



Notice of Extension of Consent Solicitation Series ABC Bonds

To all record Series ABC Bondholders:

Please be advised that SMC Global Power Holdings Corp. (SMC Global Power) is extending the Expiration Date of the Consent Solicitation **from** 5:00 p.m. (Philippine time) of September 25, 2017 **to** 5:00 p.m (Philippine time) of October 6, 2017. Accordingly all reference to "Expiration Date" in the Consent Solicitation Statement, consent forms and other relevant documents pertaining to the Consent Solicitation shall mean "5:00 p.m. (Philippine time) of October 6, 2017." Likewise, the estimated Execution Date of the Supplemental Agreement between SMC Global Power and the trustee pertaining the amendments to the Trust Agreement dated 23 June 2016 covering the Bonds and the estimated Consent Payment Date for the payment of the consent fees to the consenting bondholders shall be extended to October 11, 2017 and October 12, 2017, respectively. A copy of the Notice of Extension for publication in newspapers of general circulation is reproduced below. Series ABC Bondholders of record as of 5:00 p.m. of August 18, 2017 that intend to participate in the consent solicitation may continue to refer to the Consent Solicitation Statement dated August 29, 2017 and use the accompanying consent solicitation form.

For your proper guidance.



SMC GLOBAL POWER

A SUBSIDIARY OF SAN MIGUEL CORPORATION

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Details of the consent solicitation can be found in the Consent Solicitation Statement made available to each Bondholder of record as of 5:00 p.m. of August 18, 2017. The Consent Solicitation Statement and consent form may also be downloaded from the Issuer's website at www.smcglobalpower.com.ph.

Bonds	4.3458% Series A Bonds due 2021, 4.7575% Series B Bonds due 2023, and 5.1792% Series C Bonds due 2026	
Consent Solicitation	The Issuer seeks the consent of the Bondholders to the Proposed Amendment to section 7.2 of the Trust Agreement dated June 23, 2016 governing the Bonds. The Proposed Amendment seeks to modify the financial covenants from a maximum leverage ratio of 5.5x to a maximum net debt to equity ratio of 3.25x and a minimum interest coverage ratio of 2.25x	
Required Consents	The receipt by the Trustee of validly executed and delivered consent forms evidencing consents from Bondholders of record representing more than 50% of the aggregate principal amount of the Bonds on or before the Expiration Date	
Background of the Proposed Amendment	As the Company's power portfolio expands, a major portion of the Company's capital will be devoted to greenfield projects. Understandably, greenfield projects do not generate cash inflows (EBITDA) representative of their full commercial potential until 4 to 5 years after initiation of project development and construction. Thus, using the current EBITDA-based metric would inaccurately reflect the Company's creditworthiness and financial health. Therefore, the Proposed Amendment would be more reflective of the Company's ability to service its debts.	
Consent Fee	PHP1.25 for each PHP1,000.00 of the principal amount of the Bonds for which validly executed consent is given on or before the Expiration Date, subject to receipt of the Required Consents.	
Commencement Date	September 4, 2017	
Expiration Date	<u>Extended to 5:00 p.m. of October 6, 2017.</u> This date may be further adjusted by the Issuer to a later or earlier time and date in its sole discretion. The Maturity Date for the Bonds is independent of the Expiration Date set by the Issuer for the receipt of validly executed consents from the Series ABC bondholders. In view of the extension of the consent solicitation period, the estimated Execution Date (the date of execution of the agreement between SMC Global Power and the trustee on the proposed amendment) and estimated Consent Payment Date (date of payment of the consent fees to consenting bondholders) as stated in the Consent Solicitation Statement shall likewise be extended to October 11, 2017 and October 12, 2017, respectively.	
Trustee / Solicitation Agent:	Philippine National Bank Trust Banking Group	(+632) 573 4655
Advisors:	BDO Capital & Investment Corporation PNB Capital and Investment Corporation	(+632) 840 7000 loc. 32785, 32786, 31896 or 36234 (+632) 526 3131 loc. 2079 or 2409
Associates:	BPI Capital Corporation RCBC Capital Corporation SB Capital Investment Corporation	(+632) 845 5166 / 845 5596 (+632) 894 9000 loc. 2213 or 2216 (+632) 867 6788 loc. 7783 / 888 7353
Registrar:	Philippine Depository & Trust Corp.	(+632) 884 4409 / 884 5025 / 844 4431