



**INVESTMENTS
CORPORATION**

February 1, 2018

PHILIPPINE DEALING & EXCHANGE CORP.

37/F, 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)

Madame:

We reply to your request for clarification on the news article entitled "SM backs out of Goldilocks takeover deal" posted in Inquirer.net, the pertinent portion of which reads:

"The country's largest conglomerate SM Investments Corp. has given up its bid to take over leading bakeshop chain Goldilocks Bakeshop Inc.

"Regarding the proposed acquisition by SM Retail of Goldilocks, both SM and Goldilocks have jointly agreed not to pursue the transaction given changes in the general business environment," SM said in a press statement on Thursday.

xxx"

We confirm the above statement.

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