

November 21, 2024

**ATTY. STEFANIE ANN B. GO**

OIC, Disclosure Department  
Philippine Stock Exchange, Inc.  
6/F PSE Tower  
5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City,  
Taguig City

**ATTY. SUZY CLAIRE R. SELLEZA**

Head, Issuer Compliance and Disclosure Department  
Philippine Dealing & Exchange Corp.  
29<sup>TH</sup> Floor, BDO Equitable Tower  
8751 Paseo de Roxas  
Makati City

Gentlemen:

We reply to your correspondence dated today (received via email at 8:46 am) requesting confirmation of the information contained in the news article entitled “Meralco sets P25-B budget to storm-proof power systems” published in BusinessWorld (Online Edition) today.

The article reported in part that:

*“POWER distributor Manila Electric Co. (Meralco) is setting aside P25 billion next year for the ‘storm-hardening’ of its distribution systems, according to its chief operating officer (COO).*

*‘For 2025, we have a P25-billion budget,’ Meralco Executive Vice-President and COO Ronnie L. Aperochio told reporters last week, noting that this only covers the distribution business.*

....

*Meralco Chairman and Chief Executive Officer Manuel V. Pangilinan said the company expects to increase its overall budget for 2025.*



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*'I believe so,' Mr. Pangilinan said when asked if the company would allocate a higher capital expenditure (capex) budget next year, noting that the increase will be primarily driven by the P200-billion Terra Solar project.*

....

*Mr. Pangilinan also said that the company is likely to allocate 'some degree of capex' to San Miguel Global Power Holdings Corp.'s (SMGP) gas power plant, which is expected to become operational next year.*

...."

XXX      XXX      XXX

With reference to the subject news article, we would like to confirm the statements attributed to our Chief Operating Officer, Mr. Ronnie L. Aperocho with the clarification that the proposed PhP25-Billion capital expenditure (capex) budget for 2025 is earmarked for the distribution utility business of Manila Electric Company ("Meralco") to fund, among other projects and initiatives, the company's storm-hardening program along with the other distribution network upgrades, expansion, and modernization, and is still subject to the approval of the board of directors.

We also confirm that capex is required for Terra Solar and SMGP's gas power plant with clarification that such expenditure for SMGP gas plant is conditioned on the regulatory approvals required for the acquisition by Chromite Gas Holdings Inc. (where MGen holds interest) of shares in SMGP's plants.

We trust that you find the foregoing clarification in order.

Very truly yours,



**WILLIAM S. PAMINTUAN**  
Senior Vice President  
Assistant Corporate Secretary and  
Information Disclosure Officer