



February 11, 2022

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

Attention: **Janet A. Encarnacion**
Head, Disclosure Department

Gentlemen:

We reply with respect to various news articles posted on February 10, 2022. In the news article entitled "SMC to double capacity of new Davao cement plant" posted in Manila Bulletin, it was reported in part that:

"San Miguel Corporation (SMC) is planning to double the capacity of its P10-billion advanced cement manufacturing facility in Davao to 100 million bags after it starts full commercial operations later this year.

In a statement, SMC said its aim is to reduce reliance on imports and avoid delays in delivering critical infrastructure projects in the region.

SMC President and Chief Executive Officer Ramon S. Ang said that its cement unit, Southern Concrete Industries Corp., previously Oro Cemento Industries Corp., is eyeing to work immediately on an expansion plan for the new cement grinding plant.

The plant started commissioning activities late 2021 while full commercial operations are expected by July 2022.

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Southern Concrete Industries Corp., formerly Oro Cemento Industries, a unit under San Miguel Corporation, is set to begin operations of its new cement manufacturing in Darong, Davao, middle of this year. SMC said it is looking to double the plant's capacity to help support continuous infrastructure development in Mindanao and reduce reliance on imported cement.

He explained that, 'Right now there is heavy reliance on imported cement. But our government's goal is to lessen our dependence on imports, especially since supply, price, or quality issues directly impact, disrupt, or delay critical infrastructure development.'

'That is why we will look right away at doubling the capacity of the plant,' said Ang.

Apart from the plant itself, SMC also invested in building its own pier facility, which can receive clinker, gypsum, and limestone. It is also seen to help decongest the Davao commercial port.

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By way of response to the Exchange, we confirm that Southern Concrete Industries Corp. (formerly named Oro Cemento Industries Corp.- "Southern Concrete"), an affiliate of San Miguel Corporation ("SMC"), is contemplating to double its manufacturing capacity to 100 million bags annually and preparing an expansion plan for the construction of an additional grinding plant.

As advised by Mr. Ramon S. Ang, President and Chief Executive Officer of SMC, and reported in the aforementioned news article, the increase in the manufacturing capacity of Southern Concrete will reduce dependence and reliance on imported cement and, at the same time, support infrastructure development in the Mindanao region.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer