



March 5, 2024

MR. NORBERTO MORENO, JR.
OIC, Disclosure Department
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President & CEO
PHILIPPINE DEALING & EXCHANGE CORP.
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8751 Paseo de Roxas
Makati City

Gentlemen:

We reply to your correspondence dated March 4, 2024 (received thru EDGE Submission System at 11:19 a.m.) requiring us to provide additional information in relation to our disclosure regarding Therma NatGas Power, Inc.'s ("TNGP") Investment Agreement with Meralco PowerGen Corporation ("MGen") and acquisition of a 40% equity interest in Chromite Gas Holdings, Inc. ("CGHI").

We hereby provide the following information you requested:

Inquiry	Response
1. Description of the transaction including the timetable for implementation and related regulatory requirements, if any;	<p>The transaction involves the investment by TNGP, a subsidiary of Aboitiz Power Corporation to acquire a 40% stake in CGHI, a newly formed holding company to facilitate:</p> <ul style="list-style-type: none">• The joint investment by MGen and TNGP for a 67% stake of San Miguel Global Power Holding Corp.'s ("SMGP") gas-fired power plants, namely the (i) operating 1,278 MW Ilijan power plant under South Premiere Power Corporation ("SPPC"), (ii) the adjacent 1,320 MW combined cycle power plant under Excellent Energy Resources Inc. ("EERI"), (iii) land and other ancillary assets used by the facilities; and <p><i>(Continued in succeeding page)</i></p>



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Inquiry	Response
	<p><i>(Continued)</i></p> <ul style="list-style-type: none"> The full acquisition by MGen, TNG, and SMGP of the LNG import and regasification terminal owned by Linseed Field Corporation (LFC), which processes LNG for SPPC and EERI, and has capacity to service additional third-party customers. <p>Upon Closing of TNGP's investment into CGHI, it shall hold a 40% stake in this company (with MGen holding 60% of CGHI). CGHI, in turn, will hold 67% of the aforementioned operating companies.</p>
2. Identities of the parties to the transaction	<p>The three parties involved in the transaction are:</p> <ol style="list-style-type: none"> Meralco PowerGen Corporation (MGen) – 100% owned power generation arm of Meralco Therma Natgas Corporation (TNGP) – 100% owned subsidiary of Aboitiz Power Corporation San Miguel Global Power Holdings Corp. (SMGP) – power generation subsidiary of San Miguel Corporation
3. The nature and amount of consideration (e.g., price per share, the aggregate amount)	<p>The transaction values the entire integrated gas facility for \$3.3 billion.</p>
4. Basis upon which the amount of consideration or value of the transaction was determined	<p>This valuation was determined through various methods:</p> <ul style="list-style-type: none"> Comparable acquisitions of other thermal power plants in the Philippines and in the region Comparable estimates of development and construction costs for a new gas-fired power plant / LNG terminal
5. Terms of payment	<p>The purchase price will be paid in a single tranche at Closing.</p>
6. Conditions precedent to closing of the transaction if any	<p>The transaction is subject to customary conditions precedent including, but not limited to the Philippine Competition Commission's (PCC) approval of the transaction.</p>
7. Description of Chromite Gas (i.e., nature of business, discussion of major projects and investments); and	<p>Chromite Gas Holdings, Inc. was incorporated on February 28, 2024, and is intended to house the shares held by MGen and TNGP in the operating companies. The company has no other operations / investments as of date.</p>

8. Other relevant information	After Closing, MGen and TNGP will own 67% of the relevant assets through CGHI (which MGen and TNGP have a 60% and 40% stake, respectively). On the other hand, SMGP will own the remaining 33% of the relevant assets.
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We trust that the information we provided will be for the benefit of the investing public. We will apprise the Exchange of any further developments of this transaction.

Very truly yours,



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