



JOLLIVILLE HOLDINGS CORPORATION

December 19, 2017

Philippine Stock Exchange

Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Re: Jolliville Holdings Corporation – Sale of shareholding in Philippine H2O
Ventures Corp. to Udenna Development Corp.

Gentlemen:

Please be advised that the Board of Directors of Jolliville Holdings Corporation (“JOH”) during the Board Meeting held today, 19 December 2017, approved the Memorandum of Agreement (“MOA”) relating to the proposed sale by JOH and its subsidiaries and related parties (collectively, the “Sellers”) of all their shareholding in Philippine H2O Ventures Corp. (“H2O”) to Udenna Development Corp. (“UDEVCO”), or to any of the latter’s subsidiaries or affiliates (the “H2O Sale”). The other Sellers are KGT Ventures Inc., Melan Properties Corp., NGTO Resources Corp., OTY Development Corp., Nanette T. Ongcarranceja, Ortrud T. Yao, Kenrick G. Ting, Jolly L. Ting, and Lourdes G. Ting. The Sellers own a total of 150,824,890 common shares, representing 62.006% of the issued and outstanding capital of H2O, inclusive of the 36.728% held by JOH.

H2O is an investment holding company, which is engaged in the operation, maintenance, and distribution of water supply system through its subsidiary, Calapan Waterworks Corporation (“CWWC”). Its shares are listed in the Philippine Stock Exchange.

It is contemplated in the MOA that prior to the H2O Sale, H2O shall implement and complete a spin-off by selling all of its existing business and assets, including shares and interests in CWWC and all other interests in other corporations. H2O shall also collect all receivables, settle all its obligations, assign its contractual interests, transfer or reassign all of its employees and settle and dissolve its retirement fund.

A detailed Share Purchase Agreement (“SPA”) shall be executed by the Sellers and UDEVCO within 45 days from the signing of the MOA.

The total consideration for the H2O Sale to be received by the Sellers shall be PhP327,747,222.39 plus 62.006% of the remaining cash assets of H2O on Closing Date.

UDEVCO shall launch a mandatory tender offer for the H2O shares pursuant to the Securities Regulation Code.

Thank you for your kind attention.

Very truly yours,

ORTRUD T. YAO
Asst. Corp. Secretary/
Treasurer/CFO