

C07527-2018

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C**

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. Date of Report (Date of earliest event reported)
Nov 9, 2018
2. SEC Identification Number
11840
3. BIR Tax Identification No.
000-100-341-000
4. Exact name of issuer as specified in its charter
SAN MIGUEL FOOD AND BEVERAGE, INC.
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
23/F The JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City, Metro
Manila
Postal Code
1605
8. Issuer's telephone number, including area code
(632) 317-5000
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON (FB)	5,909,220,090
PREFERRED (FBP2)	15,000,000

11. Indicate the item numbers reported herein
Item 9. Other Events

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.





San Miguel Food and Beverage, Inc.
FB

PSE Disclosure Form 4-30 - Material Information/Transactions
References: SRC Rule 17 (SEC Form 17-C) and
Sections 4.1 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Follow-on offer of common shares.

Background/Description of the Disclosure

Please see attached letter dated October 15, 2018 issued by the Securities and Exchange Commission on the Price Stabilization Guidelines for the follow-on offering of purely secondary shares of the Company.

Other Relevant Information

None.

Filed on behalf by:

Name	Alexandra Trillana
Designation	Corporate Secretary and Compliance Officer



Markets and Securities Regulation Department

15 October 2018

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Attention : DAVID CAMERON SMAIL
Executive Director, UBS AG Singapore

WINSTON WU
Director, UBS AG Singapore

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Associated Person, UBS Securities Philippines, Inc.

MELYJANE G. BERTILLO-ANCHETA
Partner, Sycip Salazar Hernandez & Gatmaitan

JOAN MAE S. TO-CONEJOS
Senior Associate, Sycip Salazar Hernandez & Gatmaitan

**Re : Price Stabilization Activities - Proposed Follow-on Offering of
Purely Secondary Shares of San Miguel Food and Beverage, Inc.**

Gentlemen:

This refers to your letter dated 11 September 2018 regarding the planned price stabilization activities in the proposed initial public offering (the "Offer" or "Offering") of up to

887,000,000 common shares (the "Offer Shares") by San Miguel Food and Beverage, Inc. (the "Company") by way of secondary offering of shares under the name of San Miguel Corporation (the "Selling Shareholder").

Based on the information provided in your letter, the following representations are made:

The Issuer and the Selling shareholders have likewise granted the Stabilizing Agent an option, exercisable in whole or in part from and including the date of listing and when trading of the Offer Shares commences on the Philippine Stock Exchange, Inc. ("PSE") ("Listing Date") and ending on the date 30 days from and including the Listing Date, to purchase up to an additional 133,050,000 common shares of the Company at the Offer Price, and on the same terms and conditions as the Offer Shares, solely to cover over-allotments, if any.

As stabilizing agent, UBS AG Singapore Branch through its affiliate UBS Securities Philippines, Inc. is authorized to conduct stabilization activities in connection with the Offer and to perform stabilization activities in relation to the stabilization arrangement as maybe stipulated in relevant agreements.

In connection with the Offer, it is envisioned that the Stabilizing Agent may effect price stabilization transactions from time to time for a period beginning on or after the Listing Date but extending no later than 30 days from and including the Listing Date. Under these transactions, the Stabilizing Agent would be able to purchase common shares of stock of the Company in the open market only if the market price of the common shares is at or below the Offer Price.

Please be informed that we will allow the UBS AG Singapore Branch through its affiliate UBS Securities Philippines, Inc. to act as the Stabilization Agent whose function is to conduct stabilization activities in connection with the San Miguel Food and Beverage, Inc.'s Offer and to perform such other activities in relation to the Stabilization Related Option arrangement as may be stipulated in the relevant agreements.

In line with the Commission *en banc* Resolution No. 581, series of 2005, the price stabilization activity to be conducted by UBS AG Singapore Branch through its affiliate UBS Securities Philippines, Inc., in relation to the initial public offer of shares of San Miguel Food and Beverage, Inc. should strictly comply with the following conditions:

1. Purchases or offers to purchase shares by UBS AG Singapore Branch through its affiliate UBS Securities Philippines, Inc. as Stabilization Agent shall be for the sole purpose of preventing/minimizing reduction in market price of the shares;
2. The stabilization period shall be for 30 calendar days from and including the day on which the trading of the shares on the PSE commences;
3. The over-allotment shall not exceed fifteen per cent (15%)¹ of the base number of shares to be sold by San Miguel Food and Beverage, Inc. and the Selling Shareholders;
4. UBS AG Singapore Branch through its affiliate UBS Securities Philippines, Inc. shall be the only manager for the stabilizing action;
5. Initial stabilizing action shall be below the initial offer price;

¹ 133,050,000/887,000,000 = 0.15 or 15%

6. The price of subsequent stabilizing activities shall be as follows:
 - a. After the initial stabilizing action and if there has not been an independent trade in the market at a higher price than the initial stabilization trade, the **subsequent trade shall be below the initial stabilizing price**; and,
 - b. After the initial stabilizing action and if there has been an independent trade in the market at a higher price than the initial stabilization trade, the subsequent trade shall be **at the lower of the stabilizing action price/independent trade price**;
7. The over-allotment and the over-allotment option shall be fully described in the Prospectus and other public announcements as required;
8. Records of all stabilizing period shall be maintained, including details of all stabilizing transaction;
9. There shall be a public announcement a day after the exercise of the over-allotment option including the total number of shares and average price of any stabilizing trades, or a day after the close of the 30 day over-allotment period if there was no stabilization activity undertaken;
10. There shall be a weekly disclosure to the Commission of any price stabilization activity conducted during the 30 day calendar day stabilization period from the date of actual listing of San Miguel Food and Beverage, Inc. shares with the PSE or commencement of trading in those shares; and,
11. Within the 30 day calendar day stabilization period, there shall only be buying of shares from the market by UBS AG Singapore Branch through its affiliate UBS Securities Philippines, Inc. as stabilization agent when the share price has fallen below the offer price in order to prevent undue price volatility and to allow the share price to trade down in orderly fashion to a market acceptable level. *(Emphasis supplied.)*

In addition to the following conditions, please note that:

1. The pertinent rules on the price stabilization in other jurisdictions cannot be applied or invoked in this particular case;
2. The company shall disclose the Closing Date at least one (1) day in advance to the PSE and the Commission (through the Markets and Securities Regulation Department; and,
3. The Price Stabilization Guidelines, as approved by the Commission, shall be disclosed to the PSE before the start of the thirty (30) day stabilizing period.

In connection thereto, **USB AG Singapore Branch**, through **USB Securities Philippines, Inc.**, is hereby **DIRECTED** to submit a report, no later than fifteen (15) days from closing date of the Stabilization Period of the Stabilization Shares covering the following information: (1) number of shares and (2) to whom distributed.

Furthermore, it shall also be understood that it is the responsibility of **UBS AG Singapore Branch** and **UBS Securities Philippines, Inc.** to **STRICTLY COMPLY** with the guidelines set under **en Banc Resolution No. 581, series of 2005**.

This reply is without prejudice to the prerogative of the Commission to impose the necessary penalty and initiate the appropriate proceedings upon a proper finding of a violation

of the relevant provisions of the SRC, the Investment Houses Law, the Corporation Code, the Foreign Investments Act, the respective rules and regulations, and other pertinent laws, rules and regulations, as may be necessary and applicable under the circumstances.

The foregoing reply is based on the representations made by the concerned parties in connection with the request for the use of price stabilization activities particular to the contemplated securities offering, and shall not be used in the nature of a standing rule binding upon the Commission whether of similar or dissimilar circumstances or situation.

Very truly yours,


VICENTE GRACIANO P. FELIZMENIO, JR.
Director