



METRO PACIFIC INVESTMENTS CORPORATION

NOTICE OF SPECIAL SHAREHOLDERS' MEETING

Please be advised that a Special Meeting of the Shareholders of METRO PACIFIC INVESTMENTS CORPORATION (the “**Company**”) will be held on August 8, 2023 at 11:00 a.m.

The venue of the meeting is at Multipurpose Hall, Meralco Compound, Ortigas Avenue, Brgy. Ugong, Pasig City. Shareholders may also opt to attend the meeting virtually through the Company’s Electronic Registration and Voting System at <https://conveneagm.com/ph/mpicssm>. Shareholders who wish to attend the meeting, whether physically or virtually, must inform the Company’s Corporate Secretary by email at corsec@mpic.com.ph no later than August 4, 2023.

In order to ensure the safety and well-being of everyone who will be attending the meeting physically in light of the COVID-19 pandemic, the Company reserves the right to impose additional health and safety protocols at the meeting venue. Those who are interested in attending the meeting physically are advised to check the Company’s website from time to time.

The following is the agenda of the Special Meeting of the Shareholders:

- I. Call to Order
- II. Certification of Notice and Quorum
- III. Approval of Voluntary Delisting from the Main Board of the Philippine Stock Exchange
- IV. Other Matters
- V. Adjournment

The Board of Directors has fixed the close of business on July 18, 2023, as the record date for the determination of shareholders entitled to notice of and to vote at the Special Shareholders’ Meeting.

Duly accomplished proxies shall be submitted on or before August 3, 2023 to the Office of the Corporate Secretary at 9th Floor, Tower 1, Rockwell Business Center, Ortigas Avenue, Pasig City and/or by email to corsec@mpic.com.ph. Validation of proxies is set on August 4, 2023.

Shareholders may vote electronically, subject to validation procedures.

The rules and procedures participating in the meeting physically and virtually and for casting their votes *in absentia* are set forth in the Information Statement.

Very truly yours,


RICARDO M. PILARES III
Corporate Secretary
Pasig City

NOTICE TO SHAREHOLDERS

Approval of the Voluntary Delisting from the Main Board of the Philippine Stock Exchange.

Under the Amended Voluntary Delisting Rules (“**Voluntary Delisting Rules**”) of the Philippine Stock Exchange (“**PSE**”), a voluntary delisting must be approved by: (a) at least two thirds (2/3) of the entire membership of the Board of Directors, including the majority, but not less than two, of all its independent directors, and (b) stockholders owning at least two thirds (2/3) of the total outstanding and listed shares of the Company and with the number of votes cast against the delisting proposal comprising not more than ten percent (10%) of the total outstanding and listed shares of the Company.

On April 26, 2023, the Company received notice (the “**Initial Notice**”) that a consortium consisting of Metro Pacific Holdings, Inc. (“**MPHI**”), MIG Holdings Incorporated (“**MIG**”), GT Capital Holdings, Inc. (“**GT Cap**”), and Mit-Pacific Infrastructure Holdings Corporation (“**MPIH**”) (collectively the “**Bidders**”) intend to undertake a tender offer for common shares of the Company (the “**Tender Offer**”), with a view of taking the Company private through a voluntary delisting process. The Tender Offer shall cover all outstanding common shares of the Company, other than the common shares owned by the Bidders and the qualifying common shares of the directors of the Company (the “**Excluded Shares**” and the shares subject of the Tender Offer, the “**Tender Offer Shares**”). On the same date, the Board of Directors of the Company unanimously approved a resolution authorizing the filing of an application for voluntary delisting with the PSE, subject to compliance with the requirements of the Voluntary Delisting Rules of the PSE. The Board also resolved to postpone the annual shareholders’ meeting (“**ASM**”) to June 6, 2023, and to include the proposal to approve the voluntary delisting of the Company from the PSE as an agenda item.

The proposal to delist the Company from the Main Board of the PSE was included in the agenda of the annual shareholders’ meeting, which was scheduled on June 6, 2023. However, on May 31, 2023, the Company received notice from the Bidders requesting to defer the vote on the approval of the voluntary delisting of the Company from the PSE. In the notice, the Bidders noted that they commissioned the preparation of a Fairness Opinion and Valuation Report on the Company (the “**Report**”) for the Tender Offer. Furthermore, while the Tender Offer Rules provide that the Bidders are only required to provide the Report to the shareholders with the filing and distribution of the Tender Offer Report, which would take place after the passing of the shareholder vote on the delisting, they intended to make the Report available in advance of the Company’s ASM to give the shareholders information on the basis of the Tender Offer Price. Unfortunately, the Report could not be finalized after the Bidders were informed by the PSE that it could not confirm the independence of the Independent Financial Advisor (“**IFA**”) initially engaged to provide the Report. As a consequence of this development, upon the request of the Bidders, while the Company discussed the agenda on the voluntary delisting of the Company from the PSE during the ASM, voting on the same was deferred.

On July 3, 2023, the Company received a notice (the “**New Notice**”), which superseded the Initial Notice stating that they intend to proceed with the Tender Offer for the Tender Offer Shares with a view to taking the Company private through a voluntary delisting process. The New Notice indicates that the Tender Offer Price is set at Php 5.20 per common share on an all-cash basis. Based on the information received from the Bidders the tender offer price: (a) is the highest price that the Bidders are willing to offer in the Tender Offer; (b) is the best and final offer of the Bidders and will not be subject to any further adjustment (considering the timetable for the transaction, approvals and other regulatory requirements across multiple jurisdictions); (c) represents a 37% premium over the one-year Volume Weighted Average Price of the Company’s common shares; and (d) is with a premium of Ten Centavos (Php0.10) over the highest end of the range provided in the IFA Report (as defined below).

The Bidders also clarified that the tender offer price is independent of any interim dividend that may be declared by the Company for the first half of 2023. Shareholders of the Company’s common shares will receive both the interim dividend from MPIC and the tender offer price from the Bidders if the holder tenders the shares during the tender offer period. Any interim dividend declared will be paid by MPIC at a payment date decided by the Company to shareholders of MPIC as at the applicable declared record date; the tender offer price will be paid by the Bidders, if the tender offer conditions are met, at a settlement date which will be specified in the Tender Offer Report. The Tender Offer Report will be circulated if and after the shareholder approval is secured.

To comply with the voluntary delisting requirements of the Exchange, the Report was issued by Unicapital, Inc, as the IFA, to support the tender offer price. A copy of the Fairness Opinion and Valuation Report prepared by Unicapital, Inc. (the “**IFA Report**”) has already been finalized after the PSE confirmed the independence of Unicapital, Inc. as the IFA. A copy of the IFA Report was provided by the Bidders and was posted on the website of the Company (www.mpic.com.ph) and disclosed by the Company via PSE EDGE (www.edge.pse.com.ph). A copy of the Report will also be provided to shareholders together with the Tender Offer Report.

During the Special Meeting of the Board of Directors of the Company held on July 3, 2023, the Board unanimously (including all Independent Directors) approved a resolution authorizing the filing of an application for voluntary delisting of the common shares of the Company with the PSE, subject to compliance with the Voluntary Delisting Rules of the PSE. The Board of Directors unanimously approved the following resolution for the approval of the stockholders:

“RESOLVED, that the Company be authorized to apply for the voluntary delisting of its common shares of stock with the Philippine Stock Exchange (“PSE”), subject to compliance with the applicable rules and regulations of the PSE.”

The Board also approved a resolution calling for a special shareholders’ meeting on August 8, 2023 (“**SSM**”), with record date of July 18, 2023. The proposal to approve the Voluntary Delisting of the Company from the Main Board of the PSE is the only agenda item to be discussed and voted during the SSM.

In the New Notice, the Bidders further clarified that shareholder approval is being sought only for the Company’s voluntary delisting from the PSE, and not for the tender of their shares. The decision by the shareholders to vote in favor of the voluntary delisting from the PSE is separate from the decision of the shareholders to tender their shares to the Bidders during the Tender Offer. The decision by the shareholders to tender shares is made by each shareholder individually during the tender offer period. Thus, shareholders who vote in favor of the voluntary delisting are not obligated to tender their shares. However, shareholders should note that the tender offer will only commence if the requisite approval of the shareholders of the Company as discussed above is secured. If shareholder approval to voluntarily delist from the PSE is not secured, the Bidders will be unable to undertake the Tender Offer for the Tender Offer Shares.

The tender offer is a separate process from the shareholder approval of the voluntary delisting. During the tender offer period, any shareholder may choose to tender or not, regardless of how such shareholder voted with respect to the voluntary delisting of the Company.

The Company intends to voluntarily delist from the Main Board of the Exchange after the completion of the Tender Offer. In order to comply with the voluntary delisting requirements of the PSE, the Tender Offer Shares acquired by the Bidders, together with the Excluded Shares, should constitute at least 95% of the total issued and outstanding common shares of MPIC, or such percentage as the PSE may allow to effect the voluntary delisting of MPIC from Main Board of the PSE (the “**Delisting Threshold**”). The Bidders will only accept and pay for the Tendered Shares if the Delisting Threshold is met.

Consequences of the Voluntary Delisting of the Company on its Stockholders

Assuming the Bidders acquire at least 95% of the total issued and outstanding common shares of MPIC (or such lower percentage as the PSE may allow), following completion of the tender offer, and subject to the approval of the PSE, all of the issued and outstanding common shares of the Company will be delisted from and will no longer be available for trading on the PSE.

If the Company is delisted, its common shares will no longer be traded on the PSE, which could affect investors’ ability to liquidate their investment. Also, any capital gains generated by an investor from any sale or transfer of their common shares will be subject to the following taxes:

- Capital Gains Tax

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

The above taxes are substantially higher than the stock transaction tax (at the rate of 0.6% of the gross selling price or gross value in cash of the shares) applicable for selling shares through the facilities of the PSE.

Furthermore, if the fair market value of the shares of stock in a Philippine corporation sold outside the facilities of the local stock exchange is greater than the consideration received by the seller or the selling price, the amount by

which the fair market value of the shares exceeds the selling price shall be deemed a gift that is subject to donor's tax under Section 100 of the Tax Code; provided, however, that a sale, exchange or other transfer of such shares outside the facilities of the local stock exchange made in the ordinary course of business (a transaction which is bona fide, at arm's length and free from donative intent) will be considered as made for an adequate and full consideration in money or money's worth and will not be subject to donor's tax.

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 Bureau of Internal Revenue ("**BIR**") in accordance with BIR regulations, and approved by the BIR, to avail of the exemption.

The transfer of shares shall not be recorded in the books of a company, unless the BIR has issued a Certificate Authorizing Registration ("**CAR**"), certifying that capital gains and documentary stamp 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.

- **Documentary Stamp Tax**

The Philippines imposes a Documentary Stamp Tax ("**DST**") upon the transfer outside the PSE of shares issued by a Philippine corporation at the rate of ₱1.50 on each ₱200.00, or a fractional part thereof, of the par value of the shares. 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.

The above taxes are substantially higher than the stock transaction tax (at the rate of 0.6% of the gross selling price or gross value in cash of the shares) applicable for selling shares through the facilities of the PSE.

Once the Company is delisted from the PSE, the Company will no longer be subject to the reporting obligations of a listed company under the applicable rules of the PSE. Likewise, if the Company ceases to be a public company (by having less than 100 stockholders holding at least 100 shares each) as defined under the Securities Regulation Code ("**SRC**"), its implementing rules, and other rules and regulations applicable to reporting companies, or if it ceases to have any registered securities under the SRC, and subject to compliance with SRC Rule 13.2 on the Voluntary Revocation of Registration of Securities of the Company, then the Company may also cease to be subject to reporting obligations under the SRC.