



**SAN MIGUEL  
CORPORATION**

August 13, 2025

Philippine Dealing & Exchange Corp.  
29th Floor, BDO Equitable Tower  
8751 Paseo de Roxas, Makati City 1226

Attention: Atty. Suzy Claire R. Selleza  
Head – Issuer Compliance and Disclosure Department  
Philippine Dealing & Exchange Corp.

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Gentlemen:

Please see attached disclosure of the Company.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Mary Rose S. Tan".

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



**SAN MIGUEL  
CORPORATION**

August 13, 2025

**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: **Atty. Johanne Daniel M. Negre**  
Officer-in-Charge, Disclosure Department

Gentlemen:

We reply with respect to various news articles relating to San Miguel Corporation (“SMC” or the “Company”). In the article entitled “NAIA workers, civic groups to SC: Declare airport concession deal as unconstitutional” posted in Malaya Business Insight (Malaya.com.ph) on August 13, 2025, it was reported in part that:

“A COALITION of airport workers, overseas Filipino workers, non-government organizations and socio-civic groups yesterday filed a petition with the Supreme Court (SC) challenging the constitutionality of a concession agreement granting the New NAIA Airport Infrastructure Corporation (NNIC) the authority to raise all fees at the country’s premiere international airport.

The coalition questioned the legality of the Ninoy Aquino International Airport (NAIA) concession agreement and Revised Administrative Order No. 1 authorizing the NNIC to raise the fees.

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The group told the SC that the concession agreement and the administrative order constituted an unlawful grant of control and beneficial ownership of strategic national infrastructure to private entities without proper congressional authorization, competitive public bidding safeguards, and adherence to constitutional limitations on foreign participation, thus, illegal or unconstitutional.

....

Named respondents are Executive Secretary Lucas Bersamin, the Department of Transportation (DOTr), Manila International Airport Authority (MIAA), MIAA Revision of Fees and Charges Committee (MIAA0RFCC) and the NNIC.

In their petition, the signatories also assailed the steep increase in airport fees under the PPP deal between the DOTr and the SMC-led NNIC. The assailed airport fees included the domestic passenger charge from P200 to P390, international passenger service charge from P550 to P950, as well as the 300 to 700 percent hikes in fees for airline landing, take-off, parking, cargo, and other lease rates for commercial spaces within the NAIA complex.

'These fees were approved without genuine public consultation, while the government relinquished critical powers to a private concessionaire. The public deserves a clear explanation, and not be slapped with skyrocketing fees at the airport,' Romeo Sauler, head secretariat of Puso ng NAIA, said. He is a retired aviation employee, who helped spearhead the filing of the complaint.

'The actions of the Department of Transportation, Manila International Airport Authority and Cabinet officials constitute grave abuse of discretion and violate established laws and jurisprudence on rate-fixing. They also transgress on the constitutional guarantees of due process and equal protection, and undermine the separation of powers, and contravene public policy. The NAIA is public property and funds generated from its use are public in nature. Yet, these are now being shared with private entity, NNIC, under terms that are unlawful and prejudicial to the public,' the 36-page petition stated.

It also said the concession agreement and the administrative order 'unlawfully' delegated rate-setting powers to a private concessionaire, entitled it full passenger service charge and granted it a share in other airport revenues.

'Alarmingly, the concession agreement contains a 'deficit payment' clause obligating the government to pay the concessionaire if a proposed rate adjustment is disapproved or not approved in accordance with the concession agreement. These provisions violate the law, public policy, and the government auditing code,' it added.

The petitioners alleged that the DOTr and MIAA carried out all the assailed actions without conducting real, timely and meaningful public consultations.

'One thing is certain, the public was not afforded reasonable notice or fair opportunity to participate in the proceedings that led to the approval of the revised fees,' they said, adding that token consultation and post-facto consultation do not amount to genuine compliance with the requirements for due process and public consultations.

They likewise complained that the (sic) concession agreement gave the NNIC the right to determine whether or not and when to exercise authority to impose and adjust airport fees at NAIA, with no requirement for government review or public engagement.

They added that since the revised fees were imposed last year, no new major infrastructure has been constructed by NNIC at the NAIA to justify the increased costs or to show the public how their payments are justified.

They told the High Court that the concession agreement and the administrative order violated the doctrine of non-delegation of legislative powers and encroached on the powers of the legislature.

'The legislative authority to fix rates was originally delegated by Congress to the MIAA, DoTr and ultimately the Cabinet. None of these entities had the legal authority to further re-delegate this power to the private concessionaire, NNIC, especially where such delegation grants NNIC essentially legislative discretion over public fees,' the petitioners said.

Lastly, they raised the risk posed by allowing one corporation to control two major airports, NAIA and the P740 billion Bulacan Airport Project, which is currently facing delays in completion.

'There is a legitimate concern that entrusting the operation and management of NAIA, one of the country's most critical airport hubs, to the same party could lead to similar delays, inefficiencies, or worse, a potential monopolization of the country's primary aviation gateways. The possible consolidation of control over two major international airports in the hands of a single private group also present serious public interest implications,' they said.

With these, the petitioners asked the SC to issue a temporary restraining order and or a writ of preliminary injunction to remain in effect pending the final resolution of the petition to restrain the respondents from further enforcing the assailed administrative order, and eventually, after due proceedings, to declare it as unconstitutional.

The petitioners also asked the same redress for the NAIA concession agreement."

By way of response to the Exchange, we advise that New NAIA Infra Corp. (NNIC), an affiliate of San Miguel Corporation (the "Corporation"), has not been served with a copy of the Petition for Certiorari referred to in the aforementioned article (the "Petition"). In this regard, the Corporation is not in a position to address and comment on the points raised by the Exchange with respect to the issues allegedly covered by the Petition. Subject to the directives and pronouncements that may be promulgated and issued by the Supreme Court relating to the Petition, an appropriate response shall be made upon receipt by NNIC of the Petition and after consultation with legal counsel.

With respect to the progress of the work of the Manila International Airport Project (the "Project"), the land development and ground improvement works are at an overall progress of 84.61% completion. Per the approved Department of Transportation timeline and project schedule, the Project is expected to be completed by the end of 2028.

Very truly yours,

  
**FERDINAND K. CONSTANTINO**  
Corporate Information Officer