



LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR

The Board of Directors and Holders of Green Bonds

ARTHALAND CORPORATION

7/F Arthaland Century Pacific Tower
5th Avenue corner 30th Street
Bonifacio Global City, Taguig City

Conclusion

We have performed limited assurance procedures on the Eligible Green Project Portfolio included in the ASEAN Green Bonds Allocation Report (hereinafter referred to as the "Allocation Report") of Arthaland Corporation (the "Company" or "Arthaland") as at December 31, 2021.

Based on our procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Eligible Green Project Portfolio included in the Allocation Report as at December 31, 2021 are not, in all material respects, prepared in accordance with the applied criteria of proceeds as described in Section 2(i) (the "Eligibility Criteria") of Arthaland's Green Finance Framework dated November 7, 2019 (the "Framework").

Basis for Conclusion

We conducted our limited assurance procedures in accordance with the Philippine Standard on Assurance Engagements (PSAE) 3000 (Revised), *Assurance Engagements other than Audits and Review of Historical Financial Information*. Our responsibilities under this standard are further described in the *Auditors' Responsibilities on the Limited Assurance Report* section of our report.

We are independent of the Company 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 assurance engagements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide the basis for our conclusion.

Reporting Criteria

The Eligibility Criteria used for the preparation of the Allocation Report are described in the Eligibility Criteria of the Framework. The Eligible Green Project Portfolio as included in the Allocation Report needs to be read and understood together with the Eligibility Criteria as described in the Framework. Arthaland is solely responsible for selecting and applying these Eligibility Criteria, taking into account applicable laws and regulations related to reporting.

Responsibilities of Management and Those Charged with Governance for the Allocation Report

Management is responsible for the preparation of the Allocation Report as at December 31, 2021, which includes the Eligible Green Project Portfolio and Allocation of Green Funding, in accordance with the Eligibility Criteria as described in the Framework, and for such internal control as management determines is necessary to enable the preparation of the Allocation Report that is free from material misstatement, whether due to fraud or error.

Management is also responsible in developing the Eligibility Criteria, selecting and applying the policies, making judgments and estimates that are reasonable in the circumstances and maintaining adequate records in relation to the Allocation Report as at December 31, 2021.

Those charged with governance are responsible for overseeing the Company's reporting processes.

Auditors' Responsibilities on the Limited Assurance Report

Our responsibility is to plan and perform the procedures in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. The level of assurance obtained in engagements with a limited level of assurance is therefore substantially less than the assurance obtained in audit engagements. Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the Allocation Report. The materiality affects the nature, timing and extent of our procedures and the evaluation of the effect of identified misstatements on our conclusion.

We apply Philippine Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements in accordance with the Code of Ethics together with the ethical requirements that are relevant to our assurance engagements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

As part of our procedures in accordance with PSAE, we exercise professional judgment and maintain professional skepticism throughout our work.

Our limited assurance conclusion relates solely to the application of the Eligibility Criteria in the Allocation Report and it is not our responsibility to provide any form of assurance on:

- the suitability of the Eligibility Criteria in relation to the Green Bond Principles of the International Capital Markets Association, the Green Loan Principles developed by the EMEA Loan Market Association, the Asia Pacific Loan Market Association and LSTA and the ASEAN Green Bond Standards, which was assessed by the "Second Party Opinion" published by Vigeo Eiris in November 2019 and subsequent confirmation on a specific project to the Philippine Securities and Exchange Commission in December 2019; and

- the management of the proceeds from the ASEAN Green Bonds prior to their allocation or the use of these proceeds after their allocation.

Procedures Performed

The limited assurance procedures we performed based on our professional judgment included the following procedures:

General Procedures

- Identified areas of the Allocation Report where a material misstatement, whether due to fraud or error, are most likely to occur, designing and performing assurance procedures responsive to these areas, and obtaining assurance information that is sufficient and appropriate to provide a basis for our conclusion.
- Considered the internal control relevant to our limited assurance engagement in designing limited assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the Company's internal control.
- Reviewed the Second Party Opinion from Vigeo Eiris, which addresses the applicability of the Eligibility Criteria used in the preparation of the Eligible Green Project Portfolio, and identified key and relevant matters therefrom in the designing and performing of assurance procedures.
- Reviewed the application of the Eligibility Criteria used in the preparation of the Eligible Green Project Portfolio in the Allocation Report.
- Communicated with relevant staff and officers of the Company who are responsible for managing, reporting, and consolidating the Eligible Green Project Portfolio.
- Evaluated internal and external documentation, based on limited sampling basis, to determine whether the information in the Eligible Green Project Portfolio is plausible in line with the Eligibility Criteria of the Framework.

Specific Procedures

- Reviewed the existence of the Eligible Green Project Portfolio and assessed the reasonability of the allocated amounts of the projects based on inspection of minutes of meetings of the Board of Directors.
- Reviewed the amount of proceeds from the ASEAN Green Bonds which is the source of funds for the Eligible Green Project Portfolio by comparing the disclosure of total proceeds in the Allocation Report with the total actual net proceeds based on the Company's annual report on the year of the offering.
- Reviewed the status of compliance of the Green Projects with the Eligibility Criteria of the Framework by examining, on a limited sampling basis, the Company's certifications and compliance with the standards mentioned in the Framework. On one project where no certification has been issued yet and the proceeds are reported to finance the acquisition of land which is explicitly limited to the surface directly required for the "green building" acquisition or construction, we obtained written commitments that management will comply with all the criteria for the project to be compliant with the ASEAN Green Bond Framework and obtained copy of the assessment and confirmation on the matter by Vigeo Eiris dated December 2019.

- Reviewed the mathematical accuracy of the computation of the total Eligible Green Project Portfolio, the unallocated amount of Eligible Green Project Portfolio, the percentage of Eligible Green Project Portfolio allocated to net proceeds of green funding and the percentage of net proceeds of Arthaland's green funding allocated to Eligible Green Project Portfolio.
- Identified overlaps of Green Projects in the Allocation Report, if any.
- Reviewed consistency of information as processed in the Company's internal account systems and as consolidated and disclosed in the Allocation Report.

We did not note any exceptions from the procedures above.

Restriction of Use of our Limited Assurance Report

Our limited assurance report is intended solely for the Board of Directors of ALCO and the Holders of Green Bonds issued by ALCO and should not be distributed to other parties and used for other purposes. We do not therefore accept or assume responsibility for any other purpose or to any other person or organization.

REYES TACANDONG & CO.



MICHELLE R. MENDOZA-CRUZ

Partner

CPA Certificate No. 97380

Tax Identification No. 201-892-183-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 97380-SEC Group A

Issued April 8, 2021

Valid for Financial Periods 2020 to 2024

BIR Accreditation No. 08-005144-012-2020

Valid until January 1, 2023

PTR No. 8851710

Issued January 3, 2022, Makati City

September 9, 2022

Makati City, Metro Manila