
**THIS CIRCULAR AND THE ENCLOSED FORM OF ELECTION ARE IMPORTANT
AND REQUIRE YOUR IMMEDIATE ATTENTION**

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If you are in doubt as to any aspect of this Circular or the accompanying Form of Election or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in First Pacific Company Limited, you should at once hand this Circular and the accompanying Form of Election to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This Circular is issued and despatched by the Company for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company or Maynilad. This Circular does not constitute and is not an offer to sell or the solicitation of an offer to buy any securities referred to in this Circular in Hong Kong, the Philippines, the US or elsewhere.

A Form of Election is enclosed with this Circular for use by Qualifying Shareholders holding at least 17,200 Shares (and who, to the knowledge of the Company, are neither located in the US nor are they US Persons, nor are they located in the UK, the PRC, Zimbabwe or Japan), in connection with claiming their entitlements under the Distribution in Specie and electing between Distribution Shares and cash.

The Form of Election will not be sent to Qualifying Shareholders holding less than 17,200 Shares or who are located in the US or are US Persons, or are located in the UK, the PRC, Zimbabwe or Japan and such persons will only receive this Circular for information.



FIRST PACIFIC COMPANY LIMITED

第一太平洋有限公司

(Incorporated with limited liability under the laws of Bermuda)

Website: www.firstpacific.com

(Stock Code: 00142)

**CIRCULAR RELATING TO THE SPIN-OFF OF
MAYNILAD WATER SERVICES, INC.
ON THE PHILIPPINE STOCK EXCHANGE**

DISTRIBUTION IN SPECIE

DEFINITION

Unless the context otherwise requires, the following terms used in this Circular shall have the following respective meanings:

“Beneficial Owner”	any beneficial owner of Shares whose Shares are registered in the register of members of the Company in the name of a nominee, trustee, depository or any other authorised custodian or third party (including but not limited to HKSCC Nominees Limited in respect of Shares deposited in CCASS);
“Board”	the board of directors of the Company;
“CCASS”	The Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“CCASS Participant”	a person admitted by Hong Kong Securities Clearing Company Limited as a participant of CCASS;
“Circular”	this Shareholders’ circular despatched to the Shareholders on 31 December 2025 in respect of the Distribution in Specie, which is accompanied by a Form of Election (if applicable);
“Company” or “First Pacific”	First Pacific Company Limited, an exempted company incorporated in Bermuda with limited liability and having its shares listed on the Stock Exchange;
“Distribution in Specie”	the special distribution of the Company declared by a duly authorised committee of the Board to be satisfied by the distribution in specie by the Company of Distribution Shares to Qualifying Shareholders (on the basis of an entitlement to one (1) Distribution Share for every 172 Shares held by each Qualifying Shareholder as at the Reference Time on the Record Date) or of cash in lieu of such entitlement, on and subject to the terms and conditions set out in this Circular;
“Distribution Shares”	shares in Maynilad listed on the PSE to be distributed to Qualifying Shareholders pursuant to the Distribution in Specie;
“Form of Election”	the form of election accompanying this Circular;
“Hong Kong”	the Hong Kong Special Administration Region of the PRC;
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

DEFINITION

“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant;
“Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation;
“ISIN Code”	International Securities Identification Number;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macau Special Administrative Region of the PRC;
“Maynilad”	Maynilad Water Services, Inc.;
“Maynilad Share(s)”	share(s) in Maynilad listed on the PSE;
“Non-Qualifying Shareholders”	(i) on the Record Date, resident or located in places outside Hong Kong in respect of which the Directors consider the exclusion from receiving the Distribution Shares under the Distribution in Specie to be necessary or expedient on account of either the legal restrictions under the laws of the relevant place or the requirements of a regulatory body or stock exchange in that place, in accordance with Rule 13.36(2) of the Listing Rules; or (ii) otherwise unable to make the certifications required in the Form of Election in order to be entitled to receive the Distribution Shares;
“Offer Price”	the offer price per share in Maynilad under the Philippines Share Offer, being PHP15 (equivalent to approximately US\$0.25 or HK\$1.98) per Maynilad Share;
“Pesos” or “PHP”	Philippine Pesos, the lawful currency of the Philippines;
“Philippine Securities Account”	a brokerage account opened with a duly approved licensed broker set out in this Circular based in the Philippines through which the Distribution Shares can be transferred and traded on the PSE;

DEFINITION

“Philippines Share Offer”	the offering of shares in Maynilad on the PSE which consisted of an offer (i) outside the US in offshore transactions in reliance on Regulation S of the US Securities Act, (ii) within the US to QIBs in reliance on Rule 144A under the US Securities Act, (iii) to qualified buyers in the Philippines under the Securities Regulation Code (“SRC”) of the Philippines and Rule 10.1.3 of the 2015 Implementing Rules and Regulations of the SRC; and a public offering to investors in the Philippines;
“Philippine Trading Day”	business days under the calendar of the Philippines on which trading on the PSE is open and excluding Saturdays, Sundays and all public holidays in the Philippines;
“PN15”	Practice Note 15 of the Listing Rules;
“PRC”	the People’s Republic of China;
“PSE”	The Philippine Stock Exchange, Inc.;
“QIBs”	qualified institutional buyers within the meaning of Rule 144A under the US Securities Act;
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Shareholders who are, or who are acting for the account or benefit of, Non-Qualifying Shareholders;
“Record Date”	18 December 2025, the date by reference to which entitlements to the Distribution in Specie are determined;
“Reference Time on the Record Date”	4:30 p.m. on 18 December 2025;
“Shareholders”	shareholders of the Company;
“Shares”	ordinary share(s) of US\$0.01 each in the share capital of the Company;
“Sterling pounds” or “£”	Sterling pounds, the lawful currency of the UK;
“Stock Connect”	Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;

DEFINITION

“Stock Connect Investor(s)”	the PRC southbound trading investor(s) holding the Company’s securities through the Stock Connect;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“UK”	the United Kingdom;
“US”	the United States of America (including its territories and dependencies, any state of the United States of America and the District of Columbia);
“US dollars” or “US\$”	United States dollars, the lawful currency of the US;
“US Persons”	as defined in Rule 902 under the US Securities Act;
“US Securities Act”	the US Securities Act of 1933, as amended; and
“%”	per cent.

Percentage figures and figures expressed in millions have been rounded. Any cash in lieu of Distribution Shares will be calculated by reference to the Offer Price and an exchange rate of US\$1 = £0.76, US\$1 = PHP58.95 and US\$1 = HK\$7.80, being the exchange rate in respect of the settlement by the Company of the subscription consideration for the Distribution Shares allotted to the Company by Maynilad.

LETTER FROM THE BOARD



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

(Stock Code: 00142)

Non-executive Chairman:

Anthoni Salim

Executive Directors:

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

Christopher H. Young

Non-executive Directors:

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

Principal Office:

24th Floor

Two Exchange Square

8 Connaught Place

Central, Hong Kong

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

31 December 2025

To the Shareholders

Dear Sir or Madam,

SPIN-OFF OF MAYNILAD WATER SERVICES, INC. ON THE PHILIPPINE STOCK EXCHANGE

DISTRIBUTION IN SPECIE

I. INTRODUCTION

Reference is made to the Company's announcements dated 3 December 2024, 17 March 2025, 23 June 2025, 21 October 2025, 7 November 2025, 28 November 2025, 2 December 2025 and 9 December 2025 and the circular dated 23 May 2025 in relation to the spin-off and separate listing of Maynilad on the PSE.

LETTER FROM THE BOARD

On 7 November 2025, the Company announced that the Philippines Share Offer and separate listing of Maynilad on the PSE had been completed and that, as contemplated by the Company's announcement dated 21 October 2025, the Company had subscribed for 24,904,800 Maynilad Shares under the Philippines Share Offer for the purpose of providing Shareholders with an assured entitlement to Maynilad Shares by way of a Distribution in Specie, in accordance with the requirements of PN15.

The Company also announced that, as contemplated by its announcement dated 9 December 2025, the basis of entitlement for the Distribution in Specie in order to satisfy the assured entitlement requirement of PN15 in connection with the separate listing of Maynilad.

This Circular sets out the procedures and conditions for qualifying for and obtaining the Distribution in Specie.

II. PARTICULARS OF THE DISTRIBUTION IN SPECIE

Basis of Entitlement

As per Maynilad's Philippine legal advisers, shares of companies listed on the PSE are traded in board lots, and odd lots of Maynilad Shares can only be traded on a specific and separate board of the PSE. Therefore, considering the administrative burden involved to transfer such small amounts of Maynilad Shares compared to the comparatively marginal benefits to the Qualifying Shareholders, it would not be in the best interests of the Company and its Shareholders as a whole for the Company to distribute Maynilad Shares in odd lots of less than one (1) board lot of Maynilad Shares (i.e., 100 Maynilad Shares). Therefore, the Company will provide Distribution Shares only to Qualifying Shareholders entitled to a minimum of 100 Maynilad Shares (i.e., at least one (1) board lot of Maynilad Shares). Shareholders will otherwise still be entitled to the Distribution in Specie in cash.

Based on the basis of entitlement set out below, a Qualifying Shareholder would have to hold a minimum of 17,200 Shares to be entitled to 100 Maynilad Shares, or one (1) board lot. As such, only Qualifying Shareholders holding 17,200 Shares or more will be eligible to receive the Distribution Shares.

As such, pursuant to the Distribution in Specie:

- (a) Subject to below, each Qualifying Shareholder holding 17,200 Shares or more as at the Reference Time on the Record Date is entitled to receive one (1) Distribution Share for every 172 Shares held by him/her/it as at the Reference Time on the Record Date.

Accordingly, the number of Distribution Shares to which a Qualifying Shareholder is entitled will be calculated as follows:

No. of Shares held by the Qualifying Shareholder

172

LETTER FROM THE BOARD

If the calculation above results in a fraction of a Distribution Share, the fraction of the Distribution Share will be rounded down to the nearest whole number of Distribution Shares. Fractions will be dealt with as described under the sub-heading “Fractional entitlements”, below.

Qualifying Shareholders may elect to receive cash in lieu of all or part of the Distribution Shares to which they would otherwise be entitled (calculated in accordance with the formula above), provided that the number of Shares elected for receiving Distribution Shares should be 17,200 Shares or above if the Qualifying Shareholders elect to receive cash in lieu in part and the Distribution Shares in part. **The Company will only distribute Distribution Shares at a minimum of 100 Maynilad Shares (i.e., one (1) board lot of Maynilad Shares). Qualifying Shareholders who elect Distribution Shares in part with less than 100 Distribution Shares will receive cash in lieu for their entire entitlement. The cash amount will be calculated in accordance with the methodology described in (b), below.**

- (b) Qualifying Shareholders holding less than 17,200 Shares and Non-qualifying Shareholders will receive, and Qualifying Shareholders holding 17,200 Shares or above may elect to receive, cash in lieu of all or part of the Distribution Shares to which they would otherwise be entitled (calculated in accordance with this section (a), above).

Subject to the sub-heading “Cash amounts of less than HK\$10” set out below, the cash amount payable will be calculated as follows:

Number of Distribution Shares to which the
Qualifying Shareholder would otherwise be entitled
(calculated in accordance with this section (a), \times Offer Price
above) less the number of Distribution Shares which
the Qualifying Shareholder has elected to receive

The Offer Price is the offer price per share in Maynilad under the Philippines Share Offer (being PHP15) translated into Hong Kong dollars, Sterling pounds or US dollars, using an exchange rate of US\$1 = PHP58.95, US\$1 = £0.76 and US\$1 = HK\$7.80. This is the exchange rate which was applicable in respect of the settlement by the Company of the subscription consideration for the Distribution Shares allotted to the Company by Maynilad. The Offer Price so calculated is HK\$1.98, £0.19 and US\$0.25 per Maynilad Share.

In terms of absolute amount per Share, the Distribution in Specie is equivalent to a distribution of approximately HK1.15 cents per Share.

The final amount will be payable in cash in a currency to be determined based on the registered address of each Shareholder on the Company’s register of members as follows: Hong Kong dollars for Shareholders with registered addresses in Hong Kong, Macau and the PRC; Sterling pounds for Shareholders with registered addresses in the UK; and US dollars for Shareholders with registered addresses in all other countries.

The cash amount payable will be rounded down to the nearest cent in the respective currency.

LETTER FROM THE BOARD

Cheques for the cash amount payable will be despatched by ordinary post in postage pre-paid envelopes addressed to the relevant Shareholders at their respective addresses as appearing in the register of members of the Company or, in the case of joint holders, at the address appearing in the register of members of the Company of the joint holder whose name stands first in the register of members of the Company in respect of the relevant joint holding, at their own risk.

Qualifying Shareholders who do not return their Forms of Election on or before 4:30 p.m. on Friday, 16 January 2026 will receive cash in lieu of all their entitlements. The cash amount will be calculated in accordance with the methodology described in this section (b), above.

Overseas Shareholders and Stock Connect Investors

Under Rule 13.36(2) of the Listing Rules, where a listed issuer proposes to distribute securities to its shareholders, it may exclude relevant overseas shareholders in circumstances where the directors consider the exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place.

As of the date of this Circular, the Company has decided that Shareholders and Beneficial Owners who are located in the US, UK, the PRC, Zimbabwe or Japan or who are US Persons would be Non-Qualifying Shareholders, and therefore will not be permitted to elect to receive Distribution Shares (due to the applicable legal restrictions under the laws of the relevant places requiring either a prospectus or offer document to be registered with the relevant authorities or additional steps to be taken to comply with the local requirements) and will only be entitled to receive cash in lieu of all the Distribution Shares to which they would otherwise be entitled.

In addition, holders of the Company's American depositary receipts would not be entitled to receive the Distribution Shares and will only be entitled to receive the cash in lieu of all the Distribution Shares to which they would otherwise be entitled.

The Board reserves the right to exclude any other registered Shareholder whose address as shown on the register of members of the Company on the Record Date is located in any other overseas jurisdiction from the Distribution in Specie, if the Board believes that such distribution may be administratively prohibitive or inexpedient or violate any applicable legal and/or regulatory requirements in the relevant jurisdiction. If and when necessary, the Company will separately notify any such Shareholder of the arrangement regarding the distribution.

As disclosed in the Company's announcement dated 9 December 2025, pursuant to Article 24 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland-Hong Kong Stock Markets Connect Programme (《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》), if the Stock Connect Investors receive any securities not listed on the Stock Exchange, they will not be allowed to buy or sell such securities through the Stock Connect. Considering the practical difficulty of the Stock Connect Investors in realizing the benefit of the distribution of Maynilad Shares, Stock Connect Investors will not be able to elect to receive Maynilad Shares and so will only receive the cash distribution instead, the amount of which is subject to finalised distribution arrangement determined by the Company. This arrangement is in accordance with Question No. 4 of the Frequently Asked Questions 18.4 released by the Stock Exchange in November 2014 and last updated in June 2024.

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A Shareholder with an address outside Hong Kong should consult their own professional advisers as to whether or not they are permitted to receive the Distribution Shares pursuant to the Distribution in Specie or if any governmental or other consent is required or other formalities are required to be observed and whether there are any other restrictions in relation to the future sale of any Distribution Shares. An overseas Qualifying Shareholder residing in a jurisdiction where it would be illegal for them to elect for or to receive the Distribution Shares under the Distribution in Specie will be deemed to have received the Form of Election for information purpose only.

Fractional entitlements

Fractional entitlements to Distribution Shares will not be distributed to Qualifying Shareholders. The number of Distribution Shares to which a Qualifying Shareholder is entitled pursuant to the Distribution in Specie will be rounded down to the nearest whole number of Distribution Shares. Fractional entitlements to Distribution Shares of Qualifying Shareholders will be aggregated and all whole numbers of Distribution Shares arising from such aggregation will either be retained or sold in the market at the discretion and for the benefit of the Company.

Cash amounts of less than HK\$10

All cash amounts in the sum of less than HK\$10 (or equivalent amount in US dollars (i.e., US\$1.282) or Sterling pounds (i.e. £0.974)) will not be distributed to Qualifying Shareholders but will be retained for the benefit of the Company.

III. COMPLETING THE FORM OF ELECTION

A Form of Election is enclosed with this Circular for use by Qualifying Shareholders holding at least 17,200 Shares (and who, to the knowledge of the Company, are neither located in the US, UK, the PRC, Zimbabwe or Japan nor are they US Persons), in connection with claiming their entitlements under the Distribution in Specie and electing between Distribution Shares and cash.

The Form of Election has been individually prepared for each Qualifying Shareholder holding at least 17,200 Shares (and who, to the knowledge of the Company, is neither located in the US, UK, the PRC, Zimbabwe or Japan nor are they US Persons). It sets out on the first page of the Form of Election the number of Distribution Shares to which the relevant Qualifying Shareholder is entitled, calculated in accordance with the methodology described in paragraph (a) under the sub-heading “Basis of Entitlement” above.

A summary of the available options pursuant to the Form of Election is set out below.

IV. QUALIFYING SHAREHOLDERS HOLDING LESS THAN 17,200 SHARES

The Form of Election will only be sent to, and only needs to be completed by, Qualifying Shareholders holding 17,200 Shares or more (and who, to the knowledge of the Company, are neither located in the US, UK, the PRC, Zimbabwe or Japan nor are they US Persons). Qualifying Shareholders holding less than 17,200 Shares will only receive cash provided that the cash amount payable to the relevant Qualifying Shareholder is HK\$10 (or equivalent amount in US dollars (i.e., US\$1.282) or Sterling pounds (i.e., £0.974)) or more. Accordingly, Qualifying Shareholders holding less than 17,200 Shares will not receive the Form of Election and do not need to take any action.

LETTER FROM THE BOARD

V. QUALIFYING SHAREHOLDERS HOLDING AT LEAST 17,200 SHARES WHO WISH TO ONLY RECEIVE CASH

If you wish to receive cash in lieu of all the Distribution Shares to which you would otherwise be entitled, you do not need to take any action.

VI. QUALIFYING SHAREHOLDERS HOLDING AT LEAST 17,200 SHARES WHO WISH TO RECEIVE THEIR ENTITLEMENTS IN THE FORM OF DISTRIBUTION SHARES OR PARTLY IN THE FORM OF DISTRIBUTION SHARES AND PARTLY IN CASH

Qualifying Shareholders should note that, Distribution Shares can only be received in scripless form in a Philippine Securities Account held by the Qualifying Shareholders. No Distribution Shares in physical share certificate form will be provided. In addition, the Company was advised that, in order to transfer the Distribution Shares, the relevant Qualifying Shareholder will need to already have a Philippine Securities Account in the approved listed of brokers set out in “*Step 3: Philippine Securities Account details required for scripless shares*” below, as transfer to any other securities account in the Philippines would require unduly burdensome administrative procedures and could not be facilitated.

Step 1: Required certification

Qualifying Shareholders who wish to receive any Distribution Shares must either: (1) certify, by completing Section 1 of the Form of Election, that they are not located in the US nor are they US Persons, nor are they located in the UK, the PRC, Zimbabwe or Japan; and for Qualifying Shareholders who are not Beneficial Owners, they must also certify in respect of the relevant number of Distribution Shares they wish to receive that they are not receiving those Distribution Shares for the account or for the benefit of a Beneficial Owner located in the US or who is a US Person or located in the UK, PRC, Zimbabwe or Japan; or (2), if they are Qualifying Shareholders who are not US Persons, and not located in the US, UK, the PRC, Zimbabwe or Japan and they are holding Shares as a nominee, trustee, depository or other authorised custodian, provide the Company with a form of certification made by the persons for whom they act as such nominee, trustee, depository or custodian to substantially the same effect as the certification in Section 1 of the Form of Election.

Qualifying Shareholders who do not provide the requisite certification in one of the forms permitted in the paragraph above will not be entitled to receive their entitlement under the Distribution in Specie in the form of Distribution Shares but will instead receive cash in lieu of the number of Distribution Shares in respect of which no such certification is provided. The amount of cash will be calculated as described in paragraph (b) under the sub-heading “Basis of Entitlement” above.

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Step 2: Specify the number of Distribution Shares you wish to receive (which cannot exceed your entitlement to Distribution Shares shown on the first page of the Form of Election, and cannot be less than 100 Distribution Shares)

Qualifying Shareholders wishing to receive their Distribution in Specie in the form of Distribution Shares should specify, in the box set out in Section 2 of the Form of Election, the number of Distribution Shares they wish to receive (which cannot exceed the entitlement to Distribution Shares shown on the first page of the Form of Election, and cannot be less than 100 Distribution Shares).

If Section 2 of the Form of Election is completed in respect of only part of a Qualifying Shareholder's aggregate entitlement to Distribution Shares specified on the first page of the Form of Election, the Qualifying Shareholder will receive cash in lieu of the remainder of the Distribution Shares specified on the first page of the Form of Election to which the Qualifying Shareholder would otherwise be entitled. **However, for the avoidance of doubt, the Company will only distribute Distribution Shares at a minimum of 100 Maynilad Shares (i.e., one (1) board lot of Maynilad Shares). Qualifying Shareholders who elect Distribution Shares in part with less than 100 Distribution Shares will receive cash in lieu of all their entitlement. The cash amount will be calculated in accordance with the methodology described in paragraph (b) under the sub-heading "Basis of Entitlement" above.** In addition, if the cash amount payable in lieu of such remainder of the Distribution Shares specified on the first page of the Form of Election is less than HK\$10 (or equivalent amount in US dollars (i.e., US\$1.282) or Sterling pounds (i.e., £0.974)), no cash will be distributed to the Qualifying Shareholder. Therefore, there is no need for Qualifying Shareholders to specify in Section 2 of the Form of Election the number of Distribution Shares in respect of which cash will be paid in lieu of the remainder of the Distribution Shares.

Qualifying Shareholders wishing to receive their entitlement under the Distribution in Specie wholly or partly in the form of Distribution Shares should specify in the box in Section 2 of the Form of Election the number of Distribution Shares they wish to receive in scripless form. Cash will be paid in lieu of the remaining balance of any such Qualifying Shareholder's entitlement to Distribution Shares shown on the first page of the Form of Election.

Step 3: Philippine Securities Account details required for scripless shares

Qualifying Shareholders should note that, as transfer of physical shares in the Philippines is administratively cumbersome and costly, Distribution Shares would only be available in scripless form and only made to the Qualifying Shareholders' respective securities accounts in the following approved list of brokers in the Philippines:

- **CLSA PHILIPPINES, INC.**
- **PAPA SECURITIES CORPORATION**

LETTER FROM THE BOARD

- **ABACUS SECURITIES CORPORATION**
- **FIRST METRO SECURITIES BROKERAGE CORPORATION**
- **PHILIPPINE EQUITY PARTNERS, INC.**
- **SB EQUITIES, INC.**
- **BDO SECURITIES CORPORATION**
- **BPI SECURITIES CORPORATION**
- **ASIASEC EQUITIES, INC.**
- **AB CAPITAL SECURITIES, INC.**
- **SALISBURY SECURITIES CORPORATION**
- **COL FINANCIAL GROUP, INC.**
- **J.P. MORGAN SECURITIES PHILIPPINES, INC.**
- **TOWER SECURITIES, INC.**
- **MANDARIN SECURITIES CORPORATION**
- **VENTURE SECURITIES, INC.**

Qualifying Shareholders must provide their Philippine Securities Account details requested in the Form of Election.

LETTER FROM THE BOARD

A Qualifying Shareholder who:

- (a) does not return the Form of Election on or before 4:30 p.m. on Friday, 16 January 2026; or
- (b) does not specify the number of Distribution Shares in Section 2 of the Form of Election which the Qualifying Shareholder wishes to receive in scripless form, or the number of Distribution Shares specified is less than 100 Distribution Shares; or
- (c) has elected to receive Distribution Shares but in respect of whom Section 2 of the Form of Election is incomplete, or any requested information is not provided or is inaccurate, or the securities account provided is not within the Company's approved list of brokers;

will, in each case, be deemed to have elected to receive cash in lieu of the Qualifying Shareholder's entire entitlement to Distribution Shares. The cash amount would be calculated in accordance with the methodology described in paragraph (b) under the sub-heading "Basis of Entitlement" above.

Step 4: Return of the completed Form of Election

The Form of Election must be completed in accordance with the instructions printed thereon and in this Circular and returned to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 16 January 2026. No acknowledgement of receipt of the Form of Election will be issued.

The latest time for submission of the Forms of Election will not be valid if a tropical cyclone warning signal no. 8 or above, or "extreme conditions" announced by the Hong Kong Government, or a "black" rainstorm warning is:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 16 January 2026. Instead the deadline for the submission of the Forms of Election will be 5:00 p.m. on the same business day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Friday, 16 January 2026. Instead the deadline for the submission of the Forms of Election will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.

No elections may, after the relevant Forms of Election are signed and lodged with the Company's Hong Kong branch share registrar, be in any way withdrawn, revoked, superseded or altered without the agreement of the Company. **If you do not complete and return the Form of Election before the time stated above, you will receive cash in lieu of the Distribution Shares to which you would otherwise have been entitled.** The cash amount would be calculated in accordance with the methodology described in paragraph (b) under the sub-heading "Basis of Entitlement" above.

LETTER FROM THE BOARD

Action to be taken by Beneficial Owners

Beneficial Owners who wish to receive Distribution Shares should contact their respective Intermediary to make arrangements and provide the Intermediary with instructions so that the Qualifying Shareholder holding the Shares for the Beneficial Owners will be able to provide the requisite certification (either in the form of the Qualifying Shareholder making the certification in Section 1 of the Form of Election or the Qualifying Shareholder providing a form of certification made by the person for whom he/she/it acts as a nominee, trustee, depositary or custodian to substantially the same effect as the certification in Section 1 of the Form of Election). Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “EXPECTED TIMETABLE” below and otherwise in accordance with the requirements of the Intermediary, in order to allow the Intermediary sufficient time to ensure that such instructions/arrangements are given effect.

Action to be taken by Investor Participants

Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in the Distribution in Specie should be dealt with.

VII. QUALIFYING SHAREHOLDERS RESIDENT OUTSIDE HONG KONG

All Qualifying Shareholders and Beneficial Owners resident outside Hong Kong should consult their bankers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive Distribution Shares in satisfaction of their entitlements to the Distribution in Specie. No person receiving in any territory outside Hong Kong a copy of this Circular and/or Form of Election may treat the same as an invitation to him unless in the relevant territory such invitation could lawfully be made to him without having to comply with any unfulfilled registration or other legal requirements.

This Circular and the Form of Election will not be registered in Hong Kong or any other jurisdiction. The Company has made enquiries with legal advisers regarding legal restrictions and regulatory requirements on participation of Qualifying Shareholders and Beneficial Owners resident outside Hong Kong in the Distribution in Specie pursuant to Rule 13.36(2) of the Listing Rules. The Company has decided that it is necessary or expedient that Qualifying Shareholders and Beneficial Owners who are located in the US or who are US Persons or who are located in the UK, the PRC, Zimbabwe or Japan shall not be permitted to elect to receive Distribution Shares due to the applicable legal restrictions under the laws of the relevant jurisdiction(s) requiring either a prospectus or offer document to be registered with the relevant authorities or additional steps to be taken to comply with the local requirements. Such Qualifying Shareholders and Beneficial Owners will only be entitled to receive cash in lieu of all the Distribution Shares to which they would otherwise be entitled. The Company reserves the right to adopt the same approach in respect of any other jurisdiction(s) where the applicable laws of the relevant jurisdiction make it necessary or expedient to do so.

Accordingly, the Form of Election will not be sent to Qualifying Shareholders who are located in the US, UK, the PRC, Zimbabwe or Japan or who are US Persons and they will only receive this Circular for information. Such Qualifying Shareholders will receive their Distribution in Specie wholly in cash.

LETTER FROM THE BOARD

It is the responsibility of any Qualifying Shareholders and Beneficial Owners outside Hong Kong who wish to receive Distribution Shares under the Distribution in Specie to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities. It is also the responsibility of any Qualifying Shareholders and Beneficial Owners outside Hong Kong who receive Distribution Shares to also comply with any restrictions on the resale of the Distribution Shares which may apply outside Hong Kong.

VIII. PROCEDURES FOR RECEIVING AND TRADING DISTRIBUTION SHARES

The Distribution Shares are listed on the PSE. The stock symbol of Maynilad on the PSE is “MYNLD”. The ISIN Code is “PH0000061442”.

On the PSE, all purchase and sell orders on securities can only be executed by licensed brokers in scripless form through the facilities of the PSE. Odd lots of the Distribution Shares can only be traded on the odd lot board of the PSE through the licensed brokers. **Qualifying Shareholders should note that the Distribution Shares can only be traded on the PSE in scripless form but cannot be traded on the PSE in the form of physical shares.** Further details (in English) of how securities are traded and settled on the PSE can be found at the following hyperlink to the website of the PSE: <https://www.pse.com.ph/investing-at-pse/#investing1>.

Trading

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bid or ask prices are posted on the PSE’s electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Transactions are generally invoiced through a confirmation slip sent to customers on the trade date (or the following trading day). Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Equities trading on the PSE starts at 9:30 a.m. and ends at 12:00 noon for the morning session, and resumes at 1:00 p.m. and ends at 3:00 p.m. for the afternoon session, with a ten-minute extension during which transactions may be conducted, provided that they are executed at the last traded price and are only for the purpose of completing unfinished orders. Trading days are Monday to Friday, except legal and special holidays and days when the Bangko Sentral ng Pilipinas (“BSP”) clearing house is closed and such other days as may be declared by the Philippine Securities and Exchange Commission (“SEC”) or the PSE, to be a non-trading day.

The minimum trading lot for Maynilad Shares is 100 Maynilad Shares (i.e., one (1) board lot of Maynilad Shares). Odd-sized lots can only be traded by brokers on a board specifically designed for odd-lot trading.

LETTER FROM THE BOARD

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, whenever an order will result in a breach of the trading threshold of a security within a trading day, the trading of that security will be frozen. Orders cannot be posted, modified or cancelled for a security that is frozen. In cases where an order has been partially matched, only the portion of the order that will result in a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

- (a) in the event the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 50% of the previous day's reference or closing price, or the last adjusted closing price). Otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60%. All orders breaching the 60% static threshold will be rejected by the PSE;
- (b) in the event the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under the existing regulations (i.e., 20% for security cluster A and newly-listed securities, 15% for security cluster B and 10% for security cluster C). Otherwise, such order will be rejected by the PSE.

There are currently 122 active PSE trading participants.

Settlement

The Securities Clearing Corporation of the Philippines ("**SCCP**") is a wholly-owned subsidiary of the PSE and was organised primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP received its permanent license to operate on 17 January 2002. It is responsible for: (a) synchronising the settlement of funds and the transfer of securities through delivery versus payment, as well as clearing and settlement of transactions of clearing members, who are also PSE trading participants; (b) guaranteeing the settlement of trades in the event of a PSE trading participant's default through the implementation of its "Fails Management System" and administration of the Clearing and Trade Guaranty Fund, and; (c) performance of risk management and monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a two-day rolling settlement environment, which means that settlement of trades takes place two days after transaction date (T+2). The deadline for settlement of trades is 12:00 noon of T+2. Securities sold should be in scripless form and lodged under the book entry system of the Philippine Depository and Trust Corporation ("**PDTC**"). Each PSE trading participant maintains a Cash Settlement Account with one of the ten (10) existing settlement banks of SCCP which are Asia United Bank Corporation ("**AUB**"), BDO Unibank, Inc. ("**BDO Unibank**"), China Banking Corporation ("**Chinabank**"), Deutsche Bank ("**DB**"), East West Banking Corporation ("**EW**"), The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**"), Maybank Philippines, Inc. ("**Maybank**"), Metropolitan Bank & Trust Company ("**Metrobank**"), Rizal Commercial Banking Corporation ("**RCBC**") and Union Bank of the Philippines ("**Unionbank**"). Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

LETTER FROM THE BOARD

SCCP implemented its Central Clearing and Central Settlement (“CCCS”) system on 29 May 2006. CCCS employs multilateral netting, whereby the system automatically offsets “buy” and “sell” transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each clearing member. All cash debits and credits are also netted into a single net cash position for each clearing member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-eligible trade cleared through it.

Qualifying Shareholders may approach a duly licensed agent, broker or custodian in the Philippines, or any agent in Hong Kong or elsewhere which acts on behalf of such an agent, broker or custodian in the Philippines, to open a Philippine Securities Account in the Company’s approved list of brokers set out above.

Registration of Distribution Shares and Splitting of Distribution Shares

The Distribution Shares will be delivered by the Company to the Qualifying Shareholder in scripless form. To do so, the Distribution Shares must be crossed using the facilities of the PSE.

The transfer of Distribution Shares using the facilities of the PSE will be subject to the following costs:

Buying Transaction Costs

- (a) SCCP fee: 0.01% of the aggregate value of the Distribution Shares;
- (b) PSE transaction fee: 0.005% of the aggregate value of the Distribution Shares;
- (c) SEC Fee: 0.005% of the aggregate value of the Distribution Shares; and
- (d) Securities Investor Protection Fund fee: 0.001% of the aggregate value of the Distribution Shares.

Selling Transaction Costs

- (a) Stock transaction tax: 0.1% of the aggregate value of the Distribution Shares;
- (b) SCCP fee: 0.01% of the aggregate value of the Distribution Shares;
- (c) PSE transaction fee: 0.005% of the aggregate value of the Distribution Shares;
- (d) SEC Fee: 0.005% of the aggregate value of the Distribution Shares; and
- (e) Securities Investor Protection Fund fee: 0.001% of the aggregate value of the Distribution Shares.

LETTER FROM THE BOARD

The Company will incur the foregoing charges that are necessary to transfer the Distribution Shares to the Qualifying Shareholder in scripless form and through the facilities of the PSE.

In the event that a Qualifying Shareholder intends to split the Distribution Shares after the delivery by the Company, the subsequent transfer to split the Distribution Shares in scripless form and through the facilities of the PSE will also be subject to the same Buying Transaction Costs and Selling Transaction Costs. The Company will not be responsible for any of costs after the delivery of the Distribution Shares to the Qualifying Shareholders.

Completion of a transfer/trading of Distribution Shares (Settlement)

Once the Distribution Shares are crossed and transferred to the Qualifying Shareholder, the Qualifying Shareholder may proceed to trade the shares in the open market of the PSE, subject to the trading restrictions for odd lot of Maynilad Shares set out in “Resultant Odd Lots of Maynilad Shares” below. In the event the Distribution Shares are sold by the Qualifying Shareholder on the PSE, proceeds from the sale (net of any transaction costs) will be deposited with the Philippine Securities Account of the Qualifying Shareholder within two (2) trading days from the trading date.

Subsequent conversion of Distribution Shares from scripless form to physical share certificates

The Distribution Shares in scripless form are lodged with the PDTC. After the Distribution Shares are delivered to the Qualifying Shareholder, the Qualifying Shareholder may apply to the PDTC through his broker or custodian-participant for withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which the PCD Nominee Corporation (“**PCD Nominee**”, the registered owner of shares held by participants in the PDTC) will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under the PCD Nominee.

Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the shares into certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the relevant company’s transfer agent.

LETTER FROM THE BOARD

Bangko Sentral Registration Document (“BSRD”)

Under current regulations of the BSP, an investment in Philippine securities (such as the Maynilad Shares) must be registered with the BSP if the foreign exchange needed to service the repatriation of capital and/or the remittance of dividends, profits and earnings derived from such shares is to be sourced from the Philippine banking system. If the foreign exchange required to service capital repatriation or dividend remittance will be sourced outside the Philippine banking system, registration with the BSP is not required. BSP Circular No. 471 issued on 24 January 2005 subjects foreign exchange dealers and money changers to RA No. 9160 (the Anti-Money Laundering Act of 2001, as amended) and requires these non-bank sources of foreign exchange to require foreign exchange buyers to submit supporting documents in connection with their application to purchase foreign exchange for purposes of capital repatriation and remittance of dividends.

Registration of Philippine securities listed on the PSE may be done directly with a custodian bank duly designated by the foreign investor within two banking days of actual settlement or submission of proof of funding and actual investment. A custodian bank may be a universal or commercial bank or an offshore banking unit registered with the BSP to act as such and appointed by the investor to register the investment, hold shares for the investor, and represent the investor in all necessary actions in connection with his investments in the Philippines.

Upon registration of the investment, proceeds of divestments, or dividends of registered investments are repatriable or remittable immediately and in full through the Philippine banking system, net of applicable tax, without need of BSP approval. On 11 April 2024, the Monetary Board approved amendments to the Manual of Regulations on Foreign Exchange Transactions (“**FX Manual**”) to facilitate access to foreign exchange resources and streamline procedures. The amendments under BSP Circular No. 1192 includes, among others, allowing foreign investments registerable with registering authorised agent banks (e.g., non-resident investments in government securities, securities listed on the PSE) to be registered upon reporting by the registering authorised agent bank to the BSP, subject to compliance with the applicable guidelines under FX Manual, dispensing with the issuance of the BSRD for the aforesaid foreign investments registered with the BSP through the registering authorised agent banks; and streamlining the reporting forms/procedures pertaining to these foreign investments.

Pending reinvestment or repatriation, divestment proceeds, as well as dividends of registered investments, may be lodged temporarily in interest-bearing deposit accounts. Interest earned thereon, net of taxes, may also be remitted in full. Remittance of divestment proceeds or dividends of registered investments may be reinvested in the Philippines if the investments are registered with the BSP or the investor’s custodian bank.

The deadline on the report on outstanding balances for foreign investments registered with the BSP through authorised agent banks is quarterly, within 15 banking days after the end of the reference quarter. For the report on foreign direct investments registered with the BSP through authorised agent banks, the deadline is monthly, within five banking days after the end of the reference month.

LETTER FROM THE BOARD

The foregoing is subject to the power of the BSP, with the approval of the President of the Philippines, to suspend temporarily or restrict the availability of foreign exchange, require licensing of foreign exchange transactions or require delivery of foreign exchange to the BSP or its designee during a foreign exchange crisis, when an exchange crisis is imminent, or in times of national emergency. Furthermore, there can be no assurance that the foreign exchange regulations issued by the BSP will not be made more restrictive in the future.

After the delivery of the Distribution Shares (together with the BSRD credit advice for the Distribution Shares) to the Qualifying Shareholders as part of the Distribution in Specie, the subsequent use and registration of the BSRD credit advice in respect of the Distribution Shares shall be the responsibility of the Qualifying Shareholder and their Philippine broker. The Company will not be responsible for any additional legal or regulatory requirements with any governmental authorities after the delivery of the Distribution Shares and BSRD credit advice to the Qualifying Shareholders.

Philippine Taxation applicable to the Distribution Shares

Please see below a summary of key taxation laws applicable to the Distribution Shares. The following summary of the anticipated tax treatment in the Philippines does not constitute legal or tax advice and is based on the taxation law and practice in force to the knowledge of the Company.

The summary does not consider all aspects of taxation which may be relevant to a particular Qualifying Shareholder in light of his/her particular circumstances (for example, tax consequences in the Shareholder's jurisdiction of residence). Qualifying Shareholders should consult their own advisers on the taxation and exchange control implications of their holding or disposing of Distribution Shares under the laws of the jurisdiction in which they are liable to taxation. The Company and its directors give no assurance that the courts or other authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws or practice will not occur.

Sale, Exchange or Disposition of Shares after the delivery of the Distribution Shares to the Qualifying Shareholder

A. Taxes on Transfer of Shares Listed and Traded on the PSE

Unless an applicable income tax treaty exempts the sale from income and/or percentage tax (please see discussion below on tax treaties), a sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non resident holder (other than a dealer in securities) is subject to a percentage tax usually referred to as a stock transaction tax at the rate of one-tenths of one percent (1/10 of 1%) of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed. A value added tax ("VAT") of 12% is imposed on the commission earned by the PSE trading participant who facilitated the sale, barter, exchange or disposition through the PSE, and is generally passed on to the client, the seller or transferor. The stock transaction tax is classified as a percentage tax and is paid in lieu of a capital gains tax. Under certain income tax treaties, the exemptions from capital gains tax may not be applicable to stock transaction tax.

LETTER FROM THE BOARD

The stock transaction tax will not apply if the shares are sold outside the facilities of the PSE, including during a trading suspension.

B. Capital Gains Tax, if the Sale Was Made Outside the PSE

The net capital gains realised by a citizen, resident alien, non resident alien, whether or not engaged in trade or business within the Philippines, or a domestic corporation (other than a dealer in securities) during each taxable year from the sale, exchange or disposition of shares of stock outside the facilities of the PSE, are subject to capital gains tax at the rate of 15% of the net capital gains realised, beginning 1 January 2018.

The net capital gains realised by a resident foreign corporation or a non resident foreign corporation during each taxable year from the sale, exchange or disposition of shares of stock in a domestic corporation outside the facilities of the PSE are subject to a final tax at the rate of fifteen percent (15%).

Unless an applicable treaty exempts such gains from tax or provides for preferential rates, the net capital gains realised by a citizen, resident alien, non-resident alien, whether or not engaged in trade or business within the Philippines, or a domestic corporation, other than a dealer in securities, during each taxable year from the sale, exchange or disposition of shares of stock (i.e., secondary sale of common shares by the holder to another party) outside the facilities of the PSE are subject to capital gains tax at the rate of 15% of the net capital gains realised during the taxable year. Capital gains tax will also apply if the publicly listed company that issued the shares sold does not comply with the minimum public ownership (“MPO”) requirement.

If an applicable income tax treaty exempts net gains from such sale from capital gains tax, an application for tax treaty relief has to be filed with the BIR in accordance with Bureau of Internal Revenue (“BIR”) regulations, and approved by the BIR, to avail of the exemption. (Please see discussion below on tax treaties.)

The transfer of shares shall not be recorded in the books of a company, unless the BIR has issued a Certificate Authorising Registration (“CAR”) which certifies that all applicable taxes relating to the sale or transfer have been paid or, where applicable, tax treaty relief has been confirmed by the International Tax Affairs Division of the BIR in respect of the capital gains tax, or other conditions have been met.

C. Tax on Dividends

Cash and property dividends received from a domestic corporation by individual shareholders who are either citizens or residents of the Philippines are subject to a final tax at the rate of 10%, which shall be withheld by the Company. Cash and property dividends received by non resident alien individuals engaged in trade or business in the Philippines are subject to a 20% final withholding tax on the gross amount thereof, while cash and property dividends received by non resident alien individuals not engaged in trade or business in the Philippines are subject to a final withholding tax at 25% of the gross amount, subject, however, to the applicable preferential tax rates under income tax treaties executed between the Philippines and the country of residence or domicile of such non resident foreign individuals.

LETTER FROM THE BOARD

Cash and property dividends received from a domestic corporation by another domestic corporation or by a resident foreign corporation are not subject to tax, while those received by a non resident foreign corporation are generally subject to a final withholding tax at the rate of 25%. The 25% tax rate for dividends paid to a non resident foreign corporation may be reduced to a lower rate of 15% if tax sparing applies, which is when:

- the country where the non resident foreign corporation is domiciled imposes no tax on foreign sourced dividends; or
- the country of domicile of the non resident foreign corporation allows at least 10% credit equivalent for taxes deemed to have been paid in the Philippines.

The tax rate above is without prejudice to applicable preferential tax rates under income tax treaties in force between the Philippines and the country of domicile of the non-resident holder.

Through the issuance of Revenue Memorandum Order No. 14-2021 (Streamlining the Procedures and Documents for the Availment of Treaty Benefits, dated 31 March 2021), as clarified by Revenue Memorandum Circular No. 77-21 (Clarification on Certain Provisions of Revenue Memorandum Order No. 14-21, dated 15 June 2021), the BIR revised its procedures for the availment of tax treaty relief. Under these regulations, all income items derived by non-resident taxpayers entitled to tax treaty relief shall be confirmed by the BIR through the filing of either: (a) a request for confirmation (“**RFC**”) by the withholding agent, or (b) a tax treaty relief application (“**TTRA**”) by the non-resident taxpayer, with the required supporting documents in either case. In cases where the dividend arises in the Philippines and is paid to a resident of the other contracting state, most tax treaties to which the Philippines is a party provide for a preferential tax rate of either 15% or 25%.

(a) **RFC relating to dividend income**

The preferential tax treaty rate may be applied by the withholding agent/income payor on the dividend income of the non-resident foreign shareholder by relying on the submission by such shareholder of the following documents before the dividend income is paid: (a) an application form for treaty purposes, (b) an authenticated/apostilled tax residency certificate duly issued by the relevant foreign tax authority in favor of the shareholder, and (c) the relevant provision of the applicable tax treaty which prescribes the preferential tax treatment on dividend income. If the tax treaty rate was applied, the withholding agent/income payor must file with the Bureau of Internal Revenue National Office, International Tax Affairs Division (“**BIR ITAD**”), a request for confirmation of the use of the tax treaty rate. The RFC must be filed after the payment of the withholding tax and in no case later than the last day of the fourth month following the close of the relevant taxable year. In addition, Revenue Memorandum Circular No. 77-21 prescribes the filing of one consolidated request for confirmation per non-resident income recipient, regardless of the number and type of income payments during the year. The list of all documentary requirements that have to be submitted in support of the request for confirmation is provided under Revenue Memorandum Circular No. 14-2021. The RFC will be denied if the BIR determines that the withholding tax rate used is lower than the applicable tax rate that should have been applied, or that the non-resident taxpayer is not entitled to treaty benefits. The BIR will also require the withholding agent/income payor to pay the deficiency taxes plus surcharge, interest and penalties.

LETTER FROM THE BOARD

(b) TTRA relating to dividend income

If the withholding agent/income payor used the regular rate under the Philippine National Internal Revenue Code (“**Tax Code**”), the non-resident foreign shareholder may, at any time after its receipt of the dividend income, file a TTRA with BIR ITAD. Like the RFC, the TTRA must also be supported by the documents specified in Revenue Memorandum Circular No. 14-2021. The BIR will issue a certificate confirming the non-resident income recipient’s entitlement to treaty benefits, and the shareholder may apply for a refund of excess withholding tax within the two-year period provided in Section 229 of the Tax Code, if the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied. The claim for refund of the shareholder may also be filed simultaneously with the TTRA. Since the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information and may also involve the filing of a judicial appeal, it may be impractical to pursue such refund.

(c) Applications relating to capital gains tax or stock transaction tax

In case a non-resident holder who is a resident of a country that has such a tax treaty seeks to avail of exemption from capital gains tax or stock transaction tax, it has to file a request for the BIR to issue a ruling confirming such exemption, along with the required supporting documents, including an application form for treaty purposes, and an authenticated/apostilled tax residency certificate duly issued by the relevant foreign tax authority in favor of the seller. Revenue Memorandum Circular No. 77-21 provides that such application can be filed after the sale “but shall not be later than the last day of the fourth month following the close of the taxable year when the income is paid or when the transaction is consummated” in case of capital gains. The favorable ruling of the BIR has to be secured before the CAR can be applied for, in case of an application relating to capital gains tax.

D. Preferential Rates under Income Tax Treaties

The following table lists some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non resident holders who are residents of those countries:

	Dividends (%)	Stock transaction tax on sale or disposition effected through the PSE (%)⁽⁹⁾	Capital Gains tax due on disposition of Shares outside the PSE (%)
Canada	25 ⁽¹⁾	0.6	May be exempt ⁽¹³⁾
China	15 ⁽²⁾	Exempt ⁽¹⁰⁾	May be exempt ⁽¹³⁾
France	15 ⁽³⁾	Exempt ⁽¹¹⁾	May be exempt ⁽¹³⁾
Germany	15 ⁽⁴⁾	Exempt ⁽¹²⁾	May be exempt ⁽¹³⁾
Japan	15 ⁽⁵⁾	0.6	May be exempt ⁽¹³⁾
Singapore	25 ⁽⁶⁾	0.6	May be exempt ⁽¹³⁾
United Kingdom	25 ⁽⁷⁾	0.6	Exempt ⁽¹⁴⁾
United States	25 ⁽⁸⁾	0.6	May be exempt ⁽¹³⁾

LETTER FROM THE BOARD

Notes:

- (1) 15% if recipient company controls at least 10% of the voting power of the company paying the dividends; 25% in all other cases.
- (2) 10% if the beneficial owner is a company which holds directly at least 10% of the capital of the company paying the dividends; 15% in all other cases.
- (3) 10% if the recipient company (excluding a partnership) holds directly at least 10% of the voting shares of the company paying the dividends; 15% in all other cases.
- (4) 5% if the recipient company (excluding a partnership) holds directly at least 70% of the capital of the company paying the dividends; 10% if the recipient company (excluding a partnership) holds directly at least 25% of the capital of the company paying the dividends; 15% in all other cases.
- (5) 10% if the recipient company holds directly at least 10% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of six months immediately preceding the date of payment of the dividends; 15% in all other cases.
- (6) 15% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year at least 15% of the outstanding shares of the voting shares of the paying company were owned by the recipient company; 25% in all other cases.
- (7) 15% if the recipient company is a company which controls directly or indirectly at least 10% of the voting power of the company paying the dividends; 25% in all other cases.
- (8) 20% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year, at least 10% of the outstanding shares of the voting shares of the paying corporation were owned by the recipient corporation; 25% in other cases. Notwithstanding the rates provided under the Convention between the Government of the Republic of the Philippines and the Government of the US with respect to Taxes on Income, corporations which are residents of the US may avail of the 15% withholding tax rate under the tax sparing clause of the Philippine Tax Code provided certain conditions are met.
- (9) If the stock transaction tax is not expressly included in the tax treaty, the income recipient will be subject to stock transaction tax at the rate of 0.6% of the gross selling price as provided under Section 127 of the Philippine Tax Code as amended by the Section 39 of the Tax Reform for Acceleration and Inclusion Law (“**TRAIN Law**”).
- (10) Article 2(1)(b) of the Agreement between the Government of the Republic of the Philippines and the Government of the PRC for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was signed on 18 November 1999.
- (11) Article 1 of the Protocol to the Tax Convention between the Government of the Republic of the Philippines and the Government of the French Republic Signed on 9 January 1976 was signed in Paris, France on 26 June 1995 signed on 26 June 1995.
- (12) Article 2(3)(a) of Agreement between the Government of the Republic of the Philippines and the Federal Republic of Germany for the Avoidance of Double Taxation with Respect to Taxes on Income and Capital signed on 9 September 2013.
- (13) Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.
- (14) Under the income tax treaty between the Philippines and the UK, capital gains on the sale of the shares of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.

LETTER FROM THE BOARD

E. Documentary Stamp Tax

The sale, barter or exchange of shares of stock listed and traded at the PSE (provided that publicly listed company that issued the shares sold complies with the MPO requirement) is not subject to documentary stamp tax (“**DST**”). The secondary transfer of shares of stock outside of the facilities of the PSE (or if the publicly listed company that issued the shares sold does not comply the MPO requirement) is subject to DST at the rate of ₱1.50 on each ₱200.00, or a fractional part thereof, of the par value of the shares of stock transferred.

The DST is imposed on the person making, signing, issuing, accepting or transferring the document and is thus payable by either or both the vendor or the vendee of the shares. As mentioned previously, the transfer of shares shall not be recorded in the books of a company, unless the BIR issues a CAR.

F. Estate and Gift Taxes

Shares issued by a domestic corporation are deemed to have a Philippine situs and their transfer by way of a succession or donation, even if made by a non-resident decedent or donor outside the Philippines, is subject to Philippine estate and donor’s taxes.

The transfer by a deceased Philippine resident to his heirs of the shares of stock shall be subject to an estate tax which is levied on the net estate of the deceased at a rate of 6.0%. A holder of the shares of stock who is a Philippine resident shall be subject to donor’s tax based on the total gifts in excess of ₱250,000.00 exempt gift made during the calendar year on the transfer of the shares of stock by donation at a rate of 6.0%.

The estate or donor’s taxes payable in the Philippines may be credited with the amount of any estate or donor’s taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor. Estate and donors’ taxes, however, shall not be collected in respect of intangible personal property, such as shares of stock:

- (a) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or
- (b) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

In case the shares of stock are transferred for less than an adequate and full consideration in money or money’s worth, the amount by which the fair market value of the shares of stock exceeded the value of the consideration may be deemed a gift, and donor’s taxes may be imposed on the transferor of the shares of stock, based on Section 100 of the Tax Code, provided that a transfer of property made in the ordinary course of business (a transaction which is a bona fide, at arm’s length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money’s worth.

LETTER FROM THE BOARD

Qualifying Shareholders who wish to receive Distribution Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of receiving the Distribution Shares for, holding and dealing in the Distribution Shares or exercising any rights attached to them. It is emphasised that none of our Company, any of their respective affiliates, directors, officers, employees, agents or advisors or any other party involved in the Distribution in Specie accepts responsibility for any tax effects on, or liabilities of any holders of the Shares resulting from the Distribution in Specie, or from the holding or disposal of the Distribution Shares or exercising any rights attached to them.

IX. RESULTANT ODD LOTS OF MAYNILAD SHARES

Each board lot of Maynilad Shares consists of 100 Maynilad Shares. Accordingly, Qualifying Shareholders and Beneficial Owners should note that if they elect to receive Distribution Shares, it is possible that the total number of Distribution Shares to which they are entitled may include odd lots of Maynilad Shares.

Odd lots of Maynilad Shares cannot be traded on the PSE. Odd-sized lots can only be traded by PSE trading participants on a board specifically designed for odd-lot trading.

Qualifying Shareholders and Beneficial Owners who would like to dispose of any odd lots of Maynilad Shares may contact a duly licensed broker or custodian to attempt to sell the odd lots of Maynilad Shares on the odd-lot trading board of the PSE in order to individually locate a potential purchaser for such Maynilad Shares. However, it cannot be guaranteed that a potential purchaser for such odd lots of Maynilad Shares can be located. Qualifying Shareholders and Beneficial Owners requesting such services may also, on their own account, incur costs, expenses, levies, taxes, commissions and/or other fees charged by the relevant agent, broker, custodian, stock exchange and/or governmental bodies or authorities. Qualifying Shareholders are also cautioned that the market price of odd-lots is typically discounted from the prevailing market price of the listed shares considering the limited trading activity and availability of buyers.

X. EXPECTED TIMETABLE

Despatch of this Circular and the Form of Election 31 December 2025

Latest time for lodging the Form of Election 4:30 p.m. on 16 January 2026

Despatch of Distribution Shares in scripless form to Qualifying Shareholders
(or cheques to Qualifying Shareholders receiving cash by ordinary post) 5 February 2026

All times above refer to Hong Kong local time.

LETTER FROM THE BOARD

If there is a tropical cyclone warning signal number 8 or above, or “extreme conditions” announced by the Hong Kong Government, or a “black” rainstorm warning in force at any time prior to 4:30 p.m. on Friday, 16 January 2026, the deadline for return of the Form of Election will be changed. Further information is set out in the section headed “QUALIFYING SHAREHOLDERS HOLDING AT LEAST 17,200 SHARES WHO WISH TO RECEIVE THEIR ENTITLEMENTS IN THE FORM OF DISTRIBUTION SHARES OR PARTLY IN THE FORM OF DISTRIBUTION SHARES AND PARTLY IN CASH” above.

The timetable is subject to change and any change will be published in a further announcement.

XI. GENERAL

Qualifying Shareholders and Beneficial Owners are reminded that whether or not it is to their advantage to elect to receive the Distribution in Specie in cash in lieu of Distribution Shares depends upon their own individual circumstances and preferences; and the decision in this regard and all effects resulting therefrom are the responsibility of each individual Qualifying Shareholder and Beneficial Owner. The effect on the tax position of any Qualifying Shareholder will depend on that Qualifying Shareholder’s particular circumstances. Qualifying Shareholders who are trustees are recommended to take professional advice as to whether the choice to receive cash or Distribution Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

This Circular and the Form of Election are not, and do not form part of, an offer to sell or solicitation of an offer to purchase or subscribe for any securities of Maynilad in Hong Kong, the US, UK, the PRC, Zimbabwe, Japan or any other jurisdiction, and this Circular and the Form of Election, or any part of them, shall not form the basis of, or be relied on in connection with, any investment decision relating to securities of Maynilad. No prospectus in relation to the offer of shares in the Philippines Share Offer and separate listing of Maynilad is required to be issued or registered and no such prospectus will be issued or registered in Hong Kong. The securities of Maynilad referred to in this Circular have not been and will not be registered under the US Securities Act, and may not be offered or sold unless registered or an exemption from registration is available.

Enquiries and Follow Up

Any enquiries by Qualifying Shareholders and Beneficial Owners as to delivery of their entitlements should be directed to the transfer agent, CLSA Philippines, Inc. at 19th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Barangay Bel-Air, Makati City, Philippines (telephone: +63 2 88604000; email: phops@clsa.com). For general enquiries, Shareholders may also contact the Company by email to DistributioninSpecie.2026@firstpacific.com.

If you are in any doubt as to what to do, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

By Order of the Board
First Pacific Company Limited
Chiu Wing Man, Fiona
General Counsel and Company Secretary