



February 6, 2020

**Securities and Exchange Commission**

PICC Complex, Roxas Boulevard  
Pasay City

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

**The Philippine Stock Exchange Inc.**

6th Floor, PSE Tower  
5th Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

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

**Philippine Dealing and Exchange Corporation**

29th Floor, BDO Equitable Tower  
8751 Paseo de Roxas, Makati City 1226

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

Mesdames / Gentlemen:

This refers to our disclosure dated February 3, 2020 on the acquisition of a 25% stake in the company's subsidiary Manila Water Company ("Manila Water") by Prime Metroline Holdings Inc., through a company that it will incorporate for the transaction (hereafter, "Trident Water").

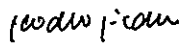
Please be informed that as part of the shareholder agreement to be executed among Ayala Corporation ("Ayala"), Ayala's wholly owned subsidiary Philwater Holdings Company ("Philwater"), and Trident Water, Ayala's Executive Committee has approved the grant of proxy rights by Philwater to Trident Water over such number of preferred shares to enable the latter to achieve 51% voting interest in Manila Water.

Philwater owns 4,000,000,000 of preferred shares in Manila Water, representing 65.95% of voting shares in the Company. Upon the grant of proxy rights to Trident Water, Ayala's effective voting interest in Manila Water will stand at 31.6%.

The shareholders' agreement will become effective after the closing of the subscription agreement, which will occur after certain conditions are met, including required lenders' consent and regulatory approvals.

This arrangement aims to strategically rationalize the economic and voting stakes between Ayala and Trident Water as strategic partners in Manila Water.

Very truly yours,



**JOSE TEODORO K. LIMCAOCO**

Chief Finance Officer