



May 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 the request to clarify the news article entitled “Ayala Group to acquire 65% of Colombian Autocar” posted on philstar.com on May 7, 2018. The article reported in part that:

“

The Ayala Group plans to acquire a 65 percent stake in Colombian Autocar Corp., the assembler and exclusive distributor of Kia vehicles in the Philippines, a move that would expand its portfolio of automotive brands in the country.

Businessman and Palawan Governor Jose ‘Pepito’ Alvarez, the founding chairman of Colombian Autocar, meanwhile, will keep a 35 percent stake in the company, industry sources told The STAR.

The two parties are expected to conclude the deal within 60 days, sources also said.

The agreement will seal Ayala’s acquisition of Colombian Autocar and would now have the rights to distribute the Kia brand in the Philippines, which industry players said has become as popular as Japanese automotive cars since entering the Philippines almost 30 years ago.

. . . .”

We wish to clarify that discussions on the potential distribution of Kia vehicles are ongoing, and no agreements have been reached nor have any time tables been agreed upon.

As previously disclosed to the Exchange, our wholly owned subsidiary AC Industrial Holdings Technology 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.

We will make the appropriate disclosure of any definite 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. Erika Grace C. Alulod
Head, Issuer Compliance and Disclosure Department