



March 5, 2024

**MR. ANTONINO A. NAKPIL**  
President & CEO  
Philippine Dealing & Exchange Corp.  
29th Floor, BDO Equitable Tower  
8751 Paseo de Roxas, Makati City 1226

Re: Request for Additional Information in connection  
with the Disclosures of Aboitiz Power Corporation  
and Manila Electric Company

Gentlemen:

Please see attached disclosure of the Company.

Very truly yours,



**MARY ROSE S. TAN**  
Assistant Corporate Secretary



**SAN MIGUEL  
CORPORATION**

March 5, 2024

**The Philippine Stock Exchange, Inc.**

Disclosure Department  
6<sup>th</sup> Floor, Philippine Stock Exchange Tower  
28<sup>th</sup> Street, corner 5<sup>th</sup> Avenue  
Bonifacio Global City, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**  
Manager, Disclosure Department

Re: **Request for Additional Information in connection with the Disclosures of Aboitiz Power Corporation and Manila Electric Company regarding Chromite Gas Holdings, Inc's intention to acquire a 67% equity interest in each of the 1,275 MW Ilijan power plant, 1,320 MW combined cycle power facility and the Liquid National Gas ("LNG") import and regassification terminal (the "Transaction")**

Gentlemen:

We refer to the above-captioned subject. By way of response to the Exchange, and based on documents and information provided by San Miguel Global Power Holdings Corp. ("SMGP), a wholly-owned subsidiary of San Miguel Corporation (the "Issuer"), we reply as follows.

1. *Rationale for the Transaction including the benefits which are expected to be accrued to the Company as a result of the Transaction*

The Transaction unlocks the value from existing and greenfield power generation assets of SMGP, and achieves vertical integration with LNG fuel upstream activities.

Leveraging on the track record, expertise in the energy industry and financial and technical resources of SMGP, Meralco PowerGen Corporation (MGen), and Aboitiz Power Corporation (AboitizPower), the Transaction assures stakeholders, including customers and communities, that LNG projects will be instrumental in delivering stable, reliable, and cost-competitive supply of electricity.

2. *Manner of disposal by SMC Global of the above mentioned assets/companies*

The investment of MGen and AboitizPower, through Chromite Gas Holdings, Inc., shall be by way of subscription to primary shares in the wholly-owned subsidiaries of SMGP, namely: South Premiere Power Corp (SPPC), Excellent Energy Resources Inc. (EERI) and Ilijan Primeline Industrial Estates Corp. (IPIEC).

3. *Description of the assets/companies involved*

The assets covered by the Transaction consist of: (i) the operating 1,278 MW Ilijan combined cycle gas power plant owned by SPPC, (ii) the adjacent, under construction 1,320 MW combined cycle gas power plant owned by EERI, (iii) an import and regasification LNG terminal owned by Linseed Field Corporation (LFC) currently under construction: and (iv) land owned by IPIEC.

4. *Nature and amount of consideration given or received*

The enterprise value of the entire integrated gas facility is US\$3.3 billion, with the equivalent proportionate value subject to adjustments at Closing Date.

5. *Principle followed in determining the amount of consideration*

The consideration was determined factoring in methodologies such as comparable estimates of development and construction costs for a new gas-fired power plant / LNG terminal, asset value, discounted cash flows, and comparable acquisitions of other power plants.

6. *Terms of payment*

Full payment upon fulfillment of closing conditions.

7. *Conditions precedent to closing of the transaction, if any*

Subject to customary closing conditions and regulatory approvals, including the review and approval of the Philippine Competition Commission.

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

No direct effect on the business, financial condition and operations of the Issuer.

9. *Other Relevant information*

N/A

Very truly yours,



**FERDINAND K. CONSTANTINO**  
Corporate Information Officer



**SAN MIGUEL  
CORPORATION**

March 5, 2024

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