



**San Miguel
Global Power**
Giving You the Power to Celebrate Life

**SMC Global Power
Holdings Corp.**

5th Floor C5 Office Bldg. Complex, 100 E. Rodriguez Jr. Ave., C5 Road, Ugong, Pasig City, 1604

(02) 5317 1000

06 October 2022

Philippine Dealing & Exchange Corp.

29/F, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head – Issuer Compliance and Disclosure Department

Gentlemen:

On behalf of SMC Global Power Holdings Corp. (the “Corporation”), we report that on the evening of 03 October 2022, South Premiere Power Corp. (“SPPC”) and San Miguel Energy Corporation (“SMEC”), both wholly-owned subsidiaries of the Corporation, received via electronic mail from the Energy Regulatory Commission (“ERC”) its Orders both dated 29 September 2022 in ERC Case No. 2019-081RC and ERC Case No. 2019-083RC, respectively, denying the joint motions for price adjustment filed by the Manila Electric Company (“Meralco”) and SPPC in ERC Case No. 2019-081, and by Meralco and SMEC in ERC Case No. 2019-083 (the “ERC Orders”), pursuant to their Power Supply Agreements, both dated 13 September 2019 (the “PSAs”).

As required in the ERC Orders, any termination of the PSAs will take effect 60 days from the receipt of the ERC Orders. Within this 60-day period, SMEC and SPPC are required to continue the supply of power to Meralco at a cost higher than the contracted price under the PSAs. Nevertheless, SPPC and SMEC will continue to explore other legal remedies relating to the ERC Orders.

Once the termination of the PSAs take effect, SPPC and SMEC will have to sell their power to WESM and enter into bilateral contracts with other off-takers, the pricing of which will be market-based, and thus will provide better financials and economics for the Corporation on consolidated basis.

Based on the Corporation’s internal evaluation, the Corporation and its subsidiaries will remain compliant with its financial covenants under all existing loan agreements and other debt instruments.

These are not expected to have a material adverse effect on the operations and financials of the Corporation and its subsidiaries.

Thank you.

Very truly yours,

SMC GLOBAL POWER HOLDINGS CORP.

By:

ELENITA D. GO

Corporate Information Officer
Senior Vice President and General Manager