



**INVESTMENTS  
CORPORATION**

October 13, 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 -  
SMIC Eyes More Acquisitions**

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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 "SMIC eyes more acquisitions" posted in The Standard (Internet Edition) on October 12, 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 13, 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 "SMIC eyes more acquisitions" posted in The Standard (Internet Edition) on October 12, 2016, the pertinent portion of which reads:

"SM Investments Corp., the holding company of tycoon Henry Sy, allocated P13.67 billion to finance new investments and strategic acquisitions particularly in the retail and property sectors.

SM Investments said in a document filed with the Securities and Exchange Commission regarding the planned issuance of P20 billion seven-year fixed-rate bonds that it had identified potential investments and acquisitions that were in the early stages of evaluation.

'The issuer [SM Investments] intends to use P13.67 billion of the proceeds from the offer to finance future investments and strategic acquisitions. Part of the strategies of the issuer is to maintain its leading market share in its retail and property business segments by diversifying and expanding the businesses of the group,' SM Investments said.

'The issuer intends to accomplish this by continuing to expand the group's mall and retail activities into major centers of population

in Metro Manila and particularly in the provinces where there are opportunities for growth, capturing strategic opportunities overseas, developing opportunities in the property development, tourism and leisure sectors, where it believes there are significant opportunities for growth as the Philippines becomes a more attractive tourist destination,' it said.

The planned investments and acquisitions will depend on the results of the evaluation and due diligence, it said.

SM Investments said it expected to complete the deals by the fourth quarter of 2016 to the second quarter of 2017.

....

SM Investments said was allotting P6.15 billion from the planned P20-billion bond offering to repay short-term loans with three banks, including BDO Unibank, Mizuho Bank Ltd. and HSBC.

SM Investments said it expected to finalize the bonds offering in December.

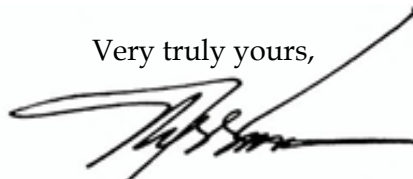
The P20 billion bond offering represents the first tranche of the P50-billion. fixed-rate bond shelf registration earlier filed by SM Investments with SEC.

...."

We confirm the above news article.

Thank you.

Very truly yours,

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

**ELMER B. SERRANO**  
Corporate Secretary