independent judgment and value in making sound corporate strategies and policies.

Diversity in the Board covers gender, age, ethnicity, culture, skills, competence, and knowledge. The Board regularly reviews its composition to be responsive to the evolving requirements of the Corporation. With respect to gender, the Corporation shall strive that its Board shall have at least two female directors by 2025. At present, the Corporation is compliant with this gender policy by having two (2) female directors - an independent director and an executive director, in the Board.

Independent Directors in the Board

Independent Directors ensure exercise of independent judgment on corporate affairs and proper supervision of management's performance. Independent directors shall hold no interests or relationships with the Corporation that may hinder their independence from the Corporation or management in carrying out the responsibilities of a director. They serve for a cumulative period of not more than nine (9) years.

Following the Code of Corporate Governance for Publicly-Listed Companies (PLCs), the Corporation has three (3) independent directors constituting one-third of the total number of directors of the Corporation and equivalent to 33% of the nine-man Board. This exceeds the number of independent directors prescribed in the Revised Corporation Code.

Mr. Rex Ma. A. Mendoza was re-appointed as lead independent director on April 21, 2021. As lead independent director, he acts as an intermediary between the Chairman and the other members of the board when needed. He convenes and chairs the meetings of the non-executive directors.

Directorships Outside ALLHC

A director may accept and hold directorships outside the Corporation. To ensure that adequate time and attention is given to the fulfilment of duties as director of the Corporation, independent and non-executive directors are encouraged to hold no more than five (5) board seats in any group of publicly-listed companies while executive directors shall hold no more than two (2) board seats in listed companies outside the Ayala Group.

Meetings and Attendance

As provided in its Manual on Corporate Governance, the Board shall have at least six (6) regular meetings during the year. The meetings are set at the start of the year. The meetings of the board committees as provided in their respective charters are also set at the start of the year. The Company tried, as far as it was practicable, to send the notice of board meetings to the directors five (5) working days before the meeting.

The Board had six (6) meetings in 2021. Like the previous year, Board and committee meetings were held via remote communication, through teleconferencing or videoconferencing, as group gatherings were not allowed as a safety measure against the spread of COVID-19 virus. All directors attended 100% of the Board and committee meetings during the year, thus making them all eligible for re-election the following year.

Non-executive directors (NEDs) met twice in 2021 without any executive directors present, in compliance with the provisions of its Manual on Corporate Governance (revised as of November 2020) which require the NEDs to meet periodically. Please refer to the list of Board and Committee meetings and attendance of directors in 2021 on pages 53-54 of this report.

Remuneration

Under the Corporation's Amended By-laws (the "By-laws"), the Board is authorized to fix the per diems of directors for his/her attendance in board and committee meetings. Pursuant

to a resolution of the Board, directors shall be entitled to receive from the Corporation, fees and other compensation for their services. However, the total yearly compensation of directors shall in no case exceed ten percent (10%) of the net income before income tax of the Corporation during the preceding year as provided under the Corporation's By-laws and the Revised Corporation Code. No director shall be involved in deciding his own remuneration.

On January 13, 2017, the stockholders of the Corporation approved a director's per diem of P40,000.00 per meeting of the Board and P30,000.00 per committee meeting.

Independent directors are not entitled to receive options or bonuses except pursuant to a resolution approved by the stockholders owning majority of outstanding capital stock as

provided in the Board Charter.

No director was contracted and compensated by the Corporation for services other than those as a director. There is no arrangement regarding the remuneration of directors and officers aside from those stated herein.

Information on the total compensation of the directors and top executive officers is available in the definitive information statement provided to stockholders and posted on the Corporation's website.

The total annual compensation (per diems) of directors in 2021 is shown in the table below.

Board of Directors Gross Remuneration in 2021

Directors	Total Remuneration (Php)
Jose Emmanuel H. Jalandoni*	380,000.00
Felipe U. Yap	380,000.00
Bernard Vincent O. Dy*	320,000.00
Maria Rowena M. Tomeldan*	450,000.00
Jaime Alfonso E. Zobel de Ayala*	320,000.00
Nathanael C. Go	320,000.00
Rex Ma. A. Mendoza	740,000.00
Renato O. Marzan	710,000.00
Cassandra Lianne S. Yap	620,000.00
Total	4,240,000.00

* Per diems were paid to their nominating company

Directors' Attendance in Meetings of the Board and Committees in 2021

Directors	Full Board		Non-Executive Directors	
	Meetings Attended/Held	% Present	Meetings Attended/Held	% Present
Jose Emmanuel H. Jalandoni (NE)	6/6	100%	2/2	100%
Felipe U. Yap (NE)	6/6	100%	2/2	100%
Bernard Vincent O. Dy (NE)	6/6	100%	2/2	100%
Maria Rowena M. Tomeldan (E)	6/6	100%	N/A	100%
Jaime Alfonso E. Zobel de Ayala (NE)	6/6	100%	2/2	100%
Nathanael C. Go (NE)	6/6	100%	2/2	100%
Rex Ma. A. Mendoza (Lead ID)	6/6	100%	2/2	100%
Renato O. Marzan (ID)	6/6	100%	2/2	100%
Cassandra Lianne S. Yap (ID)	6/6	100%	2/2	100%

Legend: NE - Non-Executive; E-Executive; ID- Independent Director

Executive Committee	Meetings Attended/Held	% Present
Jose Emmanuel H. Jalandoni	3/3	100%
Felipe U. Yap	3/3	100%
Maria Rowena M. Tomeldan	3/3	100%

Audit Committee	Meetings Attended/Held	% Present
Rex Ma. A. Mendoza	5/5	100%
Renato O. Marzan	5/5	100%
Cassandra Lianne S. Yap	5/5	100%

Corporate Governance and Nomination Committee	Meetings Attended/Held	% Present
Renato O. Marzan	3/3	100%
Rex Ma. A. Mendoza	3/3	100%
Cassandra Lianne S. Yap	3/3	100%

Personnel and Compensation Committee	Meetings Attended/Held	% Present
Renato O. Marzan	2/2	100%
Maria Rowena M. Tomeldan	2/2	100%
Rex Ma. A. Mendoza	2/2	100%

Sustainability Committee	Meetings Attended/Held	% Present
Maria Rowena M. Tomeldan	2/2	100%
Renato O. Marzan	2/2	100%
Rex Ma. A. Mendoza	2/2	100%

Board Risk Oversight Committee [∞]	Meetings Attended/Held	% Present
Cassandra Lianne S. Yap	1/1	100%
Maria Rowena M. Tomeldan	1/1	100%
Rex Ma. A. Mendoza	1/1	100%

Related Party Transactions Review Committee [∞]	Meetings Attended/Held	% Present
Renato O. Marzan	0	0
Rex Ma. A. Mendoza	0	0
Cassandra Lianne S. Yap	0	0

Risk Management and Related Party Transactions Committee [∞]	Meetings Attended/Held	% Present
Renato O. Marzan	1/1	100%
Rex Ma. A. Mendoza	1/1	100%
Cassandra Lianne S. Yap	1/1	100%

[∞] The Board on November 9, 2021 combined the Board Risk and Oversight Committee and RPT Review Committee into the Risk Management and Related Party Transactions Committee

Disclosure of Conflict of Interest

A director is required to disclose any conflict of interest. Independent directors are required to submit to the Corporate Secretary a confirmation letter stating that at the time of his election, appointment, or re-appointment as director, they hold no interests affiliated with the company, or in the management of its controlling shareholder. This disclosure notwithstanding, a director is required to abstain from participating in the discussion and voting on any matter where he has a conflict of interest at any point during the course of his service. A director with any material conflict of interest determined to be permanent in nature shall be disqualified from being elected as director.

No person shall qualify or be eligible for nomination or election to the board if he is engaged in any business that competes with or is antagonistic to the interest of the company.

Employees accomplish and submit a Business Interest and Related Party Disclosure form to ensure that no activity or

interest of the employee could give rise to possible conflict of interest with their employment with the Corporation.

Annual Self-Assessment

The Board and board committees conduct annual self-assessment to monitor their performance with the objective of improving performance. The individual members of the Board accomplish questionnaires, the results of which are compiled by the Compliance Officer and presented to the Board and respective committees.

The 2021 Board self-assessment covers topics such as composition, roles and functions, information management, representation of shareholders and ESG factors, managing company's performance; board strategy and priorities; senior executives' performance and succession planning, director development, risk management and overall perception. The Committee self-assessment covers fulfillment of Board's key responsibilities, quality of relationship with management, effectiveness of board processes and meetings, and performance of individual board members. As in the previous

year, the 2021 performance self-assessment for the Board and Committees was conducted through an online survey.

The questionnaires are subject to review each year to ensure their relevance.

Training and Development

ALLHC requires all board members and key officers to attend relevant professional trainings and education programs. Directors attend an annual four-hour corporate governance seminar or training. Directors attend integrated corporate governance seminar conducted for the Ayala Group or such other corporate seminars accredited by the Securities and Exchange Commission as part of their continuing training program. In 2021, the directors and key officers attended a virtual corporate governance seminar for the Ayala Group as large group meetings were disallowed under the government's health protocols.

New directors attend an orientation program which provides information about the Corporation so that they can effectively perform their functions. Generally, the orientation covers Corporation's operations, financial results, disclosure obligations of directors, conflict-of-interest situations, and relevant company policies. No orientation was conducted in 2021 as there was no new director elected.

Board Committees

Each Board committee has its own charter which sets out the purpose, policies, membership, responsibilities, authority of each committee, including procedures and reporting processes.

Below is the composition of ALLHC's board committees:

2021 Training and Continuing Education of Board of Directors

Director	Date of Training	Program	Training Institute
Jose Emmanuel H. Jalandoni	21 October 2021	The Board's Agenda 2021: The Pathway to Recovery Through ESG	Institute of Corporate Directors (ICD)
Felipe U. Yap	21 October 2021	The Board's Agenda 2021: The Pathway to Recovery Through ESG	ICD
Bernard Vincent O. Dy	21 October 2021	The Board's Agenda 2021: The Pathway to Recovery Through ESG	ICD
Maria Rowena M. Tomeldan	21 October 2021	The Board's Agenda 2021: The Pathway to Recovery Through ESG	ICD
Jaime Alfonso E. Zobel de Ayala	21 October 2021	The Board's Agenda 2021: The Pathway to Recovery Through ESG	ICD
Nathanael C. Go	21 October 2021	The Board's Agenda 2021: The Pathway to Recovery Through ESG	ICD
Rex Ma. A. Mendoza	21 October 2021	The Board's Agenda 2021: The Pathway to Recovery Through ESG	ICD
Renato O. Marzan	21 October 2021	The Board's Agenda 2021: The Pathway to Recovery Through ESG	ICD
Cassandra Lianne S. Yap	21 October 2021	The Board's Agenda 2021: The Pathway to Recovery Through ESG	ICD

Directors	Executive	Audit	Corporate Governance and Nomination	Personnel and Compensation	Sustainability	Risk Management and Related Party Transactions*	Board Risk Oversight Committee**	Related Party Transactions Review Committee**
Jose Emmanuel H. Jalandoni	C							
Felipe U. Yap	M							
Maria Rowena M. Tomeldan	M			M	C		M	
Rex Ma. A. Mendoza		C	M	M	M	M	M	M
Renato O. Marzan		M	M		M	C		C
Cassandra Lianne S. Yap		M	C	C		M	C	M

Legend: C - Chairman; M - Member; ID - Independent Director

* Created on November 9, 2021

** Replaced by the Risk Management and Related Party Transactions Committee on November 9, 2021

Executive Committee

The Executive Committee consists of three (3) members, majority of whom are Filipinos, in accordance with the authority granted by the Board or during the intervening period between Board meetings, acts by majority vote of all its members on such matters within the competence of the Board except for specific matters as stated in its charter, the Corporation's By-laws and the Revised Corporation Code. All actions of the Executive Committee shall be reported to the Board of Directors at the meeting thereof immediately following such action.

In 2021, the Executive Committee performed the following duties:

1. Approved the change in the date of the 2021 Annual Stockholders' Meeting (ASM), record date, relevant dates for submission of nominations of directors, submission and validation of proxies, set the venue for the broadcasting of the ASM, the adoption and application of the internal guidelines on participation in meetings by remote communication and voting *in absentia* in compliance with the requirement of the Securities and Exchange Commission; and
2. Deliberated on, and approved, the settlement of claim of a subsidiary with Mandaue Realty & Resources Corporation.

Audit Committee

The Audit Committee consists of three (3) non-executive directors, majority of whom are independent directors, including its Chairman as provided in its charter. The Chairman of the Audit Committee, as far as practicable, cannot be the chairman of the board or any other committee of the Corporation. Presently, the Audit Committee is composed of 3 independent directors and its Chairman is not the chairman of the Board or of any other committee. The Audit Committee's duties include financial reporting, internal and external audit. It is responsible for the appointment and removal of the Chief Audit Executive, assessment of the independence and qualifications of the independent auditor, and recommends to the Board the appointment and remuneration (i.e., both audit and non-audit fees), as well as the removal of the independent auditor. The committee ensures the rotation of the independent auditor as required under its Manual on Corporate Governance.

The Audit Committee's 2021 accomplishments include:

1. Performed oversight function relating to the accuracy of the Company's financial statements, and effectiveness of its internal audit activities, quarterly financial reporting process and unaudited financial statements, the annual independent audit of the financial statements and compliance with legal and regulatory requirements;
2. Appointed a new Chief Audit Executive;
3. Approved the Internal Audit Plan for 2021 and 2022 and updates presented by internal auditor assigned to the Group
4. Approved and endorsed for ratification of the Board the Internal Control and Compliance System Attestation for the year ended December 31, 2021 signed by the President / CEO, Chief Finance Officer, Compliance Officer and Chief Audit Executive;
5. Reviewed and approved the Management Representation Letter;
6. Reviewed and endorsed for approval the 2020 Audited Financial Statements prepared by the external auditors SyCip Gorres Velayo & Co. (SGV), its full year 2021 financial and operating results as well as quarterly unaudited financial statements;
7. Recommended appointment of SGV as external auditor for 2021 and the ensuing year and the corresponding audit fee; and
8. Approved the various plans and projects of the Corporation, which include acquisition of properties, construction of warehouses and disposal of idle assets.

For the actions of the Audit Committee, please refer to the Report of the Audit Committee to the Board of Directors which

was approved by the Board on February 22, 2022, on pages 77-78 of this report.

Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee consists of three (3) members, all of whom are independent directors. The committee oversees all corporate governance related matters, and the nomination and election of the Corporation's directors.

In 2021, the Corporate Governance and Nomination Committee's accomplishments include:

1. Amendment of the Manual on Corporate Governance;
2. Amendment of the Board Charter and company policies such as the Insider Trading Policy, and Privacy Policy;
3. Reviewed and evaluated the profiles and qualifications of the 2021 nominees for directors; approved and endorsed the final list of nominees for directors for election, and appointment of key officers;
4. Approval of nominees to the Board and Risk Management and Related Party Transactions Committee as well as changes in the chairpersons of the Personnel and Compensation Committee and Corporate Governance and Nomination Committee.

Personnel and Compensation Committee

The Personnel and Compensation Committee is composed of three (3) members, as far as practicable, majority of whom are independent directors, including its Chairman. The committee is responsible for all matters pertaining to board, management and overall company remuneration.

In 2021, the Committee was responsible for:

1. Review of employees' benefits and policies;
2. Review and roll-out of policies and practices during the quarantine for the employees and contracted services and for employees' reintegration into the workplace; and
3. Amendment of the Personnel and Compensation Committee Charter.

Board Risk Oversight Committee

The Board Risk Oversight Committee, consists of three (3) non-executive directors, majority of whom are independent directors, including its Chairman. This committee is responsible for the development and implementation of a formal enterprise risk management plan.

In 2021, the Committee conducted a review of the Company's key risks and control assessment measures and risk management systems.

Related Party Transactions Review Committee (RPT Committee)

This Committee is composed of three (3) non-executive directors, all of whom are independent directors. The committee is tasked with the review of all related party transactions (RPTs) of the company, except pre-approved RPTs, and to ensure that all material RPTs are not undertaken on more favorable economic terms.

Risk Management and Related Party Transactions Committee (RMRPTC)

Established on November 9, 2021, the RMRPTC took over the functions of Board Risk Oversight Committee and Related Party Transactions Review Committee. This Committee is composed of three (3) non-executive directors, majority of whom are independent directors, including its Chairman. At present, all its members are independent directors. The Chairman of the Committee cannot be the chairman of the board or any other committee of the Corporation. This committee is responsible for the development and implementation of a formal enterprise risk management plan, monitoring of the risks and risk mitigation strategies, and review of all material RPTs of the Corporation.

In 2021, the RMRPTC performed the following functions:

1. Approved the charter of the RMRPTC;
2. Conducted a review of the Corporation's key risks and

- control assessment measures; and
3. Reviewed and amended the RPT Policy of the Company

Sustainability Committee

The Sustainability Committee is composed of three (3) directors, with at least one independent director. At present, the committee has two independent directors as members. The committee oversees the Corporation's sustainability initiatives and practices.

In 2021, the Sustainability Committee discussed and reviewed the results of the 2020 sustainability initiatives, and set the development goals for 2021 and 2022. Using the GRI approach, it evaluates and reports its sustainability efforts. It is in charge of the review of the sustainability report for the Corporation's 2021 annual report.

Internal Audit

The Internal Audit Group ensures compliance with internal control procedures and assists the Audit Committee in supporting the corporate governance process through the provision of checks and balances.

External Audit, Audit and Audit-related Fees

Upon the recommendation of the Audit Committee and approval of the Board, the accounting firm of SyCip Gorres Velayo & Co. (SGV) with Mr. Carlo Paolo V. Manalang as partner-in-charge, was appointed as external auditor of the Company for the 2021 audit year.

The audit and non-audit fees (exclusive of Value Added Tax) paid by ALLHC Group for the last two years are as follows:

Year	Audit and Audit Related Fees* (in million pesos)	Other Non-Audit Fees* (in million pesos)
2021	2.03	0.152
2020	1.95	0.060

* Includes SGV fees for the review of the BOI reports of Unity Realty and Development Corporation and Laguna Technopark, Inc. (2019-2021), and validation of votes during the 2021 annual stockholders' meeting.

Process and Criteria for Nominations to the Board

Process and Criteria for Nominations to the Board

The process and criteria followed by the Corporate Governance and Nomination Committee in receiving and evaluating nominations to the Board are as follows:

1. Receive all written nominations to the Board submitted by stockholders together with the consent of the nominees, at least thirty (30) business days before the date of the next annual meeting of the stockholders.
2. Review and evaluate the qualifications of all those nominated in accordance with the following criteria:
 - (a) Ownership of at least one (1) share of stock of the Corporation standing in his name in the books of the Corporation;
 - (b) A college degree or its equivalent or adequate competence and understanding of the fundamentals of the business of the Corporation or sufficient experience and competence in managing a business to substitute for such formal education;
 - (c) Relevant qualification such as previous business experience, membership in good standing in relevant industry, and membership in business or professional organizations; and
 - (d) Possesses integrity, probity and shall be diligent and assiduous in the performance of his functions;

- (e) Directorships in other companies, taking into account the following factors:
 - (i) Nature of the business of the Corporation;
 - (ii) The number of directorships in other companies;
 - (iii) Any possible conflict of interest; and
 - (iv) Age of the director;
- (f) Possesses none of the grounds for disqualification provided in applicable laws, the rules and regulations of the Securities and Exchange Commission, the Corporate Governance Manual and By-laws of the Corporation;
- (g) For independent directors, beneficial equity ownership in the Corporation, or in the related companies, which must not exceed two percent (2%); and
- (h) The term limit set for independent directors under applicable laws, rules and regulations.

The Committee may consider and recommend to the Board other qualifications for directors, including independence criteria or standards for independent directors, which are aligned with the Corporation's vision, mission and corporate strategy that are now or may hereafter be provided in relevant laws or any amendment thereto.

The Committee may likewise recommend qualified individuals for nomination and election to the Board. For this purpose, the Committee shall make use of professional search firms or other external sources of candidates to search for qualified candidates to the Board.

Committee of Inspectors of Proxies and Ballots

Aside from the Board Committees, the Corporation has a committee composed of individuals who are empowered to validate proxies and tabulate votes during the stockholders' meetings. These individuals are not members of the Board.

The members of this committee are the Corporation's Corporate Secretary, Atty. June Vee D. Monteclaro-Navarro, CFO and Compliance Officer, Ms. Francis M. Montojo, and Ms. Michelle Marie T. Valbuena of the Corporate Services Unit.

Policies and Practices

Annual Stockholders' Meeting (ASM)

Notice of the ASM

The Company's By-Laws provide that the notice of the ASM and Information Statement are to be sent at least 21 days before the meeting, by electronic transmission or personal delivery, to the registered physical or electronic address of stockholders. The notice is in English and contains the date, time and place of the meeting, the agenda and explanation for each agenda item to be presented for approval of the stockholders. Each resolution deals with one agenda item. The rules of conduct and voting procedure are included in the notice of the ASM. A proxy form is attached to the notice.

The information statement contains the profile and personal data of all the directors, including those up for election or re-election, and of the auditors recommended for appointment.

Given the government-imposed quarantine, the Corporation decided to hold a virtual stockholders' meeting on April 21, 2021. With some businesses under lockdown, the SEC directed PLCs to distribute the notice of meeting and Information Statement through electronic means with the publication of the notice in print and online, in two newspapers of general circulation, and the posting of the notice of meeting and Information Statement in the websites of the Company and the PSE. The notice of the ASM were also sent to electronically to the email addresses of the stockholders who provided their email addresses.

Election of Directors and Voting Procedure

All shareholders, including minority shareholders, have the right to nominate candidates to the board. The names of the nominees, together with their written consent, must be filed with the Corporate Governance and Nomination Committee, through the Office of the Corporate Secretary, within the period for nomination of directors as disclosed through PSE Edge and posted on the website of the Corporation. The period for nomination of directors is at least thirty (30) business days prior to the date of the annual meeting of stockholders.

Directors are elected by poll through ballot or electronic voting, following the plurality system. Stockholders as of record date may vote such number of shares he owns for as many persons as many as the number of directors to be elected; or he may cumulate said shares as the number of directors to be elected multiplied by the number of shares owned, provided that the total number of votes cast shall not exceed the number of his shares multiplied by the total number of directors to be elected in accordance with Sec. 23 of Revised Corporation Code.

Virtual ASM

In 2021, mindful of the health and safety of its stockholders and the existing government health protocols, no physical stockholders' meeting was held, and thus voting by the stockholders was done by proxy, or electronically using a secure online registration and validation system. For this purpose, the Corporation set up a website which may be accessed by stockholders to register and vote on matters through remote communication or *in absentia*. The requirements and procedure for electronic voting *in absentia* were included in the notice and the Information Statement to the stockholders, and were posted on the Corporation's website at least 21 days before the date of the meeting. The electronic voting platform indicate the proposed resolutions for consideration by the stockholders. Also, each proposed resolution was shown on the screen and read by the Corporate Secretary during the meeting. Stockholders were allowed to cast their votes until the cut-off time announced during the meeting. Stockholders casting votes through remote communication or *in absentia*, electronically or otherwise, are deemed present for purposes of determining the existence of a quorum. The votes received are tabulated by the then Inspectors of Proxies and Ballots Committee and validated by the independent auditor. The Corporate Secretary reported on the votes received and tabulated for each item. The final votes were tabulated and disclosed immediately after the ASM.

Stockholders were allowed, prior to the meeting, to send questions by email to corporate.secretary@ayalalandlogistics.com. Stockholders may raise questions or concerns about the meeting two weeks after the meeting through the said email address.

Minutes of the ASM

The minutes of the ASM is posted in the company website, www.ayalalandlogistics.com, within five (5) business days from the date of ASM. The minutes include the results of the votes for all resolutions, which were disclosed to the public right after the ASM. The minutes also include attendance of directors and questions raised by stockholders and answers thereto.

Dividends

There were no dividend declarations for the years 2019 to 2021.

As provided in the Amended By-laws, dividends shall be declared by the Corporation only from surplus profit and shall be payable at such times and amounts as the Board of Directors may determine. The dividends are payable in cash or shares of stock from the unissued stock of the Corporation, or both as the Board may determine. No dividend shall be declared that will impair the capital of the Corporation.

Cash dividends require the approval of the Board of Directors only. For stock dividends, approval of the Board and the stockholders holding two-thirds of the capital stock of the Corporation are required. The approval of the SEC and PSE are required for the listing of shares from stock dividend declarations.

Ownership Structure

In accordance with SEC requirements, the list of beneficial owners of more than 5% of the company's total outstanding stock is disclosed on a quarterly basis. No member of the board or management owns 2% or more of the outstanding capital stock of the company.

Direct and indirect shareholdings of directors and officers and the respective changes in shareholdings are also disclosed in the website. Details on the parent company, its subsidiaries and affiliates are available in the annual report (SEC Form 17-A), quarterly reports (SEC Form 17-Q), Information Statement (SEC Form 20-IS), and Integrated Annual Corporate Governance Report, and on the website of the Company, www.ayalalandlogistics.com.

Disclosure and Transparency

The Company adheres to the highest standards of transparency and fairness in its information disclosure and dissemination. The Company provides the public with financial and operational information through its structured and unstructured disclosures to the regulatory authorities such as the SEC and PSE. These disclosures are immediately posted on the Company's website.

Corporate Governance Compliance

In 2017, the Corporation adopted a Manual on Corporate Governance (the "Manual") in compliance with the SEC directive. The Manual was updated in 2019, 2020 and 2021.

In 2021, the Company approved the amendment of the Manual. The salient amendments include, among others,

1. Inclusion of the vision, mission and core values
2. Added being under preventive suspension by the Corporation as ground for temporary disqualification of the director;
3. Stipulated that the Chairman is separate from the Chief Executive Officer;
4. Updated qualifications of independent directors;
5. Indicated that non-executive directors will meet twice a year
6. Updated qualification of the members of the Executive Committee;
7. Updated the composition of the Personnel and Compensation Committee; provided that the committee chairman be an independent director, and added another function of the committee;
8. Inclusion of Risk Management and Related Party Transactions Committee (RMRPTC), including its composition and functions;
9. Updated functions of the President, Chief Finance Officer, and Corporate Secretary;
10. Updated function of Compliance Officer to include onboarding of new directors;
11. Updated functions of internal audit and qualification of the Chief Audit Executive, and
12. Added provision on trading blackout.

The Board approved the amendment of the Charters of the Board, Personnel and Compensation Committee, and the Executive Committee and the creation of the RMRPTC Charter. The Board also approved updating of the company policies on Insider Trading and Related Party Transactions.

The Board, together with top Management, reviewed the Corporation's vision and mission and core values. The Board sets the strategic objectives of the Company and ensures that the implementation of the strategies is in accordance

with good governance practices and that internal control mechanism and procedures are in place. To evaluate performance, the Board and its Committees conduct an annual self-assessment through an online survey. The results are collated by the Compliance Officer and reported to the Board and the respective committees.

The Company's website, www.ayalalandlogistics.com, is updated regularly and contains the corporate information on the business and management of the Group, company policies, corporate governance reports and disclosures of the Company for the stockholders, stakeholders and potential investors.

There was no material deviation from the Company's Manual. The Company has complied with the provisions of the Code of Corporate Governance for Publicly-Listed Companies (SEC Memorandum Circular No. 19, Series of 2016). For the ensuing year, the Company will continue to improve its systems and procedures, and consider holding media briefings as may be required by the Corporation.

Anti-Corruption Programs and Procedures <GRI 205>

Trading Blackout Policy

The Corporation's trading blackout policy prohibits covered persons from buying or selling ALLHC shares during a prescribed period as they may have obtained material information about the Corporation which have not been disclosed to the public. Covered Persons include the directors, key officers, consultants, advisers, ALLHC employees, and immediate family members living in the same household with the aforementioned parties. Trading is prohibited five trading days before and two trading days after the date of disclosure of quarterly and annual financial results, and two trading days after the disclosure of any material information other than annual or quarterly financial results. In 2021, the penalties for breach of the policy were updated.

Within ten days from their appointment, directors and identified key officers shall submit their initial statement of ownership of shares in ALLHC through SEC Form 23-A. Thereafter, any change in their beneficial ownership of ALLHC shares must be reported within three business days from the transaction date for preparation of SEC Form 23-B. These forms are submitted to the SEC and PSE.

Related Party Transactions Policy

The Related Party Transactions (RPT) policy ensures that all RPTs of ALLHC, its subsidiaries, affiliates, and other related entities or persons, are at arm's length, fair, and inure to the best interest of the company and its subsidiaries or affiliates and their stockholders. The RPT policy defines related party relationships and transactions and the guidelines and categories that govern the review, approval and ratification of said transactions by the board or shareholders to ensure that such relationships are disclosed according to the International Accounting Standards (IAS) 24 and other applicable disclosure requirements. No RPT may be classified as financial assistance to any entity.

Material RPTs (amounting to ten percent (10%) or higher of the Corporation's total consolidated assets based on its latest audited financial statements) have to be approved by two thirds of the Board, including majority of the independent directors. If the required vote of the independent directors is not obtained, the board may require that a Material RPT it has approved be submitted for ratification of the stockholders owning two-thirds of the outstanding capital stock. Before execution of a Material RPT, the Board shall appoint an external independent party to evaluate the fairness of the terms of a material RPT.

All directors, substantial shareholders and officers with personal interest in a RPT/Material RPT shall fully and timely disclose all material facts, including their respective interests

in the RPT/Material RPT or in any transaction or matter affecting the Corporation. They should abstain from the discussion, approval and management of such transaction or matter affecting the Corporation. In case they refuse to abstain, their attendance and vote shall not be counted for purposes of determining majority approval.

Whistleblowing Policy

The Whistleblowing policy covers employees of ALLHC Group, agents, suppliers, vendors, customers, and other stakeholders. The policy provides the conditions and concerns which may be reported by any individual or entity that becomes aware or suspects any irregularity or misconduct by employees of the ALLHC Group. All employees, business partners, suppliers, and other stakeholders are encouraged and empowered to report any activity deemed illegal or unethical through secure business integrity channels. These channels may be used to freely and without fear of retaliation, directly report suspected fraud, misconduct, and violations of laws, rules, and regulations within ALLHC Group to people of authority. The ALLHC Ethics Committee oversees the business integrity channels, evaluate and promptly resolve concerns reported. The committee is chaired by the Head of the Human Resources (HR) and composed of select members of Internal Audit and Ayala Group Legal. It reports directly to the Audit Committee. Reportable matters include, among others, conflicts of interest, misconduct or policy violations, theft, fraud or misappropriation, falsification of documents, financial reporting concerns, and any act of retaliation taken against persons covered by the policy.

The business integrity channels shall accept reports made anonymously. Whistleblowers may choose the manner by which they may be contacted without compromising their anonymity, such as providing an e-mail address or mobile number. If a whistleblower chooses to identify himself, the one who receives the report should ask the whistleblower if he is willing to be identified in the course of the investigation. When the report is substantiated and the investigation completed, the Ethics Committee informs the respondent's HR Department about the report. The HR department concerned coordinates with the committee to address the report appropriately and conduct a full investigation in accordance with applicable ALLHC policies and procedures.

The Ethics Committee ensures the confidentiality of the information received, including the identity of the whistleblower, and treats all reports as confidential unless compelled by law to reveal such information. The public may report any information relating to illegal or unethical activity or violation of stockholder rights to the whistleblower officer by e-mailing him at corporate@ayalalandlogistics.com. Other reporting channels include:

- Face-to-face meetings
- Email to auditor's website:
<https://proactivehotline.grantthorntonsolutions.ph/report/aligroup>
- Corporate email
- Phone
- Written complaint mailed to the Makati City PO Box Number 1375 addressed to the AyalaLand Logistics Ethics Committee – Integrity Channel.
- Fax

Business Gifts Policy

The Company recognizes the practice of expressing gratitude by means of giving and receiving gifts. The Company regulates this practice and prescribes that the actual value of gifts should be within the boundaries of propriety and ethical behavior. A copy of ALLHC's Business Gifts and Gratuities Policy may be accessed at <https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Business-Gifts-and-Gratuities-Policy-2020.pdf>.

Risk Management

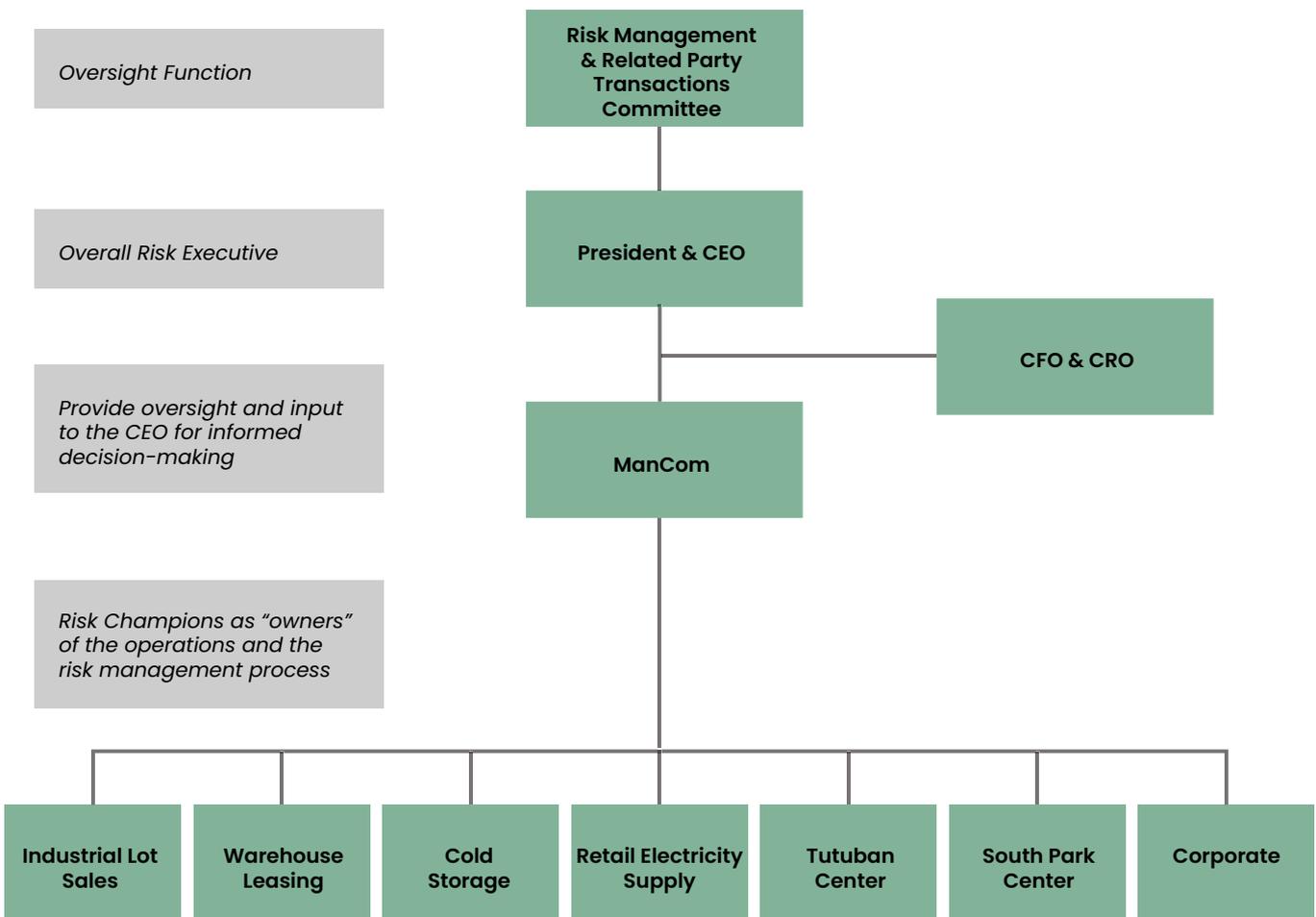
The Risk Management and Related Party Transactions Committee performs the combined functions of the former Board Risk Oversight Committee (BROC) and Related Party Transactions Review Committee. It is responsible for the development and implementation of ALLHC’s formal enterprise risk management plan. The committee ensures that ALLHC employs sound risk management practices and activities while also evaluating adequacy and effectiveness of such activities and processes. It is also tasked to review all material related party transactions of the Corporation and to ensure that the terms and conditions are fair and inure to the best interest of the shareholders.

In 2021, the Risk Management and Related Party Transactions Committee had two meetings (includes meeting of the BROC). The Chief Risk Officer (CRO) conducted risk assessments with the company’s strategic business units and the results were reviewed and presented during said meetings.

Enterprise-Wide Risk Management (EWRM) Program

The company’s EWRM program ensures close coordination and collaboration between top management and business units through a “top down, bottom up” approach. This allows a holistic and rounded analysis of ALLHC’s risk profile and its identified key risks, and adequate monitoring and implementation of mitigation plans and activities.

Risk Management Structure





The Risk Management Process

Strategic business units underwent risk reviews and control assessments, and corresponding findings were reported to the Risk Management and Related Party Transactions Committee for their further review and recommendation.

In 2021, the organization identified 10 key risks, namely: (1) government & political, (2) marginalization due to competition, (3) financial, (4) project execution and timely delivery, (5) regulatory, (6) major health, safety and security, (7) environmental (disaster readiness), (8) organizational, (9) partnerships / alliances, and (10) cybersecurity.

Key Risks and Mitigating Measures

ALLHC’s top 3 risks, with the COVID-19 pandemic amplifying said risks, are as follows:

Key Risk	Risk Description
Government & Political Risk	ALLHC acknowledges that the country’s economic and political situation drives the growth of the real estate industry. Political developments may cause volatilities in the market which may affect our operations or forward plans.
Mitigating Measures	
Upheld compliance with relevant laws, policies and regulations, and actively monitored changes in pertinent policies and amendments.	

Key Risk	Risk Description
Risk of Being Marginalized by Competitors	As the organization grew its product portfolio, competition has likewise grown and undertaken similar expansions.
Mitigating Measures	
Continuously monitored price competitiveness of our products and developments and quality of customer service. Reviewed merchant mix of our malls and studied conversion to new leasing formats and non-traditional concepts.	

Key Risk	Risk Description
Financial Risk	To support business operations and project launches, it is crucial that the organization has the financial capacity to fund its growth in the short and long terms.
Mitigating Measures	
Ensured judicious management of the organization’s spend and cash flows.	

FINANCIAL REVIEW

 **LOGISTICS HOLDINGS CORP.**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

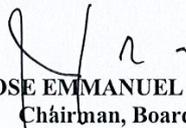
The management of AyalaLand Logistics Holdings Corp. (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the years ended December 31, 2021, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the 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.

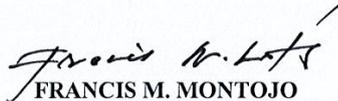
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company and its subsidiary in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


JOSE EMMANUEL H. JALANDONI
Chairman, Board of Directors


MARIA ROWENA M. TOMELDAN
President and Chief Executive Officer

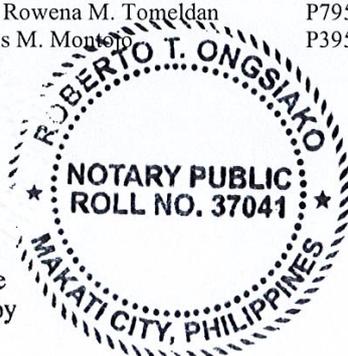

FRANCIS M. MONTOJO
Chief Finance Officer

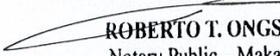
SUBSCRIBED AND SWORN to before me this FEB 22 2022 at MAKATI CITY, affiants exhibiting to me their respective Passports, to wit:

Name	Passport No.	Date & Place of Issue
Jose Emmanuel H. Jalandoni	P6984078B	June 15, 2021 – DFA Manila
Maria Rowena M. Tomeldan	P7954199A	July 16, 2018 – DFA NCR South
Francis M. Montojo	P3957008A	August 8, 2017 – DFA Iloilo

Doc. No. 76 :
Page No. 17 :
Book No. XLII :
Series of 2022.

Notarial DST pursuant to
Section. 188 of the Tax Code
affixed in Notary Public's copy




ROBERTO T. ONGSIAKO
Notary Public – Makati City
Appt. No. M-149 until December 31, 2022
Roll of Attorneys No. 37041
Lifetime IBP No. 02163 – RSM Chapter
PTR No. 885235MJ – 01/03/2022 - Makati City
MCLE Compliance No. VII – 0000267 – 07/30/2019
4th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines



SyCip Gorres Velayo & Co. Tel: (632) 8891 0307
 6760 Ayala Avenue Fax: (632) 8819 0872
 1226 Makati City ey.com/ph
 Philippines

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
 AyalaLand Logistics Holdings Corp.
 3rd Floor Glorietta 5,
 Ayala Center, Makati City

Opinion

We have audited the consolidated financial statements of AyalaLand Logistics Holdings Corp. (the Parent Company) and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of AyalaLand Logistics Holdings Corp and Subsidiaries as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits 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 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 the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 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 reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2021 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

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





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thereon, and we do not provide a separate opinion on this matter. For matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Provisions and Contingencies

The Group is involved in certain disputes for which the Group has recognized provisions for probable expenses, which may be incurred, and disclosed relevant information about such contingencies. This matter is important to our audit because the assessment of the potential outcome or liability involves significant management judgment and estimation.

The Group's disclosures about provisions and contingencies are included in Note 29 to the consolidated financial statements.

Audit Response

We reviewed management's assessment on whether any provisions should be recognized, and the estimation of such amounts and performed inspection of relevant supporting documents. We discussed with management the status of the disputes. We also reviewed the disclosures on provisions in the Group's consolidated financial statements.

Other Information

Management is responsible for Other Information. The Other Information comprises the information included in SEC Form 20 IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 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 for the year ended December 31, 2021 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 Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read Other Information identified above when it becomes available and, in doing so, consider whether such information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, 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 and fair presentation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 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.





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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.

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 financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements.





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- 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 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, related safeguards.

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
Carlo Paolo V. Manalang

SYCIP GORRES VELAYO & CO.

Carlo Paolo V. Manalang
Partner

CPA Certificate No. 111947

Tax Identification No. 210-730-804

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 111947-SEC (Group A)

Valid to cover audit of 2019 to 2023 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-127-2019, November 27, 2019, valid until November 26, 2022

PTR No. 8854327, January 3, 2022, Makati City

February 22, 2022



AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 31)	₱81,253	₱177,370
Receivables - current (Notes 5 and 31)	1,154,576	1,348,543
Real estate held for sale and development (Note 6)	3,398,017	3,237,261
Amounts owed by related parties (Notes 18 and 31)	1,244,921	921,793
Financial assets at fair value through profit or loss (Notes 8 and 31)	4,801	4,741
Other current assets (Note 9)	1,061,403	974,540
Total Current Assets	6,944,971	6,664,248
Noncurrent Assets		
Receivables - net of current portion (Notes 5 and 31)	1,128,026	728,538
Financial assets at fair value through other comprehensive income (Notes 7 and 31)	144,259	606,430
Right-of-use asset (Note 28)	1,200,703	1,267,372
Investment properties (Note 10)	9,710,510	9,563,424
Property and equipment (Note 11)	723,459	27,178
Net pension assets (Note 24)	11,822	9,694
Deferred income tax assets - net (Note 25)	69,843	58,228
Other noncurrent assets (Notes 12 and 31)	451,743	429,118
Total Noncurrent Assets	13,440,365	12,689,982
	₱20,385,336	₱19,354,230
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Notes 13, 14 and 31)	₱1,411,170	₱1,653,121
Current portion of:		
Rental and other deposits (Notes 16 and 31)	370,043	492,532
Lease liabilities (Note 28)	221,072	81,872
Deferred rent income (Note 28)	10,649	15,596
Amounts owed to related parties (Notes 18 and 31)	1,594,424	2,674,433
Income tax payable	29,282	4,334
Total Current Liabilities	3,636,640	4,921,888
Noncurrent Liabilities		
Rental and other deposits - net of current portion (Notes 16 and 31)	351,907	210,423
Nontrade payable - noncurrent (Note 13)	260,371	-
Long term debt (Note 15)	1,965,297	-
Lease liabilities - net of current portion (Note 28)	1,549,509	1,669,500
Retention payable - net of current portion	75,034	112,081
Deferred rent income - net of current portion (Note 28)	4,887	6,537
Deferred income tax liabilities - net (Note 25)	92,371	111,352
Subscriptions payable (Notes 19 and 31)	481,675	481,675
Total Noncurrent Liabilities	4,781,051	2,591,568
Total Liabilities	8,417,691	7,513,456

(Forward)



- 2 -

	December 31	
	2021	2020
Equity (Note 17)		
Equity attributable to equity holders of the parent		
Paid-in capital	₱6,195,318	₱6,184,835
Additional paid-in capital	6,015,733	6,007,133
Shares held by a subsidiary (Note 17)	(144,377)	(144,377)
Equity reserves (Note 30)	(1,693,307)	(1,601,567)
Revaluation increment (Note 10)	189,779	196,808
Unrealized loss on financial assets at fair value through other comprehensive income (Note 7)	(1,089,687)	(626,651)
Loss on remeasurement of retirement benefits (Note 24)	(51,492)	(51,458)
Retained earnings	2,525,714	1,737,718
	11,947,681	11,702,441
Non-controlling interests (Notes 1 and 17)	19,964	138,333
Total Equity	11,967,645	11,840,774
	₱20,385,336	₱19,354,230

See accompanying Notes to Consolidated Financial Statements.



AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Earnings Per Share)

	Years Ended December 31		
	2021	2020	2019
REVENUE			
Real estate sales (Note 27)	P2,052,859	P1,275,511	P1,809,120
Sale of electricity (Note 27)	1,066,185	1,568,434	2,395,977
Rental (Note 10)	781,557	851,975	1,085,930
Sale of storage services	47,745	-	-
Others (Note 2)	348,220	20,767	54,954
	4,296,566	3,716,687	5,345,981
COSTS AND EXPENSES			
Cost of real estate sold (Notes 6 and 22)	1,236,559	666,758	1,103,637
Cost of purchased power and services	1,034,034	1,510,110	2,303,069
Cost of rental services (Notes 10 and 22)	881,126	555,087	568,137
Operating expenses (Note 20)	199,846	205,579	292,395
	3,351,565	2,937,534	4,267,238
OTHER INCOME (CHARGES)			
Interest expense on lease liabilities (Note 28)	(151,409)	(150,240)	(151,188)
Discount on sale of financial asset (Note 5)	(56,264)	(29,550)	-
Interest income (expense) and bank charges - net (Note 23)	(24,316)	(67,990)	3,264
Dividend income (Notes 7 and 8)	235	131	131
Unrealized gain (loss) on financial assets at FVPL (Note 8)	60	262	(40)
Write-off and other charges (Notes 5, 9, 12 and 18)	-	-	(18,771)
Reversal of probable losses (Note 29)	5,135	31,000	32,280
Provision for probable losses (Note 29)	-	(5,000)	(240,647)
Gain on sale of investment property (Note 10)	-	94,064	-
Others - net	141,533	182,002	57,520
	(85,026)	54,679	(317,451)
INCOME BEFORE INCOME TAX	859,975	833,832	761,292
PROVISION FOR INCOME TAX (Note 25)	80,009	131,024	119,873
NET INCOME	P779,966	P702,808	P641,419
ATTRIBUTABLE TO:			
Equity holders of the Parent	P784,114	P681,962	P595,838
Non-controlling interests	(4,148)	20,846	45,581
	P779,966	P702,808	P641,419
EARNINGS PER SHARE (Note 26)			
Basic and diluted, for income for the year attributable to ordinary equity holders of the Parent	P0.13	P0.11	P0.10

See accompanying Notes to Consolidated Financial Statements.



AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019
NET INCOME	₱779,966	₱702,808	₱641,419
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items that may not to be reclassified to profit or loss in subsequent periods:</i>			
Unrealized loss on equity financial assets at fair value through other comprehensive income (Note 7)	(458,540)	(50,631)	(25,132)
Loss on remeasurement of retirement benefits liability - net of tax (Note 24)	(34)	(951)	(6,194)
<i>Items that may be reclassified to profit or loss in subsequent years:</i>			
Unrealized gain (loss) on debt financial assets at fair value through other comprehensive income (Note 7)	(6,487)	15,425	17,638
	(465,061)	(36,157)	(13,688)
TOTAL COMPREHENSIVE INCOME	₱314,905	₱666,651	₱627,731
ATTRIBUTABLE TO:			
Equity holders of the Parent	₱321,044	₱642,914	₱581,319
Non-controlling interests	(6,139)	23,737	46,412
	₱314,905	₱666,651	₱627,731

See accompanying Notes to Consolidated Financial Statements.



AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES
(Formerly Prime Orion Philippines, Inc.)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT										
	Capital Stock	Additional Paid-in Capital	Shares Held by a Subsidiary (Note 17)	Equity Reserves (Note 30)	Revaluation Increment (Note 10)	Assets at FVOCI (Note 7)	Losses on Retirement Benefits Plan – net of tax (Note 24)	Retained Earnings	Total	Non-controlling Interests	Total
Balances at January 1, 2021	₱6,184,835	₱6,007,133	₱144,377	₱1,601,567	₱196,808	₱626,651	₱51,458	₱1,737,718	₱11,702,441	₱138,333	₱11,840,774
Net income	-	-	-	-	-	-	-	784,114	784,114	(4,148)	779,966
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Unrealized valuation loss on financial assets at FVOCI (Note 7)	-	-	-	-	-	(463,036)	-	-	(463,036)	(1,991)	(465,027)
Loss on remeasurement of retirement benefit plan (Note 24)	-	-	-	-	-	-	(34)	-	(34)	-	(34)
Total comprehensive income	-	-	-	-	-	(463,036)	(34)	784,114	321,044	(6,139)	314,905
Collection of subscription receivable (Note 17)	10,483	5,138	-	-	-	-	-	-	15,621	-	15,621
Transfer of equity reserve due to ESOWN shares subscription (Note 30)	-	3,462	-	(3,462)	-	-	-	-	-	-	-
Acquisition of noncontrolling interest	-	-	-	(88,278)	-	-	-	-	(88,278)	(112,230)	(200,508)
Payment of stock transaction costs (Note 1)	-	-	-	-	-	-	-	(3,147)	(3,147)	-	(3,147)
Transfer of realized valuation increment (Note 10)	-	-	-	-	(7,029)	-	-	7,029	-	-	-
Balances at December 31, 2021	₱6,195,318	₱6,015,733	₱144,377	₱1,693,307	₱189,779	₱1,089,687	₱51,492	₱2,525,714	₱11,947,681	₱19,964	₱11,967,645





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EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT

	Capital Stock	Additional Paid-in Capital	Shares Held by a Subsidiary (Note 17)	Equity Reserves (Note 30)	Revaluation Increment (Note 10)	Unrealized Valuation Gains (Losses) on Financial Assets at FVOCI (Note 7)	Retained Earnings	Non-controlling Interests	Total
Balances at January 1, 2020	₱6,173,305	₱5,999,868	(₱144,377)	(₱1,598,198)	₱203,836	(₱587,704)	₱1,065,378	₱114,596	₱11,176,197
Net income	-	-	-	-	-	-	681,962	20,846	702,808
Other comprehensive income	-	-	-	-	-	-	-	-	-
Losses on remeasurement of retirement benefit plan (Note 24)	-	-	-	-	-	-	-	-	(951)
Unrealized valuation (loss) on financial assets at FVOCI (Note 7)	-	-	-	-	-	(38,097)	-	-	(38,097)
Total comprehensive income	11,530	4,390	-	-	-	(38,097)	681,962	23,737	666,651
Collection of subscription receivable (Note 17)	-	-	-	-	-	-	-	-	15,920
Transfer of equity reserve due to ESOWN shares subscription (Note 30)	-	3,369	-	(3,369)	-	-	-	-	-
Declaration of dividends	-	-	-	-	-	-	(17,500)	-	(17,500)
Payment of stock transaction costs (Note 1)	-	(494)	-	-	-	-	-	-	(494)
Realized valuation gain transferred from equity to retained earnings (Note 7)	-	-	-	-	-	(850)	850	-	-
Transfer of realized valuation increment (Note 10)	-	-	-	-	(7,028)	-	7,028	-	-
Balances at December 31, 2020	₱6,184,835	₱6,007,133	(₱144,377)	(₱1,601,567)	₱196,808	(₱626,651)	₱1,737,718	₱138,333	₱11,840,774

EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT

	Capital Stock	Additional Paid-In Capital	Shares Held by a Subsidiary (Note 17)	Equity Reserves (Note 30)	Revaluation Increment (Note 10)	Unrealized (Losses) on Financial Assets at FVOCI (Note 7)	Losses on Remeasurement of Retirement Benefits Plan – net of tax (Note 24)	Retained Earnings (Deficit)	Total	Non-controlling Interests	Total
Balances at January 1, 2019, as previously reported	₱5,889,195	₱5,772,959	(₱1,279,026)	(₱1,351,940)	₱217,986	(₱579,379)	(₱44,313)	₱619,841	₱9,245,323	₱628,927	₱9,874,250
Effect of adoption of PFRS 16 (Note 2)	-	-	-	-	-	-	-	(164,451)	(164,451)	(7,001)	(171,452)
Balances at January 1, 2019, as restated	5,889,195	5,772,959	(1,279,026)	(1,351,940)	217,986	(579,379)	(44,313)	455,390	9,080,872	621,926	9,702,798
Net income	-	-	-	-	-	-	-	595,838	595,838	45,581	641,419
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Losses on remeasurement of retirement benefit plan (Note 24)	-	-	-	-	-	-	(6,194)	-	(6,194)	-	(6,194)
Unrealized valuation gain (loss) on financial assets at FVOCI (Note 7)	-	-	-	-	-	(8,325)	-	-	(8,325)	831	(7,494)
Total comprehensive income	-	-	-	-	-	(8,325)	(6,194)	595,838	581,319	46,412	627,731
Collection of subscription receivable (Note 17)	234,666	5,833	-	-	-	-	-	-	240,499	-	240,499
Issuance of capital stock (Note 17)	49,444	94,833	-	-	-	-	-	-	144,377	-	144,377
Acquisition of shares held by a subsidiary (Note 17)	-	-	(144,377)	-	-	-	-	-	(144,377)	-	(144,377)
Disposal of shares held by a subsidiary (Note 17)	-	138,397	1,279,026	-	-	-	-	-	1,417,423	-	1,417,423
Payment of stock transaction costs (Note 1)	-	(12,254)	-	-	-	-	-	-	(12,254)	-	(12,254)
Transfer of realized valuation increment (Note 10)	-	-	-	-	(14,150)	-	-	14,150	-	-	-
Acquisition of non-controlling interest (Note 1)	-	-	-	(246,258)	-	-	-	-	(246,258)	(553,742)	(800,000)
Balances at December 31, 2019	₱6,173,305	₱5,999,868	(₱144,377)	(₱1,598,198)	₱203,836	(₱587,704)	(₱50,507)	₱1,065,378	₱11,061,601	₱114,596	₱11,176,197



AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES
(Formerly Prime Orion Philippines, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱859,975	₱833,832	₱761,292
Adjustments for:			
Depreciation and amortization (Notes 10, 11, 12, 20 and 22)	351,071	309,768	290,893
Interest expense on lease liabilities (Note 28)	151,409	150,240	151,188
Interest expense and bank charges (Note 23)	75,806	104,755	50,236
Depreciation of right-of-use assets (Note 20, 22 and 28)	66,669	65,192	64,754
Discount on sale of financial asset (Note 5)	56,264	29,550	-
Provision for probable losses (Note 29)	-	5,000	240,647
Provision for (reversal of) impairment losses on:			
Receivables (Note 5)	29,137	31,619	91,959
Real estate held for sale and development	-	-	12,281
Other current assets (Note 9)	6,206	-	1,502
Investment properties (Note 10)	-	-	(6,281)
Other noncurrent assets (Note 12)	1,092	-	-
Write-off and other charges (Notes 5, 9, 12 and 18)	-	-	18,771
Loss on retirement of investment properties (Notes 10 and 22)	-	-	25,531
Dividend income (Notes 7 and 8)	(235)	(131)	(131)
Unrealized loss (gain) on financial assets at FVPL (Note 8)	(60)	(262)	40
Reversal of provision for probable losses (Note 29)	(5,135)	(31,000)	(32,280)
Interest income (Note 23)	(51,490)	(36,765)	(51,539)
Gain on sale of investment property (Note 10)	-	(94,064)	-
Operating income before working capital changes	1,540,709	1,367,734	1,618,863
Decrease (increase) in:			
Receivables	(1,529,032)	(339,863)	(957,519)
Real estate held for sale and development	(160,756)	(2,489)	(830,992)
Other current assets	(93,069)	3,161	(492,099)
Pension assets	(262)	1,367	(571)
Other noncurrent assets	(24,163)	119,785	139,111
Increase (decrease) in:			
Accounts payable and accrued expenses	(289,379)	(1,111,907)	1,160,172
Rental and other deposits	(18,052)	(51,823)	80,461
Deferred rent income (Note 28)	(6,597)	13,237	-
Net cash flows generated from operations	(580,601)	(798)	717,426
Interest received	3,267	25,422	51,539
Interest paid	(7,814)	(39,028)	(50,236)
Income tax paid	(90,317)	(174,085)	(27,856)
Net cash flows from operating activities	(675,465)	(188,489)	690,873
CASH FLOWS FROM INVESTING ACTIVITIES			
Deductions (Additions in) from amounts owed by related parties	(291,544)	(124,634)	148,040
Proceeds from termination of short-term investments	-	-	43,489
Dividends received (Notes 7 and 8)	235	131	131
Acquisitions through business combination (Note 13)	(381,456)	-	-
Acquisition of:			
Investment properties (Note 10)	(473,723)	(694,745)	(3,689,730)
Property and equipment (Note 11)	(49,873)	(5,821)	(13,124)
Financial assets at FVOCI (Note 7)	-	(1,522)	(1,108)

(Forward)



	Years Ended December 31		
	2021	2020	2019
Proceeds from sale of:			
Investment properties	P-	P130,123	P-
Financial assets at FVOCI (Note 7)	-	4,632	-
Net cash flows used in investing activities	(1,196,361)	(691,836)	(3,512,302)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sale of shares held by a subsidiary	-	-	1,134,649
Proceeds from loan availment	1,965,150	-	-
Proceeds from sale of receivables	1,254,653	688,752	-
Collection of subscription receivables (Note 17)	15,621	15,920	378,897
Issuance of shares of stocks	-	-	144,377
Proceeds from amounts owed to related parties (Notes 18 and 32)	501,160	4,895	2,152
Additions (deductions from) in amounts owed by related parties (Notes 18 and 32)	(16,822)	313,884	2,080,984
Payment of amounts owed to related parties (Notes 18 and 32)	(1,608,198)	(4,936)	(225)
Payment of subscription cost (Note 1)	(3,147)	(494)	(12,254)
Payment of principal portion of lease liabilities (Note 28)	(132,200)	(137,918)	(149,704)
Acquisition of non-controlling interest (Note 1)	(200,508)	-	(800,000)
Net cash flows from financing activities	1,775,709	880,103	2,778,876
NET DECREASE IN CASH AND CASH EQUIVALENTS	(96,117)	(222)	(42,553)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	177,370	177,592	220,145
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P81,253	P177,370	P177,592

See accompanying Notes to Consolidated Financial Statements.



 **LOGISTICS HOLDINGS CORP.**

REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF DIRECTORS

In compliance with the Audit Committee Charter and corporate governance rules, the Committee confirms the following matters:

- An independent director chairs the Audit Committee; all of the members are independent directors;
- The Committee held five meetings in 2021 and all the members of the Committee were present during the meetings;
- The Committee recommended to the Board of Directors the re-appointment of SGV & Co. as independent auditor for 2022, based on the review of their performance and qualifications, including consideration of management's recommendation;
- The Committee reviewed and discussed the quarterly and annual financial statements of the Company, including Management's Discussion and Analysis of Financial Condition and Results of Operations as of and for the year ended December 31, 2021, with the Company's management, which has the primary responsibility for the financial statements and SGV & Co., who is reporting the process for expressing an opinion on the conformity of consolidated audited financial statements with Philippine Financial Reporting Standards;
- The Committee reviewed and approved the management representation letter before submission to the Company's independent auditors;
- The Committee discussed and approved the overall scope and the audit plans of the Company's Internal Auditors and SGV & Co. and discussed the results of their audits and their assessment of the Company's internal controls and the overall quality of the financial reporting process;
- The Committee discussed with the independent auditor and internal auditor its independence from the ALI Group;
- The Committee reviewed the reports of the Internal Auditors, ensuring that management is taking appropriate corrective actions promptly, including addressing governance, risk management, internal controls system, and compliance issues. All the activities performed by Internal Audit conform with the International Standards for the Professional Practice of Internal Auditing;
- Based on the Audit Committee's review and in reliance on the reports of Internal Auditors and Independent Auditors including management's representations, the Committee confirmed that the governance, risk management, and internal controls system of the Company are adequate and effective; and
- The Committee reviewed and approved all audit, audit-related, and permitted non-audit services provided by SGV & Co. to the Company and the related fees for such services;



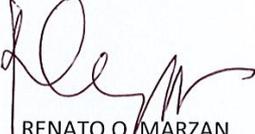
 **LOGISTICS HOLDINGS CORP.**

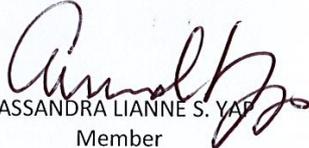
Based on the reviews and discussions undertaken, within the limits of the Committee's scope and responsibilities aforementioned, the Audit Committee recommends to the Board of Directors the filing of the Company's consolidated financial statements for the year ended December 31, 2021, with the Securities and Exchange Commission, and for its inclusion in the Company's Annual Report to Stockholders.

Respectfully submitted.

February 10, 2022


REX M.A. MENDOZA
Committee Chairman


RENATO O. MARZAN
Member


CASSANDRA LIANNE S. YAP
Member



SUSTAINABILITY REFERENCE INDEX

Sustainability Reference Index

This section maps the disclosures found in the report with the Global Reporting Initiative (GRI) Standards indicators.

Dimension	Material Topic	GRI Standards	Page Number (s)
Economic	Economic Performance	201	16-17, 18-19, 20-21, 64-76
	Business Ethics	205 206	44, 48-61
	Supply Chain Management	204 308	45
Environmental	Resource Efficiency	302 303 306	38-41
	Environmental Compliance	307	38-41
	Climate Action	305	38-41
Social	Local Economic Development	401 404 405 413	43
	Workforce Health & Safety	403	44
	Customer Health and Safety	416	42, 43







ALLHC Management Team



Cavite Technopark, Naic, Cavite

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Stakeholder Inquiries

For inquiries or concerns from analysts, institutional investors, the financial community, customers, and the general public, please contact:

Customer, Media and General Inquiries:
corporate@ayalalandlogistics.com

Investor Communications:
investor.relations@ayalalandlogistics.com

Corporate Governance:
corporate.secretary@ayalalandlogistics.com



Shareholder Services and Assistance

For inquiries regarding dividend payments, change of address and account status, lost or damaged stock certificates, please contact:

BDO Stock Transfer Office
14/F BDO Tower Valero
8741 Paseo de Roxas, Makati City
Tel: +632 8878 4740
Email: bdo-stock-transfer@bdo.com.ph





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