November 16, 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.  
PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City

Attention: Ms. Janet A. Encarnacion  
Head, disclosure Department

Subject: Joint Venture Agreement between Filipinas Water Holdings, Corp.  
and the City of Ilagan Water District

Gentlemen:

Please be informed that the Filipinas Water Holdings, Corp. (FWHC), the consortium of Manila Water Company, Inc. ("Manila Water") and its wholly-owned subsidiary, Manila Water Philippine Ventures, Inc. (MWPV), has signed and executed a Joint Venture Agreement (JVA) with the City of Iligan Water District (CIWD). Under the JVA, FWHC and CIWD shall incorporate a Joint Venture Company (JVC), which shall implement the development, construction, operation, and maintenance of Bulk Water Supply with System Expansion and Septage Management Project for CIWD in the City of Ilagan in the province of Isabela (the "Project").

Under the JVA, FWHC and CIWD shall own 90% and 10% respectively of the JVC's outstanding capital stock such that the initial subscribed and paid-up capital of the JVC shall be as follows:

<table>
<thead>
<tr>
<th>Parties</th>
<th>Form of Contribution</th>
<th>Amount Subscribed</th>
<th>Amount Paid-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>JV Partner</td>
<td>Cash</td>
<td>PhP 22,500,000.00</td>
<td>PhP 5,625,000.00</td>
</tr>
<tr>
<td>CIWD</td>
<td>Cash</td>
<td>PhP 2,500,000.00</td>
<td>PhP 625,000.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>PhP 25,000,000.00</td>
<td>PhP 6,250,000.00</td>
</tr>
</tbody>
</table>

Upon completion of conditions precedents set out in the JVA, the JVC will then enter into a Bulk Water Supply and Purchasing Agreement and a Septage Management Agreement with the CIWD for the implementation of the Project for 25 years from the commencement date as defined in the JVA.

Manila Water undertakes to provide the Exchange with further developments regarding this transaction.

Very truly yours,

Gerardo M. Lobo II  
Assistant Corporate Secretary