



September 5, 2024

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Gentlemen:

We reply to your letter dated September 4, 2024 (received thru EDGE Submission System at 1:25 p.m.) requiring us to clarify and/or confirm the information contained in the news article entitled "Meralco invests P7.5 billion more to gain control of SPNEC" posted in Manila Bulletin (Online Edition) on September 4, 2024, it was reported that:

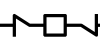
"Pangilinan-led Manila Electric Company is gaining a firmer control over SP New Energy Corporation (SPNEC) by raising its interest to 50.5 percent with the acquisition of an additional stake worth P7.5 billion from its founder Leandro Leviste.

Meralco PowerGen Corporation (MGen) is buying another 5.8 billion shares or 11.6 percent of SPNEC of from Leviste's Solar Philippines Power Project Holdings, Inc. (Solar Philippines).

This will bring the total investment of MGen and its affiliates in SPNEC to P27.9 billion for 25.3 billion shares or 50.5 percent of SPNEC.

On September 3, MGen's wholly-owned subsidiary, MGen Renewable Energy, Inc. paid Solar Philippines P6.7 billion, with an additional P0.8 billion to be paid to Solar Philippines upon the completion of the planned entry of another investor into Terra Solar Philippines, Inc. (Terra Solar).

After these transactions, Solar Philippines will continue to own 14.7 billion shares or 29.4 percent of SPNEC.



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With reference to the above news article, we would like to clarify that MGen Renewable Energy, Inc. ("MGreen"), a wholly-owned subsidiary of Meralco PowerGen Corporation, entered into an Exchangeable Note Facility and Security Agreement with Solar Philippines Power Project Holdings, Inc. ("SPPPHI"). Under this agreement, MGreen extended a one year loan of Php6.7 Billion exchangeable into 5.8 Billion SPNEC shares at maturity.

The Company does not expect this transaction to have a material impact on its business and operations.

Thank you.



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