



**INVESTMENTS  
CORPORATION**

October 26, 2016

**PHILIPPINE DEALING & EXCHANGE CORP.**

37<sup>th</sup> Floor, Tower 1, The Enterprise Center  
6766 Ayala Ave., cor. Paseo de Roxas, Makati City

Attention: **Ms. Vina Vanessa S. Salonga**  
*Head, Issuer Compliance and Disclosure Department (ICDD)*

Re: **Clarification of News Report -  
SM Nears Buy-in in Dorm Builder**

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Ladies and Gentlemen:

Please be informed that SM Investments Corporation replied to the Philippine Stock Exchange's request for clarification on the news article entitled "SM nears buy-in in dorm builder" posted in philSTAR.com on October 26, 2016.

See attachment for further information.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', written over a horizontal line.

**ELMER B. SERRANO**  
Corporate Secretary

Encl. a/s



**INVESTMENTS  
CORPORATION**

October 26, 2016

**PHILIPPINE STOCK EXCHANGE**

3<sup>rd</sup> Floor, Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

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

**Ms. Krystal Faith U. Go**  
*Analyst, Disclosure Department*

Ladies and Gentlemen:

We reply to your request for clarification on the news article entitled "SM nears buy-in in dorm builder" posted in philSTAR.com on October 26, 2016, the pertinent portion of which reads:

"MANILA, Philippines – SM Investments Corp. (SMIC) hopes to close its acquisition of a minority stake in dormitory builder MyTown this year.

SMIC chief finance officer Jose Sio said the transaction was still pending the approval of the Philippine Competition Commission (PCC).

....

Sio said SMIC opted not to acquire a majority stake because the group would not be managing the dormitory business.

Mergers and acquisitions amounting to more than P1 billion need the approval of the PCC.

'I don't see any problem (in getting the approval). My estimate is two to three months,' Sio said.

He expressed hope it could be closed sooner, possibly within a month, similar to the processes in China, Thailand and Indonesia.

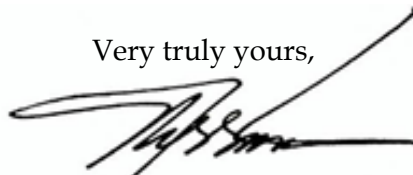
'It should be only one month especially if the transaction is not that big,' he said.

...."

We confirm that SM Group is currently working on securing approvals from relevant government agencies for the investment proposal.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', with a long, sweeping flourish extending upwards and to the right.

**ELMER B. SERRANO**  
Corporate Secretary