

March 1, 2019

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City, 1307

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO JR.**
Markets and Securities Regulation Department

via PSE EDGE

PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 28th Street, cor. 5th Avenue
Bonifacio Global City, Taguig City

ATTENTION : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

via electronic mail

PHILIPPINE DEALING & EXCHANGE CORP.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas, Makati City

ATTENTION : **ATTY. JOSEPH B. EVANGELISTA**
Head – Issuer Compliance and Disclosures Department

Gentlemen:

Please see attached SEC Form 17-C (Current Report) of Aboitiz Power Corporation filed in compliance with the Securities Regulation Code, its 2015 Implementing Rules and Regulations, the Revised Disclosure Rules of the Philippine Stock Exchange (PSE), and the Issuer Disclosure Operating Guidelines of the Philippine Dealing Exchange Corp. (PDEX).

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By:



MAILENE M. DE LA TORRE
Assistant Corporate Secretary

COVER SHEET

C 1 9 9 8 0 0 1 3 4

S.E.C. Registration Number

A B O I T I Z P O W E R C O R P O R A T I O N

(Company's Full Name)

3 2 N D S T R E E T , B O N I F A C I O G L O B A L

C I T Y , T A G U I G C I T Y , M E T R O M A N I L A

P H I L I P P I N E S

(Business Address: No. Street City / Town / Province)

MANUEL ALBERTO R. COLAYCO

Contact Person

(02) 886-2338

Company Telephone Number

Contact Person

1 2 3 1

Month Day
Fiscal Year

1 7 - C

FORM TYPE

4th Monday of April

0 4 2 2

Month Day
Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier


STAMPS

Remarks = Pls. use black ink for scanning purposes

SECURITIES & EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17.2(c) THEREUNDER

1. **March 1, 2019**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **C199800134** 3. BIR TIN **200-652-460-000**
4. **ABOITIZ POWER CORPORATION**
Exact name of registrant as specified in its charter
5. **Philippines** 6. 
Province, country or other jurisdiction of incorporation Industry Classification Code
7. **32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines** **1634**
Address of principal office Postal Code
8. **(02) 886-2800**
Registrant's telephone number, including area code
9. **N.A.**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding |
|--|--|
| Common Stock ₱1 Par Value | 7,358,604,307 |
| Amount of Debt Outstanding (As of September 30, 2018) | ₱209,834,710,000.00 |
11. Indicate the item numbers reported herein: 2
- Item 2: Acquisition or Disposition of Assets**
- Please see attached.

SIGNATURE (S)

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ABOITIZ POWER CORPORATION

By:



Mailene M. de la Torre
Assistant Corporate Secretary

Dated: March 1, 2019

DISCLOSURE
EDGE FORM 5-1: Substantial Acquisitions

ABOITIZ POWER CORPORATION

Subject of the Disclosure	Aboitiz Power Corporation (“AboitizPower”) <u>received approval from Philippine Competition Commission (PCC) for its acquisition of 49% voting stake and 60% economic stake in AA Thermal, Inc. (“AA Thermal”)</u>	
Background/Description of the Disclosure	<p><u>AboitizPower received the approval from PCC dated February 28, 2019, approving its acquisition of 49% voting stake and 60% economic stake in AA Thermal</u></p> <p>AA Thermal was incorporated on September 20, 2018 (see attached Certificate of Incorporation). AA Thermal has approved an increase in its authorized capital stock to PHP1,447,243,430, and is set to file an application for its approval with the Securities and Exchange Commission (SEC).</p>	
Date of Approval by the Board of Directors	September 26, 2018	
Date of Approval by the Stockholders	Not applicable	
Other Relevant Regulatory Agency, if applicable	Philippine Competition Commission	
Date of Approval by the Relevant Regulatory Agency, if applicable	<u>February 28, 2019</u>	
Rationale for the transaction including the benefits which are expected to be accrued to the Issuer as a result of the transaction	The acquisition is in line with AboitizPower’s goal to reach 4,000-MW net attributable capacity by 2020 through its balanced mix strategy.	
Description of the transaction including the timetable for implementation and related regulatory requirements, if any	<p>AboitizPower and Arlington Mariveles Netherlands Holding B.V., an affiliate of AC Energy, Inc. (“AC Energy”), entered into a Share Purchase Agreement for AboitizPower’s acquisition of 49% voting interest and 60% economic interest in AA Thermal.</p> <p>The parties expect to close the acquisition <u>shortly upon receipt of all conditions precedent.</u></p>	
<i>Identities of the parties to the transaction (add rows as may be necessary)</i>		
Name	Nature of Business	Nature of any material relationship with the Issuer, their directors/officers or any of their affiliates
Aboitiz Power Corporation	Holding	Issuer
Arlington Mariveles Netherlands Holding B.V.	Holding	None

Terms and Conditions of the Transaction		
The nature and amount of consideration given (e.g. price per share, the aggregate amount)	Total Cash Consideration: USD579.2M (Base Price, subject to adjustments at closing)	
Basis upon which the amount of consideration or value of the transaction was determined	Asset valuation, with consideration to be paid, subject to certain usual adjustments at closing. The final amount of consideration will be calculated on completion.	
Number of shares to be acquired	TBA	
Ratio/Percentage to total outstanding capital stock	49%	
Terms of payment	One time lump sum payment at closing	
Conditions precedent to closing of the transaction, if any	<u>With the receipt of the approval from PCC, the remaining conditions precedents are the approval of AA Thermal's application for capital increase with SEC and other deliverables customary for transactions of a similar nature.</u>	
Description of the company subject of the transaction		
Nature of business	Holding company for power generation assets	
Discussion of major projects and investments	The AA Thermal platform initially consists of AC Energy's limited partnership interests in GNPowder Mariveles Coal Plant Ltd. Co. and in GNPowder Dinginin Ltd. Co. where AboitizPower, through Therma Power, Inc., already holds direct partnership interests.	
List of subsidiaries and affiliates, with percentage holdings (add rows as may be necessary)		
Name	% Ownership	
ACE Mariveles Power Ltd. Co. ("ACE Mariveles")	50% of outstanding Class A Limited Partnership Interest 100% of outstanding Class B Limited Partnership Interest	
Arlington Mariveles Philippines GP Corporation ("AMPGP")	~50%	
Dingin Power Holdings Ltd. Co. ("DPHLC")	50% of outstanding Class A Limited Partnership Interest 100% of outstanding Class B Limited Partnership Interest	
Dingin Power GP Corporation ("DPGPC")	~50%	
Capital Structure		
Authorized Capital Stock (add rows as may be necessary)		
Type of Security	Amount	Number of Shares
Shares of stock	~PHP1,447,243,430 (excluding additional paid in capital)	~578,880 Common Shares A

		~5,210,370 Redeemable Preferred Shares A ~556,287 Common Shares B ~5,006,291 Redeemable Preferred Shares B
<i>Subscribed Shares (add rows as may be necessary)</i>		
Type of Security	Amount	Number of Shares
Shares of stock	~PHP1,402,927,012.70 (excluding additional paid in capital)	~561,204 Common Shares A ~5,050,831 Redeemable Preferred Shares A ~539,222 Common Shares B ~4,852,985 Redeemable Preferred Shares B
<i>Paid up Capital</i>		
Amount	Number of Shares	
~PHP1,402,927,012.70 (excluding additional paid in capital)	~561,204 Common Shares A ~5,050,831 Redeemable Preferred Shares A ~539,222 Common Shares B ~4,852,985 Redeemable Preferred Shares B	
<i>Issued Shares (add rows as may be necessary)</i>		
Type of security	Amount	Number of Shares
Shares of stock	~PHP1,402,927,012.70 (excluding additional paid in capital)	~561,204 Common Shares A ~5,050,831 Redeemable Preferred Shares A ~539,222 Common Shares B ~4,852,985 Redeemable Preferred Shares B
<i>Outstanding Shares (add rows as may be necessary)</i>		
Type of security	Amount	Number of Shares
Shares of stock	~PHP1,402,927,012.70 (excluding additional paid in capital)	~561,204 Common Shares A ~5,050,831 Redeemable Preferred Shares A ~539,222 Common Shares B ~4,852,985 Redeemable Preferred Shares B

<i>Par Value(add rows as may be necessary)</i>		
Type of Security	Amount	
Common Shares A	PHP100 per Common Share A	
Common Shares B	PHP156.10 per Common Share B	
Redeemable Preferred Shares A	PHP100 per Redeemable Preferred Shares A	
Redeemable Preferred Shares B	PHP156.10 Redeemable Preferred Shares B	
<i>Ownership Structure (including percentage holdings) (add rows as may be necessary)</i>		
Name	Number of Shares	% Ownership
AC Energy, Inc.	~561,204 Common Shares A ~5,050,831 Redeemable Preferred Shares A	51% of voting shares
Arlington Mariveles Netherlands Holding B.V.	~539,222 Common Shares B ~4,852,985 Redeemable Preferred Shares B	49% of voting shares
<i>Board of Directors(add rows as may be necessary)</i>		
Name	(Regular or Independent)	
John Eric T. Francia	Regular	
Maria Corazon G. Dizon	Regular	
Dodjie D. Lagazo	Regular	
Louis P. Bauí	Regular	
Lyrna L. Esmeralda-Hewitt	Regular	
<i>Principal Officers (add rows as may be necessary)</i>		
Name	Position/Designation	
John Eric T. Francia Maria Corazon G. Dizon Dodjie D. Lagazo	President and Chairman of the Board Treasurer and CFO Corporate Secretary	
Effect (s) on the business, financial condition and operations of the Issuer, if any	Increase in the attributable and net sellable capacity of AboitizPower	

Other relevant Information

Copy of the approval from PCC is attached.

Additional information on AA Thermal is discussed below.

Given AA Thermal's recent incorporation, it has no audited financial statements. In lieu of this, the audited financial statements of the identified subsidiaries are attached for reference.

Subject to approval of the capital increase, AboitizPower will acquire 49% voting stake and 60% economic stake in AA Thermal through ownership of Common Shares B and Redeemable Preferred Shares B (both with voting rights but with different par values). This results in AboitizPower's indirect ownership of the following voting interests in the subsidiaries of AA Thermal identified above:

- ACE Mariveles – 24.5% of Class A and 49% of Class B Limited Partnership interests
- AMPGP – 24.5% (via ownership of 24.5% Class A Limited Partnership Interests in ACE Mariveles)
- DPHLC – 24.5% of Class A and 49% of Class B
- DPGPC – 24.5% (via ownership of 24.5% Class A Limited Partnership Interests in DPHLC)

**In the Matter of the Proposed
Acquisition by Aboitiz Power
Corporation of Shares of Stock in AA
Thermal, Inc.**

MAO Case No. M-2018-039

X-----X

COMMISSION DECISION No. 06-M-039/2019

The Commission,

Having regard to the acquisition by Aboitiz Power Corporation (“Aboitiz Power”) of shares of stock in AA Thermal, Inc. (“AA Thermal”),

Pursuant to Sections 16 and 20 of Republic Act No. 10667 and Section 1, Rule 4 of the Rules and Regulations to Implement the Provisions of Republic Act No. 10667,

Upon evaluation of the findings and recommendation of the Mergers and Acquisitions Office, which included, among others, the information obtained from the parties and other sources to date, finds that the proposed acquisition by Aboitiz Power of shares of stock in AA Thermal (the “Proposed Transaction”) will not likely result in substantial lessening of competition in the identified relevant markets for power generation and retail electricity supply in Luzon and Visayas, due to the following:

1. Aboitiz Power will acquire only a minority stake in AA Thermal;
2. There is no change of control in the operating companies, GNPowder Mariveles Coal Plant Ltd. Co. (“GMCP”) and GNPowder Dinginin Ltd. Co. (“GNPD”), which would give Aboitiz Power any increased ability or incentive to influence the actions of GMCP and GNPD apart from its existing general partnership interests;
3. There is no increased ability or incentive to engage in foreclosure, post-Transaction; and
4. There exist sufficient post-Transaction competitive constraints from other power generation and retail electricity suppliers.

Accordingly, the Commission hereby resolves that it will take no further action with respect to the proposed acquisition by Aboitiz Power of shares of stock in AA Thermal.

This Decision is rendered based solely on the facts and circumstances of the Proposed Transaction disclosed and documents submitted by Aboitiz Power and AA Thermal.

28 February 2019, Quezon City, Philippines.



ARSENIO M. BALISACAN
Chairman

(On Official Business)

JOHANNES BENJAMIN R. BERNABE
Commissioner



AMABELLE C. ASUNCION
Commissioner



MACARIO R. DE CLARO, JR.
Commissioner

Copies Furnished:

ABOITIZ POWER CORPORATION
NAC Tower, 32nd Street
Bonifacio Global City, Taguig City

AA THERMAL, INC.
4th Floor, 6750 Office Tower
Ayala Avenue, Makati City

MERGERS AND ACQUISITIONS OFFICE
25th Floor, Vertis North Corporate Center 1
North Avenue, Quezon City