



August 27, 2024

The Philippine Stock Exchange, Inc.

Disclosure Department
6th Floor, Philippine Stock Exchange Tower
28th Street, corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: **Atty. Stefanie Ann B. Go**
OIC, Disclosure Department

Gentlemen:

We reply with respect to the news articles posted in BusinessWorld, PhilStar (Online Edition), and various online sites on August 24 and 27, 2024. In the news article entitled "Construction issues to push back operations of Bulacan airport to 2028" posted in BusinessWorld (Online Edition), it was reported that:

'THE START of the Bulacan airport's operations has been pushed back to 2028 due to delays in construction, San Miguel Corp. (SMC) President and Chief Executive Officer Ramon S. Ang said.

'We are working closely with the government to help us, to allow us and give us some panambak (backfill)," he told reporters last week. "The construction has been delayed because we do not have it. If we can get that, then we can begin construction and make the airport ready to run.'

SMC expects to start development work for its P740-billion Bulacan International Airport or the New Manila International Airport (NMIA) project next year.

'When they suspended the Manila Bay reclamation, they also stopped sand sources, which affected us. We do not have backfill, which we use for construction,' he said.

. . . .

'This delay has incurred additional costs. This one-year delay cost us several hundreds of millions of dollars," Mr. Ang said. "If we can get the sand right now, we can begin the construction and make the airport ready to run by the first quarter of 2028.'

. . . ."

Additionally, in the news article entitled “MRT-7 completion delayed until 2028” posted in PhilStar.com (Online Edition), it was reported that:

‘MANILA, Philippines — Commuters will have to wait until 2028 before they can reach Bulacan by rail as San Miguel Corp. (SMC) is facing another delay in completing the Metro Rail Transit Line 7 (MRT-7).

As 2024 nears its end, the MRT-7 – which began civil works in 2016 – will close another year in uncertainty, as the project is now confirmed to be completed only by 2028 due to design changes.

The Department of Transportation was earlier eyeing full completion of MRT-7 in 2025 but challenges including the COVID-19 pandemic, derailed the project.

Transportation Undersecretary Jeremy Regino said SMC has returned to the drawing board regarding the location of the San Jose del Monte, Bulacan station due to opposition from the local government.

. . . .

Regino said that regardless of whether the original line is followed, SMC is keen on partially operating the MRT-7 by 2025. However, the railway will reach Bulacan only by 2028, given that the issue of the location of the San Jose del Monte Station has yet to be resolved.

‘The partial operation (of MRT-7) is still set for next year, and SMC is moving heaven and earth to be able to meet that timeline. It is a tight timeline, but SMC is doing its best to meet it. San Jose del Monte will open around three years after the partial operations,” Regino said.

While the government is amenable to MRT-7 changes, SMC chairman and CEO Ramon Ang is confused as to why the local government of San Jose del Monte only raised its concerns about the alignment this year.

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Further, Ang reminded the local government that realigning the MRT-7 would require the project to undergo another review with the National Economic and Development Authority Board. This reassessment is needed to cover any additional costs that the railway may incur due to a new design.

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Lastly, in the news article entitled “Tollways biz merger of conglomerates pushed back” posted in Malaya.com.ph (Online Edition), it was reported that:

“METRO Pacific Tollways Corp. (MPTC) sees the conclusion of the talks on the company’s merger with San Miguel Corp.’s tollways business to extend to next year as the two parties firm up the merged company’s valuation.

Rogelio Singson, MPTC president, said an advisor is determining the valuation.

“We hope to get better numbers and hopefully come into an agreement as to the merger valuation,” Singson told reporters on the sidelines of a company briefing recently.

Singson expressed hope the deal could be concluded by the first quarter of next year.

“If it’s just the valuation, that should be by the end of this year, and then we decide on how to move forward,” Singson added.

....”

By way of response to the Exchange, we advise as follows.

San Miguel Corporation (the “Company”) expects a delay in the construction and operation of the Bulacan New Manila International Airport (“NMIA”) due to the lack of sand which is used as backfill for the on-going construction work. The suspension by the Government of the Manila Bay reclamation projects has limited the sand sources of the Company. In the event the backfill and sand sources are made available to the Company, the NMIA may be operational by the first quarter of 2028.

The completion of Metro Rail Transit Line 7, up to San Jose del Monte, Bulacan, may be delayed up to 2028 due to the pending issues on the alignment and location of the San Jose del Monte Station. The local government of the Municipality of San Jose del Monte seeks to impose a realignment and relocation of the MRT Station and such issues have to be addressed and resolved. Partial operation of the MRT-7 Project is set for next year.

As for the proposed merger of the tollway projects of the Metro Pacific Investments Corporation (“MPIC”) and the Company, we advise that the Company continues to discuss with MPIC the relevant terms and conditions such merger and will make an appropriate disclosure in the event a definitive agreement is reached and concluded by the parties.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer