

METRO PACIFIC INVESTMENT CORPORATION (MPIC) TENDER OFFER - SHAREHOLDER GUIDE

August 8, 2023

Disclaimer: This shareholder guide, created by First Metro Securities, is designed to offer MPIC shareholders additional insights based on publicly available information from the SEC and the Philippine Stock Exchange (PSE) that is believed to be accurate at the time of its release. Shareholders considering participation in the tender offer are strongly advised to thoroughly review all official documents, including the Tender Offer Report, as they contain crucial information that should be carefully assessed before making any investment decisions. While efforts have been made to ensure the guide's accuracy and reliability, it does not provide any express or implied warranty. Therefore, shareholders should exercise due diligence and seek independent advice, as First Metro Securities and its officers, directors, employees, and representatives will not be liable for any claims, losses, or damages resulting from the use of this guide or reliance on its content.

Background:

On July 6, 2023, the “Bidders”, comprising Metro Pacific Holdings, GT Capital Holdings, Mit-Pacific Infrastructure Holdings, and MIG Holdings, announced their intention to buy a substantial number of MPIC common shares via a tender offer. Their objective is to make MPIC a private company through voluntary delisting. Once MPIC is delisted, MPIC common shares will no longer be available for trading on the Philippine Stock Exchange (PSE).

Frequently Asked Questions:

1. What is a Tender Offer?

A tender offer is a formal and publicly disclosed proposal made by an individual, an organization or a group of individuals and / or organizations (the “Bidders”) to purchase outstanding equity securities of a public company directly from its existing shareholders.

2. What is the Tender Offer being made to MPIC shareholders?

The Bidders are offering to purchase all the outstanding common shares of MPIC, excluding those already owned by the Bidders¹ and the members of the Board of Directors with respect to their qualifying common shares. These outstanding shares amount to approximately 10.5 billion common shares, representing around 36.73% of the total outstanding common shares as of June 30, 2023. The price set for the tender offer is ₱5.20 per share.

3. Who are the Bidders?

The Bidders are:

- First Pacific (through Metro Pacific Holdings, Inc.): An investment company listed in the HK Stock Exchange with businesses in consumer food products, telecommunications, infrastructure, and natural resources.
- GT Capital Holdings, Inc.: A Philippine conglomerate listed on the Philippine Stock Exchange with interests in banking, automotive, insurance, property development, and infrastructure. Its operating companies include Metrobank, Toyota Motor Philippines, Federal Land, AXA Philippines, and MPIC.
- Mit-Pacific Infrastructure Holdings Corporation: A joint venture between Mitsui & Co., Ltd. and Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development.
 - Mitsui & Co., Ltd.: A Japanese trading company listed on the Tokyo Stock Exchange in Japan. It is involved in a wide range of businesses, including product sales, worldwide logistics, financing, and the development of major international infrastructure projects.

¹ MIG is in the process of acquiring approximately 31.6 million common shares, including shares owned by Manuel V. Pangilinan. Such shares shall form part of the Excluded Shares for purposes of the Tender offer.

- Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development: A government-backed investment fund in Japan promoting Japanese companies to participate in overseas infrastructure investments, primarily focusing on transport and urban development projects.
- MIG Holdings Incorporated: A company representing the management investment group led by Manuel V. Pangilinan, who serves as the Chairman and President of MPIC.

4. What is the objective of the bidders in making this tender offer?

The Bidders are making the Tender Offer to own at least 95% of all MPIC common shares, including their current shareholdings. The Bidders intend to delist MPIC from the PSE, subject to the approval of the PSE, once they have enough shares to meet the delisting requirement.

If the Bidders are unable to reach their target or fulfill the PSE's requirements, they have the option to withdraw the Tender Offer by notifying the Securities and Exchange Commission ("SEC") and the PSE before the Settlement Date.

5. How does the completion of the Tender Offer and Voluntary Delisting affect MPIC shareholders?

If the Bidders successfully own at least 95% of all MPIC common shares after the Tender Offer, the Company's public ownership is expected to fall below the required minimum float of 10%, as mandated by the PSE.

According to the PSE's Amended Rule on Minimum Public Ownership, listed companies failing to comply with the minimum ownership requirement may face suspension from trading for up to six months and, if non-compliant after the suspension period, automatic delisting.

Nevertheless, the Bidders have the intention of voluntarily delisting MPIC from the PSE after the Tender Offer's completion, subject to the approval of the PSE.

Upon delisting, MPIC's common shares will no longer be tradable on the PSE, which may possibly impact shareholders' ability to sell their investments and convert them into cash.

Consequently, should the shareholders sell their shares after the delisting of MPIC, the following shall be the applicable taxes:

- Capital Gains Tax: The net capital gains realized from the sale will be subject to a 15% capital gains tax. If the gains are exempt from capital gains tax due to an income tax treaty, individuals must file for tax treaty relief with the BIR.
- Documentary Stamp Tax (DST): The transfer of shares outside the PSE will be subject to DST at a rate of ₱1.50 for every ₱200, or a fraction thereof, based on the par value of the shares.

These taxes are notably higher than the stock transaction tax, which is 0.6% of the gross selling price for transactions through the PSE facilities.

Furthermore, the transfer of shares outside the PSE must secure a Certificate Authorizing Registration (“CAR”) from the BIR, confirming payment of capital gains and documentary stamp taxes, or tax treaty relief, to complete the share transfer.

Given these implications, shareholders should carefully consider the impact of the Voluntary Delisting on their shares before deciding to participate in or abstain from the Tender Offer.

6. What is the tender offer price?

The Tender Offer is being made at the price of ₱5.20 per share. According to the Tender Offer Report, this is the Bidders’ best and final offer and will not be subject to any further adjustment.

This price reflects a 37% premium over the one-year VWAP (Volume Weighted Average Price) of ₱3.80 from April 27, 2022 to April 26, 2023.

7. Is the tender offer price fair?

Unicapital, Inc., an independent financial adviser accredited by the SEC and PSE, conducted a valuation study on MPIC’s shares following the Guidelines on the Conduct of Valuation and Issuance of a Fairness Opinion as outlined in the SRC Rules.

In their assessment, Unicapital, Inc. considered various valuation methods, including Net Asset Value Approach, Discounted Cash Flow Approach, Dividend Discount Model, Price-to-Earnings-Based Approach, and Volume-Weighted Average Price. The resulting valuation range for MPIC’s shares was determined to be between ₱3.37 and ₱5.10.

The Tender Offer Price, set at ₱5.20, represents a premium of ₱0.10 over the highest end of the valuation range stated in the Fairness Opinion Report of Unicapital, Inc.

You can access the valuation report and fairness opinion, dated June 26, 2023, at this link: <https://www.mpic.com.ph/wp-content/uploads/2023/07/Unicapital-Fairness-Opinion-and-Valuation-Report-1.pdf>.

8. How does the Tender Offer benefit MPIC shareholders?

The Tender Offer provides MPIC Shareholders an opportunity to sell their MPIC shares and gain a return above the current trading price. At ₱5.20 per common share, the Tender Offer Price offers a 37% premium over the one-year VWAP of MPIC common shares from April 27, 2022 to April 26, 2023. Additionally, the Tender Offer Price also represents a premium of ₱0.10 above the highest end of the valuation range specified in the Fairness Opinion Report of the independent financial adviser.

9. When does the MPIC Tender Offer Period take place?

The Tender Offer will begin on August 9, 2023 at 9:00 am and end on September 7, 2023 at 12:00 nn. The Bidders have the option to extend the Tender Offer Period, subject to SEC approval. If any business day during the Tender Offer Period is declared a non-working day, the period will be extended by the corresponding number of business days.

10. How do I tender my MPIC shares?

If you wish to tender your shares, the process will vary depending on whether you hold a physical stock certificate or have scripless shares.

- *For holders of physical stock certificates:*

If you have physical stock certificates, you will need to submit the required documents directly to First Metro Securities, the designated tender offer agent, at any of their offices listed below from Monday to Friday, between 9:00 am to 5:00 pm, excluding holidays and declared non-working days:

MAKATI
First Metro Securities Brokerage Corporation
18F PSBank Center
777 Paseo de Roxas cor. Sedeño St.
Makati City

CEBU
First Metro Cebu Investment Hub
GF Metrobank Plaza
Fuente Osmeña Blvd.
Cebu City

DAVAO
First Metro Davao Investment Hub
3F Abreeza Ayala Mall
JP Laurel Avenue, Poblacion District
Davao City

First Metro Securities will also set up receiving booths in other convenient locations across Metro Manila. To stay updated and find out more about their booth locations, follow their Facebook page at <https://www.facebook.com/firstmetrosec>.

- *For holders of scripless or electronic shares*

If your shares are scripless or held electronically, the process involves instructing your broker to tender the shares on your behalf. They will guide you through the necessary steps, and you may need to sign relevant documents or provide instructions as required.

11. What documents are required to tender my shares?

To tender your shares, the required documents will vary depending on whether you hold physical stock certificates or electronic shares.

- *For holders of physical stock certificates:*
 - Individuals:
 - Original stock certificate in the name of the tendering shareholder, which must be signed at the back by the shareholder to signify endorsement.
 - Duly accomplished Application to Tender Shares form in triplicate.
 - Photocopy of two (2) valid identification cards.
 - Two (2) duly accomplished specimen signature cards.
 - Original Special Power of Attorney, notarized, apostilled or consularized, if another person represents the shareholder.
 - Corporations:
 - Original stock certificate in the name of the tendering shareholder, which must be signed at the back by the authorized signatories to signify an endorsement.
 - Duly accomplished Application to Tender Shares form in triplicate.
 - Certified True Copies of the following:
 - SEC registration
 - Articles of Incorporation/By-Laws
 - Latest General Information Sheet
 - Notarized Secretary's Certificate evidencing the resolution authorizing the sale of its MPIC common shares, designating the authorized signatory/ies, and indicating the specimen signatures of these signatory/ies
 - Two (2) duly accomplished specimen signature cards of the authorized signatories
 - Photocopy of valid ID of authorized signatories
 - Partnerships:
 - Original stock certificate in the name of the tendering shareholder, which must be signed at the back by the authorized signatories to signify an endorsement.
 - Duly accomplished Application to Tender Shares form in triplicate.
 - Certified True Copies of the following:
 - SEC registration
 - Articles of Partnership
 - Notarized Partnership Resolution authorizing the sale of its MPIC common shares, designating the authorized signatory/ies, and indicating the specimen signatures of these signatory/ies

- Two (2) duly accomplished specimen signature cards of the authorized signatories
- Photocopy of valid ID of authorized signatories
- *For holders of scripless or electronic shares:*

If your shares are held in a scripless or electronic form, please reach out to your broker directly to inquire about their specific requirements for tendering shares. They will be able to guide you through the necessary steps and inform you about the documents you need to provide for the tendering process.

12. What fees and charges will the tendering shareholder incur for participating in the tender offer?

Participating in the tender offer will entail the following fees and charges:

- Stock transaction tax of 0.6% of the gross Shareholder Transaction Value.
- Securities Clearing Corporation of the Philippines (SCCP) fee of 0.01% of the gross Shareholder Transaction Value.
- PSE transaction fee of 0.005% of the gross Shareholder Transaction Value.
- SEC Fee of 0.005% of the gross Shareholder Transaction Value.
- Securities Investor Protection Fund fee of 0.001% of the gross Shareholder Transaction Value.

After deducting the mentioned fees and charges, **except for the Broker's commission**, from the tendering shareholder's sales proceeds, the estimated net Tender Offer sales proceeds is ₱5.1677 per share.

If you choose to instruct your broker to make your physical securities scripless or transfer scripless shares to other brokers, you will incur additional charges.

13. How can I tender my MPIC shares if I have lost the physical stock certificates?

If you have lost your physical stock certificates and need to tender your shares, reach out to the stock transfer agent of MPIC, Stock Transfer Service, Inc. (STSI), using the contact details below:

Address: 34F Unit D, Rufino Pacific Tower, 6784 Ayala Ave., Makati City, Philippines
Tel No.: (632) 8403 2410 / 8403 3433 / 5310 3671 / 8403 2414
Contact Persons: Mr. Ricardo D. Regala, Jr. / John Herrera / Joel Cortez / Arlene Cuenta
Email: rdregala@stocktransfer.com.ph, jlherrera@stocktransfer.com.ph,
jscortez@stocktransfer.com.ph, accuenta@stocktransfer.com.ph

The stock transfer agent will verify your shareholdings to confirm your ownership and provide you with the necessary guidance and instructions to proceed with tendering your shares, even if you have lost the physical certificates.

Generally, after confirming your shareholding, the stock transfer agent will instruct you to submit the following additional documents to the Tender Offer Agent: an affidavit of lost certificate, surety bond, and proof of publication in a newspaper of general circulation.

Please note that the process of dealing with lost stock certificates can be long and tedious. To ensure a smooth and timely resolution, the shareholder is advised to act promptly and consult with the stock transfer agent for any assistance or clarification needed during the tendering process.

14. How can I tender MPIC shares of a deceased relative?

If the MPIC shares are held in a scripless or electronic form, you should get in touch with the broker responsible for handling the deceased relative’s electronic shares. Provide the necessary documentation as requested and follow the instructions given by the broker.

If the MPIC shares are held in physical securities, submit the following additional documents to the Tender Offer Agent:

- Certified true copy of the stockholder’s Death Certificate.
- A two-year heir’s bond issued by a duly accredited bonding company in an amount equivalent to the total estimated market value of the shares left by the deceased and the expected dividends thereon for the two-year period.
- Certification confirming the estate tax payment from the BIR or the appropriate Philippine Embassy/Consulate if non-resident, or a tax-exemption certification from the Philippine Consulate Office if applicable.
- In addition, please provide the following documents based on whether the estate is settled judicially or extrajudicially:

If the estate is settled judicially	If the estate is settled extrajudicially
<ul style="list-style-type: none"> • Letters of Administration/Testamentary, issued by the probate court/court. • Certified true copy of the Court Order approving the disposition of the shares, the Partition, or probate of the will. 	<ul style="list-style-type: none"> • Original signed or certified true copy of the Deed of Extra-Judicial Settlement or an Affidavit of Self-Adjudication, registered with the Register of Deeds of the decedent’s last known residence. • Affidavit of Publication of the notice of the estate’s settlement in a newspaper of general circulation, once a week for three (3) consecutive weeks

Kindly note that if the deceased shareholder is a non-resident, all the required documents for submission must be duly authenticated by the proper officer of the Philippine Embassy or Consulate or apostilled in accordance with the Apostille Convention.

Please note that the process of tendering MPIC shares of a deceased relative can be lengthy and complex. Therefore, it is advisable for the heir/s to act promptly and seek assistance from a lawyer or a financial expert to ensure all required documents are properly prepared and submitted.

15. How and when will I receive payment if I participate in the Tender Offer?

The total tender offer sales proceeds, after deducting selling charges, will be disbursed on [September 19], 2023, the “Settlement Date.”

If you tendered physical securities directly through First Metro Securities, the Tender Offer Agent, the method of receiving the net proceeds will depend on your chosen option when you tendered. The net proceeds can either be credited to your nominated bank account, or you can opt to collect a check, which will be made available for pick-up at First Metro Securities’ Makati office within thirty (30) business days from the Settlement Date. During payment collection, you must present a valid ID, and if you are sending an authorized representative, they need to present an authorization letter from you. Unclaimed checks after (thirty) 30 days will be transferred to the Stock Transfer Agent, who will then send them to the shareholder via registered mail. Any bank charges, including any outward remittance charges that may apply in relation to the crediting of proceeds, shall be for the account of the Tendering Shareholder. Shareholders who opt to receive the proceeds via check payment deposit to their designated bank account must not hold the Tender Offer Agent and the Bidders liable with respect to this payment option, and the payment shall be deemed received by the shareholder.

On the other hand, if you tendered scripless shares through your broker, the net proceeds will be credited to your broker’s account, and they will take care of the subsequent payment to you.

16. Can I change my mind after I have tendered shares in the Tender Offer?

Yes. You have the option to withdraw any shares you have tendered at any time before the Tender Offer Period expires, which is at 12:00 nn on September 7, 2023. However, once the Tender Offer Period has ended, no further withdrawals of tendered shares will be allowed.

To withdraw your tendered shares within the Tender Offer Period, you need to submit a written request to First Metro Securities, the designated tender agent. The request should include your name as the shareholder and the number of shares you wish to withdraw. Please note that withdrawal requests for fractional shares will not be accepted.

Keep in mind that any expenses incurred by First Metro Securities related to the withdrawal process will be the responsibility of the shareholder making the withdrawal. It is important to carefully consider your decision before tendering your shares and withdrawing them to avoid any unnecessary costs.

17. What happens to the tendered shares if they are not accepted and acquired by the Bidder?

If the tendered shares are not accepted and acquired by the Bidders, they will be returned to the respective common shareholders. The Tender Offer and Paying Agent will handle this process of returning the shares.

18. What is the indicative timetable?

The following key dates should be considered when assessing your options. Each of the dates in the table below is indicative only, may be subject to change in compliance with SEC/PSE approvals and overall offer progress:

- August 8, 2023: MPIC shareholder meeting for delisting approval
- August 9, 2023: Commencement of delisting Tender Offer
- September 7, 2023: End of delisting Tender Offer
- October 9, 2023: Delisting of MPIC

19. Who should I contact for any inquiries regarding the Tender Offer?

For inquiries regarding the number of shares and stock certificates of a shareholder in MPIC, please contact the Stock Transfer Agent. They are responsible for maintaining accurate records of shareholder information and can assist you with any questions or concerns you may have about your shares. You may reach them at the contact details below:

Stock Transfer Agent, Stock Transfer Service, Inc. (STSI)

Address: 34F Unit D, Rufino Pacific Tower, 6784 Ayala Ave., Makati City, Philippines

Tel No.: (632) 8403 2410 / 8403 3433 / 5310 3671 / 8403 2414

Contact Persons: Mr. Ricardo D. Regala, Jr. / John Herrera / Joel Cortez / Arlene Cuenta

Email: rdregala@stocktransfer.com.ph, jlherrera@stocktransfer.com.ph,
jscortez@stocktransfer.com.ph, accuenta@stocktransfer.com.ph

For questions or concerns about the Tender Offer process, please reach out to the Tender Offer Agent at the contact details below:

First Metro Securities Brokerage Corporation

Address: 18/F PSBank Center, 777 Paseo de Roxas corner Sedeno St., Makati City

Tel No.: (02) 8859 0653 / 8859 0691 / 8859 0628

Contact Persons: Sarah Bustamante / John Gilbert Bernardo / Josephine So / Divina Klotz

Email: tenderoffer@firstmetrosec.com.ph

20. Where can I get more information?

For additional information about the Tender Offer, refer to the Form 19-1 Tender Offer Report, which was submitted to the SEC and the PSE. These reports contain comprehensive details about the terms, conditions, and other important aspects of the Tender Offer.

Individual common shareholders of MPIC will receive copies of the Tender Offer Report and other relevant Tender Offer materials directly.

Moreover, MPIC will make sure that the Tender Offer Report and related materials are easily accessible for download on its official company website shortly after filing them with the SEC and the PSE.