SAN MIGUEL CORPORATION

January 9, 2014

The Philippine Stock Exchange, Inc.
Issuer Regulation Division
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Marsha M. Resurreccion**
Head – Issuer Regulation Division

Re: **Distribution of Property Dividends**

Gentlemen:

In connection with the distribution of the 240,196,000 common shares of Top Frontier Investment Holdings, Inc. ("Top Frontier") declared as property dividends (the "Dividend Shares") to common shareholders of the Corporation as of November 5, 2013 (the "Receiving Shareholders"), we further advise that the manner of distribution of the Dividend Shares shall be as follows:

1. Listing of the Dividend Shares. As approved by the Exchange on December 18, 2013, Top Frontier will list the Dividend Shares, together with the remaining issued and outstanding common shares of Top Frontier (250,000,200 common shares), or a total of ***490,196,200*** common shares of Top Frontier (the "Listed Shares"). By way of compliance with the requirements of the Exchange, the Listed Shares shall be lodged with the Philippine Depositary and Trust Corp. ("PDTC") in the name of PCD Nominee Corporation ("PCD") in the following manner:

(a) ***203,980,332*** Listed Shares will be lodged on January 9, 2014; and

(b) ***286,215,868*** Listed Shares, subject of a lock-up for the duration of one hundred eighty (180) days or three hundred sixty five (365) days, as may be applicable, after the listing date of the Listed Shares, shall be lodged upon the expiration of the relevant lock-up periods.

2. Treasury Shares of Top Frontier. ***157,310,033*** Dividend Shares shall become treasury shares of Top Frontier in accordance with the relevant provisions of the Corporation Code of the Philippines and applicable laws.

3. Transfer of the Dividend Shares. Upon lodgement with the PDTC, the PCD shall distribute the Dividend Shares in the manner set forth below.

(a) Trading Participants – A total of ***9,692,373*** Dividend Shares shall be delivered to the Trading Participants who hold the common shares of the Corporation on behalf of the Receiving Shareholders who are "zero-rated,"

(in accordance with the Letter-Advice to the Receiving Shareholders dated November 8, 2013).

(b) BA Securities, Inc. – A total of ***36,979,926*** Dividend Shares shall be delivered to BA Securities, Inc. (the "Broker"), the broker exclusively designated by Top Frontier to hold the Dividend Shares not otherwise covered by the Dividend Shares to be distributed to the Trading Participants as described in Item 3(a) above.

4. Transactions with the Broker. The Receiving Shareholders whose Dividend Shares are held by the Broker, as described in Item 3(b) above, shall, upon full payment of taxes due on the Dividend Shares, if applicable, be required to open an account with the Broker (the "Shareholder Account"). Upon the listing of the Listed Shares, the Receiving Shareholder shall, thru the issuance of instructions to the Broker, have the option to: (a) retain the Dividend Shares in the Shareholder Account, (b) transfer the Dividend Shares to another broker duly accredited by the Exchange, or (c) request for the upliftment of the Dividend Shares and the issuance of stock certificates covering the Dividend Shares.

For your information and reference.

Very truly yours,

Virgilio S. Jacinto
Corporate Secretary

Copy furnished:

Ms. Janet L. Encarnacion
Head - Disclosure Department