



February 7, 2018

THE PHILIPPINE STOCK EXCHANGE, INC.

3/F Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention : **MR. JOSE VALERIANO B. ZUÑO III**
Head, Disclosure Department

Dear Mr. Zuño:

This refers to your request to clarify the news article entitled **“Ayala Corp. set to acquire KIA Philippines, but PBA comeback not part of plan, says source”** posted in spin.ph on February 5, 2018. The article reported in part that:

“AYALA Corp. has won the bidding war for the Philippine franchise of KIA Motors and is set to become the official distributor of the Korean-made cars in the country.

But no, there won't be an impending PBA comeback for the Ayala group of companies, which previously owned the multi-titled Purefoods franchise.

A top KIA Picanto executive confirmed to SPIN.ph that the deal between Ayala Corp. and KIA is set to be made official, but doesn't involve the ownership of KIA's franchise in the PBA.

‘It's official although documents have yet to be signed,’ said the KIA top brass, who refused to be named pending the ‘official announcement’ of the sale.

...”

We confirm that our wholly-owned subsidiary, AC Industrial Technology Holdings, Inc., through one of its group companies, has received notice from Kia Motors Asia Regional headquarters that it has considered the Ayala group as “the preferred bidder” to start negotiations for the Kia distributorship in the Philippines. However, no definitive terms have been reached and we will make the appropriate disclosure of any agreement reached.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jose Teodoro K. Limcaoco'.

JOSE TEODORO K. LIMCAOCO
Chief Finance Officer

Cc: SECURITIES & EXCHANGE COMMISSION
Attention: Mr. VICENTE GRACIANO P. FELIZMENIO, JR.

Director, Markets and Securities Regulation Department

PHILIPPINE DEALING & EXCHANGE CORPORATION

Attention: MS. VINA VANESSA S. SALONGA

Head, Issuer Compliance and Disclosure Department