



## INVESTMENTS CORPORATION

March 25, 2019

**PHILIPPINE STOCK EXCHANGE, INC.**  
3<sup>rd</sup> Floor, Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

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

**PHILIPPINE DEALING & EXCHANGE CORP.**  
37<sup>th</sup> Floor, Tower 1, The Enterprise Center  
6766 Ayala Ave., cor. Paseo de Roxas, Makati City

Attention: **Atty. Joseph B. Evangelista**  
*Head, Issuer Compliance and Disclosure Department*

Ladies and Gentlemen:

We reply to the Philippine Stock Exchange's request for clarification on the news article entitled "CTA rejects bulk of SM Investments' tax refund claim" posted in BusinessWorld (Internet Edition) on March 24, 2019, the pertinent portion of which reads:

"THE Court of Tax Appeals (CTA) partially granted SM Investments Corp.'s tax refund claim from 2013, but drastically reduced the initial claim of over P1 billion to just P179.3 million.

In a 26-page decision dated March 4, the CTA special second division ruled that of the initial P1.17-billion tax refund claim of SM Investments, the company was only able to prove its entitlement for refund of excess creditable withholding tax (CWT) for 2013 in the amount of P179.3 million.

'In sum, the Court finds that petitioner was able to prove that it is entitled to its refund claim only in the total amount of P179,295,580.72. Hence, the partial grant

of the instant Petition is in order,' according to the decision, written by Associate Justice Juanito C. Castañeda, Jr.

The court ordered the remainder of the claim disallowed in the absence of records reflecting its corresponding payments and for failure to prove that the corresponding payments were properly recorded.

Other CWTs were disallowed for not being fully supported by the original copies of pertinent documents.

The CTA said that when there is a discrepancy between the amounts shown in the financial statements and the amounts per certificate of withholding, 'there is uncertainty as to whether the income payments indeed formed part of petitioner's revenue in its return.'

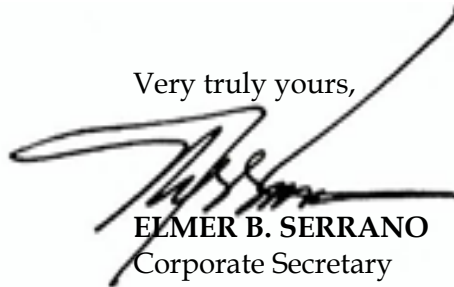
'Petitioner did not offer any explanation or reconciliation of the difference that may be brought about by timing or revenue recognition difference,' it said.

...."

We confirm the above news article.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', with a long, sweeping horizontal stroke extending to the right.

**ELMER B. SERRANO**  
Corporate Secretary