



May 2, 2012

**The Philippine Stock Exchange, Inc.**  
3F Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

**Attention of Ms. Janet A. Encarnacion**  
Head - Disclosure Department

Gentlemen:

This refers to the news article entitled “SM Prime in talks for 5 China properties” posted in the *BusinessWorld* dated today. The article reported in part that:

SM Prime Holdings, Inc., the country’s biggest mall developer and operator, is eyeing as many as five additional properties in China as possible expansion sites in line with efforts to widen its presence in the world’s second-biggest economy.

In a chance interview, SM Prime Chief Financial Officer Jeffrey Lim said the company is in talks for the properties, which range from five hectares to six hectares each.

He said most of the properties are in Fujian province, where SM Prime already operates SM Xiamen, its first mall in China, as well as SM Jinjiang.

“It’s still under negotiations. But Fujian will be the priority,” Lim said, referring to the company’s land acquisition efforts in that province.

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The expansion projects are part of the company’s strategy to list its China assets either in Hong Kong or Singapore by 2015 in a public offering valued at about \$500 million, Lim said.

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We confirm the veracity of the above-quoted news article.

Very truly yours,

  
**TERESA CECILIA H. REYES**  
Vice President – Finance