



GT CAPITAL
HOLDINGS, INCORPORATED

April 1, 2019

THE PHILIPPINE STOCK EXCHANGE, INC.

6/F, PSE Tower
5th Avenue cor. 28th Street, Bonifacio Global City
Taguig City, Philippines 1634

Attention : **Janet A. Encarnacion**
Officer-In-Charge, Issuer Regulation Division
Head, Disclosure Department

Subject : Clarification of Business World (Online Edition) news article

Gentlemen:

Regarding the news article that was published in Business World Online on April 1, 2019 entitled "GT Capital allots P52B for capital expenditures," which reported in part that:

"GT CAPITAL Holdings, Inc. will be spending P51.7 billion in capital expenditures (capex) this year, primarily to fund the expansion of its automotive and property business units.

This year's programmed capex brings the company back to its average annual spending of P50-60 billion, as compared to its 2018 budget which reached P112 billion. The elevated spending last year took into account GT Capital's participation in the P60-billion stock rights offer of banking unit Metropolitan Bank & Trust Company.

The listed conglomerate said in a presentation last week that bulk of the capex will be spent at the parent level, as it will invest P27.8 billion for its partnership in used car auction house operations and other investments.

....

Asked if the capex at the parent level will include its entry into other sectors, Mr. Bautista said they are exploring opportunities.

'It's more of a war chest, we're in early discussions with parties looking for partners looking to invest in the Philippines,' Mr. Bautista told reporters after the briefing, although declining to specify which sector they will invest in.



GT CAPITAL
HOLDINGS, INCORPORATED

Meanwhile, GT Capital has set a capex of P12 billion for Federal Land, Inc., to be used for land banking purposes and the construction of office buildings. This supports its plan to launch five to eight new projects this year, after unveiling eight projects in 2018 valued at about P30 billion.

Its other property unit, Property Company of Friends, will be allocating P2.3 billion as capex.

Mr. Bautista said they are looking to grow its property business to contribute to about 15-20% of its net income in the next five years, as it currently accounts for 10.5%.

'The aspiration is to grow it to 20% so that we're not overly dependent on one sector...Ideally we are able to diversify the portfolio so we don't have as many shocks,' Mr. Bautista said.

Toyota Motor Philippines has allotted P6.8 in capex this year for new models and logistics expansion. The company has recently acquired a 30-hectare property in Batangas for its logistics expansion in order to better manage the vehicles being shipped from abroad and going to dealerships.

Its dealership unit, Toyota Manila Bay Corp., will get about P300 million to expand and renovate its existing dealerships. The company currently has 70 dealerships, with one upcoming branch in Valenzuela and Lucena.

Metrobank will have a capex of P2 billion for IT system upgrades, expansion of electronic banking channels, ATM installation, and renovation or relocation of branches.

Insurance provider AXA Philippines will get about P200 million for computer and IT upgrade, as well as office equipment.

...."

We confirm the information reported in the said article of BusinessWorld Online on April 01, 2019. However, as regards Toyota Motor Philippines, there was no statement regarding the acquisition of a 30-hectare property in Batangas for its logistics expansion.

Very truly yours,


Atty. Renee Lynn Miciano-Atienza
VP/ Head, Legal and Compliance Department