



May 3, 2021

MS. JANET A. ENCARNACION

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

ATTY. MARIE ROSE M. MAGALLEN-LIRIO

Head – Issuer Compliance and Disclosure Department
PHILIPPINE DEALING & EXCHANGE CORP.
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

Gentlemen:

We reply to your letter dated May 3, 2021 (received thru EDGE Submission System at 08:49 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled “Supreme Court denies Muntinlupa tax claim on Meralco franchise” posted in BusinessWorld (Online Edition) on May 3, 2021. The article reported in part that:

“THE Supreme Court (SC) reversed the 2011 decision of the Court of Appeals (CA) that voided the 2003 decision of the Pasig Regional Trial Court ordering Manila Electric Co. (Meralco) to pay franchise tax to the Muntinlupa local government from 1992 to 1999.

In the High Court’s decision on Feb. 9 and published on March 3, it said the Muntinlupa local government init (LGU) had no power or authority to enact its franchise tax ordinance as ‘an ordinance which is incompatible with any existing law or statute is ultra vires.’

'[A]n ultra vires ordinance is null and void and produces no legal effect from its inception,' it added.

....”

We would like to confirm the statements in the said news article and quote hereunder the dispositive portion of the said Supreme Court decision:

"WHEREFORE, the Petition is GRANTED. The January 31, 2011 Decision of the Court of Appeals in CA-G.R. CV. No. 80558 is REVERSED and SET ASIDE. The September 19, 2003 Decision of the RTC of Pasig City, Branch 67 is hereby REINSTATED. Section 25 of Municipal Ordinance No. 93-95 is DECLARED VOID.”

Thank you.



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