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## **FIRST PACIFIC COMPANY LIMITED**

**第一太平有限公司**

*(Incorporated with limited liability under the laws of Bermuda)*

Website: [www.firstpacific.com](http://www.firstpacific.com)

(Stock Code: 00142)

### **VOLUNTARY ANNOUNCEMENT DISCLOSURE MADE IN THE PHILIPPINES BY METRO PACIFIC INVESTMENTS CORPORATION RELATING TO ITS SUBSIDIARY, MAYNILAD WATER SERVICES, INC.**

#### **BACKGROUND**

Reference is made to the Company's announcements dated 19 May 2021 and 12 December 2019 (the "**Previous Announcements**"). The Previous Announcements set forth information on the disclosures filed by Metro Pacific Investments Corporation ("**MPIC**") (a Philippine affiliate of First Pacific Company Limited) with the Philippine Stock Exchange in relation to an exclusive Concession granted to a 52.8% owned subsidiary of MPIC, Maynilad Water Services, Inc. ("**Maynilad**"), by Metropolitan Waterworks and Sewerage System ("**MWSS**") on behalf of the Philippine government, to provide water and sewerage services in the west zone of the MWSS service area. The Company's announcement dated 19 May 2021 disclosed that Maynilad had on 18 May 2021 entered into a revised concession agreement with MWSS (the "**Revised Concession Agreement**"), which provides for the 15-year extension of the Concession period from year 2022 to 2037. Since then, the MWSS has approved the deferment of the effective date of the Revised Concession Agreement to 16 February 2022, being the time by which all of the conditions precedent under the Revised Concession Agreement shall be satisfied.

## **FORMAL GRANT OF A 25-YEAR FRANCHISE TO MAYNILAD**

In a disclosure filed by MPIC with the Philippine Stock Exchange on 10 January 2022 (the “**MPIC Disclosure**”), MPIC disclosed that MPIC has been notified of the publication in the Official Gazette of the Philippines, Republic Act No. 11600 (the “**Act**”), which grants Maynilad a 25-year franchise in relation to the Concession (the “**Franchise**”). The Act affirms Maynilad’s authority to provide waterworks system and sewerage and sanitation services in the West Zone Service Area of Metro Manila and the Province of Cavite of the Philippines. The Act shall take effect on 22 January 2022, being fifteen days after its publication in the Official Gazette of the Philippines on 7 January 2022.

Other highlights of the Act, as summarized from the MPIC Disclosure, include:

- (i) the grant of authority to the MWSS to amend the term of the Revised Concession Agreement (ending in 2037) to coincide with the term of the Franchise (ending in 2047). In the event the waterworks and sewerage system assets of MWSS pertaining to the Franchise area are privatized by law, Maynilad shall have the right to match the highest compliant bid after a public bidding;
- (ii) establishment of tariffs and charges which Maynilad may charge, as the regulator may allow, after taking into account certain factors, the methodology provided under the Revised Concession Agreement and requirements under applicable law and jurisprudence;
- (iii) prohibition on the passing on of corporate income tax to customers;
- (iv) the requirement to publicly list at least 30% of Maynilad’s outstanding capital stock within five years from the grant of the Franchise; and
- (v) the completion of Maynilad’s water and sewerage projects to attain 100% coverage by 2037, which shall include periodic 5-year completion targets.

By Order of the Board  
**First Pacific Company Limited**  
**Nancy L.M. Li**  
*Company Secretary*

Hong Kong, 12 January 2022

As at the date of this announcement, the board of directors of the Company comprises the following directors:

***Executive Directors:***

Manuel V. Pangilinan, *Managing Director and Chief Executive Officer*

Christopher H. Young, *Chief Financial Officer*

***Non-executive Directors:***

Anthoni Salim, *Chairman*

Benny S. Santoso

Axton Salim

***Independent Non-executive Directors:***

Prof. Edward K.Y. Chen, *GBS, CBE, JP*

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

Madeleine Lee Suh Shin

Blair Chilton Pickerell