

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, BUT HAS NOT YET BECOME EFFECTIVE. THESE SECURITIES MAY NOT BE SOLD NOR OFFERS TO BUY THE SAME BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY.



INVESTMENTS  
CORPORATION

## SM INVESTMENTS CORPORATION

(A corporation duly organized and existing under Philippine laws)

### OFFER SUPPLEMENT

28 September 2016

Offer of up to ₱15,000,000,000 Fixed Rate Bonds  
with an Oversubscription Option of up to ₱5,000,000,000  
under its ₱50,000,000,000 Fixed Rate Bonds Shelf Registration  
consisting of

**[●]% p.a. Series "G" Bonds due 2023**

at an Offer Price of 100% of Face Value

to be listed and traded through  
the Philippine Dealing and Exchange Corporation

#### *Joint Issue Managers*



#### *Joint Lead Underwriters*



**BPI Capital  
Corporation**



#### *Participating Underwriters*

[●]

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**SM Investments Corporation**

By:

HARLEY T. SY  
President & Chief Executive Officer

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2016,  
affiant exhibiting to me his Philippine Passport no. \_\_\_\_\_ issued on  
\_\_\_\_\_ at \_\_\_\_\_.

Doc. No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Series of 2016.

## SUMMARY OF THE OFFER

*This document constitutes the Offer Supplement relating to the offer described herein (the "Offer"). Terms used herein shall be deemed to be defined as set forth in the Prospectus dated 28 September 2016 (the "Prospectus"). This Offer Supplement contains the final terms of this Offer and must be read in conjunction with the Prospectus. Full information on the Issuer and this offering is only available on the basis of the combination of this Offer Supplement and the Prospectus. All information contained in the Prospectus are deemed incorporated by reference in this Offer Supplement.*

On 21 September 2016, the Board of Directors of the Company authorized the offer of up to Fifty Billion Pesos (₱50,000,000,000.00) worth of Fixed Rate Bonds, at an offer price of 100% of Face Value, under a shelf registration to be issued within a period of three (3) years from the date of the effectivity of the Registration Statement, with an initial offering of up to Fifteen Billion Pesos (₱15,000,000,000.00), with an oversubscription option of up to Five Billion Pesos (₱5,000,000,000.00) worth of Series "G" Fixed Rate Bonds, at an offer price of 100% of Face Value, under such terms and conditions as the management of the Issuer may deem advantageous to it.

*The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing in the Prospectus.*

<b>Issuer</b>	SM Investments Corporation
<b>Issue</b>	Fixed rate bonds constituting the direct, unconditional, unsecured and unsubordinated obligations of SM Investments Corporation
<b>Issue Size</b>	₱15,000,000,000
<b>Oversubscription Option</b>	The Issuer, in consultation with the Joint Issue Managers and Joint Lead Underwriters, shall have the option to increase the Issue Size by up to ₱5,000,000,000 in the event of oversubscription. In the event that the Oversubscription Option is not fully exercised, the unexercised portion shall be placed under shelf registration to be issued within the period prescribed by relevant regulations.
<b>Manner of Distribution</b>	Public offering
<b>Use of Proceeds</b>	The net proceeds of the Issue shall be used primarily to refinance certain existing debt obligations and finance future investments and strategic acquisitions (see "Use of Proceeds")
<b>Issue Price</b>	At par (or 100% of face value of the Bonds)
<b>Form and Denomination of the Bonds</b>	The Bonds shall be issued in scripless form in minimum denomination of ₱20,000.00, and in multiples of ₱10,000.00 thereafter, and traded in denominations of ₱10,000.00 in the secondary market

**Offer Period** The offer of the Series "G" Bonds shall commence at 9:00 am on [● November] 2016 and end at 12:00 pm on [● November] 2016

**Issue Date** [● December] 2016

**Maturity Date** Series "G" : Seven (7) years from Issue Date

**Interest Rate** [●]% per annum

**Interest Computation & Payment** Interest on the Bonds shall be calculated on a 30/360 day count basis commencing on [● December 2016]. Interest on the Series G Bonds shall be paid semi-annually in arrears on [● June] and [● December] of each year.

**Optional Redemption** Prior to the Maturity Date of the Series "G" Bonds, the Issuer shall have a one-time option, but shall not be obligated, to redeem in whole, and not in part only, the Series "G" Bonds in accordance with the following schedule:

<b>Optional Redemption Dates</b>	<b>Optional Redemption Price</b>
10 <sup>th</sup> and 11 <sup>th</sup> Interest Payment Dates	101.0%
12 <sup>th</sup> and 13 <sup>th</sup> Interest Payment Dates	100.5%

The Issuer shall give no less than thirty (30) nor more than (60) calendar days' prior written notice of its intention to redeem the Series "G" Bonds on such Optional Redemption Date, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Series "G" Bonds at the Interest Payment Date stated in such notice.

The amount payable to the Bondholders in respect of such redemption shall be calculated as the sum of (i) the relevant Optional Redemption Price applied to the principal amount of the then outstanding Series "G" Bonds being redeemed; and (ii) accrued interest on the Series "G" Bonds as of the relevant Optional Redemption Date.

**Final Redemption** Unless otherwise earlier redeemed or previously purchased and cancelled, the Bonds will be redeemed at par or 100% of face value on the Maturity Date.

**Bond Rating** The Series "G" Bonds are rated PRS Aaa by the Philippine Rating Services Corporation

<b>Trustee</b>	Philippine National Bank Trust Banking Group
<b>Registrar &amp; Paying Agent</b>	Philippine Depository & Trust Corp.
<b>Taxation of Bond Interest</b>	<p><u>Bond Interest</u></p> <p>Interest income derived from the Bonds derived by Philippine citizens or resident foreign individuals is subject to income tax, which is withheld at source, at the rate of 20%. Interest on the Bonds received by non-resident foreign individuals engaged in trade or business in the Philippines is subject to a 20% final withholding tax while that received by non-resident foreign individuals not engaged in trade or business is subject to a 25% final withholding tax. Interest income received by domestic corporations and resident foreign corporations is taxed at the rate of 20%. Interest income received by non-resident foreign corporations is subject to a 30% final withholding tax. The tax withheld constitutes a final settlement of Philippine income tax liability with respect to such interest.</p> <p>Bondholders who are exempt from or are not subject to final withholding tax on interest income or are covered by a lower final withholding tax rate by virtue of a tax treaty may claim such exemption or lower rate, as the case may be, by submitting the necessary documents as required by the Bureau of Internal Revenue and the Issuer.</p>
<b>Ranking</b>	The Bonds shall constitute the direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank pari passu and rateably without any preference or priority among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by law.
<b>Listing</b>	The Bonds are intended to be listed at the Philippine Dealing & Exchange Corporation.
<b>Governing Law</b>	Philippine Law

## USE OF PROCEEDS

The net proceeds from the issue of the Bonds, without the Oversubscription Option (after deduction of commissions and expenses) is approximately ₱14,866.4 million and is presently intended to be used by the Issuer to refinance maturing debt obligations and finance future investments and strategic acquisitions. Assuming the Oversubscription Option of up to ₱5,000,000,000.00 is fully exercised, the Company expects total net proceeds of approximately ₱19,826.4 million after fees, commissions and expenses.

Net proceeds from the Offering are estimated to be at least as follows:

<b>For a ₱15.0 billion Issue Size</b>		<b>Total</b>
Estimated proceeds from the sale of Bonds		₱15,000,000,000.00
Less: Estimated expenses		
Documentary Stamp Tax	75,000,000.00	
SEC Registration		
SEC Registration Fee and Legal Research	5,618,125.00	
SEC Publication Fee	100,000.00	
Underwriting and Other Professional Fees		
Underwriting and Legal Fee	46,500,000.00	
Rating Fee	4,500,000.00	
Listing Application Fee	112,000.00	
Listing Maintenance Fee	168,000.00	
Printing Cost	300,000.00	
Trustee Fees	130,000.00	
Paying Agency and Registry Fees	700,000.00	
Miscellaneous fees	500,000.00	133,628,125.00
Estimated net proceeds for ₱15.0 billion Issue		₱14,866,371,875.00
<b>For the ₱5.0 billion Oversubscription Option</b>		<b>Total</b>
Estimated proceeds from the sale of Bonds		₱5,000,000,000.00
Less: Estimated expenses		
Documentary Stamp Tax	25,000,000.00	
Underwriting Fees	15,000,000.00	40,000,000.00
Estimated net proceeds for ₱5.0 billion Oversubscription Option		₱4,960,000,000.00

Total Net Proceeds (inclusive of Oversubscription Option of ₱5.0 billion) --- ₱19,826,371,875.00

Aside from the foregoing one-time costs, SMIC expects the following annual expenses related to the Bonds:

1. The Issuer will be charged the first year Annual Maintenance Fee in advance upon the approval of the Listing;
2. The Issuer will pay a yearly retainer fee to the Trustee amounting to ₱130,000 per annum; and
3. After the Issue Date, a Paying Agency fee amounting to ₱100,000 is payable every interest payment date. The Registrar will charge a monthly maintenance fee based on the face value of the Bonds and the number of Bondholders.

The net proceeds of the Issue of approximately ₱14,866.4 million, assuming an Issue Size of ₱15.0 billion, or ₱19,826.4 if the Oversubscription Option is exercised, shall be used to refinance existing debt obligations of the Issuer and to finance future investments and strategic acquisitions as set out below.

<i>(in ₱ million)</i>	<b>₱15.0 billion Issue Size</b>	<b>With Oversubscription Option</b>	<b>Schedule of Disbursement</b>
Debt refinancing	6,150.0	-	December 2016
Investments and acquisitions	8,716.3	4,960.0	4 <sup>th</sup> quarter 2016 to 2 <sup>nd</sup> quarter 2017
	<b>14,866.3</b>	<b>4,960.0</b>	

Any shortfall in the net proceeds for the intended uses described above shall be funded by the Issuer from internal sources.

The Issuer intends to use ₱13,676.3 million 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. 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.

The Company has identified potential investments and acquisitions that are in the early stages of evaluation. Depending on the results of the evaluation and due diligence, such potential investments and acquisitions may not materialize. The Company shall make timely and appropriate disclosures with respect to any strategic potential investments and acquisitions.

The Issuer intends to use ₱6,150.0 million to fully pay its maturing short-term loans. These loans were utilized to fund the working capital requirements of the Company. The details of these short-term loans are set out below.

<b>Lender</b>	<b>Outstanding Loan Amount</b> (in ₱ millions)	<b>Interest Rate</b>	<b>Maturity Date</b>
BDO Unibank Inc.	850.0	2.5%	December 21, 2016
BDO Unibank Inc.	1,900.0	2.5%	December 21, 2016
BDO Unibank Inc.	1,900.0	2.5%	December 21, 2016
Mizuho Bank Ltd.	1,000.0	2.4%	December 9, 2016
The Hongkong & Shanghai Banking Corp.	500.0	2.4%	December 12, 2016
	<b>6,150.0</b>		

However, if the Issuer is able to complete an investment or acquisition prior to the maturity of the short-term loans listed in the table above, the Issuer may utilize the ₱6,150 million proceeds intended for debt refinancing to finance such investment opportunity. In the event that the Issuer will reallocate the proceeds intended for debt refinancing to fund investments or acquisitions, it shall make timely disclosures to the SEC and to the stockholders prior to the reallocation.

Pending the above uses, the Company intends to invest the net proceeds from the Issue in short-term and medium-term liquid investments including but not limited to short-term government securities, bank deposits and money market placements which are expected to earn prevailing market rates.

The Company undertakes that it will not use the net proceeds from the Issue for any purpose, other than as discussed above. However, the Company's plans may change, based on factors including changing macroeconomic and market conditions, or new information regarding the cost or feasibility of these plans. The Company's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company's management may find it necessary or advisable to reallocate the net proceeds within the categories described above, or to alter its plans, including modifying the projects described in the foregoing and/or pursuing different projects. In the event of any substantial deviation/adjustment in the planned uses of proceeds, the Company shall inform the SEC and the stockholders within 30 days prior to its utilization.



## PLAN OF DISTRIBUTION

BDO Capital, BPI Capital, China Bank Capital, and FMIC, pursuant to an Issue Management and Underwriting Agreement with SMIC executed on [• Month] 2016 (the "Underwriting Agreement"), have agreed to act as the Joint Lead Underwriters for the Offer and as such, distribute and sell the Bonds at the Offer Price, and have also committed to underwrite up to ₱15,000,000,000 on a firm basis, in either case subject to the satisfaction of certain conditions and in consideration for certain fees and expenses, with a ₱5,000,000,000 Over-subscription Option.

Each of the Joint Lead Underwriters has committed to underwrite the Offer on a firm basis up to the amount indicated below:

<b>Joint Lead Underwriters</b>	<b>Amount</b>
BDO Capital & Investment Corporation	₱5,000,000,000
China Bank Capital Corporation	₱5,000,000,000
BPI Capital Corporation	₱2,500,000,000
First Metro Investment Corporation	₱2,500,000,000
[•]	[•]

The Joint Lead Underwriters shall have exclusive rights and priority to exercise the Over-subscription Option of up to ₱5,000,000,000. The unexercised portion of the Over-subscription Option shall be placed under shelf registration to be issued within the period prescribed by relevant regulations.

There is no arrangement for the Underwriters to return to the Issuer any unsold Bonds. The Underwriting Agreement may be terminated in certain circumstances prior to payment of the net proceeds of the Bonds being made to the Issuer. There is no arrangement as well giving the Underwriters the right to designate or nominate any member to the Board of the Issuer.

The Issuer will pay the Joint Lead Underwriters a fee of 0.30% on the final aggregate nominal principal amount of the Bonds issued, which is inclusive of the fee to be ceded to Participating Underwriters. No fees will be given to Broker-Dealers selling the Bonds.

The Underwriters are duly licensed by the SEC to engage in underwriting and distribution of securities to the public. The Underwriters may, from time to time, engage in transactions with and perform services in the ordinary course of business with SMIC, or other members of the SM Group.

BDO Capital is the wholly-owned investment banking subsidiary of BDO Unibank, Inc., which, in turn, is an associate of the SM Group. BDO Capital is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital commenced operations in March 1999.

BPI Capital is the wholly-owned investment banking subsidiary of the Bank of the Philippine Islands and is duly licensed by the SEC to engage in the underwriting and distribution of securities. BPI Capital offers investment banking services in the areas of financial advisory, mergers and acquisitions, debt and equity underwriting, private placement, project finance and loan syndication. It began operations as an investment house in December 1994.

China Bank Capital, a subsidiary of China Banking Corporation, provides a wide range of investment banking services to clients across different sectors and industries. Its primary business is to help enterprises raise capital by arranging or underwriting debt and equity transactions, such as project financing, loan syndications, bonds and notes issuances, securitizations, initial and follow-on public offerings, and private

equity placements. China Bank Capital also advises clients on structuring, valuation, and execution of corporate transactions, including mergers, acquisitions, divestitures, and joint ventures. It was established and licensed as an investment house in 2015 as the spin-off of China Bank's investment banking group, which was organized in 2012.

First Metro Investment Corporation is a leading investment bank in the Philippines with over fifty years of service in the development of the country's capital markets. It is the investment banking arm of the Metrobank Group, one of the largest financial conglomerates in the country. First Metro and its subsidiaries offer a wide range of services, from debt and equity underwriting to loan syndication, project finance, financial advisory, investment advisory, government securities and corporate debt trading, equity brokering, online trading, asset management, and research. First Metro has established itself as a leading bond house with key strengths in origination, structuring, and execution.

Except for BDO Capital and China Bank Capital which are associates of the Issuer, the other Joint Lead Underwriters, namely BPI Capital and FMIC, have no direct relations with SMIC in terms of ownership. The Underwriters have no right to designate or nominate any member of the Board of SMIC.

## **SALE AND DISTRIBUTION**

The distribution and sale of the Bonds shall be undertaken by the Underwriters who shall sell and distribute the Bonds to third party buyers/investors. Nothing herein shall limit the rights of the Underwriters from purchasing the Bonds for their own respective accounts.

There are no persons to whom the Bonds are allocated or designated. The Bonds shall be offered to the public at large and without preference.

The obligations of each of the Underwriters will be several, and not solidary, and nothing in the Underwriting Agreement shall be deemed to create a partnership or joint venture between and among any of the Underwriters. Unless otherwise expressly provided in the Underwriting Agreement, the failure by an Underwriter to carry out its obligations thereunder shall neither relieve the other Underwriters of their obligations under the same Underwriting Agreement, nor shall any Underwriter be responsible for the obligation of another Underwriter.

## **OFFER PERIOD**

The Offer Period shall commence at 9:00 am of [● November] 2016, and end at 12:00 pm of [● November] 2016.

## **APPLICATION TO PURCHASE**

Applicants may purchase the Bonds during the Offer Period by submitting to the Underwriters properly completed Applications to Purchase, together with two signature cards, and the full payment of the purchase price of the Bonds in the manner provided in the said Application to Purchase.

Corporate and institutional applicants must also submit, in addition to the foregoing, a copy of their SEC Certificate of Registration of Articles of Incorporation and By-Laws, Articles of Incorporation, By-Laws, and the appropriate authorization by their respective boards of directors and/or committees or bodies authorizing the purchase of the Bonds and designating the authorized signatory(ies) thereof.

Individual applicants must also submit, in addition to accomplished Applications to Purchase and its required attachments, a photocopy of any one of the following valid identification cards (ID), subject to verification with the original ID: passport, driver's license, postal ID, company ID, SSS/GSIS ID and/or Senior Citizen's ID.

A corporate and institutional investor who is exempt from or is not subject to withholding tax shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance: (i) certified true copy of the tax exemption certificate, ruling or opinion issued by the Bureau of Internal Revenue; (ii) a duly notarized undertaking, in the prescribed form, declaring and warranting its tax exempt status, undertaking to immediately notify the Issuer of any suspension or revocation of the duly-accepted tax exemption certificates and agreeing to indemnify and hold the Issuer free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities; provided that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar.

Completed Applications to Purchase and corresponding payments must reach the Underwriters prior to the end of the Offer Period, or such earlier date as may be specified by the Underwriters. Acceptance by the Underwriters of the completed Application to Purchase shall be subject to the availability of the Bonds and the acceptance by the Issuer. In the event that any check payment is returned by the drawee bank for any reason whatsoever or the nominated bank account to be debited is invalid, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase shall be deemed revoked.

#### **MINIMUM PURCHASE**

A minimum purchase of Twenty Thousand Pesos (₱20,000.00) of the Bonds shall be considered for acceptance. Purchases of the Bonds in excess of the minimum shall be in multiples of Ten Thousand Pesos (₱10,000.00).

#### **ALLOTMENT OF THE BONDS**

If the Bonds are insufficient to satisfy all Applications to Purchase, the available Bonds shall be allotted in accordance with the chronological order of submission of properly completed and appropriately accomplished Applications to Purchase on a first-come, first-served basis, without prejudice and subject to the Issuer's exercise of its right of rejection.

#### **ACCEPTANCE OF APPLICATIONS**

The Issuer and the Joint Lead Underwriters reserve the right to accept or reject applications to purchase the Bonds, and in case of oversubscription, allocate the Bonds available to the applicants in a manner they deem appropriate.

#### **REFUNDS**

If any application is rejected or accepted in part only, the application money or the appropriate portion thereof shall be returned without interest to such applicant through the relevant Underwriter with whom such application to purchase the Bonds was made.

#### **PAYMENTS**

The Paying Agent shall open and maintain a Payment Account, which shall be operated solely and exclusively by the said Paying Agent in accordance with the Paying Agency and Registry Agreement, provided that beneficial ownership of the Payment Account shall always remain with the Bondholders. The Payment Account shall be used exclusively for the payment of the relevant interest and principal on each

Payment Date.

The Paying Agent shall maintain the Payment Account for six (6) months from Maturity Date or date of early redemption. Upon closure of the Payment Account, any balance remaining in such Payment Account shall be returned to the Issuer and shall be held by the Issuer in trust and for the irrevocable benefit of the Bondholders with unclaimed interest and principal payments.

### **PURCHASE AND CANCELLATION**

The Issuer may purchase the Bonds at any time in the open market or by tender or by contract at market price without any obligation to make pro-rata purchases from all Bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Upon listing of the Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

### **SECONDARY MARKET**

The Issuer intends to list the Bonds in the PDEX. The Issuer may purchase the Bonds at any time without any obligation to make pro-rata purchases of Bonds from all Bondholders.

### **REGISTRY OF BONDHOLDERS**

The Bonds shall be issued in scripless form. A Master Certificate of Indebtedness representing the Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Legal title to the Bonds shall be shown in the Register of Bondholders to be maintained by the Registrar. Initial placement of the Bonds and subsequent transfers of interests in the Bonds shall be subject to applicable prevailing Philippine selling restrictions. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered into the Register of Bondholders. Transfers of ownership shall be effected through book-entry transfers in the scripless Register of Bondholders.

## CAPITALIZATION AND INDEBTEDNESS

As at 30 June 2016, the authorized capital stock of the Issuer was ₱12.0 billion divided into 1,190 million common shares and 10 million non-voting cumulative and redeemable preferred shares each with ₱10 par value per share, and its issued capital stock was ₱8.0 billion consisting of 803,055,405 common shares of ₱10 par value each.

The following table sets forth the consolidated capitalization and indebtedness of the Group as at 30 June 2016 and as adjusted to give effect to the issue of the Bonds (assuming the Oversubscription Option is not exercised). This table should be read in conjunction with the Issuer's unaudited consolidated interim financial statements as at and for the six months ended 30 June 2016 and notes thereto, included elsewhere in this Prospectus.

<i>(in ₱ millions)</i>	<b>As at 30 June 2016</b>	
	<b>Actual</b>	<b>Adjusted</b>
<b>Short-term debt</b>		
Bank loans	6,695	6,695
Current portion of long-term debt	6,678	6,678
Total short-term debt	13,373	13,373
<b>Long-term debt - net of current portion</b>		
Banks and other financial institutions	266,081	266,081
The Bonds to be issued	-	15,000
Total long-term debt - net of current portion	266,081	281,081
<b>Equity</b>		
Equity Attributable to Equity Owners of the Parent:		
Capital Stock	8,030	8,030
Additional paid-in capital	76,400	76,400
Equity adjustment from common control transactions	(1,902)	(1,902)
Cost of common shares held by subsidiaries	(25)	(25)
Cumulative translation adjustment	462	462
Re-measurement gain on defined benefit asset/obligation	118	118
Net unrealized gain on available for sale investments	14,733	14,733
Retained earnings		
Appropriated	36,000	36,000
Unappropriated	158,455	158,455
Total Equity Attributable to Equity Owners of the Parent	292,271	292,271
Non-controlling interests	100,477	100,477
Total Equity	392,748	392,748
Total capitalization	672,202	673,829

**Notes:**

- (1) Adjusted amount as at 30 June 2016 includes proceeds of ₱15,000,000,000 principal amount of the Bonds offered hereunder.
- (2) Total capitalization is the sum of long-term debt and equity.

## **PARTIES TO THE OFFER**

### *Issuer*

**SM INVESTMENTS CORPORATION**

### *Joint Issue Managers*

**BDO CAPITAL & INVESTMENT CORPORATION  
CHINA BANK CAPITAL CORPORATION**

### *Joint Lead Underwriters*

**BDO CAPITAL & INVESTMENT CORPORATION  
BPI CAPITAL CORPORATION  
CHINA BANK CAPITAL CORPORATION  
FIRST METRO INVESTMENT CORPORATION**

### *Participating Underwriters*

**[•]**

### *Trustee*

**PHILIPPINE NATIONAL BANK TRUST BANKING GROUP**

### *Registrar and Paying Agent*

**PHILIPPINE DEPOSITORY AND TRUST CORPORATION**

### *Legal Counsel to the Underwriters*

**ANGARA ABELLO CONCEPCION REGALA & CRUZ**

### *Independent Auditors*

**SGV & Co.**