



JG Summit Holdings, Inc.
JGS

PSE Disclosure Form 4-2 - Acquisition/Disposition of Shares of Another Corporation
References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Disposition of shares in Global Business Power Corporation

Background/Description of the Disclosure

JG Summit Holdings, Inc. ("JGSHI") entered into a share purchase agreement with Meralco PowerGen Corporation ("MGen") for the sale by JGSHI of 30% of the issued and outstanding shares of Global Business Power Corporation ("GBP") to MGen.

Date of Approval by Board of Directors

Dec 23, 2020

Rationale for the transaction including the benefits which are expected to be accrued to the Issuer as a result of the transaction

Please see attached Press Release.

Details of the acquisition or disposition

Date

Dec 23, 2020

Manner

JGSHI entered into a share purchase agreement with MGen for the sale by JGSHI of 30% of the issued and outstanding shares of GBP to MGen.

Description of the company to be acquired or sold

GBP is the leading power producer outside Luzon with a gross capacity of 1,091 MW. The company has assets in Visayas and Mindanao.

The terms and conditions of the transaction

Number of shares to be acquired or disposed

577,206,290

Percentage to the total outstanding shares of the company subject of the transaction	30
Price per share	PHP20.83

Nature and amount of consideration given or received

The total consideration for the sale of the shares is PHP12,023,250,000.00 which shall be paid in installments. The purchase price will be subject to adjustment based on the amount of dividends from GBP that JGSHI will be entitled to receive after signing date.

Principle followed in determining the amount of consideration

The valuation was agreed at taking into account the value of the assets and business of GBP.

Terms of payment

Purchase price will be paid in installments:

1. 60% of the purchase price will be paid on closing date;
2. 20% of the purchase price will be paid on the date falling 6 months after closing date; and
3. 20% of the purchase price will be paid on the date falling 18 months after closing date.

Any unpaid installment payment will earn interest at the rate of 2.0% p.a. from closing date until payment.

Conditions precedent to closing of the transaction, if any

Customary conditions precedent for transactions of similar nature (e.g., submission of corporate approvals)

Any other salient terms

The share purchase agreement includes other customary provisions for transactions of similar nature (e.g., standard representations and warranties and undertakings).

Identity of the person(s) from whom the shares were acquired or to whom they were sold

Name	Nature of any material relationship with the Issuer, their directors/ officers, or any of their affiliates
Meralco PowerGen Corporation	JGSHI owns 29.56% of Manila Electric Co. ("Meralco"), the parent company of MGen

Effect(s) on the business, financial condition and operations of the Issuer, if any

The transfer is expected to benefit JGSHI's power investments through increased operational synergy.

Other Relevant Information

Beacon Powergen Holdings, Inc. ("BPHI"), a subsidiary of Metro Pacific Investments Corporation ("MPIC"), which owns 56% of the outstanding shares of GBP will also sell its shares in GBP to MGen. The closing of the share purchase agreement between BPHI and MGen will occur simultaneously with the closing of the share purchase agreement between JGSHI and MGen.



JG SUMMIT HOLDINGS, INC.

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Meralco PowerGen Corporation acquires 86% stake in Global Business Power Corporation from JG Summit Holdings, Inc. and Metro Pacific Investments Corporation

MANILA, Philippines, 23 December 2020 - JG Summit Holdings, Inc. (“JGS”) (PSE: JGS) and Metro Pacific Investments Corporation (“MPIC”) (PSE: MPI) today announced the signing of agreements with Meralco PowerGen Corporation (“MGen”), a wholly-owned generation subsidiary of Manila Electric Company (“Meralco”), to transfer their respective shareholdings in Global Business Power Corporation (“GBP”) to MGen.

JGS holds a 30% ownership interest in GBP while MPIC, through a subsidiary, holds a 56% interest. MGen currently owns the remaining 14%. As a result of the transaction, MGen will own 100% of GBP.

The transaction is part of the two conglomerate groups’ direction to consolidate their power sector investments into a single vehicle.

GBP is the leading power producer outside Luzon with a gross capacity of 1,091 MW. The company has assets in the Visayas and Mindanao. The transfer is expected to deliver scale and operational synergy to both GBP and MGen.

“We are happy with how GBP has performed since our investment in 2016. The challenge now is how to further grow the business and take it to the next level. I am confident that combining this under Meralco where JG Summit is also a significant shareholder is the best way to achieve synergies and create further value”, said JGS President and CEO Lance Gokongwei.

“This combination is a strategic one for MPIC as it presents opportunities in terms of promoting scale and operational efficiency while at the same time streamlining capital for MPIC’s other growth areas. Each of the two parties has complementary strengths and thus together can create a solid and unique platform for strategic growth. The combined group will be in a strong position to respond to the needs of the country as the economy makes a strong rebound in 2021, with the now brighter prospect of available vaccines against the COVID-19”, said MPIC President and CEO Jose Ma. K. Lim.

“With GBP’s operational experience of successfully running its own portfolio of generation assets, coupled with MGen’s own record of managing the first supercritical generation plant in the country, MGen will be better placed to focus on its plan to build its own generation portfolio, including an ambition to own at least 1 GW in renewable energy capacity in five years”, said Meralco President Atty. Ray C. Espinosa.

MGen is a wholly-owned subsidiary of Meralco, where MPIC holds an effective 45.46% interest, while JGS holds a 29.56% interest.

The transaction is subject to customary closing conditions, including third party approvals, and is expected to close within the first quarter of 2021, barring any unforeseen circumstances.

Disclaimer:

This press release may contain forward looking statements with respect to the results of operations and business of JG Summit Holdings, Inc. (JGS). Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual performance of JGS to be different from any future performance implied.

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