



December 20, 2016

Securities and Exchange Commission

SEC Building, Mandaluyong City

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

The Philippine Stock Exchange, Inc.

3/F Tower One and Exchange Plaza

Ayala Triangle, Ayala Avenue, Makati City

Attention: **Mr. Jose Valeriano B. Zuño III**
Head, Disclosure Department

Philippine Dealing and Exchange Corporation

37/F Tower 1, The Enterprise Center

6766 Ayala Ave. cor. Paseo de Roxas, Makati City

Attention: **Ms. Vina Vanessa S. Salonga**
Head, Issuer Compliance and Disclosure Department

Mesdames/Gentlemen:

Please be informed that AC Energy Holdings, Inc. (AC Energy), a wholly-owned subsidiary of Ayala Corporation, signed definitive documents to sell a 15% stake in South Luzon Thermal Energy Corporation (SLTEC) to Axia Power Holdings Philippines Corporation (Axia Power), a subsidiary of Marubeni Corporation. PHINMA Energy Corporation (PHINMA Energy), AC Energy's joint venture partner in SLTEC, also sold a 5% stake to Axia Power.

With the sale of shares to Axia Power, AC Energy's ownership in SLTEC is at 35%, while that of PHINMA Energy and Axia Power are at 45% and 20%, respectively.

SLTEC owns and operates a 2 X 135-MW thermal power plant in Calaca, Batangas.

Very truly yours,

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

JOSE TEODORO K. LIMCAOCO

Chief Finance Officer and Finance Group Head