



INVESTMENTS
CORPORATION

August 29, 2017

PHILIPPINE STOCK EXCHANGE, INC.

Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Madame:

We reply to your request for clarification on the news article entitled "SM in talks to acquire Goldilocks" posted in Inquirer.net on August 29, 2017, the pertinent portion of which reads:

"The SM group of retail tycoon Henry Sy is in talks to acquire a controlling stake in popular bakery chain Goldilocks Bakeshop, potentially adding a big chain of quick service restaurants to its retailing empire.

Inquirer sources said the discussions to acquire Goldilocks have reached an advanced stage.

The acquisition is seen to add a new format to the SM group's retail business, already the biggest in the country. This is likewise seen as a brand with potential to grow its overseas presence as well as to expand further through franchising.

....

The entry of the SM group in Goldilocks is also seen to be a big boost to the restaurant chain, the group being the biggest developer of shopping malls in the country.

...."

SM Investments Corporation is in preliminary discussions for a possible equity investment, joint venture or other cooperation arrangement with Goldilocks Bakeshop. However, the said potential investment is pending and subject to regulatory approval by the Philippine Competition Commission.

We trust we have adequately addressed your request for clarification.

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