19 February 2018

Securities and Exchange Commission
Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City

Attention : Mr. Vicente Graciano P. Felizmenio, Jr.
Director, Markets and Securities Regulation Department

Philippine Stock Exchange, Inc.
Tower One and Exchange Plaza, Ayala Triangle,
Ayala Avenue, Makati City

Attention : Mr. Jose Valeriano B. Zuño III
OIC – Head, Disclosure Department

Subject : Manila Water Signs Agreement to Acquire Shares in East Water in Thailand

Gentlemen :

Please be informed that Manila Water Company, Inc. ("Manila Water" or the "Company") has signed today a Share Purchase Agreement ("Agreement") with Electricity Generating Public Company Limited ("EGCO") to acquire EGCO's 18.72% equity in Eastern Water Resources Development and Management Public Company Limited ("East Water"). The closing of the acquisition is subject to the fulfillment of certain conditions precedent. The Company intends to finance the transaction through internally generated funds and bank debt.

East Water is a publicly listed company whose shares are traded in the Stock Exchange of Thailand. It is engaged in the provision of raw water and tap water since 1992 in the provinces of Rayong, Chachoengsao and Chonburi – the country’s main industrial region, and home to a number of heavy industries, including automotive, electronics, and petrochemicals.

The acquisition of shares in East Water will be Manila Water’s first venture into Thailand’s water industry. East Water’s operations are strategically located along the Eastern Economic Corridor which is targeted to be a leading economic zone in the Southeast Asian region.

Please see attached press release for more information.
Manila Water undertakes to provide the Exchange with all necessary information about the transaction upon the closing of the acquisition. There are no material relationships between the directors or officers of Manila Water, EGCO, and East Water at the time of the acquisition of the shares.

Very truly yours,

Luis Juan B. Oreta
Chief Finance Officer and Treasurer
Compliance Officer
MANILA WATER SET TO EXPAND TO THAILAND

Manila Water continues to make its presence felt in the ASEAN region after it signed a Share Purchase Agreement to acquire an 18.72% stake in Eastern Water Resources Development and Management Public Company Limited ("East Water"), a publicly-listed water supply and distribution company in Thailand. This is Manila Water’s first point of entry into Thailand as part of the company’s ongoing expansion in Southeast Asia.

“Manila Water marks another milestone in its regional growth, as it establishes its presence in Thailand through East Water. We recognize the opportunities this new market presents for us, and we are eager to share the technical expertise and service quality which Manila Water has developed over the last twenty years. From the conglomerate perspective, Ayala sees this development as a strategic entry point into Thailand. With Manila Water leading the way, we hope to leverage our various capabilities to enlarge our footprint in the country.” said Ayala President and COO, and Manila Water Board Chairman, Fernando Zobel de Ayala.

East Water provides raw and tap water supply services in the eastern region of Thailand—the country’s main industrial area and home to various heavy industries; including automotive, electronics, and petrochemicals. Currently, East Water provides raw water supply to three (3) provinces; holds concession contracts to operate in eleven (11) different locations, and provides water service to several industrial estates – all situated within a total area of 13,285 square kilometers; an area nearly as large as the CALABARZON region in the Philippines.

Manila Water Company President and CEO, Ferdz dela Cruz said: “Our entry into the Thailand water space aligns squarely with our internationalization strategy, with focus in Southeast Asia. East Water presents great potential, as its future growth will mainly come from the Eastern Economic Corridor (EEC), the Thai government’s initiative to further develop the country’s eastern seaboard into a leading economic zone in ASEAN.”

Perry Rivera, President of Manila Water Asia Pacific, added: “The EEC is aimed to be a hub for technological manufacturing and services, with strong connectivity to its ASEAN neighbors by land, sea, and air. The Thailand government expects investments of over USD43 billion for the realization of the EEC over the next several years.”

The acquisition is subject to the fulfillment of certain conditions precedent. Meanwhile, Manila Water will finance the acquisition through a combination of internally generated funds and bank debt.

Manila Water’s entry in Thailand comes after its foray into bulk water and concession projects in Vietnam, where it is now the largest direct foreign investor in Vietnam’s water sector supplying half of the bulk water requirements of Ho Chi Minh City. It has also completed pilot projects in Bandung, Indonesia for a non-revenue water reduction program and in Yangon, Myanmar for leakage reduction.