

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of **AYALALAND LOGISTICS HOLDINGS CORP.** will be held on **Thursday, 25 April 2024**, at **1:00 in the afternoon** in a fully virtual format via <http://www.ayalagroupshareholders.com/>, with the following:

AGENDA¹

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

Pursuant to the Company's By-Laws, the Chairman of the Board, acting on the authority delegated by the Board of Directors during its meeting on 14 December 2023, has approved the conduct of the Annual Stockholders' Meeting be held in a fully virtual format, hence, stockholders may only attend the meeting by remote communication, by voting *in absentia* or by appointing the Chairman of the meeting as proxy.

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

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

Stockholders of record as of 11 March 2024 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before 18 April 2024.³

All email communications should be sent to corporate.secretary@ayalalandlogistics.com on or before the designated deadlines.

Makati City, 26 February 2024.



MA. FLORENCE THERESE dG. MARTIREZ-CRUZ
Corporate Secretary

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

² Stockholders should notify the Company at corporate.secretary@ayalalandlogistics.com of their preference to receive hard copies of the Information Statement and other stockholders' meeting materials on or before 11 March 2024.

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

EXPLANATION OF AGENDA ITEMS

Call to order

The Chairman will formally open the meeting at approximately 1:00 in the afternoon.

Certification of notice and quorum (and rules of conduct and procedures)

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

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

Matters for Approval of Stockholders:

Approval of Minutes of Previous Meeting

The minutes of the meeting held on 19 April 2023 are available at the Company's website, <https://www.ayalalandlogistics.com>.

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

Annual Report

The President and Chief Executive Officer, Mr. Roberto S. Lao, will deliver a report to the stockholders on the significant operational and financial performance as well as the milestones and achievements of the Company for the year 2023, and projects for 2024.

The Annual Report which contains the messages from the Chairman and President will be posted on the Company's website, <https://www.ayalalandlogistics.com>.

The Audited Financial Statements (AFS) as of 31 December 2023 will be presented to the stockholders for their approval. The AFS will be included in the Information Statement that may be accessed by the stockholders at the Company's website, <https://www.ayalalandlogistics.com>. The Audit Committee has recommended to the Board the approval of the AFS, and the Board will approve the AFS on 29 February 2024.

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

Ratification of the acts of the Board of Directors and officers

The acts of the Board and its Committees were those adopted since the annual stockholders' meeting on 19 April 2023 until 25 April 2024. They include the approval of agreements, projects, investments, treasury-related matters, corporate governance matters and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. The acts of the officers were those taken to implement the resolutions of the Board or its Committees or in the general conduct of business.

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

Election of Directors (including the Independent Directors)

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

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

Election of External Auditor and fixing of its remuneration

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

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

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

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

Consideration of such other business as may properly come before the meeting

The Chairman will open the floor for comments and questions by the stockholders, and take up agenda items received from stockholders on or before 18 April 2024 in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Company's internal guidelines.⁵

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

PROXY

The undersigned stockholder of **AYALALAND LOGISTICS HOLDINGS CORP.** (the "Company") hereby appoints the Chairman of the meeting, as attorney-in-fact and proxy, to represent and vote all shares registered in his/her/its name at the Annual Meeting of Stockholders to be held on **25 April 2024 (Thursday) at 1:00 p.m.** by remote communication and at any adjournments thereof for the purpose of acting on the following matters.

It is understood that if you sign without otherwise marking the form, the shares will be voted for the election of all nominees and for the approval of the matters stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statement and as recommended by the Chairman.

Hereunder are the matters to be taken up during the meeting. Please indicate your proposed selection by firmly placing an "X" in the appropriate box:

- | | |
|--|---|
| <p>1. Approval of the Minutes of the 19 April 2023 Annual Stockholders' Meeting</p> <p style="padding-left: 40px;"><input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain</p> | <p>5. Appointment of Isla Lipana & Co. as External Auditor for the Ensuing Fiscal Year and Fixing of its Remuneration</p> <p style="padding-left: 40px;"><input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain</p> |
| <p>2. Approval of Annual Report for Calendar (CY) 2023 (including the Consolidated Audited Financial Statements for the CY ended 31 December 2023)</p> <p style="padding-left: 40px;"><input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain</p> | <p>6. At his/her discretion, the proxy is authorized to vote on such matters as may properly come before the meeting</p> <p style="padding-left: 40px;"><input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain</p> |
| <p>3. Ratification of All Acts of the Board of Directors and Officers During the Preceding Year</p> <p style="padding-left: 40px;"><input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain</p> | |

4. Election of the Nine (9) Directors (Including the Three (3) Independent Directors)

<input type="checkbox"/> Vote equally for nominees listed below:	No. of Votes
<input type="checkbox"/> Anna Ma. Margarita B. Dy	_____
<input type="checkbox"/> Bernard Vincent O. Dy	_____
<input type="checkbox"/> Robert S. Lao	_____
<input type="checkbox"/> Jaime Alfonso E. Zobel de Ayala	_____
<input type="checkbox"/> Felipe U. Yap	_____
<input type="checkbox"/> Nathanael C. Go	_____

Independent Directors

<input type="checkbox"/> Rex Maria A. Mendoza	_____
<input type="checkbox"/> Cassandra Lianne S. Yap	_____
<input type="checkbox"/> Jessie D. Cabaluna	_____

Printed Name of Stockholder

Signature of Stockholder

Date: _____

IF THE STOCKHOLDER IS A CORPORATION, A SECRETARY'S CERTIFICATE QUOTING THE BOARD RESOLUTION AUTHORIZING THE CORPORATE OFFICER WHO SIGNED THIS PROXY MUST BE SUBMITTED TO THE CORPORATE SECRETARY.

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED. A PROXY IS CONSIDERED REVOKED IF THE STOCKHOLDER REGISTERS ON THE AYALA GROUP VOTING SYSTEM AND/OR NOTIFIES THE COMPANY BY EMAIL BY 16 APRIL 2024 OF HIS INTENTION TO PARTICIPATE IN THE MEETING BY REMOTE COMMUNICATION. STOCKHOLDERS PARTICIPATING BY REMOTE COMMUNICATION WILL NOT BE ABLE TO VOTE UNLESS THEY REGISTER IN THE AYALA GROUP VOTING SYSTEM OR AUTHORIZE THE CHAIRMAN TO VOTE AS PROXY, ON OR BEFORE 16 APRIL 2024.

THIS PROXY SHOULD BE SENT TO THE CORPORATE SECRETARY AT 4F TOWER ONE AND EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY OR BY EMAIL TO corporate.secretary@ayalalandlogistics.com ON OR BEFORE 16 APRIL 2024 WHICH IS THE DEADLINE FOR SUBMISSION OF PROXIES. THIS PROXY NEED NOT BE NOTARIZED.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT OF
AYALALAND LOGISTICS HOLDINGS CORP.
(the "Registrant", "Company" or "ALLHC")
PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter **AYALALAND LOGISTICS HOLDINGS CORP.**
3. Province, country or other jurisdiction of incorporation or organization
REPUBLIC OF THE PHILIPPINES
4. SEC Identification Number **163671**
5. BIR Tax Identification Code **000-804-342-000**
6. Address of principal office **3rd FLOOR GLORIETTA 5,
AYALA CENTER, MAKATI CITY 1224**
7. Registrant's telephone number, including area code **(632) 8884-1106**
8. Date, time and place of the meeting of security holders
Date : **25 APRIL 2024**
Time : **1:00 p.m.**
Place : **To be conducted virtually through
<http://www.ayalagroupshareholders.com/>
The Chairman of the meeting will be at Ballroom 1 Fairmont Makati,
Raffles Drive, Makati Avenue, Makati City**
9. Approximate date on which the Information Statement is first to be sent or given to security holders
Date 27 MARCH 2024
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:
 - a. Shares of Stock as of 29 February 2024
Common Shares 6,301,591,987
 - b. Amount of Debt Outstanding as of 29 February 2024
Php2.47 billion
11. Are any or all of registrant's securities listed in a Stock Exchange?
Yes No
4,902,401,923 common shares are listed in the Philippine Stock Exchange (as of 29 February 2024)

INFORMATION REQUIRED IN INFORMATION STATEMENT

Part I

A. GENERAL INFORMATION

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

Date : 25 April 2024 (Thursday)
Time : 1:00 p.m.
Place : To be conducted virtually through
<http://www.ayalagroupshareholders.com/>¹
The Chairman of the meeting will be at Ballroom 1 Fairmont Makati,
Raffles Drive, Makati Avenue, Makati City
Principal Office : 3rd Floor Glorietta 5, Ayala Center, Makati City 1224

Copies of this Information Statement may be accessed by the Company’s stockholders beginning 27 March 2024 at the Company’s website.

WE ARE NOT ASKING FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND A PROXY.

Item 2. Dissenters’ Right of Appraisal

Section 80 of the Revised Corporation Code of the Philippines (“Revised Corporation Code”) provides for the instances where the stockholder shall have the right to dissent and demand payment of the value of his shares, as follows:

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

Section 81 of the Revised Corporation Code provides:

Section 81. How Right is Exercised. - The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair market value of shares held within thirty (30) days from the date on which the vote was taken: Provided, That the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholders’ shares, or the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom, shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided further, That upon payment by

¹ Please also refer to Item 20 of this PIS.

the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the share to the corporation.

There are no matters to be taken up or acted upon at the meeting which may give rise to the exercise of appraisal right of a stockholder.

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

- (a) No current director or officer of the Company, or nominee for election as director of the Company, or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.
- (b) No director of the Company intends or has expressed an intention to oppose any action to be taken during the annual stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

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

Common Shares : 6,301,591,987

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

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

(c) **Manner of Voting**

Sections 6 and 8, Article II of the Company's Amended By-laws² ("By-laws") provide:

"6. Proxies - Proxies shall be in writing and signed by the stockholder and in accordance with existing laws, rules and regulations of the Securities and Exchange Commission. xxx

Each share of stock is entitled to one (1) vote, provided the share has not been declared delinquent.

(As amended at the Regular Meeting of the Board of Directors on 11 November 2020.)

8. Voting - A stockholder entitled to vote may vote in person, through remote communication, or *in absentia*, electronically or otherwise or may be represented by proxy at any regular or special meeting, subject to compliance with the rules and regulations as may be issued by the Securities and Exchange Commission from time to time; and provided, that the shares have not been declared delinquent. Stockholders casting votes through remote communication or *in absentia*, electronically or otherwise, shall be deemed present for purposes of determining the existence of a quorum.

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

(As amended at the Regular Meeting of the Board of Directors on 11 November 2020.)

These are consistent with Secs. 23 and 57 of the Revised Corporation Code.

The stockholders may vote electronically or *in absentia* using the online web address, <http://ayalagroupshareholders.com/>, subject to validation procedures. The detailed instructions for electronic voting *in absentia* are provided in **Annex “A”** hereof.

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

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

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (of total outstanding shares)
Common	Ayala Land, Inc. (ALI) ³ 31F, Tower One and Exchange Plaza Ayala Triangle Ayala Ave., Makati City	Ayala Land, Inc. ⁴	Filipino	4,467,752,834 (direct)	70.90%
Common	PCD Nominee Corporation (Filipino) ⁵ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers ⁶	Filipino	1,096,973,606	17.41%

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

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership Direct (D) or Indirect (I)	Citizenship	Percent (of total outstanding shares)
Directors				
Common	Anna Ma. Margarita B. Dy ⁷	1 (D)	Filipino	0.000%
Common	Felipe U. Yap	3,010,000 (D) 28,000,000 (I) ⁸	Filipino	0.492%
Common	Robert S. Lao	1 (D)	Filipino	0.000%
Common	Bernard Vincent O. Dy	2 (D)	Filipino	0.000%
Common	Jaime Alfonso E. Zobel de Ayala	1 (D)	Filipino	0.000%
Common	Nathanael C. Go	1,025,000 (D) 34,375,000 (I)	Filipino	0.562%
Common	Rex Ma. A Mendoza	1 (D)	Filipino	0.000%
Common	Renato O. Marzan	1 (D)	Filipino	0.000%
Common	Cassandra Lianne S. Yap	1,638,000 (I)	Filipino	0.026%
Officers				
Common	Augusto D. Bengzon	0	Filipino	0.000%
Common	Patrick John C. Avila	110,000 (I)	Filipino	0.002%
Common	Francis M. Montojo	0	Filipino	0.000%
Common	Ma. Florence Therese dG. Martirez-Cruz ⁹	0	Filipino	0.000%
Common	Nimfa Ambrosia L. Perez-Paras	0	Filipino	0.000%
Common	Jeffrey R. Legaspi	0	Filipino	0.000%
	Total	68,158,007		1.082%

There was no change in the shareholdings of the directors and officers from time of their election/appointment in 2023 to date.

³ Ayala Land, Inc. (“ALI”) is the principal stockholder of the Company.

⁴ Under the By-Laws of ALI and the Revised Corporation Code, the ALI Board has the power to decide how ALI’s shares are to be voted.

⁵ PCD is not related to the Company.

⁶ Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The beneficial owner, with certification of ownership of shares from the PCD Participant, has the power to vote *in absentia* or through the Chairman of the meeting as proxy. There is no PCD participant who owns more than 5% of the shares of the Company.

⁷ Elected as director on 14 December 2023.

⁸ Includes share subscriptions under the Employees Stock Ownership (ESOWN) Plan.

⁹ Elected as Corporate Secretary on 2 August 2023

None of the Company's directors and management owns 2.0% or more of the outstanding capital stock of the Company.

iii. **Voting Trust Holders of 5% or More**

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

iv. **Change in Control of Registrant**

No change in control in the Company has occurred since the beginning of its last fiscal year.

(e) **Foreign Ownership Level as of 29 February 2024**

Kind of Shares	Total Outstanding Shares	Shares Owned by Foreigners	Percent of Ownership
Common	6,301,591,987	98,520,217	1.57%

Item 5. Directors and Executive Officers

Article Sixth of the Articles of Incorporation of the Company provides:

"SIXTH: That the number of directors of the said corporation shall be nine (9) and that the names and residences of the directors of the said corporation who are to serve until their successors are elected and qualified as provided by the By-laws, xxx".

Attendance of Directors

The record of attendance of the directors at the meetings of the Board of Directors (the "Board") for calendar year 2023 is as follows:

Directors	No. of Board Meetings Attended/Held (in 2023 and during the incumbency of the director)	Percent Present
Anna Ma. Margarita B. Dy ¹⁰	1/1	100%
Bernard Vincent O. Dy	6/6	100%
Felipe U. Yap	6/6	100%
Jose Emmanuel H. Jalandoni ¹¹	5/5	100%
Maria Rowena M. Tomeldan ¹²	1/1	100%
Robert S. Lao ¹³	5/5	100%
Jaime Alfonso E. Zobel de Ayala	5/6	83%
Nathanael C. Go	6/6	100%
Rex Ma. A. Mendoza	6/6	100%
Renato O. Marzan	5/6	83%
Cassandra Lianne S. Yap	6/6	100%

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

(a) **Information required of Directors and Executive Officers**

i. **Directors and Executive Officers**

The following persons, who constitute the final list of candidates for election as

¹⁰ Elected on 14 December 2023 to serve the unexpired term of Mr. Jalandoni, who resigned from the Board effective on even date.
¹¹ Resigned from the Board effective 14 December 2023.
¹² Served as director until 19 April 2023.
¹³ Elected as director effective 19 April 2023.

directors presented and approved by the Corporate Governance and Nomination Committee (which is composed of Ms. Cassandra Lianne S. Yap, Chairman, Messrs. Rex Ma. A. Mendoza and Renato O. Marzan, members) have been nominated to the Board for the ensuing year and have accepted their nomination:

Name	Age (as of 29 Feb. 2024)	Citizenship
Anna Ma. Margarita B. Dy	54	Filipino
Felipe U. Yap	86	Filipino
Robert S. Lao	50	Filipino
Bernard Vincent O. Dy	60	Filipino
Jaime Alfonso E. Zobel de Ayala	33	Filipino
Nathanael C. Go	48	Filipino
Rex Ma. A. Mendoza – Independent Director	61	Filipino
Cassandra Lianne S. Yap – Independent Director	34	Filipino
Jessie D. Cabaluna – Independent Director	68	Filipino

All of the above nominees are incumbent directors of the Company and were nominated for re-election as directors, except for Ms. Jessie D. Cabaluna who was nominated as independent director in lieu of Mr. Renato O. Marzan.

In accordance with SRC Rule 38 and Section 2, Article III (The Independent Director) of the Company's By-Laws, the Company's Corporate Governance and Nomination Committee evaluated the qualifications of the nominees and prepared the final list of nominees prior to the annual stockholders' meeting. Only such nominees whose names appear in the final list of candidates are eligible for election as directors, including independent directors. No other nomination shall be entertained or allowed on the floor during the annual stockholders' meeting. In case of failure of election for independent directors, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

Ms. Anna Ma. Margarita B. Dy, Messrs. Bernard Vincent O. Dy, Jaime Alfonso E. Zobel de Ayala and Robert S. Lao were nominated by ALI. Mr. Felipe U. Yap was nominated by F. Yap Securities, Inc. Mr. Nathanael C. Go was nominated by Mr. David C. Go.

Mr. Rex Ma. A. Mendoza and Ms. Jessie D. Cabaluna were nominated as independent directors of the Company by ALI. Mr. Mendoza is an independent director of ALI at present. Mr. Mendoza was with Ayala Group many years ago as stated in **Annex B**. Ms. Cabaluna is at present an independent director of Anvaya Cove Beach and Nature Club, Inc., and Alvierra Country Club, Inc., subsidiaries of ALI. Ms. Cassandra Lianne S. Yap was nominated as independent director by Lucky Securities, Inc., a stockholder of the Company. As verified by the Corporate Governance and Nomination Committee, all three nominees are not related to ALI. Ms. Yap is not related to Lucky Securities, Inc. All nominees to the Board and their nominators are stockholders of the Company.

The list of the directors and officers as well as a summary of the qualifications and date when first elected of the incumbent directors, nominees for directors for election at the annual stockholders' meeting, and incumbent officers are set forth in **Annex "B"**. The Certificates of Qualification of the Independent Directors are attached to this Information Statement as **Annex "B-1."**

ii. **Significant Employees**

The Company's entire work force is considered as significant employees. The entire work force is expected to work as a team to attain the Company's objectives. There is no employee who is expected to make individually on his own a significant contribution to the business of the Company.

iii. **Family Relationships**

The independent director, Ms. Cassandra Lianne S. Yap, is the niece of a director, Mr. Felipe U. Yap. Ms. Yap is qualified to be an independent director under Sec. 1.9, Art. III of the Company's Manual on Corporate Governance, as revised on 22 February 2022 (the "Revised Corporate Governance Manual").

There are no other family relationships up to fourth civil degree, either by consanguinity or affinity, among the abovenamed directors and executive officers.

iv. **Involvement in Certain Legal Proceedings**

None of the abovementioned directors and executive officers is involved in any of the following events or legal proceedings that occurred during the past five (5) years up to the date of filing of this Information Statement which are material to an evaluation of the ability and integrity of the said directors and executive officers:

- (a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
- (b) Any conviction by final judgment in a criminal proceeding, domestic or foreign or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- (d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

The pending legal proceedings involving the Company or any of its subsidiaries or affiliates which may be considered significant are discussed in **Annex "C."**

(b) **Certain Relationships and Related Transactions**

The Company and its subsidiaries in their normal course of business, have entered into transactions with related parties principally consisting of advances, reimbursement of expenses, purchase of real property, construction contracts, marketing, leasing, management and administrative service agreements. Information on the Company's related party transactions can be found in Note 16 of the Consolidated Audited Financial Statements.

The Company negotiates transactions with related parties on an arm's length basis, with due consideration of current market prices at the time of the transactions. Material related party transactions (RPTs) are reviewed and approved by the Risk Management and Related Party Transactions Committee and approved by the Board as provided in the Company's Related Party Transactions Policy. There were no material RPTs in 2023.

The Company's directors and employees are required to disclose any business or family-related transactions with the Company to ensure that potential conflicts of interest situations are brought to the attention of Management.

There was no transaction during the last two (2) years, without proper disclosure, to which the Company was a party, in which any of the following persons had or is to have a direct or indirect material interest:

- i. Any director or executive officer of the Company;
- ii. Any nominee for election as a director;

- iii. Any security holder named in Item 4 (d) (i) and (ii) above; and
- iv. Any member of the immediate family (including spouse, parents, children, siblings and in-laws) of any of the persons named in the immediately preceding subparagraphs (a) (b) and (c) hereof.

(c) **Ownership Structure and Parent Company**

As of 29 February 2024, ALI owns 70.90% of the total outstanding shares of the Company.

(d) **Disagreement with Registrant**

To date, no director has resigned or declined to stand for re-election to the Board of Directors due to any disagreement with the Company relating to the Company's operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

(a) **Executive Compensation**

Information as to aggregate compensation paid or accrued during the last two (2) fiscal years and the ensuing fiscal year to the Company's Chief Executive Officer and four (4) other most highly compensated executive officers.

Summary Compensation Table
Annual Compensation

Name	Calendar Year	Salary (in P000s)	Bonus (in P000s)	Other Annual Compensation (in P000s)
Robert S. Lao ¹⁴ (President/CEO)	2023	-		
	2024	-		
Jose Emmanuel H. Jalandoni ¹⁵ (President/CEO)	2022	-		
	2023	-		
Francis M. Montojo (Chief Finance Officer/ Compliance Officer/ Chief Risk Officer)	2022	-	-	-
	2023	-	-	-
	2024	-	-	-
Patrick John C. Avila (Chief Operating Officer)	2022	-	-	-
	2023	-	-	-
	2024	-	-	-
Marita C. Cabral (Head, Human Resources)	2022	-	-	-
	2023	-	-	-
	2024	-	-	-
Jessica O. Santos (Head, Commercial Leasing Group)	2022	-	-	-
	2023	-	-	-
	2024	-	-	-
CEO and four most highly compensated Executive Officers	2022 Actual	-	-	-
	2023 Actual	-	-	-
	2024 <i>(projected)</i>	-	-	-
All other officers ¹⁶ and directors ¹⁷ as a group unnamed	2022 Actual	4,110.00	-	-
	2023 Actual	4,250.00	-	-
	2024 <i>(projected)</i>	4,240.00	-	-

The above executive officers are employees of ALI assigned to the Company and their salaries and benefits are paid by ALI. Management fees paid by the Company to ALI cover part of the compensation of the executive officers of ALLHC (i.e., President/CEO,

¹⁴ Elected President on 2 August 2023.

¹⁵ President/CEO from 21 April 2022 to 2 August 2023; resigned from the company on 14 December 2023.

¹⁶ Vice President and up; excludes managers.

¹⁷ Compensation consists of per diems; excludes ESOWN Plan shares.

Chief Finance Officer, Chief Operating Officer, heads of Human Resources, and Commercial Leasing Group).

The total annual compensation of all directors and senior personnel was paid in cash.

(b) **Compensation of Directors**

The directors receive per diems from the Corporation. Section 11 of Article III of the Amended By-Laws provides:

11. Compensation of Directors – Directors are entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for their services. In no case shall the total yearly compensation of Directors exceed ten percent (10%) of the net income before income tax of the Corporation during the preceding year.

The Personnel and Compensation Committee of the Board of Directors shall have the responsibility of recommending to the Board of Directors the fees and other compensation of directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay directors for work required in a company of the Corporation’s size and scope. No director shall be involved in deciding his own remuneration during his incumbent term.

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

The Board of Directors are entitled to receive such compensation as fixed by the Board for services as director. The directors receive as compensation, per diems fixed by the Board of Directors, and approved by the stockholders.

The directors to receive the following per diems per meeting attended (as approved by the stockholders on 13 January 2017):

Board meeting fee	Php40,000.00
Committee meeting fee	Php30,000.00

The total compensation, consisting of per diems, received by/accrued to each director for their attendance in the meetings of the Board and committees in 2023 are as follows:

Director	Total Remuneration/ Per Diem
Bernard Vincent O. Dy ¹⁸	Php320,000.00
Felipe U. Yap	320,000.00
Robert S. Lao ¹⁹	260,000.00
Jose Emmanuel H. Jalandoni ²⁰	240,000.00
Maria Rowena M. Tomeldan ^{21 22}	100,000.00
Jaime Alfonso E. Zobel de Ayala ²³	280,000.00
Nathanael C. Go	320,000.00
Rex Ma. A. Mendoza	830,000.00
Renato O. Marzan	730,000.00
Cassandra Lianne S. Yap	770,000.00
Anna Ma. Margarita B. Dy ^{24 25}	80,000.00

¹⁸ Per diems were paid to ALI as their employer.

¹⁹ Per diems were paid to ALI as their employer.

²⁰ Per diems were paid to ALI as their employer.

²¹ Per diems were paid to ALI as their employer.

²² Served as director until 19 April 2023.

²³ Per diems were paid to AC as his employer.

²⁴ Per diems were paid to ALI as their employer.

²⁵ Elected as director/Chairman on 14 December 2023.

ii. Other Arrangement

None of the non-executive directors has been contracted and compensated by the Company for services other than those provided as a director. The Company has no arrangement with regard to the compensation of the non-executive directors other than that provided in item 6 (b) i above.

One of the Company's non-executive directors availed of the stock grant in 2018 under the ESOWN Plan of the Company. The details of the ESOWN Plan are discussed in Item 6 (d) – Warrants and Options Outstanding below.

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

The present executive officers of the Company are regular employees of ALI and are covered by their respective engagement/employment contracts with ALI which provide for their functions corresponding to their position/rank.

There are no special terms or compensatory plans or arrangements relative to the resignation, termination of employment of such executive officers. No executive officer has been granted an ESOWN benefit by the Company.

The Company has no change-in-control arrangements with its executive officers.

(d) Warrants and Options Outstanding

In August 2015, the Board of Directors of the Company approved the Terms and Conditions of its ESOWN Plan covering 250 million common shares of the Company for its directors and employees as of June 30, 2015. The ESOWN Shares were issued in two (2) tranches.

Total number of shares subscribed under the ESOWN Plan are as follows: Tranche 1- 29,161,115 shares (excluding 144,485 shares returned to the Plan Pool); Tranche 2- First Availment- 26,629,700 shares; Tranche 2- Second Availment – 103,692,268 shares. Exercise price was P1.00 per share for Tranche 1, and P1.68 per share for Tranche 2. Except for Mr. Felipe U. Yap, no other incumbent director or executive officer of the Company was granted any ESOWN Plan shares.

There were no stock grants after 31 December 2018.

Item 7. Independent Public Accountants

Pursuant to the General Requirements of SRC Rule 68 (3)(b)(iv)(ix) (Qualification and Reports of Independent Auditors), Isla Lipana & Co. (Isla Lipana) was appointed by the stockholders of the Company as its external auditor for this 2023 audit period. Mr. Zaldy D. Aguirre is the Partner-in-Charge assigned to handle the Company's audit for 2023. This is his first year as Partner-in-Charge of the audit. SyCip Gorres Velayo & Co. (SGV) was engaged for audit year 2022.

There were no disagreements with external auditor on matters relating to accounting principles or practices or financial disclosures for the same period.

The representatives of Isla Lipana are expected to be present during the annual stockholders' meeting of the Company. They are not expected to make a statement but may do so if they so desire. They are ready to answer questions, if any, on the 2023 audited financial statements of the Company.

Upon the recommendation of the Audit Committee (composed of Mr. Rex Ma. A. Mendoza, Chairman, Mr. Renato O. Marzan and Ms. Cassandra Lianne S. Yap, members), the Board will present for approval the appointment of Isla Lipana as external auditor for the ensuing year, and its remuneration, at the annual stockholders' meeting.

Isla Lipana, founded in 1922, is considered the oldest and one of the largest auditing firms in the Philippines. It is a member firm of PriceWaterhouse Coopers. It offers audit and assurance, tax and consulting services. Its office address is at 29th Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City.

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

The Company paid its external auditor Isla Lipana for audit year 2023, and SGV for audit year 2022, the following fees, inclusive of Value Added Tax:

Year	Audit and Audit Related Fees	Other Non-Audit Fees ²⁶
2023	Php2,422,560.00	Php63,840.00
2022	Php2,384,697.28	Php50,400.00

(b) **Tax Fees**

There was no tax advisory service rendered by the auditor or any other entity to the Company in 2023.

(c) **Approval Policies and Procedures**

The Audit Committee approves the audit services rendered by the Independent Auditor to ensure that these do not impair the Independent Auditor's independence. The approval of the audit-related and non-audit services of the Independent Auditor is delegated to Management. The amount of both audit and non-audit work of Independent Auditors shall be disclosed in the annual report and Annual Corporate Governance Report. The Audit Committee is guided by the Company's Policy on Audit, Audit-Related and Non-Audit Services Awarded to Independent Auditors.

Item 8. Compensation Plans

There are no matters or actions to be taken up in the meeting with respect to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

There are no matters or actions to be taken up with respect to the authorization or issuance of securities.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up for the modification of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

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

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters or actions to be taken up in the annual stockholders' meeting with respect to merger, consolidation, acquisition by sale, or liquidation of the Company.

²⁶ SGV fees for validation of votes during the annual stockholders' meetings in 2022 and 2023.

Item 13. Acquisition or Disposition of Property

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

Item 14. Restatement of Accounts

There was no restatement of accounts for CY 2023.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

- (a) Approval of the minutes of Annual Stockholders' Meeting (ASM) held on 19 April 2023 covering the following matters:
- i. Approval of minutes of the 2022 annual stockholders' meeting;
 - ii. Annual Report for calendar year 2022 (including consolidated audited financial statements (FS) for the calendar year ended 31 December 2022);
 - iii. Ratification of all acts and resolutions of the Board of Directors and Management beginning 21 April 2022 until 19 April 2023;
 - iv. Election of directors (including the Independent Directors);
 - v. Appointment of Isla Lipana as external auditor and fixing of its remuneration;
 - vi. Other Matters (stockholders' queries).

Copy of the 2023 ASM minutes (**Annex E**) was posted on the Company's website within five (5) business days from ASM date and may be accessed at <https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-Minutes-ASM-19Apr23.pdf>.

The ASM minutes contain the following information:

1. A description of the voting and vote tabulation procedures used in the meeting;
 2. List of directors and officers, and the percentage of outstanding and voting shares of stockholders who attended and participated in the meeting;
 3. The matters discussed and resolutions reached;
 4. A record of the voting results for each agenda item;
 5. A list of the directors for election and the votes received by each; and
 6. A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given.
- (b) Approval of the annual report containing the messages from the Chairman and President for the year ended 31 December 2023, including the Company's 2023 audited consolidated financial statements and supplementary schedules.
- (c) Appraisals and performance reports for the board and the criteria and procedure for assessment

The Board and the committees conduct performance assessment every year through self-assessment questionnaires to provide insight on the performance and effectiveness of the Board, its committees and the directors, so as to improve the performance of the Board and the committees. The assessment criteria include board composition, roles and functions, board strategy, risk management, information management, representation of shareholders, senior executives' talent management and succession planning and corporate governance practices. The committee surveys cover topics on fulfillment of committee's responsibilities, quality of relationship with management, effectiveness of board processes and meetings, and performance of individual board member. The results of the surveys are collated by the Office of Compliance Officer and reported to the Board and respective committees. Every three (3) years, the Board assessment is conducted by an independent third-party facilitator. The third party assessment was conducted by Aon Hewitt Pte Ltd in 2019, and Aon Solutions Singapore Pte Ltd in 2022.

On February 28, 2023, the external facilitator reported to the Board the results of the performance assessment for the Board and the Board committees.

The Board and Board Committees self-assessments for calendar year 2023 were conducted through online surveys. The questions cover topics on board composition, roles and functions, board strategy, shareholders' representation and Environment, Social and Governance (ESG), directors' development and risk management. The results of the surveys are to be presented to the Board and the respective committees.

(d) Directors disclosures on self-dealing and related party transactions

None of the Company's directors have entered into self-dealing and related party transactions with or involving the Company in 2023.

Item 16. Matters Not Required to be Submitted

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

Item 17. Amendment of Charter, By-laws or Other Documents

There are no amendments to the Company's Articles of Incorporation or By-Laws to be submitted for approval of the stockholders.

Item 18. Other Proposed Actions

(a) Ratification of all acts and resolutions of the Board of Directors and Officers since the annual stockholders' meeting on 19 April 2023 until 25 April 2024, which include, among others:

- i. Election of officers (including replacement officers)
- ii. Appointment of the chairmen and members of the Board Committees and lead independent director
- iii. Approval of engagement of Aon Singapore and results of the Board performance assessment
- iv. Updating of list of attorneys-in-fact for various transactions
- v. Updating of list of bank counterparty risk limits and bank signatories
- vi. Renewal of short-term credit facilities
- vii. Planning and construction of cold storage facilities
- viii. Loan facility for projects
- ix. Approval of company policies
- x. Schedule of 2024 stockholders' meeting and board meetings
- xi. Matters covered by disclosures to the SEC and PSE.

(b) Election of the members of the Board including the independent directors for the ensuing year; and

(c) Appointment of the external auditor and fixing of its remuneration.

Item 19. Voting Procedures

(a) Vote required.

The affirmative vote of stockholders representing at least a majority of the issued and outstanding capital stock entitled to vote and represented at the annual stockholders' meeting is required for approval of the matters presented to the stockholders for decision. The election of directors is by plurality of votes.

(b) Method by which votes will be counted: Straight and cumulative

In all items for approval, each stockholder as of the Record Date may vote the number of shares of stock standing in his/her name on the books of the Company. Each share represents one vote. As explained in Item 20 below, stockholders will only be allowed to

vote by appointing the Chairman of the meeting as their proxy or electronically *in absentia*.

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

Proxies shall be in writing, signed and filed, by the stockholders, in the form provided in this Information Statement, and shall be received by the Corporate Secretary at 4F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City or by email on or before **16 April 2024**.

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

All votes shall be counted and tabulated by the Company's Committee of Inspectors of Proxies and Ballots (composed of Atty. Ma. Florence Therese dG. Martirez-Cruz, Chairman, Ms. Francis M. Montojo and Ms. Michelle Marie T. Valbuena as members) and the results will be validated by an independent third party.

Item 20. Participation of Shareholders by Remote Communication

The Chairman, pursuant to the authority delegated by the Board of Directors during its meeting on December 14, 2023, approved the conduct of the stockholders' meeting in a fully virtual format. Stockholders may only attend the meeting by remote communication, as set forth below, and by voting *in absentia*, as provided in Item 4(c) and Item 19 above, or voting through the Chairman of the meeting as proxy.

The live webcast of the meeting shall be accessible through the following online web address: <http://www.ayalagroupshareholders.com/> to stockholders who registered in the Ayala Group Voting System (Voting System). A meeting livestreaming access button will be available on the Stockholders' dashboard in the Voting System on the date of the Meeting as indicated in the Company's Notice of Meeting.

To enable the Company to perform validation procedures, identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall inform the Company by email on or before 16 April 2024, of their participation in the meeting by remote communication. Stockholders may email questions or comments prior to or during the meeting. All email communications must be sent to corporate.secretary@ayalalandlogistics.com within the prescribed period. The detailed instructions for participation through remote communication are attached as **Annex "A"**.

Item 21. Acceptance of Stockholder Proposals on Agenda Item

Stockholders of record as of 11 March 2024 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before 18 April 2024.²⁷

²⁷

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

SIGNATURE

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

AYALALAND LOGISTICS HOLDINGS CORP.

By:



MA. FLORENCE THERESE dG. MARTIREZ-CRUZ
Corporate Secretary

ANNEX "A"

2024 ANNUAL STOCKHOLDERS' MEETING OF AYALALAND LOGISTICS HOLDINGS CORP. (ALLHC) (THE "MEETING")

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

Participation by remote communication and electronic voting via remote communication or *in absentia* shall be allowed only through complete registration and successful validation in the Ayala Group Voting System.

I. ELECTRONIC VOTING VIA REMOTE COMMUNICATION OR *IN ABSENTIA*

1. The annual stockholders' meeting of ALLHC on April 25, 2024 will be conducted entirely via remote communication. Voting on the agenda item/s will be done electronically.
2. Stockholders as of March 11, 2024 ("Stockholders") have the option of electronic voting *in absentia* on the matters in the Agenda after complete registration in the Ayala Group Voting System. Only votes cast by duly validated stockholders would be included in the preliminary and final tally of votes.
3. Stockholders with e-mail addresses on record shall be sent an e-mail with a link to the Ayala Group Voting System. To register in the Voting System, Stockholders shall simply follow the instructions sent in the e-mail.
4. Stockholders may access the link <http://www.ayalagroupshareholders.com/> to create an account and register in the Ayala Group Voting System. Stockholders should complete the online registration form and submit for validation together with the requirements provided in Item 5 below. Once the online registration form has been completed, the digital ballot will be available for the Stockholders to cast their votes.
5. All registered accounts shall be subject to a post validation process set forth in Item 6 below. Only the votes cast by validated Stockholders shall be considered in the preliminary and final tally of votes. The deadline for registration to vote *in absentia* is April 16, 2024. Stockholders may vote until the end of the meeting. The Ayala Group Voting System will be open for registration on **March 27, 2024**.
6. The following are needed for registration:
 - 5.1. For individual Stockholders (those with certificated stocks and not lodged through a broker / PDTC) –
 - 5.1.1. A recent photo of the Stockholder, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
 - 5.1.2. A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
 - 5.1.3. A valid and active e-mail address;
 - 5.1.4. A valid and active contact number.
 - 5.2. For Stockholders with joint accounts (those with certificated stocks and not lodged through a broker / PDTC) –
 - 5.2.1. A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PDF format). The file size should be no larger than 5MB;

- 5.2.2. A recent photo of the Stockholder authorized to vote, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
- 5.2.3. A scanned copy of the valid government-issued ID showing photo and personal details, preferably with residential address of the Stockholder authorized to vote (in JPG or PDF format). The file size should be no larger than 5MB;
- 5.2.4. A valid and active e-mail address;
- 5.2.5. A valid and active contact number.

5.3. For Stockholders (Individual or Joint Account or Corporation) under Broker accounts –

- 5.3.1. A broker's certification on the Stockholder's number of shareholdings (in JPG or PDF format). The file size should be no larger than 5MB;
- 5.3.2. A recent photo of the stockholder, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
- 5.3.3. A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
- 5.3.4. A valid and active e-mail address;
- 5.3.5. A valid and active contact number;

5.4. For corporate Stockholders (those with certificated stocks and not lodged through a broker / PDTC) –

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

Important Notes:

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

number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

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

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

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

8. The Proxy Validation Committee will tabulate all votes cast electronically *in absentia* together with the votes cast by proxy, and a firm selected for this purpose will validate the results.

II. PARTICIPATION BY REMOTE COMMUNICATION

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

III. VOTING BY PROXY

1. Stockholders of record as of March 11, 2024 may issue the Proxy included in this Definitive Information Statement in favor of the Chairman of the meeting. The Proxy form should be submitted to the Office of the Corporate Secretary on or before April 16, 2024 at 4/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City or by email to corporate.secretary@ayalalandlogistics.com.
2. The Proxy form must be accompanied by the following requirements:
 - 3.1. For individual Stockholders (those with certificated stocks and not lodged through a broker / PDTC) –

- 3.1.1. A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
- 3.1.2. If the proxy is not the Chairman of the meeting, a scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format) of the appointed proxy. The file size should be no larger than 5MB;
- 3.1.3. A valid and active e-mail address;
- 3.1.4. A valid and active contact number.

3.2. For Stockholders with joint accounts (those with certificated stocks and not lodged through a broker / PDTC) –

- 3.2.1. A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PDF format). The file size should be no larger than 5MB;
- 3.2.2. A scanned copy of the valid government-issued ID showing photo and personal details, preferably with residential address of the Stockholder authorized to vote (in JPG or PDF format). The file size should be no larger than 5MB;
- 3.2.3. If the proxy is not the Chairman of the meeting, a scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format) of the appointed proxy. The file size should be no larger than 5MB;
- 3.2.4. A valid and active e-mail address;
- 3.2.5. A valid and active contact number.

3.3. For Stockholders (Individual or Joint Account or Corporation) under Broker accounts –

- 3.3.1. A broker's certification on the Stockholder's number of shareholdings (in JPG or PDF format). The file size should be no larger than 5MB;
- 3.3.2. A scanned copy of the valid government-issued ID showing photo and personal details, preferably with residential address of the Stockholder authorized to vote (in JPG or PDF format). The file size should be no larger than 5MB;
- 3.3.3. If the proxy is not the Chairman of the meeting, a scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format) of the appointed proxy. The file size should be no larger than 5MB;
- 3.3.4. A valid and active e-mail address;
- 3.3.5. A valid and active contact number.

3.4. For corporate Stockholders (those with certificated stocks and not lodged through a broker / PDTC)–

- 3.4.1. A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PDF format). The file size should be no larger than 5MB;
- 3.4.2. A recent photo of the Stockholder's representative, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
- 3.4.3. A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
- 3.4.4. A valid and active e-mail address;
- 3.4.5. A valid and active contact number.

3. Validation of proxies is set for April 18, 2024 at 9:00 o'clock in the morning.

4. The Proxy Validation Committee will tabulate the ballot/s cast by the Chairman of the meeting by virtue of the validated proxies submitted and will be counted together with all the votes cast *in absentia*, and a firm selected for this purpose will validate the results.

For any clarifications, please contact our Office of the Corporate Secretary through corporate.secretary@ayalalandlogistics.com.

ANNEX "B"

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

The write-ups below include the positions held as of December 31, 2023 and in the past five (5) years, and personal data (including age and nationality) as of December 31, 2023 of the directors and officers.

Board of Directors:

Anna Ma. Margarita B. Dy
Felipe U. Yap
Bernard Vincent O. Dy
Robert S. Lao
Jaime Alfonso E. Zobel de Ayala
Nathanael C. Go
Rex Maria A. Mendoza
Renato O. Marzan
Cassandra Lianne S. Yap

Anna Ma. Margarita B. Dy, Filipino, 54, was elected Chairman of the Board of the Company on December 14, 2023. She is currently the President and Chief Executive Officer of Ayala Land, Inc. (ALI) effective October 1, 2023. Previously, she held the position of Executive Vice President from January 1, 2023 until September 30, 2023. She was Senior Vice President of ALI from January 1, 2015 until December 31, 2022 and a member of the Management Committee of ALI since August 2008. She is the Head of the Residential Business Group of ALI effective July 1, 2022 and Head of the Malls Group effective January 1, 2023. Her other significant positions are: Chairman of AREIT, Inc. (a publicly-listed company), Amaia Southern Properties, Inc., Ayalaland Premier, Inc., Ayala Land International Sales, Inc., Avida Land Corp., and Solinea, Inc.; Vice Chairman of Alveo-Federal Land Communities Inc.; Director and Executive Vice President of AKL Properties, Inc., Avencosouth Corp., and Portico Land, Inc.; and, Director of Accendo Commercial Corp., Alveo Land Corp., ALI Eton Property Development Corporation, Altaraza Development Corporation, Amaia Land, Inc., Amicassa Process Solutions, Inc., Aurora Properties, Inc., Ayala Greenfield Development Corporation, Ayala Property Management Corporation, Ayalaland-Tagle Properties, Inc., BGWest Properties, Inc., BGNorth Properties, Inc., Bellavita Land Corp., Berkshires Holdings, Inc., Bonifacio Land Corporation, Cagayan de Oro Gateway Corp., Columbus Holdings, Inc., Emerging City Holdings, Inc., CECI Realty, Inc., Fort Bonifacio Development Corporation, Nuevocentro, Inc., Serendra, Inc., and Vesta Properties Holdings, Inc. Prior to joining ALI, she was a Vice President of Benpres Holdings Corporation. She graduated magna cum laude from Ateneo de Manila University with BS of Arts degree in Economics Honor Program in 1990. She earned her Master's degree in Economics from London School of Economics and Political Science in 1991 and MBA at Harvard Graduate School of Business Administration in Boston in 1996.

Felipe U. Yap, Filipino, 86, has been Vice Chairman of the Company since February 24, 2016. He was Chairman of the Board of Directors of the Company from 2000 to February 2016 and 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). 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.

Robert S. Lao, Filipino, 50, is the President and Chief Executive Officer of the Company since August 2, 2023. He is Senior Vice President of ALI and a member of its Management Committee since April 19, 2017. He is also the Group Head of Ayala Land's Estates and Central Land Acquisition Unit, and President of Quantum Electronics in Indonesia. He is concurrently the Chairman, President and Chief Executive Officer of Southcrest Hotel Ventures, Inc. and Northgate Hotel Ventures, Inc.; President and director of ALI ETON Property Development Corporation, Altaraza Development Corporation, Aurora Properties Incorporated, Aviana Development Corp., CECI Realty Inc., and Nuevocentro, Inc.; Chairman of the Board and President Bonifacio Global City Estate Association Inc.; Chairman of the Board of

Adauge Commercial Corporation, A-Flow Land I Corp., A-Flow Properties I Corp., Alagang Ayala Land Foundation Inc., Altaraza Prime Realty Corporation, Amorsedia Development Corporation, Arca South Integrated Terminal, Inc., Ayalaland Medical Facilities Leasing, Inc., Buendia Landholdings, Inc., Crans Montana Property Holdings Corporation, Crimson Field Enterprises, Inc., HLC Development Corporation, Red Creek Properties, Incorporated, Lagdigan Land Corporation, Sicogon Island Tourism and Estate Corp., Taft Punta Engaño Property, Inc., and Whiteknight Holdings Inc.; Vice Chairman and President of Vesta Property Holdings, Inc.; Director and Executive Vice President of Fort Bonifacio Development Corporation; and, Director of Accendo Commercial Corp., Alveo Land Corp., Avida Land Corp., AyalaLand Estates, Inc., Ayala Greenfield Development Corporation, Ayala Property Management Corporation, Cagayan de Oro Gateway Corp., Orion Land, Inc., Orion Property Development, Inc., Serendra, Inc., and Soltea Commercial Corp. Prior to joining Ayala Land, Inc., he served as a Senior Process Engineer of Fujitsu Computer Products Corporation of the Philippines (FCPP) and Lead Process Engineer of PT. Quantum Electronics in Indonesia. He studied at the University of Santo Tomas (UST) and graduated cum laude in Bachelor of Science in Industrial Engineering in 1995. He completed his Masters in Business Management (MBM) degree in 2001 from the Asian Institute of Management (AIM) and attended the International Student Exchange Program from University of Cologne in Germany.

Bernard Vincent O. Dy, Filipino, 60, is a Director of the Company since February 24, 2016. He was the Chairman of the Board from April 21, 2022 until December 14, 2023 and also from February 24, 2016 to April 12, 2018. He was the President and CEO of publicly-listed company, Ayala Land, Inc. (ALI), from April 2014 until September 30, 2023, and was a member of the Ayala Group Management Committee since April 2014. He is also a Director of other publicly-listed companies, AREIT, Inc. and Avaland Berhad of Malaysia. Concurrently, he is the Chairman of Aviana Development Corp. and Ayagold Retailers, Inc.; Vice Chairman of Alviera Country Club, Inc. and Director of Accendo Commercial Corp., AKL Properties, Inc., Alabang Commercial Corporation, ALI Eton Property Development Corporation, Altaraza Development Corporation, Aurora Properties Incorporated, Avencosouth Corp., Ayala Greenfield Development Corporation, Ayalaland-Tagle Properties, Inc., BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Cagayan De Oro Gateway Corp., Ceci Realty Inc., Fort Bonifacio Development Corporation, Serendra, Inc., Station Square East Commercial Corporation, and Vesta Property Holdings, Inc. He is also the President and CEO of Berkshires Holdings, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc., and President of Bonifacio Art Foundation, Inc. and Hero Foundation Inc.; member of the Board of Trustees of Ayala Foundation, Inc., advisor of Alveo-Federal Land Communities, 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 1989, and Masters in International Relations in 1997 from the University of Chicago.

Jaime Alfonso E. Zobel de Ayala, Filipino, 33, has been a Director of the Company since May 14, 2020. He is the Co-Chief Executive Officer of AC Industrials, the industrial technologies arm of the Ayala Group which manages a portfolio of companies in the manufacturing and mobility industries. He specifically oversees AC Motors (since rebranded to ACMobility) as its CEO, managing a mobility portfolio comprised of automotive distribution, dealerships, aftermarket services, and electric vehicle infrastructure businesses. He is also a Director of Globe Telecom, ACEN Corporation, AC Industrials, Isuzu Philippines, Yoma Strategic Holdings Ltd Singapore (YSH), BPI Capital Corporation, among others. Prior to his roles in AC Industrials and ACMobility, he was the Co-Head of the Strategic Development Group and Head of Business Development and Digital Ventures of Ayala Corporation. Before joining Ayala Group, he was an Analyst at Goldman Sachs Singapore under the Macro Sales Desk (Securities Division). He graduated from Harvard University, Cambridge, Massachusetts, USA, with Primary Concentration in Government in 2013 and obtained his Masters of Business Administration from Columbia Business School in New York in 2019.

Nathanael C. Go, Filipino, 48, 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, 61, has been an Independent Director of the Company since February 26, 2016 and its Lead Independent Director since July 18, 2017. He is the Chairman of Rampver Financials, a dynamic player in financial services specializing in investments, and one of the biggest distributors of

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

Renato O. Marzan, Filipino, 75, 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 University. Prior to joining Ayala in 1978, he was in the active practice of law.

Cassandra Lianne S. Yap, Filipino, 34, 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.

Nominee to the Board of Directors for election at the stockholders' meeting

Except for Mr. Renato O. Marzan, all the incumbent directors of the Company are being nominated to the Board of Directors. Ms. Jessie D. Cabaluna is being nominated as Independent Director vice Mr. Marzan.

Jessie D. Cabaluna, Filipino, 68, is currently an independent director of Anvaya Cove Beach and Nature Club, Inc. and Alviera Country Club, Inc. She is a former independent director of AREIT, Inc. and AREIT Fund Managers, Inc. She was the former Assurance Partner and Head of Market Circle – 1 Bacolod Branch of SyCip Gorres Velayo & Co. (SGV). She is the President and Managing Director of Stetchworth House, Inc. since 2017. She is presently an Independent Director for AllHome Corp. and AllDay Marts, Inc. She is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants. She has accumulated over twenty years of experience as a partner in the accounting firm, SGV, where she was Partner-in-Charge of the Bacolod Branch.

She holds a Bachelor of Science in Commerce (Major in Accounting) from the University of St. La Salle. She has also completed advanced management development programs conducted by the Asian Institute of Management and Harvard Business School.

Officers

Robert S. Lao*	President and Chief Executive Officer
Augusto D. Bengzon	Treasurer
Patrick John C. Avila	Chief Operating Officer
Francis M. Montojo	Chief Finance Officer, Chief Risk Officer, and Compliance Officer
Ma. Florence Therese dG. Martinez-Cruz	Corporate Secretary
Nimfa Ambrosia L. Perez-Paras	Assistant Corporate Secretary
Jeffrey R. Legaspi	Chief Audit Executive

* member of the Board

Augusto D. Bengzon, Filipino, 60, is the Treasurer of AyalaLand Logistics Holdings Corp. since May 14, 2020. He was a Director of the Company from July 2017 to May 2020. He joined ALL in December 2004 and currently serves as its Senior Vice President, Chief Finance Officer, Treasurer and Chief Compliance Officer. He is a Director of AREIT, Inc., a publicly listed company under the Ayala Land Group. His other significant positions include: Chairman of Aprisa Business Process Solutions Inc., Anvaya Cove Golf and Sports Club, Inc. and Anvaya Cove Beach and Nature Club, Inc.; Chief Finance Officer of Altaraza Development Corporation; Director and Treasurer of Alveo Land Corp., ALL Eton Property Development Corp., Aurora Properties Inc., AyalaLand Premier Inc., AyalaLand-Tagle Properties, Inc., Ceci Realty Inc., Philippine Integrated Energy Solutions Inc. and Vesta Property Holdings Inc.; Director of Alviera Country Club Inc., Amicassa Process Solutions, Inc., Makati Development Corp., Northgate Hotel Ventures, Inc., and Station Square East Commercial Corp.; Comptroller of Nuevocentro, Inc.; Treasurer of Alabang Commercial Corporation, AKL Properties, Inc., Amaia Land Corp., Amaia Southern Properties, Inc., Avida Land Corp., Ayala Property Management Corporation, Bellavita Land Corp., BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Serendra Inc., The Suites at One Bonifacio High Street Condominium Corp. and Hero Foundation, Inc.; Assistant Treasurer of Ayala Greenfield Development Corporation; Trustee of Philippine National Police Foundation, Inc. He received his Bachelor of Science degree in Business Management from the Ateneo de Manila University and is a graduate of the Philippine Trust Institute. He was granted the Andres K. Roxas scholarship at the Asian Institute of Management where he received his Masters in Business Management degree.

Patrick John C. Avila, Filipino, 42, has served as the Company's Chief Operating Officer since April 21, 2022. He is also Chairman and President/CEO of Laguna Technopark, Inc., Unity Realty & Development Corporation, LCI Commercial Ventures, Inc., Ecozone Power Management, Inc., Orion Property Development, Inc., Orion Land Inc. and Tutuban Properties, Inc.; Director of Esta Galleria, Inc., Amsi Prime Concepts, Inc., FLT Prime Insurance Corporation and A-FLOW Properties I Corp.; and President of A-FLOW Land I Corp. (2022). He joined Ayala Land, Inc. in August 2001 under Alabang Town Center. In 2009, he was assigned to the Operations Group of Glorietta, and in 2013, to Laguna Technopark Inc. In 2018, he became the head of industrial parks and real estate logistics of ALLHC. He graduated cum laude from the University of the Philippines Manila with a degree in Bachelor of Arts in Social Science, major in Behavioral Studies in 2001. He finished his Master's degree in Public Management from the Ateneo School of Government in 2004. He also completed the Ayala Leadership Acceleration Program facilitated by Harvard Business Publishing in 2015.

Francis M. Montojo, Filipino, 41, has served as the Chief Finance Officer and Compliance Officer of the Company since December 15, 2018 and its Chief Risk Officer effective November 11, 2020. She served as the Treasurer of the Company from 1 January 2019 to 14 May 2020. Her other significant positions include: Director, Treasurer and Chief Finance Officer of Esta Galleria, Inc., Orion Land, Inc. and Tutuban Properties, Inc.; Director, Treasurer and Compliance Officer for AMLA of FLT Prime Insurance Corporation and Orion Property Development, Inc.; and, Director and Treasurer of LCI Commercial Ventures, Inc., Laguna Technopark, Inc., Ecozone Power Management, Inc., Unity Realty & Development Corporation, A-Flow Land I Corp. and A-Flow Properties I Corp. (2022). She joined Ayala Land, Inc. in July 2012 under the Strategic Landbank Management Group which is involved in Ayala's township developments as Controls and Analysis Head and Chief Accountant. In May 2015, she was assigned to Ayala's Healthcare business and served as the Chief Finance Officer of Mercado General Hospital, Inc. and the Treasurer of QualiMed Physician Associates, Inc. from May 2016 to December 2018. She graduated with a degree in Bachelor of Science in Accountancy from St. Paul University Manila in 2003 and has eight years of public practice from 2004 to 2012 with PricewaterhouseCoopers Manila, focused on consumer, industrial products and services. She is a Certified Public Accountant.

Ma. Florence Therese dG. Martirez-Cruz, Filipino, 38, has served as the Corporate Secretary of the Corporation since August 2, 2023. She is the Assistant Corporate Secretary of ALI since April 26, 2023. She also serves as the Assistant Corporate Secretary of AREIT, Inc. since November 14, 2022. She is the Corporate Secretary of AREIT Fund Managers, Inc., and concurrently the Head of Legal of AREIT, Inc. and Ayalaland Offices, Inc. She is also the Compliance Officer for Anti-Money Laundering of ALI, AREIT, and the AyalaLand Offices Group, the lead lawyer for Ayala Land's Leasing and Hospitality Group, and Ayala Land Legal's Banking, Finance, Securities, and Special Project group. Prior to joining Ayalaland Offices, Inc. in 2021, she was a Senior Counsel and Counsel for AG Counselors Corporation, from 2019 to 2021, and 2016 to 2019, respectively. Prior to joining the Ayala Group, she worked as an Associate at Leynes Lozada-Marquez Law Offices and as a legal consultant in the Office of Senator Maria Lourdes Binay. She graduated from the University of the Philippines in 2007 with a Bachelor of Arts degree in Public Administration, and obtained her Juris Doctor in 2011 from the same University. She finished the Program on Negotiation and Leadership at Harvard Law School in 2019, the Certification Course for Compliance Officers by the Center for Global Best Practices in 2022, and was included in the Legal 500's GC Powerlist Philippines 2023.

Nimfa Ambrosia L. Perez-Paras, Filipino, 58, has served as the Assistant Corporate Secretary of the Company since February 24, 2016. She is an Assistant Vice President of Amicassa Process Solutions, Inc. and head of the Compliance and Corporate Services Group. She was the Assistant Corporate Secretary of Integrated Micro-Electronics, Inc. from April 2014 to April 2015, Ayala Land, Inc. from April 2014 to April 2021 and Cebu Holdings, Inc. from April 2014 until December 2021. Prior to joining Amicassa Process Solutions, Inc., she was the head of the Corporate Services and Compliance Unit of Ayala Group Legal. She was a State Counsel at the Department of Justice. She also worked at the Regional Trial Courts of Makati and Quezon City. In the private sector, she worked as Legal Counsel for Coca-Cola Bottlers Philippines, Inc., RFM Corporation, and Roasters Philippines, Inc. She graduated with a degree of Bachelor of Laws from Manuel L. Quezon School of Law in 1990. She finished the Program on Negotiation and Leadership at Harvard Law School in 2018.

Jeffrey R. Legaspi, Filipino, 36, has been the Chief Audit Executive of the Company since May 04, 2023. He also handles other Ayala Land, Inc. (ALI) Strategic Business Units specifically AyalaLand Estates, Inc., Ayala Property Management Corporation, and ALI Capital Corp. He also served as Deputy Chief Finance Officer of one of the Construction Divisions of Makati Development Corporation (MDC), a wholly-owned subsidiary of ALI. He was an Associate Internal Audit Manager at MDC prior to his reassignment to Finance. Before joining the ALI Group, he was the Senior Internal Audit Manager of Global-Estate Resorts, Inc. He is a Certified Public Accountant and a member of the Institute of Internal Auditors Philippines. He holds a degree in Bachelor of Science in Accountancy from the Polytechnic University of the Philippines- Taguig Campus (PUP-Taguig). He is currently completing his Master's Degree in Business Administration with a major in Finance from De La Salle University -Manila. He is currently a professor at PUP-Taguig teaching accounting and assurance subjects.

CERTIFICATION OF INDEPENDENT DIRECTOR

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

1. I am a nominee for independent director of **AYALALAND LOGISTICS HOLDINGS CORP.**, (the "Corporation") for its Annual Stockholders' Meeting on April 25, 2024 and have been its Independent Director since February 26, 2016.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Rampver Financials, Inc.	Chairman, Board of Directors	2014 to Present
Soldivo Bond Fund, Inc.	Chairman, Board of Directors	
Cullinan Group, Inc.	Member, Board of Directors	2008 to Present
Esquire Financing, Inc.	Member, Board of Directors	2013 to Present
G Exchange Inc.	Member, Board of Directors	
Mobile Group, Inc.	Member, Board of Directors	July 30, 2020 to Present
Seedbox Technologies, Inc.	Member, Board of Directors	2019 to Present
Seven Tall Trees Events Company, Inc.	Member, Board of Directors	2008 to Present
Ayala Land, Inc.*	Independent Director	April 22, 2020 to Present
National Reinsurance Corporation of the Philippines *	Independent Director	2019 to Present

* *publicly listed company in the Philippine Stock Exchange*

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

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N.A.		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

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

Done, this MAR 12 2024 at Makati City.


RÉX MA. A. MENDOZA
Affiant

SUBSCRIBED AND SWORN to before me this MAR 12 2024 at
Makati City, affiant personally appeared before me and exhibited to me his Passport No.
issued at _____ on _____

Doc No. 249 ;
Page No. 51 ;
Book No. XLVII ;
Series of 2024 .

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



CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CASSANDRA LIANNE S. YAP**, Filipino, of legal age and a resident of _____, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **AYALALAND LOGISTICS HOLDINGS CORP.**, (the "Corporation") for its Annual Stockholders' Meeting on April 25, 2024 and have been its Independent Director since April 13, 2020.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Zamcore and Realty Development Corp.	Vice President and Corporate Secretary	Since 2011
Ferenzo Holdings & Development Corp.	President and Chief Operating Officer	Since 2011
FelCris Hotels & Resorts Corp.	Executive Vice President	Since 2011

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

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
Felipe U. Yap	AyalaLand Logistics Holdings Corp.	Uncle

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

MAR 11 2024

Done, this _____ at MAKATI CITY .


CASSANDRA LIANNE S. YAP
Affiant

MAR 11 2024

SUBSCRIBED AND SWORN to before me this _____ at
MAKATI CITY , affiant personally appeared before me and exhibited to me her Passport No.
on

Doc No. 85 ;
Page No. 18 ;
Book No. Xxi ;
Series of 2024 .



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

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JESSIE D. CABALUNA**, Filipino, of legal age and a resident of _____, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **AYALALAND LOGISTICS HOLDINGS CORP.** (the "Corporation") for its Annual Stockholders' Meeting on April 25, 2024.
2. I am affiliated with the following companies or organizations:

Company /Organization	Position/ Relationship	Period of Service
AllHome Corp.	Independent Director	08 July 2019 to present
Stetchworth House, Inc.	President and Managing Director	September 2017 to present
AllDay Marts, Inc.	Independent Director	05 August 2021 to present
Anvaya Cove Beach and Nature Club, Inc.	Independent Director	July 2021 to present
Alviera Country Club, Inc.	Independent Director	21 March 2023-Present
SyCip Gorres Velayo & Co. (SGV)	Partner	1978 to 2017

I am not affiliated with any government-owned or controlled corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N.A.		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

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

Done, this _____ day of MAR 21 2024, at MAKATI CITY.


JESSIE D. CABALUNA
Affiant

SUBSCRIBED AND SWORN to before me this MAR 21 2024 at MAKATI CITY,
affiant personally appeared before me and exhibited to me her Passport ID No. _____ ssued on

Doc. No. 156 ;
Page No. 33 ;
Book No. LV ;
Series of 2024 .



ANNEX “C”

I. BUSINESS AND GENERAL INFORMATION

Item 1. Business

A. Business Development

AyalaLand Logistics Holdings Corp. (Company/Issuer), a 70.90%-owned subsidiary of ALI, is an investment holding company and is focused on the development of world-class industrial parks, warehouses, cold storage facilities, and commercial centers through its subsidiaries. In 2022, the Company ventured into the establishment of data center facilities. The Company has the following operating subsidiaries:

- (i) Laguna Technopark, Inc.
- (ii) Unity Realty & Development Corporation
- (iii) LCI Commercial Ventures, Inc.
- (iv) Ecozone Power Management, Inc.
- (v) Orion Land Inc.
- (vi) Tutuban Properties, Inc.
- (vii) Orion Property Development, Inc.
- (viii) A-FLOW Land I Corp.

B. Business of Issuer

(i) Principal Products and Services

Laguna Technopark, Inc. (LTI)

- LTI is engaged in the business of real estate development. To date, LTI owns and operates industrial parks that cater to light and medium, non-polluting enterprises from both global and local markets, namely: Laguna Technopark, Cavite Technopark, Laguindingan Technopark, and Batangas Technopark.

LTI is likewise into the construction and operation of standard factory buildings or warehouses located in multiple sites in Laguna, Cavite, and Pampanga, spanning approximately 155,000 square meters (sqm.) of warehouse gross leasable area (GLA).

Unity Realty & Development Corporation (URDC)

- In July 2019, the Company acquired 100% of the shares of URDC, a real estate holding company. URDC owns Pampanga Technopark, which has a total GLA of 270 hectares located in Mabalacat City, Pampanga. Additionally, URDC commenced construction of a warehouse and a cold storage facility within the property.

LCI Commercial Ventures, Inc. (LCVI)

- LCVI, a wholly-owned subsidiary of Orion Property Development, Inc. (OPDI), owns and operates warehouse facilities in a 14-hectare property in Calamba, Laguna. At full redevelopment, warehouse GLA in the property will reach 98,000 sqm.

*Ecozone Power Management, Inc. (EPMI)**

- EPMI, a wholly-owned subsidiary of LTI, previously engaged in retail electricity supply (RES) until it shifted its focus on the industrial real estate business. It now manages cold storage facilities, operating under the ALogis Artico brand, with a total of 10,300 pallet positions with sites located in Biñan, Laguna and Mandaue, Cebu. Moreover, EPMI is also into the operations of a standard factory building located in Santo Tomas, Batangas with warehouse GLA of 64,000 sqm. It is also constructing a cold storage facility in Santo Tomas, Batangas.

**The Securities and Exchange Commission approved the change in its corporate name to ALogis Artico, Inc. on January 30, 2024.*

Orion Land Inc. (OLI)

- OLI is engaged in the business of property development and leasing. It owns South Park Center, a commercial complex consisting of a 5-storey mall and a 6-storey corporate office building located in Alabang, Muntinlupa.

Tutuban Properties, Inc. (TPI)

- TPI, a wholly-owned subsidiary of OLI, holds the lease and development rights of over a 20-hectare property in Divisoria. On the property sits the Tutuban Center, an integrated wholesale and retail complex, located in Tondo, Manila.

Orion Property Development, Inc. (OPDI)

- OPDI, a wholly-owned subsidiary of OLI, handles property development. Its present landholdings include properties in Batangas and Laguna.

A-FLOW Land I Corp.

- Incorporated in 2022, this is a 60%-owned company engaged in leasing. It currently owns a 5-hectare property in Mamplasan, Laguna.

Item 2. Legal Proceedings

- a. *FLT Prime Insurance Corporation vs. Solid Guaranty, Inc.*
Civil Case No. 14-381
(Makati RTC Branch 59) CA
G.R. CV No. 110458 SC
G.R. No. 248094
For: Recovery of Sum of Money and Damages

Status: Supreme Court (SC) reversed and set aside the Decision of the Court of Appeals and remanded the case to the RTC for continuation of the trial. SC denied the Motion for Reconsideration filed by FPIC.

On 2 April 2014, a complaint for recovery of sum of money and damages was filed by FPIC against its reinsurer, Solid Guaranty, Inc. (SGI), in view of the latter's refusal to pay the amount of P10,721,938.50 representing SGI's 45% share in the final settlement amount paid by FPIC to its assured Top Forest Developers, Inc.

Defendant SGI filed its Answer with Counterclaim dated 21 May 2014, and a Motion to Set Case for Preliminary Hearing Based on Affirmative Defenses dated 21 May 2014 which motion was denied for utter lack of merit.

Subsequently, Defendant filed a Motion to Dismiss (MTD) which was denied by the court. As the parties failed to reach a settlement during the Judicial Dispute Resolution hearing, the case was re-raffled to Regional Trial Court (RTC) of Makati Branch 59.

Defendant filed a MTD while FPIC filed a Motion for Summary Judgment. On 26 July 2017, the court issued a Resolution which denied Defendant's MTD and granted FPIC's Motion, and judgment was rendered in favor of plaintiff FPIC and ordered defendant to pay the amount of P10,721,938.50 with interest for the delay at the rate of 13.71% per annum commencing on 7 January 2011 until fully paid, attorney's fees in the amount of P500,000.00, and costs of suit.

Defendant filed a Motion for Partial Reconsideration (MPR) (which was denied by the court. Defendant filed an appeal with the CA. The CA Special Third Division issued a Resolution dated 3 July 2019 which denied the MR for lack of merit. Defendant-appellant filed a Petition for Review (PR) to the SC questioning the CA resolution.

In its Resolution dated November 11, 2021, the SC granted the PR and reversed the CA Resolution dated 3 July 2019 and the RTC Decision dated April 16, 2019. The SC ruled that summary judgment is not proper in this case where the reinsurer consistently disputed the data and records used for valuation of the assured's claim, and that the CA erred in sustaining the trial court's summary judgment that automatically applied the follow the fortunes clause despite allegations of excessive and inflated valuation of loss. The SC ordered that the case be remanded to the RTC for continuation of trial and proper disposition of the case.

FPIC filed a Motion for Reconsideration (MR) dated June 4, 2022 of the SC Resolution dated November 11, 2021. The SC, in its Resolution dated 8 February 2023, denied the MR with finality. Case to be remanded to the trial court for continuation of trial. Implementation of the SC Resolution is ongoing.

ANNEX “D”

I. MANAGEMENT’S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Review of 2023 Consolidated Results of Operations versus 2022

For the year ended 31 December 2023, AyalaLand Logistics Holdings Corp. (“ALLHC” or the “Group”) registered consolidated revenues of P3.51 billion versus P4.21 billion the year prior, experiencing a 17% drop. Net income decreased by 37% to P636.1 million from P1.01 billion in 2022. The performance reflects lower booked industrial lot sales on account of ongoing development works for our industrial estates amidst improvements in warehouse, cold storage, and commercial leasing operations.

Earnings per share for the year ended 31 December 2023 was P0.10 which was 37% lower than P0.16 last year.

Business Segments

The breakdown of the revenues are as follows:

Segment	Amount – P’ million			
	2023	2022	2023 vs. 2022	Change
Real estate sales	1,763.2	2,354.3	(591.1)	(25%)
Rental and storage services	1,746.8	1,579.1	167.7	11%
Sale of electricity	–	274.7	(274.7)	(100%)
Total	3,510.0	4,208.1	(698.1)	(17%)

Real estate sales. This segment pertains to sale of industrial lots and non-core assets. Industrial lot sales revenues stood at P1.55 billion, 34% lower compared to 2022’s post of P2.35 billion. Sale of non-core assets amounted to P214.2 million in 2023.

Rental and storage services. This segment covers operations of the following:

Commercial leasing. The combined revenues of Tutuban Center and South Park Center amounted to P646.1 million which was 19% higher than P544.1 million revenues last year due to the improved mall occupancies and mall rentals, increased foot traffic, and steady office leasing revenues. Recoveries amounting to P225.9 million and P266.0 million were also recognized as part of revenues in 2023 and 2022, respectively. The Group ended with 95K square meters (sqm.) of gross leasable area (GLA).

Warehouse leasing. Revenues rose by 2% to P659.1 million in 2023 from P648.5 million with the contribution of additional gross leasable area from ALogis Naic. Total warehouse GLA grew by 2% to 314k sqm from 309k in 2022.

Cold storage. In 2021, the Group entered the cold storage market. Cold storage revenues in 2023 posted P176.4 million which was 46% higher than the P120.5 million in 2022 from the full year contribution of ALogis Artico Mandaue. The Group ended the year with a total pallet position count of 10,300.

Others. Revenues generated from land leased to the data center business and other services amounted to P39.3 million in 2023.

Sale of electricity. This pertains to retail electricity supply (RES) service to industrial park locators and external commercial customers. No revenues were recognized in 2023 given all RES contracts have been assigned to focus on real estate logistics business.

Expenses

Consolidated costs of real estate and services costs from rental and sale of electricity amounted to P2,324.0 million in 2023 compared to P2,643.7 million in 2022, or 12% lower, due to decrease in lot sales and discontinuation of RES service in 2023. Operating expenses of P224.4 million incurred in 2022 were 29% higher compared to P174.1 million in 2022.

Project and Capital Expenditures

The Group spent P3.9 billion in capital expenditures to support the completion of new projects and aggressive expansion, of which P2.2 billion was spent for land development, P1.2 billion for building improvements, and P0.5 billion for land acquisition.

Financial Condition

Total Assets of the Group stood at P28.62 billion as of 31 December 2023, 12% higher than 25.64 billion as of 31 December 2022, due to increase in installment receivables, land acquisitions and development, improvements in warehouse facilities, and additional investments in joint venture.

Total liabilities increased by 18% to P14.71 billion compared to P12.42 billion last year due to intercompany borrowings and payables related to capital expenditures.

Total Equity registered at P13.91 billion was 5% higher than the equity of P13.22 billion last year mainly due to the impact of net income during the year and an increase in non-controlling interest.

Financing Through Loans

As of 31 December 2023, the Group had outstanding loans from financial institution amounting to P2.47 billion.

Prospects for the future

The Group is committed to build a national footprint through key presence all over the country. As part of its short-term plans, the Group targets to continuously grow its warehouse leasable area, expand its cold storage business, and diversify its products.

Key Variable and Other Qualitative and Quantitative Factors

Ratio	Formula	31-Dec-2023	31-Dec-2022
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.14: 1 9,737,010 / 8,558,036	1.33: 1 8,917,453 / 6,693,534
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Equity}}$	1.06: 1 14,714,920 / 13,907,209	0.94: 1 12,419,531 / 13,221,972
Net Debt to Equity Ratio	$\frac{\text{Net Liabilities}}{\text{Equity}}$	0.90: 1 12,508,837 / 13,907,209	0.75: 1 9,979,395 / 13,221,972
Capital Adequacy Ratio	$\frac{\text{Equity}}{\text{Total Assets}}$	0.49 13,907,209 / 28,622,129	0.52 13,221,972 / 25,641,503
Book Value per Share	$\frac{\text{Equity}}{\text{Total \# of Shares}}$	2.21 13,907,209 / 6,301,592	2.10 13,221,972 / 6,301,592
Income per Share	$\frac{\text{Net Income}}{\text{Total \# of Shares}}$	0.10 636,107 / 6,252,148	0.16 1,006,881 / 6,252,148

Current ratio shows the Group's ability to meet its short-term financial obligation. As of 31 December 2023, the Group has P1.14 worth of current assets for every peso of current liabilities compared to P1.33 as of 31 December 2022. The Group has sufficient current assets to support its current liabilities as of the period.

Debt to Equity ratio indicates the extent of the Group's debt which is covered by shareholders' fund. It reflects the relative position of the equity holders. The higher the ratio, the greater the risk being assumed by the creditors. A lower ratio generally indicates greater long-term financial safety. Compared to 31 December 2022, debt-to-equity ratio was higher due to additional borrowings incurred to acquire and develop land and warehouse facilities.

Net Debt to Equity Ratio is a measure of the Group's financial leverage. It is calculated by dividing net liabilities over Equity. Net liabilities is the difference of Total Liabilities less deferred payables, lease liabilities and cash and cash equivalents. Compared to 31 December 2022, net debt-to-equity ratio was higher at 0.90 due to additional intercompany loans and payables.

Capital Adequacy Ratio is computed by dividing the Total Stockholders' Equity over Total Assets. It measures the financial strength of the Company. As of 31 December 2023, the Group's Capital Adequacy Ratio was slightly lower at 0.49 compared to same period last year's 0.52.

Book value per share measures the recoverable amount in the event of liquidation if assets are realized at book value. As of 31 December 2023, the Group's book value per share of P2.21 was slightly higher than as of 31 December 2022.

Income per share is calculated by dividing net income by the weighted average number of shares issued and outstanding. As of 31 December 2023, the Group reported a P0.10 income per share which was 37% lower than last year.

(i) ***Any known trends, demands, commitments, events or uncertainties that will have a material impact on issuer's liability.***

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company and its subsidiaries' liquidity increasing or decreasing in any material way.

(ii) ***Events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.***

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

(iii) ***Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.***

There are no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

(iv) ***Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.***

For 2023, the Group's adjusted budgeted total capital expenditures was P5.0 billion for projects, and it spent P3.9 billion as of 31 December 2023 for land acquisition and development, investment in buildings and improvements. This was financed through internally generated funds and intercompany borrowings.

(v) ***Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales or revenues or income from continuing operations should be described.***

The Group did not have any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales or revenues or income from continuing operations.

(vi) ***Any significant elements of income or loss that did not arise from the registrant's continuing operations.***

The Group did not recognize income or loss during the period that did not arise from continuing operations.

(vii) ***Causes of Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%).***

- a. Cash and cash equivalents stood at P214.7 million, 52% lower than the P450.6 million last year. Net decrease in the account was mainly driven by payments related to capital expenditures.
- b. Receivables - current decreased by 23% to P1,402.7 million resulting from collection of installment receivables from lot sales.
- c. Real estate held for sale and development increased by 15% to P5,045.2 million mainly due to additional land development cost.

- d. Amounts owed by related parties posted at P685.5 million or 34% increase from P509.8 million due to additional intercompany loans to fund capital expenditure requirements.
- e. Other current assets increased by 36% to P2,384.0 million due to increase in the advances to suppliers and contractors, and input tax.
- f. Receivables - net of current portion increased to P3,329.6 million or 52% higher due to installment receivables from lot sales.
- g. Investments in joint venture amounted to P677.8 million given the Group's additional investment in its data center business.
- h. Right of use asset decreased by 6% to P1,066.0 million in 2023 compared to P1,135.8 million in 2022 due to amortization during the year.
- i. Property, plant and equipment – net increased from P1,090.0 million to P1,234.4 million, 13% higher due to the expansion.
- j. Net pension assets decreased by 59% to P4.4 million due to increase in retirement benefit expense and actuarial losses.
- k. Deferred income tax assets - net increased by 47% from P124.0 million to P182.7 million mainly due unamortized discount on long-term receivables.
- l. Other non-current assets posted at P150.1 million, 14% lower due to refund of customer deposits.
- m. Accounts payable & accrued expenses decreased by 23% to P1,493.0 million from P1,930.2 million on account due to settlement of installment payable and other liabilities.
- n. Current portion of long term debt from bank, which is expected to be settled within one year, amounted to P21.1 million.
- o. Current portion of rental and other deposits registered at P442.2 million, 9% lower due to end of lease contracts.
- p. Current portion of lease liabilities decreased to P156.0 million from P597.7 million mainly due to account reclassification to non-current.
- q. Current portion of deferred rent income decreased by 87% to P0.9 million due to realization to income.
- r. Amounts owed to related parties principally consisting of interest-bearing advances and intercompany charges, increased by 75% to P6,434.9 million from P3,675.2 million as of 31 December 2022 to provide funding for capital expenditure requirements.
- s. Income tax payable amounted to P10.1 million from income tax due in excess of applicable creditable withholding tax.
- t. Rental and other deposits - net of current portion registered at P434.6 million, 46% higher due to additional tenants.
- u. Nontrade payable - non-current decreased by 19% to P788.4 million from P977.3 million in 2022 due to settlement on installment payables from the acquisition of land and buildings.
- v. Lease liabilities – net of current portion increased by 38% to P1,569.0 million from P1,134.8 million mainly due to account reclassification.
- w. Deferred rent income – net of current portion decreased to P4.9 million from P6.1 million due to reclassification to current deferred rent income.

- x. Deferred income tax liabilities – net increased by 7% from P244.2 million to P260.6 million due to deferred income from installment sales.
- y. Other non-current liabilities increased by 9% to P655.3 million driven by increase in retention payable related to capital expenditures during the year.
- z. Retained Earnings increased by 18% to P4,171.6 million mainly due to net income during the year.
- aa. Non-controlling interest increased by 5% to P270.7 million from P258.9 million in 2022 due to the 40% equity interest of the Group’s partner in the joint venture company.

(viii) Any seasonal aspects that had a material effect on the financial condition or results of operations.

There are no known seasonal aspects that had a material effect on the financial condition or results of operations.

Review of 2022 Consolidated Results of Operations versus 2021

For the year ended 31 December 2022, AyalaLand Logistics Holdings Corp. (“ALLHC” or the “Group”) registered P4.21 billion in revenues while net income grew by 29% to P1.01 billion from P0.78 billion in 2021. The overall performance was driven by steady demand for industrial lots and improved performance of its leasing businesses.

Earnings per share for the year ended 31 December 2022 was P0.16 which was 29% higher than P0.12 last year.

Business Segments

The breakdown of the revenues are as follows:

Segment	Amount – P’ million			
	2022	2021	2022 vs. 2021	Change
Real estate sales	2,354.3	2,052.9	301.4	15%
Rental and storage services	1,579.1	1,177.5	401.7	34%
Sale of electricity	274.7	1,066.2	(791.5)	(74%)
Total	4,208.1	4,296.6	(88.4)	(2%)

Real estate sales. This segment pertains to sale of industrial lots. Industrial lot sales revenues stood at P2.35 billion, 15% higher compared to 2021’s post of P2.05 billion.

Rental and storage services. This segment covers operations of warehouse and commercial leasing.

Commercial leasing. The combined revenues of Tutuban Center and South Park Center amounted to P544.1 million which was 28% higher than P425.3 million revenues last year due to the normalized mall rentals, improved mobility, and steady office leasing revenues. Recoveries amounting to P266.0 million and P251.1 million were also recognized as part of revenues in 2022 and 2021, respectively. The Group ended with 94K square meters (sqm.) of gross leasable area (GLA).

Warehouse leasing. Revenues rose by 44% to P648.5 million in 2022 from P451.7 million with the contribution of additional gross leasable area and improved overall occupancy. Total warehouse GLA grew by 38% to 309k sqm from 224k in 2021.

Cold Storage. In 2021, the Group entered the cold storage market. Cold storage revenues in 2022 contributed P120.5 million which was 144% higher than the P49.4 million in 2021. The Group ended the year with a total pallet position count of 10,300.

Sale of electricity. This pertains to retail electricity supply (RES) service to industrial park locators and external commercial customers. Revenue from power was 74% down to P274.7 million due to gradual assignment of RES contracts to focus on real estate logistics business.

Expenses

Consolidated costs of real estate and services costs from rental and sale of electricity amounted to P2,643.7 million in 2022 compared to P3,151.7 million in 2021, or 16% lower, due to lower cost of purchased power service. Operating expenses of P174.1 million incurred in 2022 were 13% lower compared to P199.8 million in 2021.

Project and Capital Expenditures

The Group spent P3.68 billion in capital expenditures to support the completion of new projects and aggressive expansion, of which P947.3 million was spent for land development, P1,041.8 million for building improvements, and P1,691.3 million for land acquisition.

Financial Condition

Total Assets of the Group stood at P25.64 billion as of 31 December 2022, higher than P20.39 billion as of 31 December 2021 due to increase in installment receivables, land acquisitions and development, and investments in warehouse facilities.

Total liabilities increased to P12.42 billion compared to P8.42 billion last year due to additional borrowings and payables related to capital expenditures.

Total Equity registered at P13.22 billion was 10% higher than the equity of P11.97 billion last year mainly due to the impact of net income during the year and an increase in non-controlling interest.

Financing Through Loans

As of 31 December 2022, the Group had outstanding loans from financial institution amounting to P2.46 billion.

Prospects for the future

The Group is committed to build a national footprint through key presence all over the country. As part of its short-term plans, the Group targets to continuously grow its warehouse leasable area, expand its cold storage business, and diversify its products.

Key Variable and Other Qualitative and Quantitative Factors

Ratio	Formula	31-Dec-2022	31-Dec-2021
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.33: 1 8,917,453 / 6,693,534	1.91: 1 6,944,971 / 3,636,640
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Equity}}$	0.94: 1 12,419,531 / 13,221,972	0.70: 1 8,417,691 / 11,967,645
Net Debt to Equity Ratio	$\frac{\text{Net Liabilities}}{\text{Equity}}$	0.75: 1 9,979,395 / 13,221,972	0.54: 1 6,457,949 / 11,967,645
Capital Adequacy Ratio	$\frac{\text{Equity}}{\text{Total Assets}}$	0.52 13,221,972 / 25,641,503	0.59 11,967,645 / 20,385,336
Book Value per Share	$\frac{\text{Equity}}{\text{Total \# of Shares}}$	2.10 13,221,972 / 6,301,592	1.90 11,967,645 / 6,301,592
Income per Share	$\frac{\text{Net Income}}{\text{Total \# of Shares}}$	0.16 1,006,881 / 6,252,148	0.12 779,966 / 6,252,148

Current ratio shows the Group's ability to meet its short-term financial obligation. As of 31 December 2022, the Group has P1.33 worth of current assets for every peso of current liabilities compared to P1.91 as of 31 December 2021. The Group has sufficient current assets to support its current liabilities as of the period.

Debt to Equity ratio indicates the extent of the Group's debt which is covered by shareholders' fund. It reflects the relative position of the equity holders. The higher the ratio, the greater the risk being assumed by the creditors. A lower ratio generally indicates greater long-term financial safety. Compared to 31 December 2021, debt-to-equity ratio was higher due to additional borrowings incurred to acquire and develop land and warehouse facilities.

Net Debt to Equity Ratio is a measure of the Group's financial leverage. It is calculated by dividing net liabilities over Equity. Net liabilities is the difference of Total Liabilities less deferred payables, lease liabilities and cash and cash equivalents.

Capital Adequacy Ratio is computed by dividing the Total Stockholders' Equity over Total Assets. It measures the financial strength of the Company. As of 31 December 2022, the Group's Capital Adequacy Ratio was slightly lower at 0.52 compared to same period last year's 0.59.

Book value per share measures the recoverable amount in the event of liquidation if assets are realized at book value. As of 31 December 2022, the Group's book value per share of P2.10 was slightly higher than as of 31 December 2021.

Income per share is calculated by dividing net income by the weighted average number of shares issued and outstanding. As of 31 December 2022, the Group reported a P0.16 income per share which was 29% higher than last year.

(i) ***Any known trends, demands, commitments, events or uncertainties that will have a material impact on issuer's liability.***

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company and its subsidiaries' liquidity increasing or decreasing in any material way.

(ii) ***Events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.***

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

(iii) ***Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.***

There are no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

(iv) ***Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.***

For 2022, the Group's budgeted total capital expenditures was P4.20 billion for projects, and it spent P3.68 billion as of 31 December 2022 for land acquisition and development, investment in buildings and improvements. This was financed through internally generated funds, bank loan and advances.

(v) ***Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales or revenues or income from continuing operations should be described.***

The Group did not have any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales or revenues or income from continuing operations.

(vi) ***Any significant elements of income or loss that did not arise from the registrant's continuing operations.***

The Group did not recognize income or loss during the period that did not arise from continuing operations.

(vii) ***Causes of Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%).***

- a. Cash and cash equivalents stood at P450.6 million, 455% higher than the P81.2 million as of 31 December 2021. Net increase in the account was mainly driven by the Group's new subsidiary.

- b. Receivables - current increased by 57% to P1,810.9 million driven by installment receivables from lot sales.
- c. Real estate held for sale and development increased by 29% to P4,384.1 million mainly due to land acquisitions and expansion.
- d. Amounts owed by related parties posted at P509.8 million or 59% decrease from P1,244.9 million due to principal and interest collections from intercompany loans granted to affiliates.
- e. Other current assets increased by 66% to P1,757.4 million due to increase in the advances to suppliers and contractors.
- f. Receivables - net of current portion increased to P2,193.0 million or 94% higher due to installment receivables from lot sales.
- g. Financial Assets at fair value through other comprehensive income stood at P124.2 million, 14% lower than the P144.3 million as of 31 December 2021 due to sale and maturity of investments and unrealized loss recognized for the year.
- h. Investments in joint venture amounted to P181.1 million given the Group's investment in its newly-entered data center business.
- i. Right of use asset decreased by 5% to P1,135.8 million in 2022 compared to P1,200.7 million in 2021 due to recognition of depreciation.
- j. Investment properties increased by 20% to P11,691.5 million due to acquisition of land for lease and additional warehouse facilities.
- k. Property and equipment – net increased from P723.4 million to P1,090.0 million, 51% higher due to additional purchase of cold storage facilities, treated as business combinations.
- l. Net pension assets decreased by 9% to P10.7 million due to recognition of retirement benefit expense.
- m. Deferred income tax assets - net increased by 78% from P69.8 million to P124.0 million mainly due additional income tax incurred and discounting of installment liabilities.
- n. Other non-current assets posted at P173.6 million, 62% lower due to amortization of deferred input VAT on the acquisition of land and development costs.
- o. Accounts payable & accrued expenses increased by 37% to P1,930.2 million from P1,411.2 million on account of additional liability incurred for the acquisition of cold storage facility and land development.
- p. Current portion of rental and other deposits registered at P483.8 million, 31% higher due to new tenants.
- q. Current portion of lease liabilities increased by 170% to P597.7 million from P221.1 million mainly due to interest accretion during the year.
- r. Current portion of deferred rent income decreased by 37% to P6.7 million due to realization to income.
- s. Amounts owed to related parties principally consisting of interest-bearing advances and intercompany charges, increased by 131% to P3,675.2 million from P1,594.4 million as of 31 December 2021 to provide funding for capital expenditures and investments.
- t. Income tax payable amounted to nil due to enough creditable withholding tax to cover the liabilities.
- u. Rental and other deposits - net of current portion registered at P298.3 million, 15% lower due to reclassification from current portion of rental and other deposits.
- v. Nontrade payable - non-current increased by 275% to P977.3 million from P260.4 million in 2021 due to acquisition of land and buildings which are payable on installment.

- w. Long-term debt increased by 25% to P2,463.2 million due to availment of additional bank loan.
- x. Lease liabilities – net of current portion decreased by 27% from P1,549.5 million to P1,134.8 million mainly due to reclassification from non-current to current.
- y. Retention payable – net of current portion increased by 61% to P120.4 million driven by the additional cold storage facility acquisition transaction.
- z. Deferred rent income – net of current portion increased to P6.1 million from P4.9 due to reclassification to current deferred rent income.
- aa. Deferred income tax liabilities – net increased by 164% from P92.4 million to P244.2 million due to the impact of adjustment on the recognition of PFRS 16.
- bb. Loss on remeasurement of retirement benefits decreased by 11% to P46.0 million due to transfer of TPI employees to parent company.
- cc. Retained Earnings increased by 40% to P3,539.3 million mainly due to net income during the year.
- dd. Non-controlling interest increased by 1,195% to P258.9 million from P20.0 million in 2021 due to the 40% equity interest of the Group's partner in the new joint venture company.

(viii) Any seasonal aspects that had a material effect on the financial condition or results of operations.

There are no known seasonal aspects that had a material effect on the financial condition or results of operations.

Review of 2021 Consolidated Results of Operations versus 2020

For the year ended 31 December 2021, AyalaLand Logistics Holdings Corp. (“ALLHC” or the “Group”) registered P4.30 billion in revenues versus P3.72 billion the year prior, or a 16% increase. Net income grew by 11% to P780 million from P703 million in 2020. The overall performance was driven by steady demand for industrial lots and increase in the company's leasable areas.

Earnings per share for the year ended 31 December 2021 was P 0.12 which was 18% higher than P0.11 last year.

Business Segments

Challenged by the COVID-19 crisis, the Group's performance was driven by industrial lot sales and steady warehouse and office leasing. The breakdown of the revenues are as follows:

Segment	Amount – P' million			
	2021	2020	2021 vs. 2020	Change
Real estate sales	2,052.9	1,275.5	777.4	61%
Rental and Storage services	1,177.5	872.8	304.7	35%
Sale of electricity	1,066.2	1,568.4	(502.20)	(32%)
Total	4,296.6	3,716.7	579.9	16%

Real estate sales. This segment pertains to sale of industrial lots. Industrial lot sales revenues stood at P2.05 billion, 61% higher compared to 2020's post of P1.28 billion, with sales coming from the domestic market. In 2021, the Group sold industrial lots in Pampanga, Cavite, and Laguindingan Technoparks.

Rental and storage services. This segment covers operations of warehouse and commercial leasing.

Commercial leasing. The combined revenues of Tutuban Center and South Park Center amounted to P425.3 million which was 18% less than P519.6 million revenues last year due to continuing effects of the pandemic but tempered by steady office leasing revenues. Recoveries amounting to P251.1 million was also

recognized as part of revenue in 2021. The Group ended with 93K square meters (sqm.) total commercial leasing gross leasable area (GLA).

Warehouse leasing. Growth in GLA drove revenues to increase by 28% to P451.7 million from P353.2 million in 2020. All ALogis sites were operational in 2021. The lease-out rate at yearend was at 100%.

Cold Storage. In 2021, the Group entered the cold storage market and acquired two existing cold storage facilities. By end of 2021, the revenues from cold storage contributed P49.4 million.

Sale of electricity. This pertains to retail electricity supply service to industrial park locators and external commercial customers. Revenue from power was 32% down to P1.07 billion attributable to the lower demand from customers due to the slowdown of their business operations as a result of the government-mandated quarantine and directives during declared alert levels in 2021.

Expenses

Consolidated costs of real estate and services costs from rental and sale of electricity amounted to P3,151.7 million in 2021 compared to P2,732.0 million in 2020 or 15% higher due to higher sales of industrial land sold, management fees, and depreciation.

Operating expenses of P199.8 million incurred in 2021 which was 3% lower than last year's P205.6 million, mainly driven by decrease in professional fees.

Project and Capital Expenditures

The Group spent P2.5 billion in capital expenditures to support the completion of new projects and aggressive expansion, of which P329 million was spent for land development cost, P987 million for building improvements, and P1,161 million for land acquisition.

Operations during the COVID-19 Pandemic

The country continued to experience surges in COVID-19 cases and had to grapple with the emergence of new variants of the virus in 2021. The government imposed lockdowns and declared alert levels in various affected areas all over the country to control the spread of the infection. Mindful that the safety and well-being of its employees, workers, merchants, locators, and customers is its primary concern, the Company has taken several measures to protect its employees, suppliers, and tenants and also serve the communities where it operates:

- For employees: continued work-from-home arrangement, regular health monitoring of employees' needs and conditions through virtual meetings, conduct of meetings online, provided online training courses and webinars for its employees, on health, finance and investments, and sustainability;
- For employees and their household members: implemented a vaccination program for its employees, their dependents and/or household members; arranged for a vaccination booster program for its employees
- For mall merchants: rent reprieve and discounts for common area charges during the quarantine period
- For tenants and customers: the Company ensured that its properties and premises were regularly disinfected and sanitized to protect the health and safety of the tenants and customers;
- For the community: in coordination with local government units, set up Tutuban Center and South Park Center as vaccination sites and RT-PCR testing site, to serve the residents, customers, tenants and government workers in these localities; in partnership with Ayala Land's *Alagang AyalaLand* program, supplied food and necessities to community pantries and distribution drives in Cavite, Laguna, Pampanga and Laguingingan.

Towards the last quarter of 2021, the Company has adopted a work schedule that allows employees to report to the office on alternate days but ensured that all government-imposed health protocols are observed for the safety and well-being of its employees.

Financial Condition

The COVID-19 pandemic resulted to a slowdown of operations but ALLHC's balance sheet remained healthy with enough capacity to undertake its growth plan and meet existing obligations.

Total Assets of the Group stood at P20.39 billion as of 31 December 2021, slightly higher than P19.35 billion as of 31 December 2020.

Total liabilities increased to P8.42 billion compared to P7.51 billion last year due to the bank loan availment.

Total Equity registered at P11.97 billion was 1% higher than the equity of P11.84 billion last year due to impact of net income during the year negated by the decline in market value of financial asset at fair value through other comprehensive income.

Financing Through Loans

As of 31 December 2021, the Group had outstanding loans from financial institution amounting to P1.97 billion.

Prospects for the future

The Group will continue to expand in key areas in the country. As part of its short-term plans, the group targets to grow its warehouse leasable area, diversify its products, explore new business such as cold storage, and look into possible partnerships.

Tutuban Center and South Park Center will continue to work on new mall offerings and bazaars, and resume full operations while observing the safety protocols for COVID-19.

Key Variable and Other Qualitative and Quantitative Factors

Ratio	Formula	31-Dec-2021	31-Dec-2020
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.91: 1 6,944,971 / 3,636,640	1.35: 1 6,664,248 / 4,921,888
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Equity}}$	0.70: 1 8,417,691 / 11,967,645	0.63: 1 7,513,456 / 11,840,774
Net Debt to Equity Ratio	$\frac{\text{Net Liabilities}}{\text{Equity}}$	0.54: 1 6,457,949 / 11,967,645	0.46: 1 5,451,229 / 11,840,774
Capital Adequacy Ratio	$\frac{\text{Equity}}{\text{Total Assets}}$	0.59 11,967,645 / 20,385,336	0.61 11,840,774 / 19,354,230
Book Value per Share	$\frac{\text{Equity}}{\text{Total \# of Shares}}$	1.90 11,967,645 / 6,301,592	1.88 11,840,774 / 6,301,592
Income per Share	$\frac{\text{Net Income}}{\text{Total \# of Shares}}$	0.12 779,966 / 6,252,148	0.11 702,808 / 6,252,148

Current ratio shows the Group's ability to meet its short-term financial obligation. As of 31 December 2021, the Group has P1.91 worth of current assets for every peso of current liabilities as compared to P1.35 as of 31 December 2020. The Group has sufficient current assets to support its current liabilities as of the period, higher than last year.

Debt to Equity ratio indicates the extent of the Group's debt which is covered by shareholders' fund. It reflects the relative position of the equity holders. The higher the ratio, the greater the risk being assumed by the creditors. A lower ratio generally indicates greater long-term financial safety. Compared to 31 December 2020, debt-to-equity ratio was higher due to availment of bank loan.

Net Debt to Equity Ratio is a measure of the Group's financial leverage. It is calculated by dividing net liabilities over Equity. Net liabilities is the difference of Total Liabilities less deferred payables, lease liabilities and cash and cash equivalents. Compared to 31 December 2020, net debt-to-equity ratio was higher due to long term loans.

Capital Adequacy Ratio is computed by dividing the Total Stockholders' Equity over Total Assets. It measures the financial strength of the Company. As of 31 December 2021, the Group's Capital Adequacy Ratio was slightly lower at 0.59 compared to same period last year's 0.61.

Book value per share measures the recoverable amount in the event of liquidation if assets are realized at book value. As of 31 December 2021, the Group's book value per share of P1.90 was slightly higher than as of 31 December 2020.

Income per share is calculated by dividing net income by the weighted average number of shares issued and outstanding. As of 31 December 2021, the Group reported a P0.12 income per share which was 11%, higher than last year.

(i) Any known trends, demands, commitments, events or uncertainties that will have a material impact on issuer's liability.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company and its subsidiaries' liquidity increasing or decreasing in any material way.

(ii) Events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation

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

(iii) Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.

There are no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

(iv) Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

For 2021, the Group's budgeted total capital expenditures was P3.8 billion for projects and spent P2.5 billion as of 31 December 2021 for land development, building improvements, and land acquisition. This was financed through internally generated funds, bank loan and advances.

(v) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales or revenues or income from continuing operations should be described.

The continuing COVID-19 crisis will continue to impact on net sales or revenues from continuing operations especially for commercial leasing and power segments. With the development and availability of vaccines for COVID-19 in the country, it is expected that businesses will gradually return to pre-COVID levels.

(vi) Any significant elements of income or loss that did not arise from the registrant's continuing operations.

The Group did not recognize income or loss during the period that did not arise from continuing operations.

(vii) Causes of Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%).

- a. Cash and cash equivalents stood at P81.3 million, 54% lower than the P177.4 million as of 31 December 2020. Net decrease in cash was mainly driven by spend for capital expenditures and payment of obligations.
- b. Receivables- current decreased by 14% to P1,154.6 million due to collection of receivables from lot sales and tenants.
- c. Real estate held for sale and development increased by 5% mainly due to Pampanga Technopark land acquisitions and expansion.
- d. Amounts owed by related parties posted at P1,244.9 million or 35% increase from P921.8 million due to intercompany loans granted to affiliates.
- e. Other current assets – net increased by 9% due to increase in the advances to suppliers and contractors.

- f. Right of use asset decreased by 5% to P1,200.7 million in 2021 compared to P1,267.4 million in 2020 due to recognition of depreciation.
- g. Receivables-net of current portion increased to P1,128.0 million or 55% higher due to installment receivables from lot sales and tenants.
- h. Deferred income tax assets increased by 20% from P58.23 million to P69.8 million due mainly to provision on NOLCO.
- i. Financial Assets at fair value through other comprehensive income stood at P144.3 million, 76% lower than the P606.43 million as of 31 December 2020 due to impairment provision of Cyber Bay shares as the trading of said shares was suspended.
- j. Property & equipment – net increased by P696.3 million to P723.46 million higher due to purchase of cold facilities during the year, treated as business combinations (see Note 13 of the Notes to FS).
- k. Net pension assets increased by 22% to P11.8 million due to additional contribution to the plan.
- l. Other non-current assets posted at P451.7 million, 5% higher due to deferred input VAT on the acquisition of land and development costs.
- m. Accounts payable & accrued Expenses decreased by 15% to P1,411.2 million from P1,653.1 million due mainly due to settlement of obligation to the sellers of URDC shares and insurance claims.
- n. Current portion of deferred rent income decreased by 32% to P10.6 million due to realization to income.
- o. Income tax payable increased by 576% to P29.3 million mainly due to recognition of income tax from lot sales.
- p. Amounts owed to related parties principally consisting of interest-bearing advances and intercompany charges, decreased by 40% to P1,594.4 million from P2,674.4 million as of 31 December 2020, due to repayment.
- q. Rental and other deposits-net of current portion registered at P351.9 million, 67% higher due to reclassification from current portion of rental and other deposits
- r. Nontrade payable non-current was recognized in 2021 amounting to P260.4 million due to acquisition of land and buildings on installment.
- s. Long-term debt increased to P1,965.3 million due to availment of bank loan.
- t. Retention payable reduced by 33% due to repayments.
- u. Equity reserve increased by 6% to negative P1,693.3 million due to acquisition of remaining 5% LTI shares.
- v. Unrealized valuation loss on AFS increased by 74% to negative P1,089.7 million due to the decline in value of the Cyber Bay shares.
- w. Retained Earnings increased by 45% to P2,525.7 million due to net income during the year.
- x. Non-controlling interest decreased by 86% to P20.0 million from P138.3 million in 2020 due to acquisition of remaining 5% LTI shares.

(viii) Any seasonal aspects that had a material effect on the financial condition or results of operations.

There are no known seasonal aspects that had a material effect on the financial condition or results of operations.

Latest Developments

In February 2022, the Group acquired a 64,000-square meter ready-built facility and the land on which it stands located in the Light Industry & Science Park III in Sto. Tomas, Batangas. This brought the Group's total gross leasable area from 224,000 sqm. to 288,000 - sqm.

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Upon written request of stockholder, the Company undertakes to furnish said stockholder with a copy of SEC Form 17-A, free of charge. Any written request for a copy of SEC Form 17-A shall be addressed to the following:

AyalaLand Logistics Holdings Corp.
3rd Floor Glorietta 5
Ayala Center, Makati City 1224
Attention: Ms. Francis M. Montojo
Chief Finance Officer and Compliance Officer

II. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

A. Market Information

The Company's Common Shares are listed and principally traded in the PSE. The high and low sales prices* of the Company's securities for each quarter are indicated in the table below:

	<u>High</u>	<u>Low</u>
<u>Calendar Year 2023</u>		
1 st Quarter (Jan.- Mar. 2023)	₱3.44	₱2.81
2 nd Quarter (Apr.- June 2023)	2.97	2.45
3 rd Quarter (Jul.- Sept. 2023)	3.04	1.44
4 th Quarter (Oct.- Dec. 2023)	1.88	1.55
<u>Calendar Year 2022</u>		
1 st Quarter (Jan.- Mar. 2022)	₱6.80	₱3.80
2 nd Quarter (Apr.- June 2022)	5.09	3.10
3 rd Quarter (Jul.- Sept. 2022)	3.85	2.85
4 th Quarter (Oct.- Dec. 2022)	3.37	2.88
<u>Calendar Year 2021</u>		
1 st Quarter (Jan.- Mar. 2021)	₱3.80	₱2.55
2 nd Quarter (Apr.-June 2021)	4.15	2.90
3 rd Quarter (Jul- Sept 2021)	5.86	3.73
4 th Quarter (Oct.- Dec. 2021)	6.73	5.06

*provided by PSE Corporate Planning and Research Department/ PSE Market Information

Stock price as of latest practicable trading date of 25 March 2024 is Php2.07 per share.

B. Holdings

As of 29 February 2024, the Company has 734 stockholders. The following are the top 20 stockholders of the Company based on the records of the Company's Stock and Transfer Agent, Stock Transfer Service, Inc.:

	Name	Number of Shares	Percentage (%)
1	Ayala Land, Inc.	4,467,752,834	70.90
2	PCD Nominee Corporation (Filipino)	1,096,973,606	17.41
3	F. Yap Securities, Inc.	279,854,100	4.44
4	ESOWN Administrator 2019	103,098,980	1.64
5	PCD Nominee Corporation (non-Filipino)	97,259,217	1.54
6	Orion Land Inc.	49,444,216	0.78
7	YHS Holdings Corporation	22,900,000	0.36
8	Caridad Say	22,370,000	0.35
9	ESOWN Administrator 2018	20,435,600	0.32
10	SEC Account FAO: Various Customers of Guoco Securities (Philippines), Inc.	18,076,380	0.29
11	David C. Go	16,000,000	0.25
12	Victor Say	15,000,000	0.24
13	Vichelli Say	10,000,000	0.16
14	Coronet Property Holdings Corp.	6,000,000	0.10
15	Federal Homes, Inc.	5,492,000	0.09
16	PLLIM Investments, Inc.	4,600,000	0.07
17	Dao Heng Securities (Phils.), Inc.	4,015,000	0.06
18	Kristine Chai Gaisano	3,900,000	0.06
19	Felipe Yap	3,010,000	0.05
20	Double D Mdse. Corporation	2,527,000	0.04

C. Dividends

There were no dividend declarations for the years 2021 to 2023.

Dividend Policy

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

Cash dividends are subject to the approval of the Board of Directors but no stockholder approval is required. For stock dividends, approval of the Board and the stockholders holding two-thirds of the capital stock of the Company are required.

D. Recent Sales of Unregistered Securities

The Company has not sold any unregistered securities within the past three fiscal years.

The Company issued common shares under its Employees Stock Ownership Plan (Tranche 2) in 2018 as stated in Item 6 (d) of the Preliminary Information Statement. The corresponding request for exemption from the registration requirement of the ESOWN Plan shares was filed with, and approved by, the SEC in October 2017. The SEC approved the exemption under Sec. 10.2 of the Securities Regulation Code (SRC) as the issuance of the shares was of limited character and limited only to the qualified employees of the issuer and registration was not necessary for interest of the public and protection of the investors.

In June 2019, the Company issued 1,225,370,620 shares to ALI pursuant to the Deed of Exchange executed in April 2018. The exchange of shares was with a stockholder exclusively.

In September 2019, the Company issued 49,444,216 shares from its unissued and unsubscribed shares to its subsidiary, Orion Land, Inc. The sale was an exempt transaction under Sec. 10.1 (e) of the SRC as it was a sale of capital stock to its own stockholders exclusively, where no commission other remuneration is paid or given directly in connection with the sale of capital stock. The Company has applied for the listing of said shares with the PSE.

In 2019, the Company issued a call for payment of unpaid subscriptions (excluding ESOWN shares). In 2020, the Company held a public auction of the delinquent shares. Another auction of delinquent shares was scheduled in September 2021 but was cancelled due to health restrictions imposed by the government. The re-auction of the remaining delinquent shares is for evaluation of the Board.

E. Corporate Governance

In 2017, the Corporation adopted a Manual on Corporate Governance (the "Manual") in compliance with the SEC directive. The Manual was updated in 2019 and in the following years 2020 to 2022.

The Board, together with top Management, reviews the Company's vision and mission and core values. The Board sets the objectives and strategies of the Company and ensures that the strategies are implemented in accordance with good governance practices and that internal control mechanism and procedures are in place. The Board and its committees conduct an annual performance self-assessment. The results of the self-assessment are collated and reported by the Compliance Officer to the Board and the respective committees. Every three (3) years, the Company will engage an external facilitator for the assessment of the Board's performance as provided in the Manual, starting in 2019. Aon Solutions Singapore Pte Ltd. conducted the Board and Board committee-assessments in 2019 and 2022 and have presented the results thereof to the Board.

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 investors, stakeholders and public in general.

The Board and the committees meet such number of times as prescribed in the Manual, Board and committee charters. Materials are sent, as far as practicable, to the directors several days before the meeting. The non-executive directors meet at least twice a year without the presence of any executive director.

In 2023, the Company approved policies such as the Revised Whistleblowing Policy, Code of Conduct, Business Integrity Program, Employee Investigation Program and Anti-Bribery and Corruption Policy.

There was no material deviation from the Company's Manual. While the Company has set the retirement age for directors at 80 years old, the Board approved the nomination as director of Mr. Felipe U. Yap (aged 86), in consideration of his qualifications, experience and contribution to the Company. He was re-elected director and Vice Chairman in 2023. 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).

The Company will continue to improve its systems and procedures by aligning with any new updates to corporate governance policies within the Ayala Group, and new rules, regulations and directives from the SEC on corporate governance, if any.

Audited Consolidated Financial Statements of the Company

Please refer to the attached FS for the calendar year ended 31 December 2023. Please refer to the following additional components of the financial statements as required under SRC Rule 68 (as amended in October 2019):

1. Auditor's Report;
2. Reconciliation of Retained Earnings Available for Dividend Declaration as of 31 December 2023;
3. Map of the ALLHC Group of Companies showing the relationships between and among the parent company and its subsidiaries; and
4. Schedule showing financial soundness indicators for 2022 and 2023.

For approval by the stockholders at their annual stockholders' meeting in 2024



MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

April 19, 2023, Wednesday, 9:00 A.M.

Conducted virtually via <http://www.ayalagroupshareholders.com/>

Stockholders Present and Represented: The complete list is attached as Annex A.

Total Number of Shares Present and Represented: **Percentage of Total:**

Directors Present:

Bernard Vincent O. Dy	<i>Chairman of the Board Chairman, Executive Committee</i>
Jose Emmanuel H. Jalandoni	<i>President and Chief Executive Officer Member, Executive Committee</i>
Felipe U. Yap	<i>Vice-Chairman of the Board Member, Executive Committee</i>
Maria Rowena Victoria M. Tomeldan	<i>Chairman, Sustainability Committee Member, Personnel and Compensation Committee</i>
Jaime Alfonso E. Zobel de Ayala	-
Nathanael C. Go	-
Rex Ma. A. Mendoza	<i>Lead Independent Director Chairman, Audit Committee Member, Risk Management and Related Party Transactions Committee Member, Corporate Governance and Nomination Committee Member, Personnel and Compensation Committee Member, Sustainability Committee</i>
Renato O. Marzan	<i>Independent Director Chairman, Risk Management and Related Party Transactions Committee Member, Audit Committee Member, Corporate Governance and Nomination Committee Member, Sustainability Committee</i>
Cassandra Lianne S. Yap	<i>Independent Director Chairman, Corporate Governance and Nomination Committee Chairman, Personnel and Compensation Committee Member, Audit Committee Member, Risk Management and Related Party Transactions Committee</i>

Officers Present

Augusto D. Bengzon, *Treasurer*

Patrick John C. Avila, *Chief Operating Officer*

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

Also Present

Robert S. Lao

Maria Paula G. Romero-Bautista

1. Call to Order

After the national anthem, the Chairman, Mr. Bernard Vincent O. Dy, called the meeting to order at 9:00 A.M. He welcomed the stockholders and stated that pursuant to the Corporation's By-Laws and after giving the stockholders the opportunity to request for a physical meeting, this meeting will be conducted in a fully virtual format. He mentioned that the stockholders may exercise their right to vote through proxy forms submitted by April 5, 2023 or through voting using the electronic voting *in absentia* and shareholder system available until the end of the meeting. Questions are encouraged and may be sent to corporate.secretary@ayalalandlogistics.com.

The Chairman introduced the directors and officers who joined the meeting as presenters, namely: Jose Emmanuel H. Jalandoni (President and Chief Executive Officer), Francis M. Montojo (Chief Finance Officer, Compliance Officer, and Chief Risk Officer), Maria Paula G. Romero-Bautista (Secretary of the meeting), Ma. Rhodora P. dela Cuesta (Compliance Manager), independent directors, Rex Ma. A. Mendoza (Lead Independent Director and Chair of the Audit Committee), and Cassandra Lianne S. Yap (Chairperson of the Corporate Governance and Nomination Committee). He also acknowledged the other members of the Board, and other officers, as well as the representatives of SyCip Gorres Velayo & Co. (SGV), the Corporation's external auditor for 2022, and the representatives of PwC Isla Lipana & Co., the incoming external auditor of the Corporation, who were also in attendance.

2. Notice of Meeting

The Secretary, Ms. Maria Paula G. Romero-Bautista, certified that the Notice of the meeting and the Definitive Information Statement (DIS) were distributed to the stockholders of record as of March 6, 2023 by posting on the Corporation's website on March 22, 2023, and by disclosure through the Philippine Stock Exchange (PSE) EDGE system on March 23, 2023. The Notice was also sent by email to all stockholders with email addresses on record on March 28, 2023. In addition, the Notice was published, in print and online format, in the Philippine Star and the Manila Times, on March 27 and 28, 2023. Accordingly, the stockholders have been duly notified in accordance with the By-Laws and applicable rules of the Securities and Exchange Commission (SEC).

3. Certification of Quorum

The Secretary certified that there was a quorum for the meeting with stockholders owning 5,083,982,644 shares, or 80.68% of the 6,301,591,987 total outstanding shares. The breakdown of the stockholders present in terms of mode of attendance are set forth below:

Mode of Attendance	% of Total Outstanding Shares
Appointment of the Chairman as proxy	80.59%
Voting in absentia	0.02%

Remote Communication	0.00%
In-person attendance of directors	0.07%

Additionally, there were 108 viewers of the live webcast of the meeting.

4. Instructions on Rules of Conduct and Voting Procedures

The Chairman mentioned that the Corporation values the engagement with the stockholders and active participation in this meeting through the various means is encouraged.

The Secretary then shared the rules of conduct and the voting procedures for the meeting set forth in the DIS and in the Explanation of Agenda Items, which forms part of the Notice of this meeting, and highlighted the following points:

- (i) Stockholders present through the live webcast may send their questions or comments to corporate.secretary@ayalalandlogistics.com.
- (ii) Questions or comments received before 8:30 a.m. today, will be read aloud and addressed during the Question and Answer period, which will take place after Other Matters, under Item 8 of the agenda. Management will reply by email to questions and comments not taken up during the meeting.
- (iii) There are five (5) resolutions proposed for adoption, each proposed resolution will be shown on the screen as the same is being taken up.
- (iv) Stockholders could cast their votes on the proposed resolutions and in the election of directors beginning March 24, 2023 through the Voting in Absentia and Shareholders (VIASH) System with the polls remaining open until the end of the meeting for stockholders using the VIASH System.
- (v) The votes cast as of close of business of April 12, 2023 have been tabulated. Those votes are from stockholders owning 5,083,982,644 voting shares representing 100% of the total voting shares represented in the meeting, and 80.68% of the total outstanding voting shares. The results of this tabulation will be referred to when reporting the voting results during the meeting. However, the results of the final tabulation of votes, with full details of the affirmative and negative votes and abstentions, will be reflected in the minutes.

5. Approval of the Minutes of the April 21, 2022 Annual Stockholders' Meeting

The Chairman then proceeded to the approval of the minutes of the annual stockholders' meeting held on April 21, 2022. An electronic copy of the minutes is available on the website of the Corporation.

The Secretary presented Resolution No. S-01-23, as proposed by management, and based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

Resolution No. S-01-23

RESOLVED, to approve the minutes of the annual stockholders' meeting held on April 21, 2022.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the votes for the adoption of Resolution No. S-01-23 for the approval of the minutes of the previous meeting are as follows:

	For	Against	Abstain
Number of Voted Shares	5,079,947,635	-	-
% of Shares of Shareholders Present	99.92%	-	-

6. Annual Report

The pre-recorded report of the President and CEO, Mr. Jose Emmanuel H. Jalandoni, was presented.

Mr. Jalandoni began by stating that the Corporation had a significant run in 2022 highlighting that its revenues stood at Php4.2 Billion, while net income registered at Php1 Billion, a 29% increase versus last year. The improved performance was driven by the strong and sustained uptake of industrial lots, and stable warehouse and commercial leasing operations. From a portfolio of 224,000 square meters (sqm.) in 2021, the Corporation expanded to 309,000 sqm., a 38% increase in warehouse gross leasable area. On the cold storage business, the Corporation ended the year with 10,300 pallet positions, 42% more from the previous year.

Mr. Jalandoni mentioned that the Corporation expanded its product portfolio of diversified business lines, which enabled the Corporation to integrate real estate logistics solutions and provide a solid platform for growth. To support its pipeline of projects, the Corporation spent Php3.68 Billion in capital expenditures, 47% higher versus 2022. From its existing industrial park portfolio in Laguna, Cavite, Laguindingan, and Pampanga, the Corporation acquired 133 more hectares of land for the future Batangas Technopark and expansion of Pampanga Technopark and closed the year with 1,067 hectares in total gross land area. The Corporation also expanded its dry warehouse and cold storage business lines by acquiring existing properties: a ready-built facility in Batangas for its ALogis Sto. Tomas warehouse, and its first property in the Visayas region, the ALogis Artico Mandaue cold storage.

Mr. Jalandoni added that the Corporation entered a joint venture partnership with FLOW Digital Infrastructure (FLOW), a developer and operator of digital infrastructure in the Asia-Pacific. Together with FLOW, the Corporation will develop data center campuses in key areas across the country. The Corporation launched its first Philippine data center campus in Biñan, Laguna, last December 2022. Through A-FLOW Data Centers, the Corporation will support the growth of data storage and contribute to the Philippines' transition to a digital economy.

Mr. Jalandoni expressed that the Corporation's developments are opportunities to make a difference – to create long-term value and contribute to progress. In upholding its commitment to sustainability, the Corporation concretized its ongoing initiatives for environmental protection, social engagement, and good governance through the "ALLHC Cares for Tomorrow" program or ACT. ACT aims to make a positive impact as the Corporation seeks more sustainable ways in managing its properties while supporting communities where its businesses are present. He highlighted that the continuing initiatives such as Alagang AyalaLand and Brigada Eskwela help enrich lives. The management's efforts in shifting towards renewable energy and adopting a circular economy are steps towards carbon neutrality and climate protection.

Mr. Jalandoni proudly informed the stockholders that the Corporation's commitment to excellence and business growth was recognized by prestigious local and international awards institutions for the 2021 ASEAN Corporate Governance Scorecard, the ASEAN Asset Class Category for the Philippines, the Golden Arrow Awards, the 2022 Annual International Business Awards: Bronze Stevie® for Achievement in Growth, the 2022 Asia Pacific Enterprise Awards: Winner – Corporate Excellence; Winner – Fast Enterprise, the 2022 Titan Business Awards: Platinum Winner – Company of the Year: Gold Winner –

Achievement in Growth and the 2022 Asia Corporate Excellence and Sustainability Awards: Winner – Asia's Leading SMEs.

Mr. Jalandoni assured the stockholders that the Corporation remains committed to energizing sustainable industrial communities to support countryside development by creating more economic opportunities and generating jobs for fellow Filipinos. He said that the Corporation is on track with its targets of having presence in 10 key areas, expanding to 500,000 sqms. of leasable warehouse space, and developing more business platforms, all by the end of year 2025. The Corporation will continue to develop its industrial parks, grow its dry warehouse and cold storage footprints, and introduce market-relevant solutions for a constantly evolving real estate logistics landscape.

In closing, Mr. Jalandoni thanked all shareholders and stakeholders of the Corporation for their steadfast support to Corporation, the Board of Directors for the continued guidance and engagement to the organization, and the employees for their dedication and hard work in the successful execution of Corporation's plans. Mr. Jalandoni finally said that their trust brings confidence and optimism as the Corporation carries out its vision of energizing more industrial communities for tomorrow.

The report of the President was followed by an audio-visual presentation showing the 2022 accomplishments and direction of the Corporation.

Upon the request of the Chairman, the Secretary presented the following Resolution No. S-02-23 proposed by management which was shown on the screen, and reported the stockholders' approval of the same in accordance with the voting results:

Resolution No. S-02-23

RESOLVED, to note the Corporation's Annual Report, which consists of the President's Report and the audio-visual presentation to the stockholders, and to approve the consolidated audited financial statements of the Corporation and its subsidiaries for the period ended 31 December 2022, as audited by the Corporation's external auditor, SyCip Gorres Velayo & Co.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the votes for the adoption of Resolution No. S-02-23 for the noting of the annual report and the approval of the 2022 consolidated audited financial statements of the Corporation and its subsidiaries are as follows:

	For	Against	Abstain
Number of Shares Voted	5,079,947,635	-	-
% of Shares of Shareholders Present	99.92%	-	-

7. Ratification of all Acts and Resolutions of the Board of Directors and Officers

The Secretary, upon request of the Chairman, explained that stockholders' ratification was sought for all the acts and resolutions of the Board, Executive Committee, and other Board Committees exercising powers delegated by the Board, which were adopted from April 21, 2022 until today. The Secretary explained that these acts and resolutions are reflected in the minutes of the meetings, and they include the (1) updating of the list of attorneys-in-fact of the Corporation for various transactions and list of bank counterparty risk limits and bank signatories, (2) acquisition of real properties and cold storage facilities, (3) renewal of credit facilities and loan availment, (4) planning and construction of warehouses and build-to-suit facility, (5) change in stock transfer agents, (6) engagement in data center business and funding, (7) corporate governance matters, and other matters covered by disclosures to the SEC and PSE. The Secretary further

stated that stockholders' ratification is also being sought for all the acts of the Corporation's officers performed in accordance with its By-Laws in the general conduct of its business or in accordance with the resolutions of the Board, Executive Committee and other Board Committees from April 21, 2022 to date.

The Secretary then reported that Resolution No. S-03-23, as proposed by management and shown on the screen, had been approved by the stockholders based on the preliminary tabulation of results:

Resolution No. S-03-23

RESOLVED, to ratify each and every act and resolution, from April 21, 2022 to April 19, 2023 (the "Period"), of the Board of Directors (the "Board"), the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act, during the Period, of the officers of the Corporation performed pursuant to the resolutions of the Board, the Executive Committee and other Board committees as well as pursuant to the By-Laws of the Corporation.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the votes for the ratification of the acts of the Board of Directors and officers of the Corporation, and for the adoption of Resolution No. S-03-23 are as follows:

	For	Against	Abstain
Number of Shares Voted	5,079,947,635	-	-
% of Shares of Shareholders Present	99.92%	-	-

8. Election of Directors

The next item in the agenda was the election of nine (9) members of the Board of Directors for the ensuing year. The Chairman requested Ms. Cassandra S. Yap, Chairman of the Corporate Governance and Nomination Committee, to explain the item.

Ms. Yap explained that in accordance with the Corporation's By-Laws, revised Corporate Governance Manual and Charter of the Board of Directors, the Corporate Governance and Nomination Committee of the Board has ascertained that the following nine (9) duly nominated stockholders, including the nominees for Independent Directors, are qualified to serve as directors of the Corporation for the ensuing term: Bernard Vincent O. Dy, Felipe U. Yap, Jose Emmanuel H. Jalandoni, Jaime Alfonso E. Zobel de Ayala, Robert S. Lao, Nathanael C. Go, Rex Ma. A. Mendoza, Renato O. Marzan, and Cassandra Lianne S. Yap.

Mr. Mendoza, Mr. Marzan, and Ms. Yap were nominated as independent directors.

Ms. Yap further reported that all the nominees have given their consent to their respective nominations.

The Chairman requested the Secretary to report on the results of the election.

The Secretary reported that based on the preliminary tabulation of votes, each of the nine (9) nominees has garnered at least 4,827,105,531 votes. Given this, she certified that each nominee has received sufficient votes for election to the Board and consequently, Resolution No. S-04-23 for the election of the nine (9) nominees to the Board, which was shown on the screen, had been approved:

Resolution No. S-04-23

RESOLVED, to elect the following nominees as directors of the Corporation to serve as such beginning today until their successors are elected and have qualified:

Bernard Vincent O. Dy
Felipe U. Yap
Jose Emmanuel H. Jalandoni
Jaime Alfonso E. Zobel de Ayala
Robert S. Lao
Nathanael C. Go
Rex Ma A. Mendoza (Independent Director)
Renato O. Marzan (Independent Director)
Cassandra Lianne S. Yap (Independent Director)

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the final votes received by the nominees are as follows:

Director	For	Against	Abstain
1. Bernard Vincent O. Dy	4,827,105,531	-	-
2. Felipe U. Yap	4,827,105,531	-	-
3. Jose Emmanuel H. Jalandoni	4,827,105,531	-	-
4. Jaime Alfonso E. Zobel de Ayala	4,827,105,531	-	-
5. Robert S. Lao	4,827,105,531	-	-
6. Nathanael C. Go	7,102,684,467	-	-
7. Rex Ma. A. Mendoza	4,827,105,531	-	-
8. Renato O. Marzan	4,827,105,531	-	-
9. Cassandra Lianne S. Yap	4,827,105,531	-	-

The Chairman then thanked Ms. Maria Rowena M. Tomeldan for her support and invaluable contribution and service to the Corporation for many years. Ms. Tomeldan has been a member of the Board for seven (7) years – from 2016 to 2023. She was the President of the Corporation from 2018 to April 2022 and has steered the Corporation to greater heights. He extended the Board of Directors' heartfelt gratitude to Ms. Tomeldan for the time, effort and wisdom she has given in service of the Corporation through all these years.

The Chairman also welcomed Mr. Lao to the Board, and thanked him for his willingness to serve as director of the Corporation.

9. Appointment of External Auditor and Fixing of its Remuneration

Upon the request of the Chairman, Mr. Rex Ma. A. Mendoza, Chairman of the Audit Committee, informed the stockholders that in the performance of its oversight function, the Audit Committee recommended to the Board of Directors the appointment of PwC Isla Lipana & Co. as the independent auditor of the Corporation for 2023 replacing SGV following the adoption of the Independent Auditor Tenure policy by Ayala Land, Inc., the Corporation's parent company. Mr. Mendoza explained that this policy prescribes that an independent auditor shall be replaced after a maximum duration of ten (10) years, extendable to a maximum of twenty-four (24) years, subject to meeting certain conditions. This policy is aligned with the 2014 European Union Audit Regulation standard on mandatory audit firm rotation. Thus, the Committee and the Board of Directors have agreed to endorse for stockholders' approval, the appointment of PwC Isla

Lipana & Co. as the Corporation's external auditor for 2023 for an audit fee of Php522,500.00, net of value-added tax and out-of-pocket expenses up to 10% inflationary allowance.

The Secretary presented Resolution No. S-05-23 proposed by management for the appointment of the Corporation's external auditor and fixing of its remuneration and reported that there were enough votes received for the approval of said resolution:

Resolution No. S-05-23

RESOLVED, as endorsed by the Board of Directors, to approve the appointment of PwC Isla Lipana & Co. as the external auditor of the Corporation for the year 2023 for an audit fee of Five Hundred Twenty Two Thousand Five Hundred Pesos (Php522,500.00), net of value-added tax and out-of-pocket expenses up to 10% inflationary allowance.

As tabulated by the Committee Inspectors of Proxies and Ballots and validated by SGV, the votes for the adoption of Resolution No. S-05-23 for the appointment of the Corporation's external auditor and fixing of its remuneration are as follows:

	For	Against	Abstain
Number of Shares Voted	5,079,947,635	-	-
% of Shares of Shareholders Present	99.92%	-	-

10. Other Matters

The Secretary informed the Chairman that there were no other matters that require consideration by the stockholders and that stockholders were notified that they may propose items for inclusion in the agenda but the Corporation did not receive any proposal. The Chairman then requested Ms. Ma. Rhodora P. dela Cuesta, the Compliance Manager of the Corporation, to read aloud the questions and comments together with the names of the stockholders who sent them.

The first question read by Ms. dela Cuesta was from Mina Infante who asked about the development plans of the Corporation for Pampanga Technopark and Batangas Technopark, and the impact of these plans in their respective areas. Mr. Jose Emmanuel H. Jalandoni, President and Chief Executive Officer, replied that the Corporation's Technoparks traditionally cater to light and medium enterprises, but the Corporation's new Technoparks will have agro-industrial zones that will help improve the supply value chain in Luzon and provide opportunities for farmers and cooperatives. He mentioned that the Corporation will have dry warehouse and cold storage facilities, and that a "bagsakan" market will be created which will support the agriculture supply chain. Both Pampanga Technopark and Batangas Technopark are planned with sustainability in mind, with open and green spaces and pedestrian-friendly road network. He expressed that as the Corporation expands, management looks forward to more jobs being generated for the citizens of Pampanga and Batangas and their neighboring cities and municipalities.

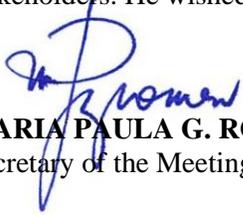
The second and last questions read by Ms. dela Cuesta were from Jobie Sta. Maria who asked about the Corporation's plan to expand its Technopark footprint and the timetable of its data center project. Mr. Jalandoni replied that the plan is to build a national footprint by being in ten (10) key areas by 2025 in order to create a network of industrial developments by following the key road infrastructure and the nautical highway. He highlighted that the Corporation has presence in Luzon and Mindanao – in Laguna, Cavite, Pampanga, Batangas, and Laguindingan. He also mentioned that other key areas in Visayas and Mindanao are being explored for future projects. On the second question, Mr. Jalandoni said that the first data center campus, which ground broke last December 2022, will be in Binan, Laguna, with a total of 36MW capacity. Phase 1 with 6MW capacity is on track to be operational by the end of 2024. He mentioned that with the advent

of increased data consumption and artificial intelligence, the management is confident that the Corporation is entering the market at a favorable time.

11. Adjournment

There being no other questions or comments from the stockholders, the Chair then adjourned the meeting and informed the stockholders that a link will be posted to the recorded webcast of the meeting on the Corporation's website. Stockholders may raise any issues, clarifications, and concerns on the meeting conducted within two (2) weeks from posting of the link by sending an email to corporate.secretary@ayalalandlogistics.com.

The Chairman thanked everyone who joined the meeting. He mentioned that 2022 was a year of recovery and it was a good year for the Corporation. He said that the management is optimistic that 2023 will be better and the Corporation will continue to seek growth opportunities and create higher value for its stakeholders. He wished all continued good health and asked them to take care and keep safe.



MARIA PAULA G. ROMERO-BAUTISTA
Secretary of the Meeting

Approved:

BERNARD VINCENT O. DY
Chairman of the Board

ANNEX A

AyalaLand Logistics Holdings Corp.
2023 Annual Stockholders' Meeting

Attendance of stockholders

	Stockholder	No. of Shares	Appointee
	<i>By Proxy</i>		
1	Ayala Land, Inc.	4,467,752,834	Chairman of the meeting
2	Orion Land Inc.	49,444,216	Chairman of the meeting
3	Standard Chartered Bank	9,450,300	Chairman of the meeting
4	David C. Go	16,000,000	Chairman of the meeting
5	David Go Securities Corp.	236,842,104	Chairman of the meeting
6	Deutsche Bank Manila	2,900	Chairman of the meeting
7	Ricardo J. Romulo	1	Chairman of the meeting
8	ESOWN Administrator 2019	103,398,180	Chairman of the meeting
9	ESOWN Administrator 2018	24,666,300	Chairman of the meeting
10	Citibank N.A.	171,102,800	Chairman of the meeting
	<i>Sub-Total</i>	5,078,659,635	
	<i>In-person Attendance</i>		
11	Bernard Vincent O. Dy	2	
12	Jaime Alfonso E. Zobel de Ayala	1	
13	Jose Emmanuel H. Jalandoni	2	
14	Maria Rowena M. Tomeldan	2	
15	Nathanael C. Go	1,025,000	
16	Renato O. Marzan	1	
17	Rex Ma. A. Mendoza	1	
18	Felipe U. Yap	3,010,000	
	<i>Sub-Total</i>	4,035,009	
	<i>By Voting in Absentia</i>		
19	Abigail Sy	3,000	
20	Cheyenne Francis Bilalay Batnag	1,285,000	
	<i>Sub-Total</i>	1,288,000	
	TOTAL	5,083,982,644	

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, 2023, 2022 and 2021 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

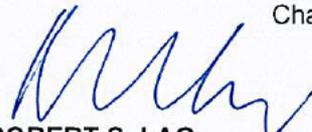
In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

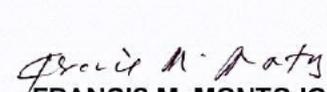
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Company and its subsidiaries in accordance with Philippine Standards of Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


ANNA MA. MARGARITA B. DY
 Chairman, Board of Directors


ROBERT S. LAO
 President & Chief Executive Officer


FRANCIS M. MONTOJO
 Chief Finance Officer

SUBSCRIBED AND SWORN to before me this FEB 29 2024, at Makati City, affiants exhibited to me their passports as competent evidence of their identities, as follows:

Name	Passport No.	Date/Place of Issue
Anna Ma. Margarita B. Dy		
Robert S. Lao		
Francis M. Montojo		

WITNESS MY HAND AND SEAL on the date and at the place first above written. 

Doc. No. 73
 Page No. 16
 Book No. 11
 Series of 2024.



COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	6	3	6	7	1				
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COMPANY NAME

A	Y	A	L	A	L	A	N	D		L	O	G	I	S	T	I	C	S		H	O	L	D	I	N	G	S		C		
O	R	P	.		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S											

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

3	R	D		L	E	V	E	L		G	L	O	R	I	E	T	T	A		5		A	Y	A	L	A		C	E	
N	T	E	R	,		M	A	K	A	T	I		C	I	T	Y														

Form Type

A	A	F	S
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Department requiring the report

S	E	C	
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
corporate@ayalalandlogistics.com	(632) 8884-1106	None
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
734	04/19	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Francis M. Montojo	montejo.francis@ayalaland.com.ph	(632) 8884-1106	(63) 917 8579190

CONTACT PERSON'S ADDRESS

3 rd Level Glorietta 5, Ayala Center, Makati City
--

NOTE 1 In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of AyalaLand Logistics Holdings Corp. and its subsidiaries (together, the "Group") as at and for the year ended December 31, 2023 are prepared, in all material respects, in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting relief issued and approved by the Securities and Exchange Commission (SEC), as described in Note 31 to the consolidated financial statements.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statement of financial position as at December 31, 2023;
- the consolidated statement of income for the year ended December 31, 2023;
- the consolidated statement of comprehensive income for the year ended December 31, 2023;
- the consolidated statement of changes in equity for the year ended December 31, 2023;
- the consolidated statement of cash flows for the year ended December 31, 2023; and
- the notes to consolidated financial statements, which include a summary of material accounting policies.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph



Independent Auditor's Report
To the Board of Directors and Stockholders of
AyalaLand Logistics Holdings Corp.
Page 2

Emphasis of Matter

We draw attention to Note 31 to the consolidated financial statements, which describes the basis of preparation of the financial statements. The consolidated financial statements as at and for the year ended December 31, 2023 have been prepared in accordance with PFRS, as modified by the application of the financial reporting relief issued and approved by the SEC in response to the COVID-19 pandemic. The details of the financial reporting relief availed by the Group and the impact on the consolidated financial statements are discussed in detail in Note 31. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Group as at and for the year ended December 31, 2022 were audited by another firm of auditors whose report thereon dated February 28, 2023 expressed an unmodified opinion on those statements.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit pertains to the real estate revenue recognition based on percentage of completion (PoC) as a measure of progress.



Independent Auditor's Report
 To the Board of Directors and Stockholders of
 AyalaLand Logistics Holdings Corp.
 Page 3

Key Audit Matter	How our Audit Addressed the Key Audit Matter
<p>Refer to Note 24, accounting policies in Note 31 and critical accounting estimates and assumptions in Note 30 to the consolidated financial statements.</p> <p>The revenue from sale of real estate for the year ended December 31, 2023 amounts to P1,763 million which accounts for approximately 50% of the consolidated total revenue. It is therefore material to the consolidated financial statements.</p> <p>Real estate revenue from contracts with customers is recognized over time using the output method in accordance with the guidance set in PFRS 15, <i>Revenue from contracts with customers</i>, and Philippine Interpretations Committee Questions and Answers (PIC Q&A) 2016-04. Under the output method, revenue is calculated with reference to the PoC of the project. In the case of the Group, PoC is determined based on the actual physical completion of the project. Hence, real estate revenue recognition requires significant management judgment and estimation.</p>	<p>We addressed the matter by understanding and evaluating the process employed by the Group in estimating the PoC of the real estate development projects. In particular, we performed a combination of controls and substantive testing procedures as follows:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of key controls surrounding the project budgeting, project costing and project milestone measurement activities. Further, we performed reasonableness testing of key inputs and assumptions used in the project budgeting and project costing activities, through site visits and inspection of bill of quantity and other relevant supporting documents. • Agreed the milestone percentage per project by inspecting the underlying project accomplishment reports prepared by project engineers and as evaluated and approved by independent quantity surveyors. • Performed test of details on incurred project costs through corroboration with supporting documents such as contractors' progress billing statements, supplier invoices, proof of delivery and other relevant supporting documents. • Performed mathematical accuracy check of PoC applied to each project and individually sold units and verified that the PoC is accurately used in the calculation of the Group's real estate revenue.



Independent Auditor's Report
To the Board of Directors and Stockholders of
AyalaLand Logistics Holdings Corp.
Page 4

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with PFRS, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 31 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Group 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 or to cease operations of the Group, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



To the Board of Directors and Stockholders of
AyalaLand Logistics Holdings Corp.
Page 5

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 PSA 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.

Independent Auditor's Report

As part of an audit in accordance with PSA, 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 financial statements represent the underlying transactions and events in accordance with PFRS, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 31 to the consolidated financial statements.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



To the Board of Directors and Stockholders of
AyalaLand Logistics Holdings Corp.
Page 6

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
Independent Auditor's Report

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 Zaldy D. Aguirre.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read 'Zaldy D. Aguirre', is written over the printed name.

Zaldy D. Aguirre

Partner

CPA Cert

P.T.R. No. , issued on January 12, 2024, Makati City

TIN

BIR A.N. , issued on December 22, 2023; effective until December 21, 2026.

BOA/PRC Reg. No. , effective until November 14, 2025

Makati City
February 29, 2024



Statement Required by Rule 68, Securities Regulation Code (SRC)

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

We have audited the consolidated financial statements of AyalaLand Logistics Holdings Corp. (the "Parent Company") and its subsidiaries (together, the "Group") , as at and for the year ended December 31, 2023, on which we have rendered the attached report dated February 29, 2024. The supplementary information shown in the *Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration, Conglomerate Map and Schedules A, B, C, D, E, F and G*, as required by the Revised SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements.

In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.


Zaldy D. Aguirre
Partner

CPA Cert No.

P.T.R. No. 7, issued on January 12, 2024, Makati City

TIN

BIR A.N. 23, issued on December 22, 2023; effective until December 21, 2026.

BOA/PRC Reg. No. effective until November 14, 2025

Makati City
February 29, 2024

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph



Statement Required by Rule 68, Securities Regulation Code (SRC)

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of AyalaLand Logistics Holdings Corp. (the "Parent Company") and its subsidiaries (together, the "Group") as at and for the year ended December 31, 2023, and have issued our report thereon dated February 29, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The *Supplementary Schedule on Financial Soundness Indicators*, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the consolidated financial statements as at and for the year ended December 31, 2023 and no material exceptions were noted.

Isla Lipana & Co.


Zaldy D. Aguirre
Partner

CPA Cert No.

P.T.R. No. , issued on January 12, 2024, Makati City

TIN

BIR A.N. , issued on December 22, 2023; effective until December 21, 2026.

BOA/PRC Reg. No. , effective until November 14, 2025

Makati City
February 29, 2024

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AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Financial Position

As at December 31, 2023

(With comparative figures as at December 31, 2022)

(All amounts in thousands of Philippine Peso)

	Notes	2023	2022
Assets			
Current Assets			
Cash and cash equivalents	2	214,713	450,618
Receivables	3	1,402,707	1,810,919
Real estate held for sale and development	4	5,045,201	4,384,142
Amounts owed by related parties	16	685,542	509,777
Financial assets at fair value through profit or loss	6	4,798	4,616
Other current assets	7	2,384,049	1,757,381
Total Current Assets		9,737,010	8,917,453
Non-Current Assets			
Receivables, net of current portion	3	3,329,629	2,193,044
Financial assets at fair value through other comprehensive income	5	126,614	124,158
Investment in joint venture	8	677,773	181,145
Right-of-use of asset	25	1,066,049	1,135,820
Investment properties	9	12,113,423	11,691,549
Property and equipment	10	1,234,396	1,090,015
Net pension assets	21	4,433	10,716
Deferred tax assets, net	22	182,669	124,021
Other non-current assets	11	150,133	173,582
Total Non-Current Assets		18,885,119	16,724,050
Total Assets		28,622,129	25,641,503
Liabilities and Equity			
Current Liabilities			
Accounts payable and accrued expenses	12	1,492,998	1,930,191
Current portion of:			
Long term debt	13	21,050	-
Rental and other deposits	14	442,187	483,761
Lease liabilities	25	155,981	597,711
Deferred rent income	25	899	6,702
Amounts owed to related parties	16	6,434,862	3,675,169
Income tax payable		10,059	-
Total Current Liabilities		8,558,036	6,693,534
Non-Current Liabilities			
Rental and other deposits, net of current portion	14	434,632	298,342
Non-trade payable, net of current portion	12	788,440	977,319
Long term debt	13	2,444,014	2,463,160
Lease liabilities, net of current portion	25	1,568,998	1,134,842
Deferred rent income, net of current portion	25	4,890	6,068
Deferred income tax liabilities, net	22	260,602	244,195
Other non-current liabilities	17	655,308	602,071
Total Non-Current Liabilities		6,156,884	5,725,997
Total Liabilities		14,714,920	12,419,531

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Financial Position *(continued)*

As at December 31, 2023

(With comparative figures as at December 31, 2022)

(All amounts in thousands of Philippine Peso)

	Notes	2023	2022
Equity			
Equity attributable to equity holders of the parent			
Capital stock	15	6,209,956	6,201,777
Additional paid-in capital	15	6,020,760	6,020,123
Shares held by a subsidiary	15	(144,377)	(144,377)
Equity reserves	27	(1,693,307)	(1,693,307)
Revaluation increment	9	175,721	182,750
Unrealized loss on financial assets at fair value through other comprehensive income	5	(1,059,679)	(1,097,151)
Loss on measurement of retirement benefits	21	(44,187)	(46,045)
Retained earnings		4,171,573	3,539,322
		13,636,460	12,963,092
Non-controlling interests		270,749	258,880
Total equity		13,907,209	13,221,972
Total liabilities and equity		28,622,129	25,641,503

The notes on pages 1 to 44 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Income

For the year ended December 31, 2023

(With comparative figures for the years ended December 31, 2022 and 2021)

(All amounts in thousands of Philippine Peso except earnings per share figures)

	Notes	2023	2022	2021
Revenues				
Real estate sales	24	1,763,231	2,354,266	2,052,859
Rental	9	1,252,297	1,071,145	781,557
Sale of storage services	24	169,490	115,527	47,745
Sale of electricity	24	-	274,675	1,066,185
Others	24	325,054	392,509	348,220
		3,510,072	4,208,122	4,296,566
Cost and expenses				
Cost of real estate sold	18	1,136,870	1,368,081	1,236,559
Cost of rental and storage services	18	1,187,076	1,018,779	881,126
Cost of purchased electricity		-	256,794	1,034,034
Operating expenses	19	224,389	174,089	199,846
		2,548,335	2,817,743	3,351,565
Other income (charges)				
Interest expense on lease liabilities	25	(148,740)	(150,160)	(151,409)
Loss on sale of financial asset		-	-	(56,264)
Interest expense and bank charges, net	20	(158,666)	(68,136)	(24,316)
Dividend income	6	-	-	235
Unrealized (loss) gain on financial assets at FVPL	6	(182)	(185)	60
(Provision for) reversal of provision for probable losses	26	-	(6,000)	5,135
Others, net	20	89,854	32,256	141,533
		(217,734)	(192,225)	(85,026)
Income before income tax				
		744,003	1,198,154	859,975
Income tax expense	22	(107,896)	(191,273)	(80,009)
Net income for the year				
		636,107	1,006,881	779,966
Attributable to:				
Equity holders of the Parent		625,222	1,006,579	784,114
Non-controlling interests		10,885	302	(4,148)
		636,107	1,006,881	779,966
Earnings per share				
Basic and diluted, for income for the year attributable to ordinary equity holders of the Parent	23	0.10	0.16	0.13

The notes on pages 1 to 45 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022	2021
Net income for the year		636,107	1,006,881	779,966
Other comprehensive income (loss)				
<i>Items that may not be reclassified to profit or loss in subsequent periods:</i>				
Unrealized gain (loss) on equity financial assets at fair value through other comprehensive income	5	38,456	(9,670)	(458,540)
Gain (loss) on remeasurement of retirement benefits liability, net of tax	21	1,858	5,447	(34)
<i>Items that may be reclassified to profit or loss in subsequent years:</i>				
Unrealized loss on debt financial assets at fair value through other comprehensive income	5	-	-	(6,487)
Total comprehensive income		676,421	1,002,658	314,905
Attributable to:				
Equity holders of the Parent		661,884	1,004,562	321,044
Non-controlling interests		14,537	(1,904)	(6,139)
		676,421	1,002,658	314,905

The notes on pages 1 to 45 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Notes	Capital stock	Additional paid-in capital	Shares held by a subsidiary (Note 15)	Equity reserves (Note 27)	Revaluation increment (Note 9)	Unrealized loss on financial assets at FVOCI (Note 5)	Losses on remeasurement of retirement benefits plan, net of tax (Note 21)	Retained Earnings	Equity attributable to the Parent Company	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 for the year		-	-	-	-	-	-	-	784,114	784,114	(4,148)	779,966
Other comprehensive income		-	-	-	-	-	(463,036)	(34)	-	(463,070)	(1,991)	(465,061)
Total comprehensive income		-	-	-	-	-	(463,036)	(34)	784,114	321,044	(6,139)	314,905
Transactions with owners												
Issuance of shares	15	10,483	5,138	-	-	-	-	-	-	15,621	-	15,621
Transfer of equity reserve due to ESOWN shares subscription	27	-	3,462	-	(3,462)	-	-	-	-	-	-	-
Acquisition of non-controlling interest		-	-	-	(88,278)	-	-	-	-	(88,278)	(112,230)	(200,508)
Payment of stock transaction costs	1	-	-	-	-	-	-	-	(3,147)	(3,147)	-	(3,147)
Transfer of realized valuation increment		-	-	-	-	(7,029)	-	-	7,029	-	-	-
Total transactions with owners		10,483	8,600	-	(91,740)	(7,029)	-	-	3,882	(75,804)	(112,230)	(188,034)
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

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Changes in Equity (continued)

For the year ended December 31, 2023

(With comparative figures for the years ended December 31, 2022 and 2021)

(All amounts in thousands of Philippine Peso)

	Notes	Capital stock	Additional paid-in capital	Shares held by a subsidiary (Note 15)	Equity reserves (Note 27)	Revaluation increment (Note 9)	Unrealized loss on financial assets at FVOCI (Note 5)	Losses on remeasurement of retirement benefits plan, net of tax (Note 21)	Retained Earnings	Equity attributable to the Parent Company	Non-controlling interests	Total
Balances at January 1, 2022		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
Net income for the year		-	-	-	-	-	-	-	1,006,579	1,006,579	302	1,006,881
Other comprehensive income		-	-	-	-	-	(7,464)	5,447	-	(2,017)	(2,206)	(4,223)
Total comprehensive income		-	-	-	-	-	(7,464)	5,447	1,006,579	1,004,562	(1,904)	1,002,658
Transactions with owners												
Collection of subscription receivable	15	6,459	4,390	-	-	-	-	-	-	10,849	-	10,849
Additions to NCI	1	-	-	-	-	-	-	-	-	-	240,820	240,820
Transfer of realized valuation increment		-	-	-	-	(7,029)	-	-	7,029	-	-	-
Total transactions with owners		6,459	4,390	-	-	(7,029)	-	-	7,029	10,849	240,820	251,669
Balances at December 31, 2022		6,201,777	6,020,123	(144,377)	(1,693,307)	182,750	(1,097,151)	(46,045)	3,539,322	12,963,092	258,880	13,221,972

	Notes	Capital stock	Additional paid-in capital	Shares held by a subsidiary (Note 15)	Equity reserves (Note 27)	Revaluation increment (Note 9)	Unrealized loss on financial assets at FVOCI (Note 5)	Losses on remeasurement of retirement benefits plan, net of tax (Note 21)	Retained Earnings	Equity attributable to the Parent Company	Non-controlling interests	Total
Balances at January 1, 2023		6,201,777	6,020,123	(144,377)	(1,693,307)	182,750	(1,097,151)	(46,045)	3,539,322	12,963,092	258,880	13,221,972
Net income for the year		-	-	-	-	-	-	-	625,222	625,222	10,885	636,107
Other comprehensive income	5,21	-	-	-	-	-	37,472	1,858	-	39,330	984	40,314
Total comprehensive income		-	-	-	-	-	37,472	1,858	625,222	664,552	11,869	676,421
Transactions with owners												
Collection of subscription receivables	15	8,179	637	-	-	-	-	-	-	8,816	-	8,816
Transfer of realized valuation increment		-	-	-	-	(7,029)	-	-	7,029	-	-	-
Total transactions with owners		8,179	637	-	-	(7,029)	-	-	7,029	8,816	-	8,816
Balances at December 31, 2023		6,209,956	6,020,760	(144,377)	(1,693,307)	175,721	(1,059,679)	(44,187)	4,171,573	13,636,460	270,749	13,907,209

The notes on pages 1 to 45 are integral part of these consolidated financial statements

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Income before income tax		744,003	1,198,154	859,975
Adjustments for:				
Depreciation and amortization	9,10,11,19	426,791	385,802	351,071
Discount on sale of financial asset			-	56,264
Interest expense on lease liabilities	25	148,740	150,160	151,409
Interest expense and bank charges	20	343,353	157,033	75,806
Depreciation of right-of-use assets	19,26	69,771	64,883	66,669
Provision for probable losses	30	-	6,000	-
Provision for (reversal of) impairment losses on:				
Receivables		-	-	29,137
Other current assets		-	-	6,206
Equity in net loss of joint ventures		5,837	-	-
Dividend income	5,6	-	-	(235)
Unrealized loss (gain) on financial assets at FVPL	6	(182)	185	(60)
Reversal of provision for probable losses	27	-	-	(5,135)
Interest income	20	(184,687)	(88,897)	(51,490)
Operating income before working capital changes		1,553,626	1,873,320	1,539,617
Increase (decrease) in:				
Receivables		(600,448)	(1,668,909)	(1,529,032)
Real estate held for sale and development		(661,059)	(986,125)	(160,756)
Other current assets		(626,668)	(695,978)	(93,069)
Pension assets		8,820	7,108	(262)
Other noncurrent assets		23,433	279,040	(23,071)
(Decrease) increase in:				
Accounts payable and accrued expenses		(153,845)	42,932	(289,379)
Amounts owed to related parties		161,257	368,546	(16,822)
Rental and other deposits		94,361	59,799	(18,052)
Deferred rent income		(6,981)	(2,766)	(6,597)
Net cash flows used in operations		(207,504)	(723,033)	(597,423)
Interest received		3,791	3,664	3,267
Interest paid		(83,650)	(4,650)	(7,814)
Income tax paid		(140,079)	(122,910)	(90,317)
Net cash used in operating activities		(427,442)	(846,929)	(692,287)
Cash flows from investing activities				
Additions to amounts owed by related parties		(2,093,929)	(181,162)	(631,336)
Deductions from amounts owed by related parties		1,970,456	948,532	339,792
Investment in joint venture	8	(502,465)	(181,145)	-
Dividends received	5,6	-	-	235
Acquisitions through business combination		-	-	(381,456)
Acquisitions of:				
Investment in properties	9	(1,050,308)	(1,212,322)	(473,723)
Property and equipment	10	(416,567)	(394,842)	(49,873)
Proceeds from sale of equipment		56	-	-
Proceeds from sale and maturity of Financial assets at FVOCI	5	36,000	9,500	-
Net cash used in investing activities		(2,056,757)	(1,011,439)	(1,196,361)

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022	2021
Cash flows from financing activities				
Proceeds from loan availment		-	496,250	1,965,150
Proceeds from sale of receivables		-	-	1,254,653
Collection of subscription receivables and ESOWN subscription	16	13,752	10,849	15,621
Proceeds from amounts owed to related parties	16,31	202,644,360	1,760,835	501,160
Payment of amounts owed to related parties	16,31	(200,248,568)	(92,833)	(1,608,198)
Payment of subscription cost	1	(4,936)	-	(3,147)
Payment of principal portion of lease liabilities	27	(156,314)	(188,188)	(132,200)
Transaction with non-controlling interest	1	-	240,820	(200,508)
Net cash flows from financing activities		2,248,294	2,227,733	1,792,531
Net (decrease) increase in cash and cash equivalents		(235,905)	369,365	(96,117)
Cash and cash equivalents at beginning of year		450,618	81,253	177,370
Cash and cash equivalents at end of year	2	214,713	450,618	81,253

The notes on pages 1 to 45 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Notes to the Consolidated Financial Statements

As at and for the year ended December 31, 2023

(With comparative figures as at and for the years ended December 31, 2022 and 2021)

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1. Corporate and Group information

1.1. Corporate information

AyalaLand Logistics Holdings Corp. (ALLHC; the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 19, 1989. The Parent Company's registered office address is 3rd Level Glorietta 5, Ayala Center, Makati City. The Parent Company is a subsidiary of Ayala Land, Inc. (ALI). ALI's parent company is Ayala Corporation (AC). AC is 47.86% owned by Mermac, Inc. and the rest by the public as at December 31, 2023. Both ALI and AC are publicly-listed companies incorporated in the Philippines. The Parent Company is listed in the Philippine Stock Exchange.

ALLHC and its subsidiaries, collectively referred to as "the Group", have principal business interests in holding companies, industrial lot sales and development, warehouse and cold storage leasing, commercial leasing, and retail electricity supply. In 2022, the Group ceased its retail electricity business.

1.2. Group Information

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries of the Group:

Subsidiaries	Nature of business	Percentage of Ownership		
		2023	2022	2021
Laguna Technopark, Inc. (LTI)	Real Estate Development and Warehouse Leasing	100%	100%	100%
Ecozone Power Management, Inc. (EPMI)	Cold Storage and Purchase, Delivery of Electricity	100%	100%	100%
Unity Realty & Development Corporation (URDC)	Real Estate Development	100%	100%	100%
Orion Land, Inc. (OLI)	Real Estate, Mall Operations and Investment Holding Company	100%	100%	100%
Tutuban Properties, Inc. (TPI)	Real Estate, Mall Operations	100%	100%	100%
TPI Holdings Corporation (TPIHC)**	Investment Holding Company	100%	100%	100%
Orion Property Developments, Inc. (OPDI)	Real Estate Development	100%	100%	100%
Orion Beverage, Inc. (OBI)*	Manufacturing, Real Estate,	100%	100%	100%
LCI Commercial Ventures, Inc. (LCVI)	Warehouse Leasing Operations	100%	100%	100%
Luck Hock Venture Holdings, Inc. (LHVHI)**	Other Business Activities	60%	60%	60%
Orion Maxis, Inc. (OMI)*	Marketing and Administrative Services	100%	100%	100%
Orion I Holdings Philippines, Inc. (OIHPI)**	Financial Holding Company	100%	100%	100%
FLT Prime Insurance Corporation (FPIC)*	Non-Life Insurance Company	78.77%	78.77%	78.77%
A-FLOW Land I Corp (A-FLOW Land)	Real Estate Leasing	60.00%	60.00%	N/A
Orion Solutions, Inc. (OSI)*	Management Information Technology Consultancy Services	100%	100%	100%

* Inactive companies approved by their respective BOD for liquidation

**SEC approved shortening of corporate term

All of the entities in the Group are incorporated in the Philippines.

The voting rights held by the Parent Company in its investments in subsidiaries are in proportion to its ownership interest.

LTI

LTI was incorporated on November 15, 1990 and is based in Laguna. LTI develops industrial parks and leases ready-built factory units and sells industrial lots to local and company locators.

In 2022, LTI acquired a property in Padre Garcia, Batangas for the development of the future Batangas Technopark. LTI is likewise into the construction and operation of standard factory buildings located in multiple sites in Laguna, Cavite, and Pampanga.

EPMI

EPMI was incorporated on August 20, 2010, was engaged in retail electricity supply. In 2022, EPMI gradually assigned its retail electricity business to focus on the industrial real estate business. It now manages cold storage facilities-with sites located in Biñan, Laguna and Mandaue, Cebu, and operations of standard factory buildings located in Santo Tomas, Batangas.

URDC

URDC was acquired from previous individual stockholders on July 19, 2019. URDC owns a property in Pampanga which is currently being developed to be Pampanga Technopark, a world-class industrial township, which caters to light and medium, non-polluting enterprises, from both global and local markets.

The Parent Company partially paid the previous individual stockholders amounting to P1,184.70 million representing 50% of the total value of the shares. In September 2020, the Parent Company paid the first installment amounting to P716.84 million. The Parent Company settled the remaining balance amounting to P477.89 million on September 16, 2021. This is accounted for as acquisition of an asset that does not constitute a business because the Group did not acquire a substantive process that significantly contribute to the ability to create outputs in order to be classified as a business.

The Group allocated the acquisition cost to inventory and investment property based on relative fair values (Notes 4 and 9).

OLI

OLI operates a commercial building composed of a 5-storey shopping center and a 6-storey business processing outsourcing office with a gross leasable area of 60,000 square meters located along National Road, Alabang, Muntinlupa City.

TPI

TPI operates the Tutuban Center, a 20-hectare commercial complex located in Manila City. The Tutuban Center will be the location of the North-South Railway Project (NSRP) Transfer Station which will interconnect with the LRT 2 West Station.

OPDI

OPDI handles property development. Its present landholdings include properties in Batangas and Calamba.

LCVI

LCVI was a top manufacturer of ceramic floor and wall tiles in the Philippines and has a manufacturing plant in Laguna. In 2012, LCVI suspended its manufacturing operations and started renting out its warehouses in July 2014.

A-FLOW Land

A-FLOW Land was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 12, 2022. On October 4, 2022, ALLHC entered into subscription agreement with Flow Luna | Property Pte. Ltd (FLOW) representing 60% interest in A-FLOW Land. A-FLOW Land's primary purpose is to engage in the land leasing business. The Parent Company's investment in A-FLOW Land resulted in an increase in the Group's non-controlling interest amounting to P376.99 million and P240.82 million in 2023 and 2022, respectively.

Inactive Companies

In September 2022, the stockholders of FPIC approved and authorized the dissolution and liquidation of the Company by December 31, 2023. FPIC was incorporated in 1977, and engaged in non-life insurance business. With the shift to real estate as the core business of the ALLHC Group, FPIC requested the Insurance Commission (IC) for the termination of its servicing license and the appointment of an overseer, which was approved by the IC on January 4, 2021.

In September 2016, the BOD of OMI and OSI approved and authorized the dissolution and liquidation of OMI and OSI by shortening their corporate term up to December 31, 2016.

In October 2017, the BOD of OIHPI, OBI, LHVHI and TPIHC approved and authorized the dissolution and liquidation of these companies by shortening their corporate term up to December 31, 2017.

Acquisition of Non-controlling Interest

On March 19, 2021, ALLHC purchased additional 2,013 LTI shares from non-controlling interests of Mitsubishi Corporation (MC). The transaction was accounted as an equity transaction since there was no change in control. The movements within equity are accounted for as follows:

	Consideration paid	Carrying value of Non-controlling interests	Difference recognized in Equity
5% in MC	200.51	112.23	88.28

The net income allocated to non-controlling interest in 2021 prior to the purchase amounted to P2.03 million. As of December 31 2023 and 2022, LTI is already a wholly-owned subsidiary of the Parent Company.

1.3. Approval of financial statements

The accompanying consolidated financial statements of the Group as of December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 were approved by the Board of Directors (BOD) in a meeting dated February 29, 2024.

2. Cash and cash equivalents

Details of the account are as follows:

	2023	2022
Cash on hand	307	288
Cash in bank	202,790	439,191
Cash equivalents	11,616	11,139
	214,713	450,618

Cash in banks earn interest at the respective bank deposit rates.

Cash equivalents pertain to short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from date of acquisition and subject to an insignificant risk of changes in value. Interest rates in 2023 ranges from 3.5% to 4.75% (2022 - 2.5% to 4.0%).

Interest earned from cash and cash equivalents amounted to P1.46 million in 2023 (2022 - P0.85 million; 2021 - P0.67 million) (Note 20).

3. Receivables

Details of the account are as follows:

	2023	2022
Trade debtors		
Land sales	3,790,239	3,239,104
Receivables from tenants	734,055	541,741
Retail electricity	13,865	21,333
Non-trade receivables	438,762	446,457
Insurance receivables	29,305	29,305
	5,006,226	4,277,940
Less: allowance for expected credit losses	273,890	273,977
	4,732,336	4,003,963
Less: non-current portion	3,329,629	2,193,044
Receivables, current portion	1,402,707	1,810,919

Receivables from land sales represent amounts arising from sale of industrial lots, which are collectible in monthly installments within two to ten years from the date of sale.

Movements in the unamortized discount of the Group's receivables follow:

	Note	2023	2022
Trade receivables at nominal amount		4,140,216	3,459,809
Less unearned interest:			
Beginning of year		220,705	81,331
Additions during the year		257,197	191,826
Accretion for the year	20	(127,925)	(52,452)
End of the year		349,977	220,705
Trade receivables at discounted amount		3,790,239	3,239,104

Receivables from tenants and retail electricity represent the outstanding receivables arising from the lease of warehouse units, mall and office spaces and cold storage operations and supply and delivery of electricity which are collectible within 30 days from billing date.

Non-trade receivables consist mainly of receivables from the government related to expropriation against certain properties of the Group, omnibus loan to a consolidator, and a fully provided collateralized receivable from a third party after OLI's sale of its previously owned investment in equity securities. These are noninterest-bearing and are due and demandable.

Insurance receivables consist of premium receivables from policyholders, insurance agents and reinsurance companies and reinsurance recoverable on paid and unpaid losses from facultative and treaty reinsurers. These accounts are generally on 90 days term. This is fully provided with an allowance.

The movements of allowance for expected credit losses on receivables follow:

	Trade debtors	Non-Trade debtors	Insurance receivables	Total
At December 31, 2021	101,674	165,741	29,305	296,720
Write-off	(22,743)	-	-	(22,743)
At December 31, 2022	78,931	165,741	29,305	273,977
Write-off	(87)	-	-	(87)
At December 31, 2023	78,844	165,741	29,305	273,890

4. Real estate held for sale and development

Details of the account are as follows:

	2023	2022
Land	5,085,049	4,423,990
Less: allowance for inventory write-down	39,848	39,848
	5,045,201	4,384,142

Land consists of parcels of land located in Cavite, Misamis Oriental, Laguna, Batangas, Palawan, Tarlac and Pampanga.

The composition of inventoriable costs as at December 31 follows:

	2023	2022
Land cost	4,610,981	3,858,590
Construction overhead and other related costs	474,068	565,400
	5,085,049	4,423,990

The roll forward analysis of real estate held for sale and development follows:

	Note	2023	2022
Balance at the beginning of the year		4,423,990	3,437,865
Acquisition		-	1,711,692
Development costs incurred		1,645,497	387,589
Cost of real estate sales	18	(984,438)	(1,113,156)
		5,085,049	4,423,990
Less allowance for inventory write-down		39,848	39,848
		5,045,201	4,384,142

There is no movement in allowance for inventory write-down as of December 31, 2023 and 2022.

Sale of real estates recognized in 2023 amounted to P1,763.23 million (2022 - P2,354.27 million; 2021 - P2,052.86 million), (Note 24).

Real estate inventories recognized as cost of real estate sales amounted to P984.44 million (2022 - P1,113.16 million; 2021 - P1,031.65 million) (Note 18).

There are no real estate inventories held as collateral as at December 31, 2023 and 2022.

5. Financial assets at FVOCI

Details of the account are as follows:

	Note	2023	2022
Equity securities	17	85,387	51,567
Debt securities		41,227	72,591
		126,614	124,158

Financial assets at FVOCI pertain to investments in equity securities which are not held for trading and which the Group has irrevocably designated at FVOCI, as the Group considers these investments to be strategic in nature and investments in debt securities held for collection of contractual cash flows and selling of financial assets.

Equity securities mainly pertains to quoted golf club shares and shares in Cyber Bay, a publicly-listed entity in the Philippines.

Status of operations of Cyber Bay Corporation

On April 25, 1995, Central Bay, a wholly-owned subsidiary of Cyber Bay, entered into a Joint Venture Agreement with the Philippine Reclamation Authority (PRA; formerly Public Estates Authority) for the complete and entire reclamation and horizontal development of a portion of the Manila-Cavite Coastal Road and Reclamation Project.

In 2021, the shares of Cyber Bay were suspended from trading for an indefinite period and the investment in Cyber Bay was revalued based on its net asset values as of reporting date. Based on the latest available financial information of Cyber Bay, Cyber Bay reported a capital deficiency position which resulted to unrealized loss amounting to P458.07 million for the Group. As at December 31, 2023 and 2022, the book value of Cyber Bay shares amounted to nil.

Debt instruments pertain to quoted government securities owned by the Group.

Movements of cumulative unrealized valuation losses on financial assets at FVOCI follows:

	Amount
At December 31, 2021	(1,088,787)
Fair value changes	(9,670)
At December 31, 2022	(1,098,457)
Fair value changes	38,456
At December 31, 2023	(1,060,001)

Proceeds from the maturity of financial assets at FVOCI amounted to P36 million (2022 - P9.50 million; 2021 - nil).

Interest earned from financial assets at FVOCI amounted to P2.33 million, (2022 - P2.81 million; 2021 - P2.60 million) (Note 20).

6. Financial assets at FVPL

This account pertains to investments in redeemable preferred shares and Unit Investment Trust Fund (UITF) designated as financial assets at FVPL.

Unrealized loss from financial assets at FVPL amounted to P0.18 million (2022 - P0.18 million loss; 2021 - P0.06 million gain).

There were no dividend income earned from these shares amounted in 2023 and 2022 (2021 - P0.24 million).

7. Other current assets

Details of the account are as follows:

	2023	2022
Input VAT	1,123,039	1,090,001
Advances to suppliers and contractors	794,631	175,968
Creditable withholding taxes	369,120	387,668
Prepayments	94,707	99,612
Refundable deposits	6,220	8,160
Ice and beverages	5,285	4,925
	2,393,002	1,766,334
Less allowance for impairment losses	8,953	8,953
	2,384,049	1,757,381

Input value added tax (VAT) pertains to VAT passed on from purchases of goods or services which is available for application against output VAT.

Advances to suppliers and contractors pertain to advance payment to land owners for purchases of land and service contractors for construction services of the Group's real estate held for sale and development. Creditable withholding taxes (CWTs) are available for offset against income tax payable in the future periods.

Prepayments pertain to prepaid insurance, taxes and licenses and other prepaid expenses that are to be amortized over a period of one (1) year.

Refundable deposits pertain to EPMI's utility deposit for the initial set-up of electricity supply by public utility companies

There were no provisions impairment losses for the years ended December 31, 2023 and 2022 (2021 - P6.21 million) (Note 19).

8. Investments in joint venture

On October 4, 2022, ALLHC entered into Joint Venture agreement with Flow Luna I Property Pte. Ltd (FLOW) representing 50% interest in A-FLOW Properties I Corp (AFLOW PropCo), a joint venture involved in the establishing, developing, operating, leasing, and owning digital, critical, and physical infrastructure of and for data center facilities and other digital transformative technologies, as well as to render and provide services ancillary to the foregoing. Its registered office and principal place of business is at Unit ZB Administration Building 1, Annex North Main Avenue Laguna Technopark Binan (Poblacion) Laguna.

ALLHC's capital commitments is to fund equity required for the joint venture pari passu and on a pro rata basis to their agreed ownership ratio and in accordance with the terms of the agreement, provided that if there are shareholders of the A-FLOW PropCo other than FLOW, ALLHC and where applicable, their respective affiliates, the shareholders will fund equity based on their prevailing ownership ration.

Investments in joint ventures are accounted under the equity method of accounting.

Movement in investment in joint venture follows:

	2023	2022
Beginning balance	P181,145	-
Investment including transaction costs during the year	502,465	181,775
Share in net loss during the year	(5,837)	(630)
Ending balance	677,773	181,145

Set out below is the summarized financial information for A-FLOW PropCo as at and for the year ended December 31:

	2023	2022
Cash	440,701	232,643
Current assets	440,701	232,643
Noncurrent assets	280,008	66,092
Current liabilities	(3,698)	(770)
Noncurrent liabilities	-	-
Equity	717,011	297,965

	2023	2022
Revenue during the year	145	9
Net loss during the year	(8,521)	(1,260)
Total comprehensive loss during the year	(8,521)	(1,260)

ALLHC did not receive any dividends from A-FLOW PropCo for the year ended December 31, 2023 and 2022.

ALLHC has not incurred any contingent liabilities as at December 31, 2023 and 2022 in relation to its interest in the joint ventures, nor do the joint ventures themselves have any contingent liabilities for which the ALLHC is contingently liable.

9. Investment properties

Details of the account are as follows:

<i>December 31, 2023</i>	Notes	Building and improvements	Land improvements	Construction in progress	Total
Cost					
Beginning of year		11,580,904	3,289,458	540,874	15,411,236
Additions during the year		283,797	347,164	173,744	804,705
Reclassifications during the year		184,701	-	(184,701)	-
End of year		12,049,402	3,636,622	529,917	16,215,941
Accumulated depreciation and amortization					
Beginning of year		3,688,591	31,096	-	3,719,687
Depreciation and amortization during the year	18,19	381,266	1,565	-	382,831
At end of year		4,069,857	32,661	-	4,102,518
Net book values		7,979,545	3,603,961	529,917	12,113,423

<i>December 31, 2022</i>	Notes	Building and improvements	Land improvements	Construction in progress	Total
Cost					
Beginning of year		10,779,379	1,948,321	347,940	13,075,640
Additions during the year		761,905	1,341,137	232,554	2,335,596
Reclassifications during the year		39,620	-	(39,620)	-
End of year		11,580,904	3,289,458	540,874	15,411,236
Accumulated depreciation and amortization					
Beginning of year		3,334,710	30,420	-	3,365,130
Depreciation and amortization during the year	18,19	353,881	676	-	354,557
End of year		3,688,591	31,096	-	3,719,687
Net book values		7,892,313	3,258,362	540,874	11,691,549

For the year ended December 31, 2023, depreciation and amortization expense of P363.09 million (2022 – P334.90 million; 2021 - P326.57 million) has been charged to cost of rental and storage services (Note 18) and P19.74 million (2022 – P19.66 million; 2021 -nil) to operating expenses (Note 19).

Fair Value of Investment Properties

The aggregate fair value of the Group's investment properties of buildings, land and improvements amounted to P19,040.68 million to as of December 31, 2023 (2022 -P18,829.96 million). The fair value of the buildings, land and improvements of the Group is determined by independent professionally qualified appraisers, based on the latest valuation reports. Fair value was measured using income approach method with expected rental income and expenses as inputs (except URDC where sales comparison approach method has been used with comparable selling price as inputs). The fair value of the Group's investment property falls under Level 3 of the fair value hierarchy.

The carrying amount of Construction-in-progress as at December 31, 2023 amounting to P529.92 million (2022 – P540.87 million), approximates their fair values considering that they represent the costs necessary to construct the properties at current market prices. This is a level 3 fair value measurement using cost approach, with any changes in the current prices of goods or services necessary to construct the properties directly affecting the fair values of investment properties as at reporting dates.

Consolidated rental revenue from investment properties amounted to P1,252.30 million, (2022 – P1,071.15 million; 2021 – P781.56 million). Direct operating expenses incurred for investment properties amounted to P1,187.08 million, (2022 – P1,018.78 million; 2021 – P881.13 million).

The Group has no restriction on the realizability of its investment properties and no obligation to either purchase, construct or develop or for repairs, maintenance and enhancements.

10. Property and equipment

Details of the account are as follows:

	Notes	Land	Building	Leasehold improvements	Machinery and Equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in Progress	Total
2023									
Cost									
Beginning of year		354,633	690,166	10,066	61,081	30,284	59,612	23,313	1,229,155
Additions during the year		1,800	6,108	1,550	129	3,998	16,449	158,347	188,381
Disposals during the year		-	-	-	-	-	(162)	-	(162)
Reclassifications during the year		-	23,043	(6,079)	-	-	-	(16,964)	-
End of year		356,433	719,317	5,537	61,210	34,282	75,899	164,696	1,417,374
Accumulated depreciation and amortization									
Beginning of year		-	25,333	2,924	53,402	15,023	42,458	-	139,140
Depreciation and amortization during the year	18,19	-	28,745	654	4,224	4,644	5,677	-	43,944
Disposals during the year		-	-	-	-	-	(106)	-	(106)
End of year		-	54,078	3,578	57,626	19,667	48,029	-	182,978
Net book values		356,433	665,239	1,959	3,584	14,615	27,870	164,696	1,234,396
2022									
Cost									
Beginning of year		193,223	492,704	10,066	60,413	26,102	42,969	5,929	831,406
Additions during the year		161,410	197,462	-	668	4,182	16,643	17,384	397,749
End of year		354,633	690,166	10,066	61,081	30,284	59,612	23,313	1,229,155
Accumulated depreciation and amortization									
Beginning of year		-	6,999	2,418	47,172	10,886	40,472	-	107,947
Depreciation and amortization during the year	18,19	-	18,334	506	6,230	4,137	1,986	-	31,193
End of year		-	25,333	2,924	53,402	15,023	42,458	-	139,140
Net book values		354,633	664,833	7,142	7,679	15,261	17,154	23,313	1,090,015

For the year ended December 31, 2023, depreciation and amortization expense of P34.17 million (2022 – P24.55 million; 2021 - P19.88 million) has been charged to cost of rental and storage services (Note 18) and P9.77 million (2022 – P6.64 million; 2021 - P4.18 million) to operating expenses (Note 19).

11. Other non-current assets

Details of the account are as follows:

	2023	2022
Deferred input VAT	98,766	99,584
Refundable deposits	46,536	72,283
Others	4,831	1,715
	150,133	173,582

Deferred input VAT arises from the purchase of capital goods by the Group for amortization for a period of 5 years.

Refundable deposits pertain to deposits made to utility companies, other suppliers and various miscellaneous deposits.

Others include software costs with depreciation expense recognized amounting to P0.02 million, (2022 - P0.05 million; 2021 - P0.45 million) (Note 19).

12. Accounts payable and accrued expenses

Details of the account are as follows:

	Note	2023	2022
Trade payables		602,894	935,311
Non-trade payables		770,137	841,378
Accrued Expenses			
Commissions		38,317	61,731
Contracted services		12,773	6,168
Rent		7,569	7,336
Light and water		6,197	714
Others		2,297	4,619
Provisions	26	32,057	35,057
Retention payable		2,400	28,585
Others		18,357	9,292
		1,492,998	1,930,191

Accounts payable and accrued expenses are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established. These are non-interest bearing and are normally settled on thirty (30) days' term. Accrued payables are noninterest-bearing and are normally settled on sixty (60) days' term or due and demandable. These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Non-trade payables mainly include current portion of installment payable from the acquisition of investment properties and property, plant and equipment amounting to P284.51 million (2022 - P352.51 million and payables to different government agencies amounting to P350.65 million (2022 - P269.47 million).

The non-current portion of the installment payable related to the acquisition of investment property and property, plant and equipment as of December 31, 2023 amounting to P788.44 million (2022 – P977.32 million) were presented as a separate line item under non-current liabilities of the consolidated financial position

Movements in the unamortized discount of the Group's long-term non-trade payable follows:

	Note	2023	2022
Beginning of year		95,633	31,654
Additions during the year		-	105,493
Accretion for the year	21	(37,970)	(41,514)
End of year		57,663	95,633

Retention payable pertains to an amount deducted from the contractors' progress billing which will be released after the expiration of the project's warranty period. Total retention payable as at December 31, 2023 amounted to P176,033, of which P173,633 were considered as non-current liabilities (2022 - P148,981 total retention payable of which P120,396 were classified as non-current liabilities) (Note 17).

Other payables include outstanding interest, unpaid portion of dividend declared attributable to the non-controlling interest of LTI and claims payables pertaining to the estimated ultimate cost of incurred but not settled claims as at the reporting period.

13. Long-term Debt

The Group availed the following unsecured long-term debt with local banks:

Loan	Borrower	Date availed	Loan amount	Details
1	ALLHC	November 2021	P1,290 million	- Matures in November 2031 - Interest rate per annum is at 6.56% and 3.27% as at December 31, 2023 and 2022.
2	LTI	November 2021	P690 million	- Matures in November 2031 - Interest rate per annum is at 6.56% and 3.27% as at December 31, 2023 and 2022.
3	EPMI	September 2022	P373 million	- Matures in September 2032 - Interest rate per annum is at 6.66% and 6.80% as at December 31, 2023 and 2022.
4	EPMI	November 2022	P127 million	- Matures in November 2032 - Interest rate per annum is at 6.66% and 6.80% as at December 31, 2023 and 2022.

These interest-bearing loans have a term of 10 years subject to yearly repricing. The proceeds from the loans were used for working capital requirements.

Total transaction costs on loan availments for the year ended December 31, 2022 and 2021 amounted to P3.75 million and P14.85 million, respectively.

Movements in long-term debt for the years ended December 31 are as follows:

	Note	2023	2022
Beginning of year		2,463,160	1,965,297
Availments during the year, net of transaction costs		-	496,250
Amortization of deferred transaction costs	20	1,904	1,613
End of year		2,465,064	2,463,160
Current portion of long-term debt		21,050	-
Non-current portion of long-term debt		2,444,014	2,463,160

Total interest expense arising from bank borrowings amounted to P101.63 million and for 2023 (2022 – P66.32 million; 2021 – P6.21 million), (Note 20).

These loans require that the borrowers comply with certain covenants including, among others, a bank debt to tangible net worth ratio not exceeding 3:1. As of December 31, 2023 and 2022, this ratio was complied with by the entities.

14. Rental and other deposits

Details of the account are as follows:

	2023			2022		
	Current	Non-current	Total	Current	Non-current	Total
Security deposits	324,055	265,924	589,979	376,986	149,320	526,306
Rental deposits	70,377	163,024	233,401	69,616	144,262	213,878
Construction bond	29,337	5,684	35,021	18,588	4,760	23,348
Customer deposits	9,302	-	9,302	9,381	-	9,381
Other deposits	9,116	-	9,116	9,190	-	9,190
	442,187	434,632	876,819	483,761	298,342	782,103

Tenants are required to post security deposits, which shall be refunded, without interest, within sixty (60) days after the expiration of the lease period, deducting the amount of damages to the leased premises, if any.

Interest expense from accretion of security deposits amounted to P0.35 million for 2023 (2022 - P0.35 million, 2021 - nil) (Note 20).

Security deposits also include deposits that may be refunded or applied to any outstanding account of the customers at the end of the retail electricity supply term. The duration of these deposits ranges from three to six months.

Rental deposits are equivalent to tenant's three month's current rent and shall be increased annually or as is when the rental rate increases. These are paid upon signing of the contract of lease or possession of leased premises, whichever comes first and can be applied as payment for rent due for the last three months of the lease.

Construction bond is tenants' payments as security for repairs or any damaged caused to the Group's property arising out of or in connection to any loss, damage, or destruction to the leased premises as a result of the renovation or construction. The construction bond shall be equivalent to tenant's one month's minimum rent and can be applied as payment for outstanding accounts provided that they are in compliance with the construction guidelines and requirements imposed by the Group.

Customer deposits pertain to reservation deposits of the tenants which will form part of the payment of rent upon commencement of lease.

15. Equity

Details of the common shares of the Parent Company follows:

	2023		2022	
	Number of shares	Amount	Number of shares	Amount
Authorized, P1 par value	7,500,000,000	7,500,000,000	7,500,000,000	7,500,000,000
Issued	6,158,660,192	6,158,660,192	6,158,660,192	6,158,660,192
Subscribed	142,931,795	142,931,795	142,931,795	142,931,795
Subscription receivable		(91,636,672)		(99,815,504)
Issued and outstanding	6,209,955,315	6,209,955,315	6,201,776,483	6,201,776,483
Additional paid-in capital		6,020,759,784		6,020,123,508

Capital stock and additional paid-in capital increased by P8.17 million and P0.64 million, net of stock transaction costs, respectively, following collection of subscription receivable (2022 – P6.50 million and P4.39 million, respectively).

The Parent Company's track record of capital stock follows:

	Number of shares registered	Issue/offer price	Date of approval	Number of holders at year end
January 1, 2021	6,153,452,772			784
Add:				
Additional issuance	3,584,000	1.00/share	November 10, 2015	
Additional issuance	1,277,400	1.68/share	November 10, 2015	
Additional issuance	346,000	1.00/share	May 19, 1989	
December 31, 2021	6,158,660,172			740
December 31, 2022	6,158,660,172			727
December 31, 2023	6,158,660,172			734

Shares held by a subsidiary

In 2019, OLI subscribed to 49,444,216 shares of the Parent Company for a total consideration amounting to P144.38 million. As of December 31, 2023, the listing of these shares is still pending with the Philippine Stock Exchange.

Capital Management

The primary objective of the Group's capital management is to optimize the use and earnings potential of the Group's resources and considering changes in economic conditions and the risk characteristics of the Group's activities.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes as at December 31, 2023 and 2022.

As at December 31, 2023 and 2022, the Group considers its capital stock, additional paid in capital and retained earnings as its capital.

The Group is not subject to externally imposed capital requirements.

16. Related party transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprises and its key management personnel, directors or its stockholders. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The Group has an approval requirement and limits on the amount and extent on any related party transactions.

The Parent Company and its subsidiaries, in their normal course of business, have entered into transactions with related parties principally consisting of interest and noninterest-bearing advances with no fixed repayment terms and are due and demandable. These transactions are normally settled in cash. The assessment of impairment is undertaken at each financial year-end by examining the financial position of the related parties and the market in which the related parties operate. As of December 31, 2023 and 2022, the Group has not recognized any impairment on its amounts owed by related parties.

Amounts owed by related parties

	Transactions for the year		Due from		Terms and condition
	2023	2022	2023	2022	
Loans to related parties					These are unsecured, unguaranteed, interest bearing and collectible in cash within 12 months. Interest rate is at 5.60% to 5.95% per annum.
<i>Immediate Parent Company</i>	358,400	297,744	-	6,000	
<i>Entities under common control</i>	1,722,295	2,357,090	565,600	384,100	
	2,080,695	2,654,834	565,600	390,100	
Interest Income (Note 20)					Interest income is due and demandable and shall be collected based on interest rates agreed between parties.
<i>Immediate Parent Company</i>	1,863	1,199	243	2,152	
<i>Entities under common control</i>	50,429	31,027	53,399	47,105	
	52,292	32,226	53,642	49,257	
Service fees					The Group entered into various service agreement including management and supervision of planning, design, construction and commissioning of real estate projects. In consideration of these services, fees are negotiated and billed equivalent to agreed prices.
<i>Immediate Parent Company</i>	-	-	23,282	29,804	
<i>Entities under common control</i>	-	-	13,746	17,865	
<i>Other Related Parties</i>	-	-	6,036	494	
	-	-	43,064	48,163	
Leases					The Group entered into commercial space short-term lease agreements as lessor with its related parties. In consideration, lease fee are negotiated and billed equivalent to agreed prices.
<i>Immediate Parent Company</i>	-	-	20,795	20,795	
<i>Other Related Parties</i>	33,973	32,728	2,441	1,462	
	33,973	32,728	23,236	22,257	
			685,542	509,777	These are unsecured, unguaranteed, non-interest bearing and collectible in on demand.

Amounts owed to related parties

	Transactions for the year		Due to		Terms and condition
	2023	2022	2023	2022	
Loans from related parties					These are unsecured, unguaranteed, interest bearing and payable in cash within 12 months. Interest rate is at 5.60% to 6.60% per annum. These loans were obtained to fund the Company's working capital requirements and business operations.
<i>Immediate Parent Company</i>	143,670	2,333,850	(409,470)	(652,350)	
<i>Entities under common control</i>	9,026,827	3,428,825	(4,535,425)	(1,396,730)	
	9,170,497	5,762,675	(4,944,895)	(2,049,080)	
Interest expense (Note 20)					Interest expense is due and demandable and shall be payable based on interest rates agreed between parties.
<i>Immediate Parent Company</i>	7,089	10,183	(26,984)	(87,040)	
<i>Entities under common control</i>	195,555	34,014	(191,590)	(88,235)	
	202,644	44,197	(218,574)	(175,275)	
Systems cost and Management fees (Note 18 and 19)					The Group entered into system cost and management fee agreement with its related parties. In consideration of these services, fees are negotiated and billed equivalent to agreed prices.
<i>Immediate Parent Company</i>	178,775	272,264	(576,337)	(789,334)	
<i>Entities under common control</i>	-	-	(5,646)	(5,747)	
	178,775	272,264	(581,983)	(795,081)	
Construction Contracts					The Group has engaged the services of its related parties for the technical due diligence, land development and construction of facilities within its real estate properties. In consideration of these services, fees are negotiated and billed equivalent to agreed prices.
<i>Immediate Parent Company</i>	-	-	(17,892)	(2,527)	
<i>Entities under common control</i>	5,483,170	477,240	(464,172)	(376,653)	
<i>Other Related Parties</i>	-	-	(668)	(6,744)	
	5,483,170	477,240	(482,732)	(385,924)	
					These are unsecured, unguaranteed, non-interest bearing and payable in on demand.

	Transactions for the year		Due from (to)		Terms and condition
	2023	2022	2023	2022	
Service fees					
<i>Entities under common control</i>	-	-	(205)	(1,350)	The Group engaged its related parties for certain service agreements including legal and professional services. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, non-interest bearing and collectible in on demand.
Leases (Note 25)					
<i>Entities under common control</i>	-	-	(1,304)	(423)	
Purchase of Real Property					
<i>Ultimate Parent Company</i>	-	-	(149,620)	(149,539)	The Group acquired from its related parties, parcel of lots intended for industrial park development at agreed price.
<i>Entities under common control</i>	-	-	-	(62,948)	These are unsecured, unguaranteed, non-interest bearing and payable on demand.
			(149,620)	(212,487)	
Deposit for future stock subscription					
<i>Non-controlling interest</i>	-	-	(55,549)	(55,549)	This pertain to the amount of cash received from the non-controlling interest as deposit for future stock subscription of AFlow Land. The amount is recorded as liability as it does not satisfy the requirements for it to be recognized as equity.
			(6,434,862)	(3,675,169)	

Compensation of key management personnel

The key management personnel of the Group are employees of ALI. As such, the compensation of the said employees is paid by ALI, the necessary disclosures required by PAS 24, Related Party Disclosure are included in the financial statements of ALI. Compensation for said employees are billed to the Group and form part of systems cost. Systems cost billed to the Group in 2023 amounted to P25.12 million (2022 - P21.79 million; 2021 - P44.12 million) (Note 19).

17. Other non-current liabilities

Details of the account are as follows:

	Note	2023	2022
Subscription payable		481,675	481,675
Retention payable, net of current portion	12	173,633	120,396
		655,308	602,071

As at December 31, 2023 and 2022, the Parent Company has outstanding subscription payable on common shares of Cyber Bay amounting to P481.68 million

18. Cost of real estate sales and rental and storage services

Cost of real estate sales

The details of this account follow:

	Note	2023	2022	2021
Land and development cost	4	984,438	1,113,156	1,031,648
Management fee	16	102,442	178,542	140,652
Commission		49,990	76,383	64,259
		1,136,870	1,368,081	1,236,559

Cost of rental and storage services

The details of this account follow:

	Note	2023	2022	2021
Depreciation and amortization	9,10,12,25	467,039	424,389	413,473
Share in CUSA related expenses		373,493	296,548	230,737
Taxes and licenses		155,873	132,293	112,892
Management fees	16	51,217	71,936	35,062
Repairs and maintenance		50,924	35,862	25,961
Rental	25	12,718	8,496	5,359
Supplies		4,540	4,453	4,894
Professional fees		4,514	6,752	2,922
Insurance		5,825	5,088	5,704
Commissions		3,226	3,178	12,740
Others		57,707	29,784	31,382
		1,187,076	1,018,779	881,126

19. Operating expenses

The details of this account follow:

	Note	2023	2022	2021
Personnel expenses				
Compensation and employee benefits		79,215	61,403	51,807
Retirement expense	21	3,236	3,504	4,136
		82,451	64,907	55,943
Depreciation and amortization	9,10,11	29,523	26,296	4,267
Professional and legal fees		29,074	19,158	15,903
Taxes and licenses		25,313	13,260	20,646
Systems costs	16	25,116	21,786	44,120
Janitorial and security services		11,025	12,191	10,983
Communication and transportation		7,826	7,365	3,172
Supplies and repairs		4,498	3,741	2,831
Provision for impairment losses		-	-	35,343
Others		9,563	5,385	6,638
		224,389	174,089	199,846

20. Interest expense and bank charges, net; Other Income, net

Interest expense and bank charges, net

The details of this account follow:

	Note	2023	2022	2021
Interest income:				
Cash and cash equivalents	2	1,456	852	671
Amounts owed by related parties	16	52,292	32,226	31,584
Retirement benefits liability, net	21	679	555	96
Interest income on financial assets at FVOCI	5	2,335	2,812	2,596
Accretion on long term receivables	3	127,925	52,452	16,543
		184,687	88,897	51,490
Interest expense and bank charges:				
Amounts owed to related parties	16	202,644	44,197	43,998
Discount amortization on long term liabilities	12	37,970	41,514	23,995
Discount amortization on security deposits	17	354	355	-
Bank loan	13	99,727	64,704	6,058
Discount amortization on bank loan	13	1,904	1,613	147
Bank charges		754	4,650	1,608
		343,353	157,033	75,806
		(158,666)	(68,136)	(24,316)

Other income

Other income mainly includes reversal of accruals amounted to P37.36 million in 2023, nil in 2022 and P13.99 million in 2021. Income from customer lounge amounted to P13.61 million, P11.65 million and P6.79 million, in 2023, 2022 and 2021, respectively.

21. Retirement benefits liability

The Parent Company and LTI has a separate, funded, non-contributory retirement plan covering all its regular employees. The plan provides for retirement, separation, disability and death benefits to its members. The normal retirement benefit is based on a percentage of the employees' final monthly salary for every year of credited service. The latest independent actuarial valuation as of December 31, 2023 was determined using the projected unit credit method in accordance with PAS 19 (R).

The following tables summarize the funded status and amounts recognized in the consolidated statements of financial position, and the components of the net retirement benefit costs recognized in the consolidated statements of income for the retirement plan:

	2023	2022
Fair value of plan assets	20,686	18,787
Present value of retirement benefit obligation	(16,253)	(8,071)
Net pension asset	4,433	10,716

	Note	2023	2022	2021
Current service cost	19	3,236	3,504	4,136
Interest income	20	(679)	(555)	(96)
		2,557	2,949	4,040

Changes in the retirement benefit obligation follows:

	2023	2022
Beginning of year	8,071	8,800
Current service cost	3,236	3,504
Interest cost	748	561
Benefits paid	(773)	(179)
Remeasurement loss (gain)	5,924	(3,401)
Benefits paid by the plan assets	(953)	(1,640)
Net acquired liability due to employee transfers	-	426
End of year	16,253	8,071

Changes in fair value of plan assets follows:

	2023	2022
Beginning of year	18,787	20,622
Interest income	1,427	1,116
Remeasurement loss	(238)	(1,311)
Contribution	1,663	-
Benefits paid by the plan assets	(953)	(1,640)
End of year	20,686	18,787

Changes in remeasurement of retirement benefit plan under other comprehensive income follows:

	2023	2022
Beginning of year	46,045	51,492
Remeasurement (gain) loss due to		
Return on plan assets	336	870
Changes in economic assumptions	(1,111)	(3,870)
Experience adjustments	(2,822)	800
Changes in demographic assumptions	1,739	(3,247)
End of year	44,187	46,045

The categories of plan assets as a percentage of fair value of the total plan assets follows:

	2023	2022
Cash	28.55%	0.46%
Debt securities	71.44%	99.54%
Others	0.01%	0.00%
	100.00%	100.00%

The plan assets are invested in different financial instruments and do not have any concentration risk. The asset allocation of the plan is set and reviewed from time to time by the Trustee taking into account the membership profile and the liquidity requirements of the plan. This also considers the expected benefit cash flows to be matched with asset durations.

Debt securities includes investments in government debt securities that are in the form of fixed rate treasury notes and retail treasury bonds issued by the Philippine government. As at December 31, 2023 and 2022, the plan assets do not include any equity instruments nor any property occupied, or other assets of the Group's related parties.

The Group expects to contribute to the retirement plan amounting to P2.96 million for the year 2024.

The principal assumptions used to determine pension for the Group are as follows:

	2023	2022	2021
Discount rates	6.12% to 6.21%	7.12% to 7.29%	4.99% to 5.12%
Salary increase rate	5.00% to 6.50%	5.00% to 6.50%	5.00 to 7.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	Impact on retirement benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
December 31, 2023			
Discount rate	+/-1%	(22,967)	27,474
Future salary increase rate	+/-1%	27,520	(22,864)
December 31, 2022			
Discount rate	+/-1%	(9,143)	11,145
Future salary increase rate	+/-1%	11,215	(9,069)

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which change other than those assumed may be deemed to be more reasonable.

The following table shows the maturity profile of the Group's defined benefit obligation based on undiscounted benefit payments:

	2023	2022
Less than 1 year	6,773	158
More than 1 year to 5 years	13,748	5,301
More than 5 years to 10 years	321,007	11,511
More than 10 years to 15 years	35,362	333,805
More than 15 years to 20 years	72,434	23,788
More than 20 years	6,773	66,716

The average duration of the defined benefit obligation is 15 to 24 years in 2023 and 2022.

22. Income tax

	2023	2022	2021
Current	132,255	101,237	128,114
Deferred	(24,359)	90,036	(48,105)
	107,896	191,273	80,009

Registration with the Philippine Economic Zone Authority (PEZA) and Board of Investments (BOI) Incentives

LTI is a PEZA registrant as a non-pioneer “ecozone developer/operator” of Laguna Technopark Special Economic Zone and Cavite Technopark Special Economic Zone. LTI pays income tax at the special tax rate of 5% on its gross income earned from sources with the PEZA economic zone in lieu of paying all national and local income taxes. Income generated from sources outside of the PEZA economic zone shall be subject to regular internal revenue taxes.

LTI and URDC are BOI registrants in accordance with the existing Omnibus Investment Code. The projects located in Pampanga, Batangas and Laguindingan have been granted an Income Tax Holiday (ITH) for a period of four (4) years from the date of commercial operations.

The reconciliation of the statutory income tax rates to the effective income tax rates follows:

	2023	2022	2021
At statutory tax rates	25%	25%	25%
Additions to (reductions in) income taxes resulting from:			
Movements in unrecognized deferred income tax assets	6.1	10.5	0.6
Income subject to lower income tax and BOI registered-activities	(19.2)	(19.5)	(26.4)
Effect of change in tax rate	-	-	(2.8)
Nondeductible expenses	5.7	-	1.7
Provision for impairment losses	-	-	1.0
Other nontaxable income	(3.0)	-	(0.8)
At effective tax rates	14.6%	16.0%	(1.7)%

Deferred tax assets and deferred tax liabilities are offset on per entity level and the net amount is reported in consolidated statement of financial position as follows:

Deferred income tax liabilities, net

	2023	2022
Deferred income tax liabilities:		
Deferred profit on installment sales	(139,197)	(113,893)
Revaluation increment on property and equipment	(70,561)	(73,301)
Accrued rent income	(27,763)	(24,428)
Undepreciated capitalized interest	(6,466)	(6,466)
Discount on purchase price payable	(14,416)	(23,908)
Unrealized gain on valuation of FVOCI	(2,199)	(2,199)
	(260,602)	(244,195)

Deferred income tax assets, net

	2023	2022
Deferred income tax asset on:		
Lease liabilities	446,133	433,098
Allowance for impairment losses on receivables	10,571	10,571
Installment purchase of asset	-	29,518
NOLCO	37,531	21,659
Accrued expense	37,367	36,736
Remeasurement loss on retirement benefits liability	429	912
Unamortized discount on long term receivable	56,851	8,849
Others	17,156	11,709
	606,038	553,052
Deferred income tax liability on:		
Right-of-use asset	(280,651)	(285,427)
Recovery on insurance	(81,985)	(81,985)
Revaluation reserve on investment properties	(40,854)	(44,458)
Accrued rent income	(14,612)	(10,569)
Pension assets	(1,701)	(3,186)
Unrealized gain on foreign exchange	(886)	(742)
Others	(2,680)	(2,664)
	(423,369)	(429,031)
	182,669	124,021

Deferred income tax assets are recognized only to the extent that taxable income will be available against which the deferred income tax assets can be used. The Group reassesses the unrecognized deferred income tax assets on the following deductible temporary differences, NOLCO and MCIT and recognizes the previously unrecognized deferred income tax assets to the extent that it has become probable that future taxable income would allow the deferred income tax assets to be recovered.

Unrecognized deferred income tax assets are as follows:

	2023	2022
Allowance for impairment losses	54,033	83,793
NOLCO	37,064	10,669
MCIT	1,462	1,462

As at December 31, the details of the Group's NOLCO that can be claimed as deductions from future taxable income for the succeeding years are as follows:

Year incurred	Year of expiration	2023	2022
2019	2022	-	7,839
2020	2025	49,157	49,157
2021	2026	37,636	37,636
2022	2025	42,520	42,520
2023	2026	169,068	-
		298,381	137,152
Expired		-	(7,839)
		298,381	129,313
Tax rate		25%	25%
		74,595	32,328
Recognized DTA on NOLCO		37,531	21,659
Unrecognized DTA on NOLCO		37,064	10,669

23. Earnings per share

The following table presents information necessary to calculate basic earnings per share:

	2023	2022	2021
Net income attributable to equity holders of the Parent	625,222	1,006,579	784,114
Weighted average number of shares	6,252,148	6,252,148	6,252,148
Basic/diluted earnings per share	0.10	0.16	0.13

Impact of ESOWN plan is not material to the calculation of earnings per share.

24. Segment information

The Group's operating businesses are recognized and managed according to the nature of the products or services offered, with each segment representing a strategic business unit that serves different markets. The BOD is the chief operating decision maker of the Group. Segment assets and liabilities reported are those assets and liabilities included in measures that are used by the BOD.

Segment revenue, expenses and performance include transfers between business segments. The transfers are accounted for at competitive market prices charged to unaffiliated customers for similar products. Such transfers are eliminated in consolidation.

Revenue from Contracts with Customers

This account consists of:

	2023	2022	2021
Real estate sales	1,763,231	2,354,266	2,052,859
Rental	1,252,297	1,071,145	781,557
Sale of storage services	169,490	115,527	47,745
Sale of electricity	-	274,675	1,066,185
Others	325,054	392,509	348,220
	3,510,072	4,208,122	4,296,566

The Group derives revenue from the transfer of goods and services over time. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

Geographical Segments

The Group does not have geographical segments.

Business Segments

The Group's operating businesses are organized and managed separately according to the nature of services provided and the different markets served, with each segment representing a strategic business unit.

The industry segments where the Parent Company and its subsidiaries operate are as follows: (1) Holding Company; (2) Real estate and property development - commercial leasing and industrial lot sales and development; (3) Cold storage operations; (4) Retail electricity supply

The amount of segment assets and liabilities are based on measurement principles that are similar with those used in measuring assets and liabilities in the consolidated statements of financial position which is in accordance with Philippine Financial Reporting Standards (PFRSs).

Financial information about the operations of these business segments is summarized as follows:

	Holding company	Real Estate and Property Development*	Retail Electricity Supply	Cold Storage Operations	Others	Total	Elimination	Total
December 31, 2023								
Revenues	-	3,080,127		176,383	257,147	3,513,657	(3,585)	3,510,072
Cost and expenses	(25,856)	(2,247,159)	(6,893)	(105,159)	(162,049)	(2,547,116)	(1,219)	(2,548,335)
Other income (charges)	(84,632)	(123,390)	139	(17,624)	4,483	(221,024)	3,290	(217,734)
Profit (loss) before income tax	(110,488)	709,578	(6,754)	53,600	99,581	745,517	(1,514)	744,003
Income tax expense (benefit)	(15,864)	91,851	-	7,386	24,523	107,896	-	107,896
Net income	(94,624)	617,727	(6,754)	46,214	75,058	637,621	(1,514)	636,107
Segment assets	16,101,912	25,228,193	310,722	2,499,829	2,125,137	46,265,793	(17,643,664)	28,622,129
Segment liabilities	4,309,876	10,700,360	851,291	1,443,323	696,262	18,001,112	(3,286,192)	14,714,920
December 31, 2022								
Revenues	-	3,816,561	274,675	120,471	-	4,211,707	(3,585)	4,208,122
Cost and expenses	(9,152)	(2,461,151)	(260,455)	(84,024)	(1,742)	(2,816,524)	(1,219)	(2,817,743)
Other income (charges)	(36,345)	(149,660)	(8,672)	(4,604)	3,738	(195,543)	3,318	(192,225)
Profit (loss) before income tax	(45,497)	1,205,750	5,548	31,843	1,996	1,199,640	(1,486)	1,198,154
Income tax expense (benefit)	(40)	185,154	263	5,338	558	191,273	-	191,273
Net income	(45,457)	1,020,596	5,285	26,505	1,438	1,008,367	(1,486)	1,006,881
Segment assets	15,393,551	24,165,943	310,722	1,175,192	2,121,958	43,167,366	(17,525,863)	25,641,503
Segment liabilities	3,726,557	9,858,413	851,291	283,462	769,849	15,489,572	(3,070,041)	12,419,531
December 31, 2021								
Revenues	-	3,184,599	1,066,185	49,378	-	4,300,162	(3,596)	4,296,566
Cost and expenses	(10,015)	(2,229,708)	(1,039,968)	(34,561)	(36,094)	(3,350,346)	(1,219)	(3,351,565)
Other income (charges)	407,491	(35,559)	(2,849)	-	2,546	371,629	(456,655)	(85,026)
Profit (loss) before income tax	397,476	919,332	23,368	14,817	(33,548)	1,321,445	(461,470)	859,975
Income tax expense (benefit)	(28,372)	101,877	3,838	2,431	235	80,009	-	80,009
Net income	425,848	817,455	19,530	12,386	(33,783)	1,241,436	(461,470)	779,966
Segment assets	14,959,614	19,275,847	520,771	684,857	1,229,584	36,670,673	(16,285,337)	20,385,336
Segment liabilities	3,256,851	6,738,061	476,893	355,525	474,025	11,301,355	(2,883,664)	8,417,691

*includes lot sales and rental revenue amounting to P1,763.23 million and P1,252.30 million, respectively (2022 - P2,354.27 million and P1,071.14 million, respectively; 2021 - P2,052.86 million and P781.56 million, respectively)

25. Leases

Group as Lessee

The Parent Company and its subsidiaries entered in the various long-term contracts for land used in its operations. Renewable lease contracts are subject to the mutual agreement of the parties and to compliance with the terms and conditions of the lease agreement.

TPI

In 1990, TPI, through a Deed of Assignment, entered into a lease contract for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental, 12% escalation rate every two (2) years, additional P10 million every two (2) years, plus 2% of gross revenues. The lease covers a period of twenty-five (25) years until 2014 and is automatically renewable for another twenty-five (25) years. In 2009, TPI renewed its lease contract for another twenty-five (25) years beginning September 5, 2014 until 2039.

LTI

In 2017, LTI entered into separate lease contract with ALI, Alveo Land, Corp. (Alveo) and Nuevocentro, Inc. (Nuevo) related parties, to lease parcels of land primarily for the construction, development and operation of Standard Factory Buildings (SFBs). The lease contract provided for a payment of a guaranteed minimum monthly rental with a 10% escalation rate every five (5) years. The lease contract with ALI and Alveo covers a period of twenty-five (25) years until December 31, 2041 and are renewable while the lease contract with Nuevo covers a period of thirty (30) years until October 31, 2047 and is renewable for another ten (10) years.

In 2019, LTI entered another lease contract with Nuevo still for the construction, development and operation of SFBs. The contract provided for a payment of a guaranteed minimum monthly rental with a 10% escalation rate every five (5) years. The lease covers a period of twenty-nine (29) years until October 31, 2047 and is renewable for another ten (10) years.

Parent Company

In 2020, the Parent Company entered into a Contract of Lease with ALI Commercial Center, Inc., a related party, to lease a building space located primarily for administrative use of the Parent Company. The contract provided for a payment of a guaranteed fixed monthly rental. The lease covers period covers from July 1, 2020 to December 31, 2023. The Parent Company extended the lease contract until end of 2024.

Set out below are the carrying amounts of right-of-use assets recognized and the movements as of and for the year December 31:

	Note	2023	2022
Beginning of year		1,135,820	1,200,703
Depreciation expense	19	(69,771)	(64,883)
End of year		1,066,049	1,135,820

Set out below are the carrying amounts of lease liabilities and the movements as of and for the year December 31:

	2023	2022
Beginning of year	1,732,553	1,770,581
Accretion of interest	148,740	150,160
Payments	(156,314)	(188,188)
End of year	1,724,979	1,732,553
Less: Current portion	(155,981)	(597,711)
Non-current portion	1,568,998	1,134,842

As of December 31, the maturity analysis of undiscounted lease payments follows:

	2023	2022
Within one (1) year	178,823	502,708
One (1) year to five (5) years	909,207	1,577,694
More than five (5) years	2,176,448	2,030,869
	3,264,478	4,111,271

As of December 31, the following are the amounts recognized in profit or loss:

	Note	2023	2022	2021
Depreciation expense for right-of- use assets	18	69,771	64,883	66,669
Accretion of interest on lease liabilities		148,740	150,160	151,409
Variable lease payments	18	12,718	8,496	5,359
		231,229	223,539	223,437

Group as a Lessor (Operating leases)

The Group has entered into commercial property leases on its buildings. These leases have remaining terms of one (1) year to less than five (5) years except for one (1) tenant with lease term of fifteen (15) years. Renewals are subject to the mutual consent of the lessor and the lessee.

Tenants are required to post security deposits, which shall be refunded, without interest, within sixty (60) days after the expiration of the lease period, deducting the amount of damages to the leased premises, if any. The discounted amount of noncurrent security deposits amounted to P265.92 million in 2023 (2022 - 149.32 million) (Note 14).

Accretion of interest amounted to P0.35 million in 2023 (2022 - P0.35 million; 2021 – nil).

The net present value of the Group's security deposits was determined using discount rates ranging from 1.65% to 4.82% as of December 31, 2023 and 2022.

The total other revenues of the Group for the year ended December 31, 2023 amounting to P325.05 million (2022 – P392.51 million; 2021 – P348.22 million) includes gross CUSA and air-conditioning charges amounting to P292.95 million (2022 - P334.46 million; 2021 - P299.96 million).

The Group recognized deferred rent income amounting to P5.79 million as of December 31, 2023 (2022 - P12.77 million), of which the current portion amounted to P0.90 million (2022 - P6.70 million), and noncurrent portion amounted P4.89 million (2022 - P6.07 million).

As of December 31, future minimum rentals receivable under non-cancellable operating leases of the Group follows (amounts in thousands):

	2023	2022
Less than one (1) year	709,827	502,708
One (1) year to five (5) years	3,686,481	1,577,694
More than five (5) years	4,069,220	2,030,869
	8,465,528	4,111,271

26. Provisions and Contingencies

The Group, in the ordinary course of business, is involved in various legal proceedings and assessments that are either pending decision by the courts or under on-going discussions. Management and its legal counsels believe that the eventual outcome of these lawsuits or claims will not have a material effect on the consolidated financial statements. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

The roll forward of the provisions follows:

	Note	2023	2022
Beginning of year		35,057	29,057
Provisions		-	6,000
Settlements		(3,000)	-
End of year	12	32,057	35,057

The information normally required under PAS 37, Provisions, Contingent Liabilities and Contingent Assets, is not disclosed as it may prejudice the outcome of the proceedings.

27. Share-based payments

In 2015, the Group introduced the ESOWN Plan (the Plan) wherein grantees (employees within ALLHC Group) may subscribe in whole or in part to the shares awarded to them based on a discounted market price, but in no case lower than the par value, that was determined at grant date. The grantees will pay for the shares subscribed through installments over a maximum period of ten (10) years.

In 2021, the Group transferred P3.46 million from equity reserve to additional paid-in capital following the ESOWN subscription.

28. Financial instruments

Fair Value Information

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and liabilities recognized as of December 31:

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at FVPL	4,798	4,798	4,616	4,616
Financial assets at FVOCI				
Quoted equity securities	85,387	85,387	51,567	51,567
Quoted debt securities	41,227	41,227	72,591	72,591
Refundable deposits	46,536	46,536	72,283	72,283
Receivables, net of current portion	3,329,629	3,329,629	2,193,044	2,605,153
	3,507,577	3,507,577	2,394,101	2,806,210
Other financial liabilities				
Rental and other deposits	876,819	876,819	782,103	761,061
Long-term debt	2,465,064	2,465,064	2,463,160	1,931,820
Subscription payable	481,675	481,675	481,675	481,675
	3,823,558	3,823,558	3,726,938	3,174,556

The following method and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values at December 31, 2023 and 2022 are set out below:

Cash and Cash Equivalents

The carrying amount of cash and cash equivalents approximates its fair values due to the short-term maturity of this financial instrument.

Receivables, current, Accounts Payable and Accrued Expenses and Amounts owed to and by Related Parties

The carrying amounts of the current portion of receivables, accounts payable and accrued expenses and amounts owed by related parties approximate their fair values due to their short-term nature.

Refundable Deposits under Other noncurrent assets and Rental and Other Deposits

The carrying amounts of current portion of rental and other deposits approximates its fair value due to the short-term maturity of this financial instrument. The fair values of noncurrent security deposit recorded under 'Rental and other deposits' and refundable deposits recorded under 'Other noncurrent assets' are determined by discounting future cash flows using the applicable rates of similar types of instruments.

Long term debt

The fair values of long-term debt are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates and current yield rates for similar borrowings with maturities consistent with those of the liabilities being valued. The discount rates used ranged from 1.02% to 5.09%.

Financial Assets at FVOCI

Except for Investment in Cyber Bay equity securities, equity financial assets that are listed are based on their quoted prices published in markets as at December 31, 2023 and 2022. Debt financial assets that are quoted are based on published market prices as at December 31, 2023 and 2022. The fair value of investment in Cyber Bay equity securities is based on the investee's underlying Net Asset Value ("NAV") as of December 31, 2023.

Financial Assets at FVPL

Listed equity securities designated as financial assets at FVPL are based on their quoted prices as at December 31, 2023 and 2022. The fair value of the UITF has been determined based on the net asset values as of reporting date, based on the nature and level of adjustments needed to be made to the NAV and the level of trading in the money market UITF.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Quoted FVOCI financial assets amounting to P126.63 million as of December 31, 2023 (2022 - P124.16 million), were classified under Level 1.

FVPL amounting to P4.80 million as of December 31, 2023 (2022 - P4.62 million) were classified under Level 1 (Note 6).

The fair value disclosure of receivables, long-term debt, rental and other deposits and refundable deposits as of December 31, 2023, and 2022, were classified under Level 3.

There have been no reclassifications from Level 1 to Level 2 categories in 2023 and 2022.

Financial Risk Management Objectives, Policies and Capital Management

The Group has various financial instruments such as cash and cash equivalents, receivables, amounts owed by/to related parties, financial assets at FVOCI, FVPL investments, deposits under other noncurrent assets, accounts payable and accrued expenses, rental and other deposits, long term debt and subscriptions payable. The main purpose of these financial instruments is to raise funds and maintain continuity of funding and financial flexibility for the Group. The Group has other financial liabilities such as accounts payable and accrued expenses and rental and other deposits, which arise directly from its operations.

The main risks from the use of financial instruments are liquidity risk, credit risk and equity price risk.

The Group's BOD reviews and approves policies for managing these risks as summarized below.

Liquidity Risk

Liquidity risk arises when there is a shortage of funds and the Group as a consequence could not meet its maturing obligations.

In the management of liquidity, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The tables below summarize the maturity profile of the Group's financial liabilities as at December 31, based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 6 months	6 to 12 months	Over 1 Year	Total
December 31, 2023						
Accounts payable and accrued expenses	1,162,694	57,098	2,400	-	-	1,222,192
Lease liabilities	-	-	-	-	3,264,478	3,264,478
Subscription payable	481,675	-	-	-	-	481,675
Rental and other deposits	442,187	-	-	-	434,632	876,819
Nontrade payable – noncurrent	-	-	-	-	853,533	853,533
Long-term debt and interest payable	10,243	36,199	36,185	74,263	3,333,159	3,490,049
Amounts owed to related parties	6,434,862	-	-	-	-	6,434,862
	8,531,661	93,297	38,585	74,263	7,885,802	16,623,608
December 31, 2022						
Accounts payable and accrued expenses	1,524,664	123,350	28,585	-	-	1,676,599
Lease liabilities	-	-	-	597,711	1,134,842	1,732,553
Subscription payable	481,675	-	-	-	-	481,675
Rental and other deposits	407,458	20,544	9,804	45,955	298,342	782,103
Nontrade payable - noncurrent	-	-	-	-	1,072,951	1,072,951
Long-term debt and interest payable	6,338	18,968	19,179	38,778	2,951,616	3,034,879
Amounts owed to related parties	3,675,169	-	-	-	-	3,675,169
	6,095,304	162,862	57,568	682,444	5,457,751	12,455,929

Equity Price Risk

The Group is exposed to equity securities price risk arising from the Group's financial asset measured at FVOCI in the consolidated statements of financial position. Components of equity would increase or decrease as a result of gains or losses on such equity securities classified as financial asset measured at FVOCI. Management, however, does not foresee exposure to price risk on its financial assets at FVOCI to be significant.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group's maximum exposure to credit risk as of December 31, is equal to the carrying values of its financial assets, except for "Trade debtors" under "Receivables" in the statements of financial position. The details follow:

	Gross maximum exposure	Fair value effect of collateral credit enhancement	Net exposure	Financial effect of collateral or credit enhancement
<u>December 31, 2023</u>				
Cash in banks and equivalents	224,830	-	224,830	-
Trade debtors				
Land sales	3,790,239	3,790,239	-	3,790,239
Retail electricity	-	-	-	-
Receivables from tenants	734,055	-	634,659	-
Nontrade receivables	37,432	-	37,432	-
Others	380,564	-	380,564	-
Financial assets at FVOCI - quoted debt securities	126,614	-	126,614	-
	<u>5,293,734</u>	<u>3,790,239</u>	<u>1,404,099</u>	<u>3,790,239</u>
<u>December 31, 2022</u>				
Cash in banks and equivalents	450,330	12,254	438,076	12,254
Trade debtors				
Land sales	3,239,104	3,651,213	-	3,239,104
Retail electricity	21,333	128,493	-	21,333
Receivables from tenants	494,246	213,878	280,368	213,878
Nontrade receivables	92,758	-	92,758	-
Others	384,704	-	384,704	-
Financial assets at FVOCI - quoted debt securities	124,158	-	124,158	-
	<u>4,806,633</u>	<u>4,005,838</u>	<u>1,320,064</u>	<u>3,486,569</u>

Trade debtors - real estate receivables

For real estate receivables, exposure to credit risk is not significant given that title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Applying the expected credit risk model did not result in the recognition of an impairment loss for real estate receivables in 2023 and 2022.

Trade debtors - retail electricity

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss pattern. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Applying the expected credit risk model did not result in the recognition of an impairment loss for trade debtors-retail electricity in 2023 and 2022.

Trade debtors - receivable from tenants

Credit risk arising from receivables from tenants of leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. The security deposits are considered in the calculation of impairment as recoveries. For existing tenants, the Group has put in place a monitoring and follow-up system. These are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken for further assessment of paying capacity.

Set out below is the information about the credit risk exposure of the Group's trade debtors - receivables from tenants using a provision matrix excluding rental accruals:

	Current	More than 30 days	More than 60 days	More than 90 days	Total
<i>2023</i>					
Expected credit loss rate	1.85%	7.54%	15.28%	38.85%	28.42%
Total gross carrying amount	97,220	76,504	37,391	447,682	658,797
Expected credit losses	1,799	5,769	5,713	173,924	187,205
<i>2022</i>					
Expected credit loss rate	1.50%	14.59%	30.56%	17.44%	14.54%
Total gross carrying amount	118,624	47,772	34,427	342,029	542,852
Expected credit losses	1,774	6,969	10,522	59,666	78,931

Generally, "Trade debtors" under "Receivables" receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Cash in banks and cash equivalents

Cash in banks and cash equivalents are still subject to credit risk but impairment is deemed insignificant. Credit risk from balances with banks and financial institutions and related parties is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Financial assets at FVOCI - quoted debt securities

The Group's debt instruments at fair value through OCI comprise solely of government securities. The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure expected credit losses (ECLs) on such instruments on a 12-month basis. Applying the expected credit risk model did not result in the recognition of an impairment loss in 2023 and 2022.

Insurance receivables, non-trade and other receivables

Credit risk exposure in respect of all other counterparties is managed by setting standard business terms that are required to be met by all counterparties. An impairment analysis is performed at each reporting date to consider when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. These receivables are written off when there is no reasonable expectation of recovering the contractual cash flows. There were no impairment losses recognized in 2023 and 2022 applying the expected credit risk model. Total write offs amounted to P0.87 million in 2023 (2022 - P22.74 million) (Note 3).

29. Notes to Statements of Cash Flows

Changes in the Group's liabilities arising from financing activities follow:

	Beginning of year	Cash flows	Non-cash changes	End of year
December 31, 2023				
Amounts owed to related parties	3,675,169	2,395,793	363,900	6,434,862
Long-term debt	2,463,160	-	1,904	2,465,064
Lease liabilities	1,732,553	(156,314)	148,740	1,724,979
Total liabilities from financing activities	7,870,882	2,239,479	514,544	10,624,905
December 31, 2022				
Amounts owed to related parties	1,594,424	1,668,002	412,743	3,675,169
Long-term debt	1,965,297	496,250	1,613	2,463,160
Lease liabilities	1,770,581	(188,188)	150,160	1,732,553
Total liabilities from financing activities	5,330,302	1,976,064	564,516	7,870,882
December 31, 2021				
Amounts owed to related parties	2,674,433	(1,107,038)	27,029	1,594,424
Long-term debt	-	1,965,150	147	1,965,297
Lease liabilities	1,751,372	(132,200)	151,409	1,770,581
Total liabilities from financing activities	4,425,805	725,912	178,585	5,330,302

In 2023, significant non-cash transactions of the Group pertain to:

- The Group realized revaluation increment through depreciation and transferred to retained earnings amounting to P7.03 million (Note 9).
- The Group has unpaid investment property amounting to P1,138.04 million (Note 9).
- The Group recognized day 1 loss on long term receivables amounting to P257.20 million (Note 3).

In 2022, significant non-cash transactions of the Group pertain to:

- The Group realized revaluation increment through depreciation and transferred to retained earnings amounting to P7.03 million (Note 9).
- The Group recognized day 1 loss on long term nontrade payables amounting to P105.49 million (Note 12).
- The Group has unpaid investment property and property and equipment amounting to P1,228.77 million and P68.00 million, respectively (Note 10).
- The Group recognized day 1 loss on long term receivables amounting to P191.83 million (Note 3).

30. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS requires the Group to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses and disclosures, at the end of the reporting period. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcome can differ from these estimates.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The renewal periods for leases of land with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term since it is reasonably certain that the Group will exercise the option to renew or not exercise the option to terminate. Renewal or termination of lease is subject to mutual agreement with the lessors.

Classification of joint venture

The Group's investment in joint venture is structured in separate incorporated entity. The respective joint arrangement agreement requires unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the party to the agreement only have the rights to the net assets of the joint venture through the terms of contractual arrangements.

Assessing operating lease commitments - Group as lessor

The Group has entered into commercial property leases on its investment properties portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out under operating lease arrangements.

Assessing realizability of deferred income tax assets

The Group reviews the carrying amounts of deferred income tax assets at each end of the reporting period and reduces it to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Judgments and estimation are required to determine the amount of deferred income tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies. However, there is no assurance that the Group will generate sufficient future taxable profits to allow all or part of its deferred income tax assets to be utilized.

The temporary differences, NOLCO and MCIT for which no deferred income tax assets were recognized, as the management has assessed that it is not probable that sufficient future taxable income will be available for which the benefit of the deferred income tax assets can be utilized, are disclosed in Note 22.

Estimates and assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes in circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of—use asset in a similar economic environment.

The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provision for expected credit losses of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables except for receivables from real estate. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as Gross Domestic Product growth rate and inflation rate. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for real estate receivable. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (gross domestic product and inflation rate) and ECLs is also significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Notes 5 and 28.

Estimating useful lives of depreciable investment properties and property and equipment

The estimated useful lives used as bases for depreciating and amortizing the Group's investment properties and property and equipment were determined on the basis of management's assessment of the period within which the benefits of these asset items are expected to be realized taking into account actual historical information on the use of such assets as well as industry standards and averages applicable to the Group's assets. The Group estimates the useful lives of its investment properties and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of investment properties and property and equipment are reviewed, at least, annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of these assets increases depreciation and amortization and decreases the carrying value of investment properties and property and equipment.

Information on the estimated useful life of investment properties and property and equipment is included in Note 38.

Determining retirement benefits liability

The cost of defined retirement obligation as well as the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future retirement increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligation are highly sensitive to changes in these assumptions. The assumptions are reviewed at each end of the reporting period.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Further details about the assumptions used are provided in Note 23.

Assessing and estimating contingencies and provisions

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. There were no provision for probable losses in 2023 (2022 - P 6 million provision; (2021 - P5.14 million reversal of provision) (Note 26).

31. Summary of material accounting policies

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Debt and equity financial assets measured at fair value
- Certain financial instruments and lease liabilities carried at amortized cost
- Investments in joint ventures in which equity method of accounting is applied;
- Retirement benefit obligation measured at the present value of the defined benefit obligation net of the fair value of the plan assets.

The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional currency. All amounts are rounded off to the nearest thousand, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with PFRSs, as modified by the application of the financial reporting relief on the accounting for significant financing components as issued and approved by the SEC in response to the COVID-19 pandemic.

The Group has availed of the relief granted by the SEC under Memorandum Circular No. 34- 2020 which further extended the deferral of Philippine Interpretations Committee (PIC) Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the Adoption of New and Amended Accounting Standards and Interpretations section of Note 32.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the PIC.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, 2022 and 2021.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the group ceases control over a subsidiary.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a. power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- b. exposure, or rights, to variable returns from its involvement with the investee; and
- c. the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a. the contractual arrangement with the other vote holders of the investee;
- b. rights arising from other contractual arrangements; and
- c. the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are prepared for the same accounting period as the Parent Company using uniform accounting policies. All significant intercompany transactions and balances between and among the Group, including intercompany profits and unrealized profits, are eliminated in the consolidation.

Non-controlling interests represent the portion of profit or loss and net assets in the subsidiaries not held by the Group and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the equity holders of the parent.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity as “Equity reserve” and attributed to the owners of the Parent Company.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while the resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

32. Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

Amendments to PAS 8 - Definition of Accounting Estimates

The amendment to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Amendments to PAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. Following the amendments to PAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in PAS 12.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

Amendments to PAS 1 Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in PAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in PAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments are effective for annual periods January 1, 2023 which shall be applied retrospectively.

Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, Classification of Liabilities as Current or Non-current
- Amendments to PAS 1, Liabilities with debt covenants

33. Financial Instruments

Financial assets

The Company classifies its financial assets in the following categories: (a) financial assets at amortized cost, (b) fair value through profit or loss and (c) fair value through other comprehensive income (OCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Company's financial assets at amortized cost category comprise of cash and cash equivalents (Note 2), receivables (Note 3) and amounts owned to related parties (Note 14) refundable deposits under other current assets (Note 7).

For financial asset at fair value through OCI, the Company had designated listed equity securities and quoted debt securities as not held for trading where management consider these investments to be strategic in nature.

For financial asset at fair value through profit or loss (FVPL), the Company had designated equity investment as held for trading financial asset where management intended to hold them for the medium to long-term. The Company's financial asset at FVPL consist of investment in redeemable preferred shares and UITF (Note 6).

Impairment of financial assets

The Group recognizes an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from other credit enhancements (e.g., lessee's deposit) that are integral to the contractual terms.

For trade receivables except real estate receivable, the Group applies a simplified approach in calculating ECLs. The Group does not track changes in credit risk, instead, recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Vintage approach accounts for expected credit losses by calculating the cumulative loss rates of a given real estate receivable pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability of default model.

It allows the evaluation of the loan activity from its origination period until the end of the contract period. In addition to primary drivers like macroeconomic indicators of qualitative factors such as, but not limited to, forward-looking data on inflation rate was added to the expected loss calculation to reach a forecast supported by both quantitative and qualitative data points.

The probability of default is applied to the estimate of the loss arising on default which is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the repossession of the subject real estate property, net of cash outflows. For purposes of calculating loss given default, accounts are segmented based on the type of facility. In calculating the recovery rates, the Group considered collections of cash and/or cash from resale of real estate properties after foreclosure, net of direct costs of obtaining and selling the real estate properties after the default event such as commission and refurbishment. As these are future cash flows, these are discounted back to the time of default using the appropriate effective interest rate, usually being the original effective interest rate (EIR) or an approximation thereof.

The Group considers a financial asset in default generally when contractual payments are 30 days past due for commercial leasing and 90 days past due for real estate and property development or when sales are cancelled supported by a notarized cancellation letter executed by the Group and customer. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For other financial assets such as nontrade receivables, insurance receivables, amounts owed by related parties, refundable deposits and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12—months (a 12—month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk (i.e., no longer low credit risk). The probability of default and loss given defaults are publicly available and are used by the Group to estimate ECLs. It is the Group's policy to measure ECLs on such instruments on a 12- month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group's debt instruments at fair value through OCI comprise solely of government securities. The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Financial liabilities

The Group classifies its financial liabilities in the following categories: (a) financial liabilities at fair value through profit or loss (FVPL); and (b) financial liabilities at amortized cost. Financial liabilities at fair value through profit or loss is composed of two sub-categories: financial liabilities classified as held for trading and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition.

Management determines the classification of its financial liabilities at initial recognition.

The Group has not designated any financial liability as at fair value through profit or loss.

The Group's financial liabilities at amortized cost consist of accounts payables and accrued expenses (Note 12), amounts owned to related parties (Note 16), long-term debt (Note 13), and rental and other deposits (Note 14).

34. Fair Value Measurement

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used is the current bid price. These instruments are included in Level 1.

35. Real Estate Held for Sale and Development

Real estate held for sale and development is carried at the lower of cost and Net Realizable Value (NRV). NRV is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost includes acquisition cost of the land plus development and improvement costs.

36. Investments in Joint Ventures

Investments in joint ventures are accounted under the equity method of accounting.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairments in values. The consolidated statement of income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

37. Investment Properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Land is stated at cost less any impairment in value.

Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the investment properties as follows:

	Useful life in years
Land improvements	30
Buildings and improvements	7-40
Machineries and equipment	9-25

Leasehold improvements are amortized on a straight-line basis over the estimated useful lives or the term of the lease, whichever is shorter.

38. Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation, amortization and any impairment in value.

Depreciation and amortization of property and equipment are calculated on a straight-line basis over the estimated useful life of the property and equipment as follows:

	Useful life in years
Leasehold improvements	3-5
Buildings	30
Machinery and equipment	5-10
Transportation equipment	5
Furniture, fixtures and equipment	3-5

Leasehold improvements are amortized on a straight-line basis over three (3) to five (5) years or the term of the lease, whichever is shorter.

39. Combinations of Entities Under Common Control

Combinations of entities under common control are accounted for using the pooling of interest method. The pooling of interest method is generally considered to involve the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts as of date of acquisition. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments that are made are those adjustments to harmonize accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is reflected within equity.

40. Revenue Recognition

Revenue from Contract with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, electricity, air- conditioning and common use service area in its mall retail spaces, wherein it is acting as agent.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 30.

(v) Real estate sales

The Group derives its real estate revenue from sale of industrial lots. Revenue from sale of industrial lots are recognized over time during the development period (or percentage of completion) since based on the terms and conditions of its contract with the customers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue based on direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date.

This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability are recognized in the year in which the changes are determined.

(ii) Rental and rent concessions

Rental income arising from operating leases on investment properties is accounted for on a straight- line basis over the lease terms.

Rental concessions are treated as reductions to the rental income granted to lessees and accounted for as variable rent.

(iii) Cold Storage Revenue

The Group recognizes revenue from cold storage services over time using the output method as the customer receives and consumes the benefit from the performance of the related storage service. As a practical expedient allowed under PFRS 15, the Group recognizes revenue in the amount to which the Group has a right to invoice since the Group bills a fixed and variable amount every month.

(iv) Sale of Electricity Revenue

The Group recognizes revenue from electricity services over time using the output method as the customer receives and consumes the benefit from the performance of the related utility service. As a practical expedient allowed under PFRS 15, the Group recognizes revenue in the amount to which the Group has a right to invoice since the Group bills a fixed amount for every kilowatt hour of electricity delivered. Electricity is billed every month according to the billing cycles of the customer.

(v) Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as financial assets at FVOCI and AFS financial assets, interest income is recorded using the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(vi) Dividend Income

Dividend income is recognized when the Group's right to receive the payment is established.

41. Income Tax

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishing provisions where appropriate on the basis of amounts to be paid to tax authorities.

Deferred tax

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

42. Retirement Benefits Costs

The Group has a funded, non-contributory defined benefit retirement plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as retirement benefits costs under "Personnel expenses" in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as "Interest income (expense)" in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

43. Leases (Group as a lessee)

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the Incremental Borrowing Rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

AyalaLand Logistics Holdings Corp.

Index to the Supplementary Schedules

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex C: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

AyalaLand Logistics Holdings Corp.

Reconciliation of Retained Earnings Available for Dividend Declaration

For the year ended December 31, 2023

Unappropriated Retained Earnings, beginning of the year	723,297,391
Add: Category A: Items that are directly credited to Unappropriated retained earnings	
Reversal of Retained earnings appropriation/s	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
<hr/>	
Less: Category B: Items that are directly debited to Unappropriated retained earnings	
Dividend declaration during the reporting period	-
Retained earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
<hr/>	
Unappropriated Retained Earnings, as adjusted	-
Add/Less: Net Income for the current year	105,020,888
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Unrealized fair value gain of investment property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
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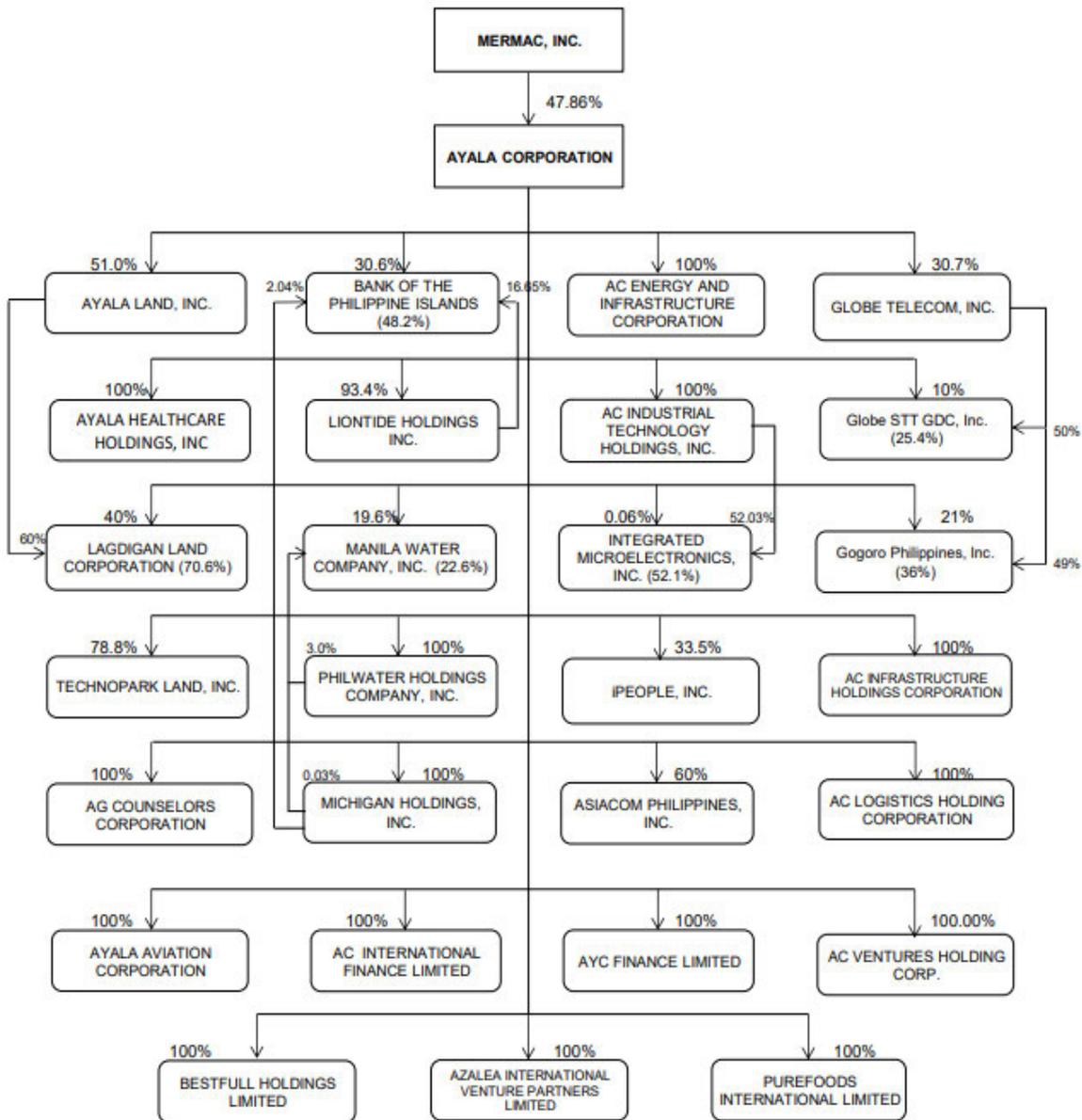
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	-	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	-
Adjusted net income		105,020,888
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-

(continued)

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others (describe nature)	-	-
Total Retained Earnings, end of the year available for dividend declaration		828,318,279

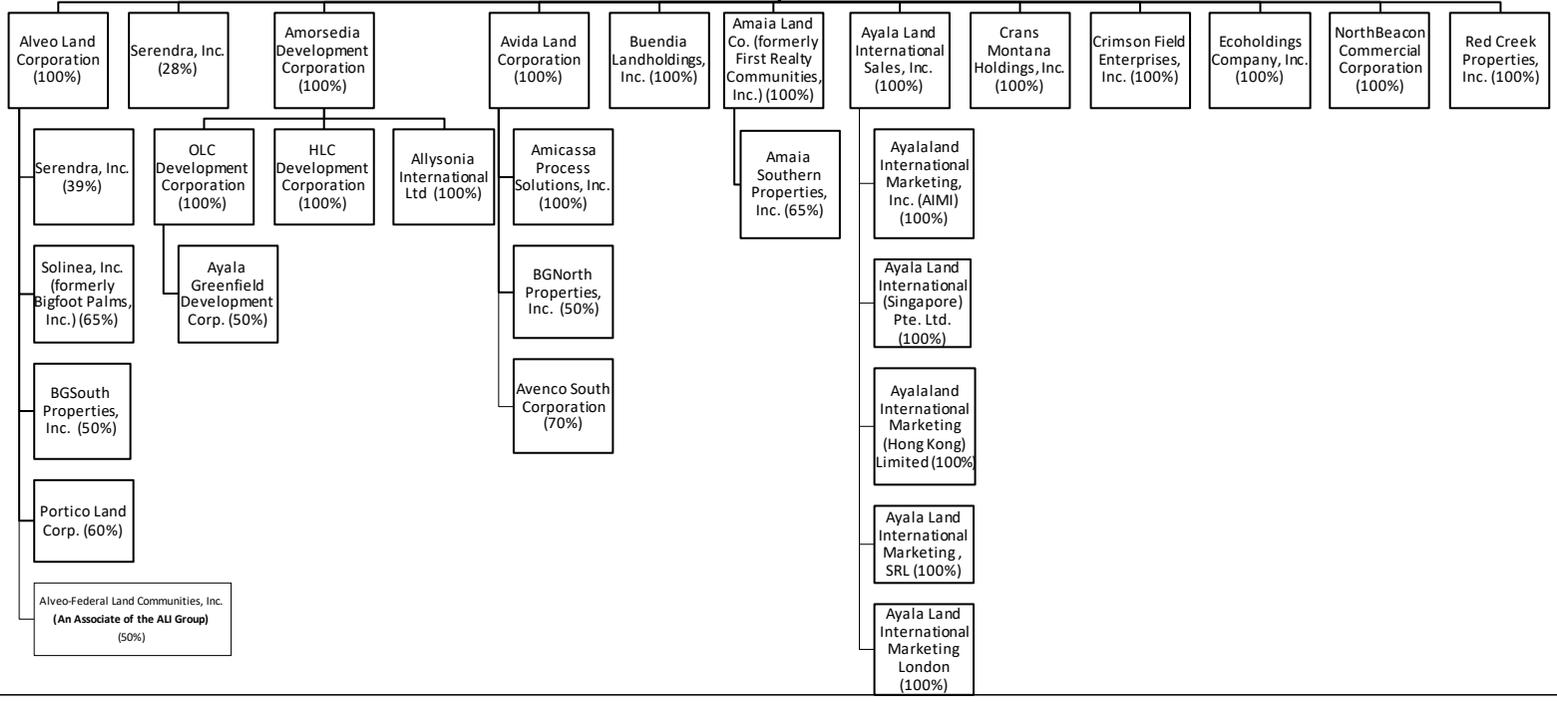
AyalaLand Logistics Holdings Corp.

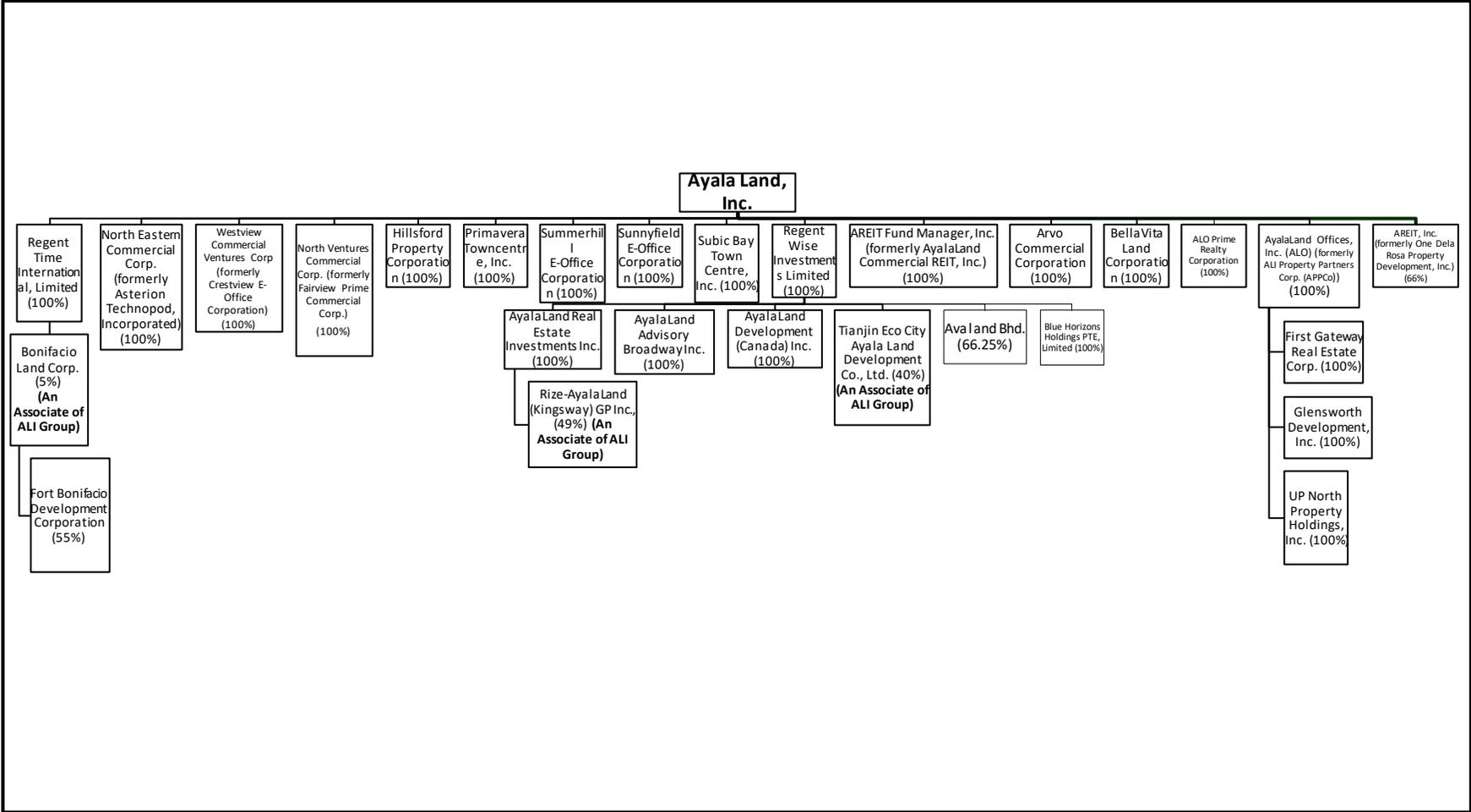
Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered as of December 31, 2023

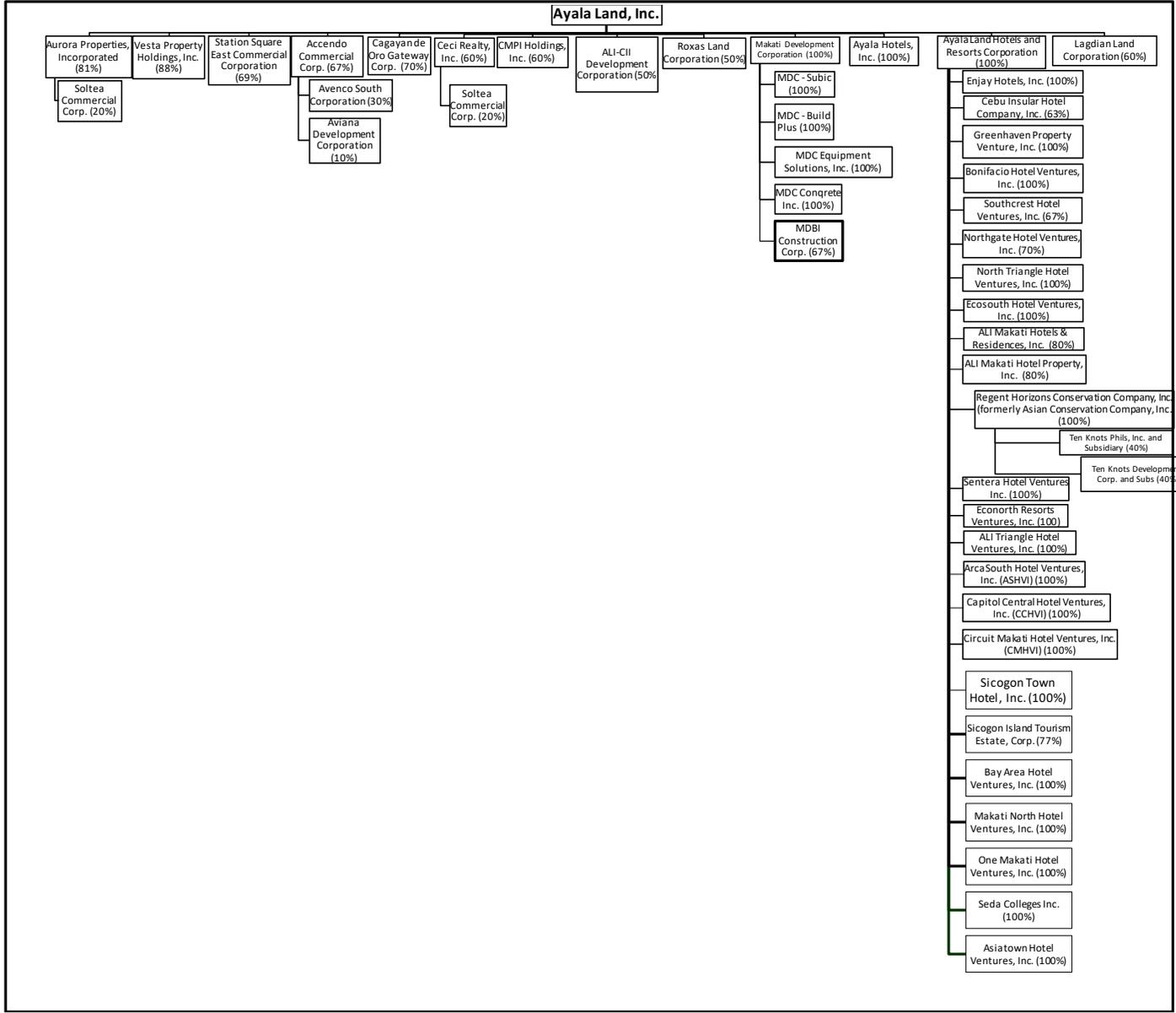


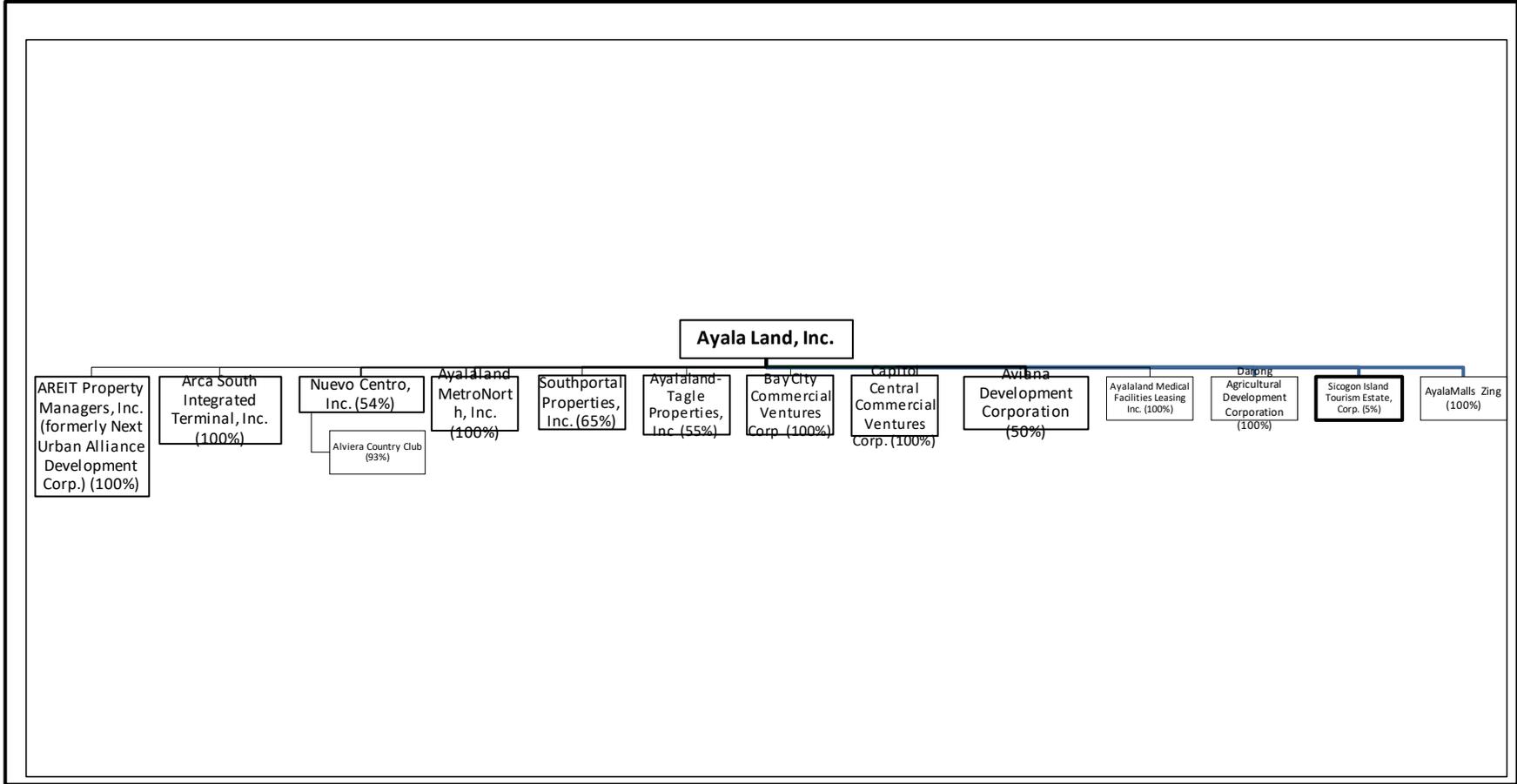
Subsidiaries

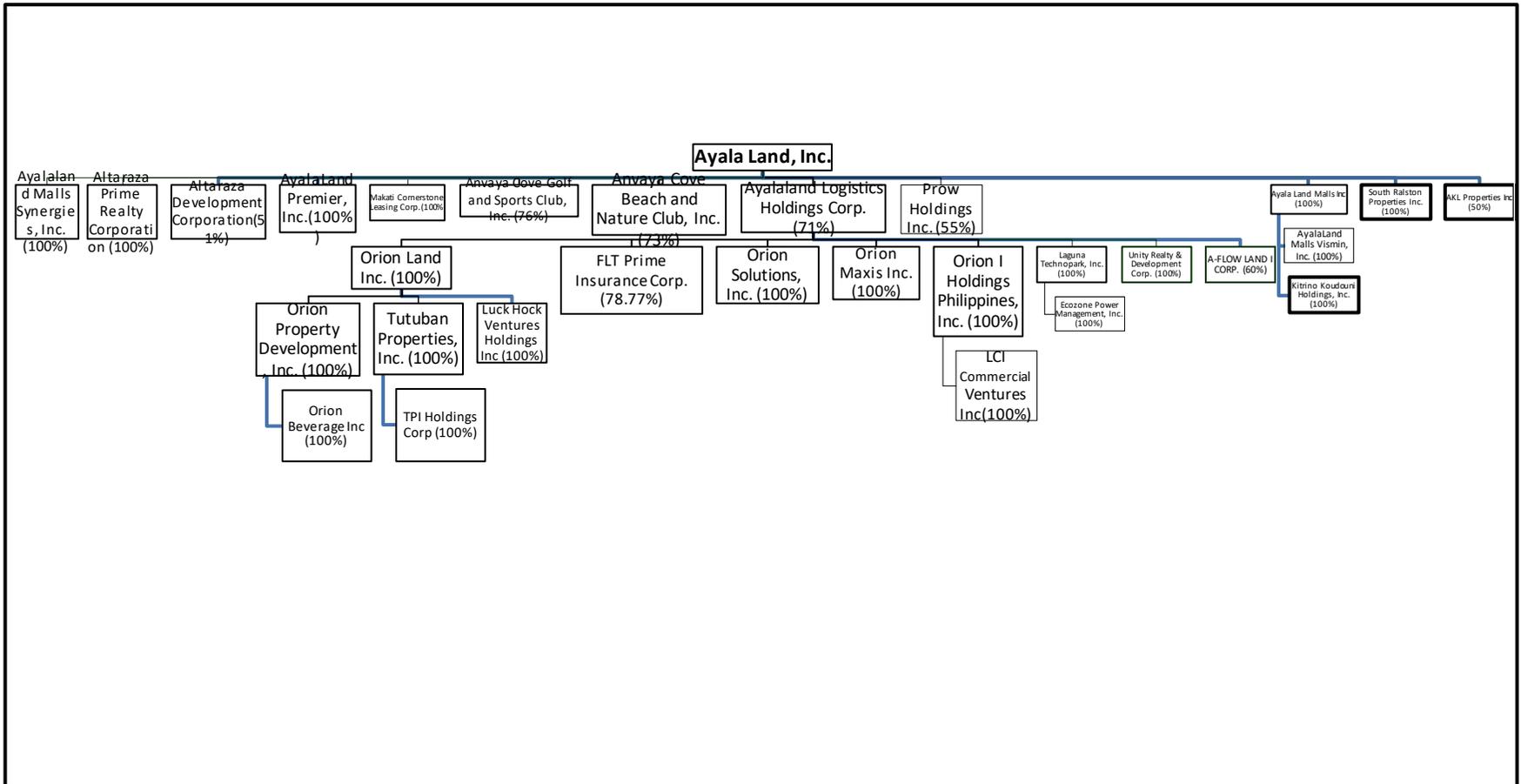
Ayala Land, Inc.











**Supplementary Schedules required by Annex 68-J
AyalaLand Logistics Holdings Corp. and Subsidiaries**

Schedule A - Financial Assets

As at December 31, 2023

Amounts In Thousands (Except For Number Of Shares)

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amounts of Bonds and Notes	Amount shown in the Statement of Financial Position	Income Received and Accrued
A. CASH IN BANK AND CASH EQUIVALENTS			
SAVINGS/CURRENT ACCOUNT (PESO)			
BDO Unibank, Inc.		7,368	6
Bank of the Philippine Islands		159,562	934
Development Bank of the Philippines		-	-
Metropolitan Bank and Trust Company		165	-
Rizal Commercial Banking Corp.		5,391	-
United Coconut Planters Bank		13,661	-
Sub-total		186,127	940
SAVINGS/CURRENT ACCOUNT (FCDU)			
Bank of the Philippine Islands		16,612	-
BDO Unibank, Inc.		51	-
		16,663	-
		202,790	940
B. SHORT TERM INVESTMENTS			
Security Bank Philippines		11,616	-
		11,616	-
C. INVESTMENT IN BONDS AND OTHER SECURITIES			
Available for sale investments:			
<i>Listed equity securities</i>			
Asia United Bank	50	2	-
Philippine Long Distance Telephone Company	500	90	-
Top Frontier Holdings, Inc.	4,200	536	-
Philippine Central Depository, Inc.	5,000	500	-
Sta. Elena Golf Club-A	3	45,000	-
Alviera Country Club (Class C)	1	950	-
Alabang Country Club	1	6,400	-
Zeus Holdings, Inc.	1,175,600	8,776	-
MERALCO	59,837	18,934	-
PLDT	419,688	4,199	-
	1,664,880	85,387	-
<i>Quoted debt securities</i>			
Ayala Corporation	5,000	4,155	-
AMALGAMATED-RTB 10-04	-	-	122
CHINABANK- RTB 10-04	-	-	244
FIRST METRO 20-17	-	15,135	1,072
FIRST METRO-RTB 10-04	-	-	268
Rizal Commercial Banking Corp.- RTB 10-60	-	6,818	297
Rizal Commercial Banking Corp.	-	-	244
SECURITY BANK 20-13	-	1,293	88
BDO Unibank, Inc. UITF	13,000,000	13,826	-
	13,005,000	41,227	2,335
TOTAL INVESTMENTS IN BONDS & OTHER SECURITIES	14,669,880	126,614	2,335

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees,
Related Parties, and Principal Stockholders (Other than Related Parties)
As of December 31, 2023
Amounts In Thousands

Account Type	Balance at Beginning period	Additions	Deductions				Balance at End Period
			Amounts Collected	Amounts Written off	Current	Not Current	
Advances to employees for company expenses	626	2,673	2,250	-	1,049	-	1,049
Salary loan	255	-	255	-	-	-	-
Car loan	781	1,689	399	-	106	1,965	2,071
Others	3,844	-	1,423	-	-	2,421	2,421
	5,506	4,362	4,327	-	1,155	4,386	5,541

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule C - Amounts Receivable From Related Parties Which Are
Eliminated During The Consolidation Of Financial Statements

As of December 31, 2023
Amounts In Thousands

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected	Accounts Written off*	Current	Not Current	Balance at end period
Orion I Holdings Philippines, Inc./Subsidiary	199,153	-	-	-	-	199,153	199,153
Lepanto Ceramics, Inc./Subsidiary	867	867	-	-	867	-	867
FLT Prime Insurance Corporation/Subsidiary	207	17	-	-	288	-	288
Tutuban Properties, Inc./Subsidiary	14,482	29,810	(88,900)	-	16,337	-	16,337
Unity Realty & Development Corporation/Subsidiary	50,139	22,918	(6,068)	-	15,796	-	15,796
Orion Land Inc./Subsidiary	5,087	4,840	(5,837)	-	20,065	-	20,065
Laguna Technopark, Inc./Subsidiary	4,703	7,364	(8,983)	-	14,249	-	14,249
A Flow Land I Corp/Subsidiary	82,506	82,506	-	-	82,776	-	82,776
	357,144	148,322	(109,788)	-	150,378	199,153	349,531

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule D - Long-Term Debt

As of December 31, 2023
Amounts In Thousands

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under the caption "Current Portion of long-term debt" in related balance sheet	Amount shown under the caption "Long-Term Debt" in related balance sheet
Term Loan	2,480,000	21,050	2,444,014

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule E - Indebtedness To Related Parties (Long Term Loans From Related Companies)

As of December 31, 2023
Amounts In Thousands

Name of Related Party	Balance at beginning of period	Balance at end of period
NOT APPLICABLE		

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule F - Guarantees Of Securities Of Other Issuers
As Of December 31, 2023
Amounts In Thousands

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
<hr/> NOT APPLICABLE <hr/>				

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule G – Capital Stock
As Of December 31, 2023

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties*	Number of shares held Directors, officers and employees**	Number of shares held by Others
COMMON SHARES	7,500,000,000					
ISSUED		6,158,660,192		4,467,752,834	73,034,557	
SUBSCRIBED		142,931,795		49,444,216		
		6,301,591,987		4,517,197,050	73,034,557	

AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
December 31, 2023

Financial Ratios			
Pursuant to SRC Rule 68, As Amended			
	Formula	(One Year) 31-Dec- 23	(One Year) 31-Dec- 22
Return on assets	$\frac{\text{Net Income}}{\text{Average Assets}}$	0.02	0.04
Return on equity	$\frac{\text{Net Income}}{\text{Average Equity}}$	0.05	0.08
Gross profit margin	$\frac{\text{Gross profit}}{\text{Total Revenues}}$	0.34	0.37
Net profit margin	$\frac{\text{Net income}}{\text{Sales revenue}}$	0.18	0.24
Cost to income ratio	$\frac{\text{Cost and expenses}}{\text{Revenues}}$	0.73	0.67
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.14	1.33
Quick ratio	$\frac{\text{Current Assets less Inventory less Prepayments}}{\text{Current Liabilities}}$	0.54	0.66
Solvency ratio	$\frac{\text{After tax net profit(loss) + Depreciation}}{\text{Long Term Liabilities + Short Term Liabilities}}$	0.07	0.12
Asset to equity ratio	$\frac{\text{Total Assets}}{\text{Equity}}$	2.06	1.94
Debt to equity ratio	$\frac{\text{Total Liability}}{\text{Equity}}$	1.06	0.94
Interest rate coverage ratio	$\frac{\text{EBITDA}}{\text{Interest expense}}$	3.15	6.08
Price/Earnings Ratio	$\frac{\text{Price Per Share}}{\text{Earnings Per Common Share}}$	17.40	18.44