

FILINVEST DEVELOPMENT CORP.

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May 7, 2018

PHILIPPINE DEALING & EXCHANGE CORP.

37/F, Tower 1, The Enterprise Center
6766 Ayala Ave. cor. Paseo de Roxas, Makati City

Attention: **MS. KATHLENE ANNE F. FAMADICO**
OIC - Issuer Compliance and Disclosure Department (ICDD)

Dear Ms. Famadico:

Please find attached copy of our letter dated 07 May 2018 to the Philippine Stock Exchange (PSE) in response to their letter dated 07 May 2018 (received via EDGE Submission System) regarding the clarification of news article entitled "Filinvest Group sets P45-B capex for 2018" posted in The Manila Times (Internet Edition) on May 5, 2018.

Thank you.

Very truly yours,



SHARON P. PAGALING-REFUERZO
Assistant Corporate Secretary and
Corporate Information Officer

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THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **MR. JOSE VALERIANO B. ZUÑO III**
OIC- Head, Disclosure Department

Dear Mr. Zuño:

We refer to your request for clarification/confirmation of the news article entitled "Filinvest Group sets P45-B capex for 2018" posted in The Manila Times (Internet Edition) on May 5, 2018. The article reported that:

"GOTIANUN-LED Filinvest Development Corp. (FDC) is earmarking P45 billion this year to finance new and existing projects.

The capital allocation is 12.5 percent higher than the P40 billion set a year ago as more projects in all business segments are set for construction.

'After reaching a record net income of P10.3 billion in 2017, we plan to build on our strengths by investing in new projects and expanding current projects within the group,' FDC Chairman Jonathan Gotianun said.

Of the total expenditure, more than three-fourths will be allocated to its property arm Filinvest Land, Inc. (FLI), which had already announced a P23.5-billion capital spending for 2018. The remaining P10 billion will be spent for other potential investments.

Of FLI's total expenditure, about P5 billion will be allocated for hotel arm Filinvest Hospitality Corp. (FHC) to further expand its portfolio. To date, the Filinvest Group already has 1,591 hotel rooms.

FDC is set to open this year three hotels including Crimson Resort and Spa Boracay, which will add to the group another 192 rooms. The remaining two are located in Tagaytay and San Mateo, Rizal.

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For its banking arm, Gotianun said EastWest Banking Corp. is poised to grow its asset base rather than focus on expanding its store network. Just recently, the company increased its authorized capital stock to P50 billion in preparation for its planned stock rights offering.

FDC said it will participate in its unit's share sale scheduled in the third quarter of 2018.

...."

We wish to confirm that the above-quoted news article is correct. We also confirm the statement of the FDC Chairman Jonathan T. Gotianun that EastWest Bank is considering a stock rights offering in the second half of this year to fund its growth plans. We also confirm that FDC is planning to participate in the aforementioned stock rights offering.

Very truly yours,



ELMA CHRISTINE R. LEOGARDO
Corporate Secretary



SHARON P. PAGALING-REFUERZO
Assistant Corporate Secretary and
Corporate Information Officer