



November 11, 2020

Securities and Exchange Commission

SEC Building, Mandaluyong City

Attention: **Director Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Department

The Philippine Stock Exchange, Inc.

6/F Philippine Stock Exchange Tower

5th Avenue corner 28th Street,

Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Philippine Dealing and Exchange Corporation

29/F BDO Equitable Tower

8751 Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head, Issuer Compliance and Disclosure Department

Mesdames/Gentlemen:

Please be informed that the board of AC Energy Inc. ("AC Energy"), a wholly owned subsidiary of Ayala Corporation, approved the following items in relation to the proposed investment by an affiliate of GIC Private Limited ("GIC"), Arran Investment Pte Ltd, into the company's subsidiary AC Energy Philippines Inc. ("ACEN"):

1. Signing and execution of an investment agreement, shareholders' agreement, and other implementing agreement for the investment by an affiliate of GIC into ACEN, subject to satisfaction of agreed conditions and applicable regulatory approvals; and
2. Sale by AC Energy to GIC of secondary shares in ACEN to enable GIC to achieve its target ownership in ACEN of 17.5%, subject to definitive documentation, satisfaction of agreed conditions, and applicable regulatory approvals.

The potential investment by GIC, valued at ₱20 billion, will be implemented through a combination of purchase of secondary shares from AC Energy and subscription to 4 billion primary shares in ACEN to be done via a private placement. Both transactions will be priced at ₱2.97 per share on a post-stock rights offering ("SRO") basis and is subject to agreed price adjustments. The price represents a 25% premium to the ACEN Board's approved SRO price of ₱2.37/share, which is subject to regulatory

approval, and is at par with the theoretical ex-rights price (TERP) using the 30-day VWAP of ₱3.51/share and the ACEN Board approved SRO price of ₱2.37/share. The terms of ACEN's SRO, including the offer price, are subject to approval by the Securities and Exchange Commission.

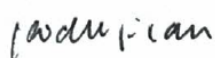
Given that AC Energy will not participate in the initial round of the stock rights offering to provide maximum availability to minority shareholders, the summary computation of the TERP is provided in the following table using the ratio of 1 subscription share entitlement for every 1.11 shares held:

	Shares	Price/ Share (in Php)	Value	Comments
Pre-SRO Shares	1.11	3.51	3.90	Price based on 30-day VWAP as of 10 November 2020
SRO Shares	1	2.37	2.37	SRO price, subject to regulatory approval
Total	2.11		6.27	
TERP		2.97		

The completion of the subscription by the GIC affiliate to primary shares is subject to definitive documentation being signed by the parties and satisfaction of agreed conditions precedent, which includes among others, the completion by ACEN of the SRO, which is expected to occur in the first quarter of 2021, and applicable regulatory approvals. On the other hand, the completion of the purchase by the GIC affiliate of secondary shares from AC Energy is subject to definitive documentation being signed by the parties and the completion of the infusion by AC Energy of its international business into ACEN by way of a property for shares swap, which is expected to occur by the third quarter of 2021, and applicable regulatory approvals.

To implement the investment, AC Energy, GIC's affiliate, and ACEN will sign an Investment Agreement as well as a Shareholders' Agreement that will document the rights and obligations of the GIC affiliate as a strategic investor in ACEN. The transaction documents are expected to be signed within November 2020.

Very truly yours,



Jose Teodoro K. Limcaoco
Chief Finance Officer