



SAN MIGUEL CORPORATION

November 3, 2017

The Philippine Stock Exchange, Inc.

Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC-Head, Disclosure Department


Gentlemen:

At the Special Meeting of the Board of Directors of the Company on November 3, 2017, the following matters were approved.

- (1) The Company shall subscribe to 4,242,549,130 additional common shares of stock of San Miguel Pure Foods Company Inc. (SMPFC) subject to the following terms and conditions:
 - (a) the common shares subject of the subscription will be issued out of the shares that will be issued by SMPFC from the increase of its authorized capital stock, stock split, and corresponding amendment of its articles of incorporation (the "New Shares");
 - (b) the subscription amount for the New Shares shall be the transaction value of Php336,349,294,992.60 based on the independent valuation expert report of ING Bank N.V. presented to the Board of Directors, with Standard Chartered Bank as the transaction adviser; and
 - (c) the New Shares shall be listed at the Philippine Stock Exchange.
- (2) The execution of a deed of exchange between the Company and SMPFC to convey 7,859,319,270 common shares of San Miguel Brewery Inc. (SMB) and 216,972,000 common shares of Ginebra San Miguel Inc. (GSMI), held by the Company as full payment of the consideration for the subscription to the New Shares;
- (3) To execute, sign, deliver and perform any and all acts necessary to effect and implement the transaction including, but not limited to the following, namely:
 - (a) to file a request for a tax-free ruling from the Bureau of Internal Revenue relating to the exchange by the Company of SMB and GSMI common shares for the New Shares;

- (b) to notify the Philippine Competition Commission (“PCC”) of the transaction between SMC and SMPFC and the non-application of the requirement to obtain PCC approval to proceed with the transaction; and
- (c) to obtain the relevant consents and approvals, including but not limited to the Philippine Stock Exchange and the Securities and Exchange Commission, relating to the listing by SMPFC of the New Shares.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer