

MINUTES OF THE ANNUAL MEETING OF THE
STOCKHOLDERS OF

SM PRIME HOLDINGS, INC.

Held at Function Room 1, SMX Convention Center
Seashell Lane, Mall of Asia Complex, Pasay City
On 25 April 2017, 2:30 p.m.

DIRECTORS PRESENT:

HENRY T. SY, JR.	Chairman of the Board Member, Executive Committee
JOSE L. CUISIA, JR.	Vice Chairman and Independent Director Chairman, Audit Committee Member, Risk Oversight Committee Member, Corporate Governance Committee
HANS T. SY	Director and Chairman, Executive Committee Chairman, Executive Committee
JOSELITO H. SIBAYAN	Independent Director Chairman, Corporate Governance Committee Chairman, Related Party Transactions Committee Member, Audit Committee
JORGE T. MENDIOLA	Non-Executive Director Member, Audit Committee Member, Risk Oversight Committee Member, Related Party Transactions Committee
HERBERT T. SY	Non-Executive Director Member, Executive Committee
GREGORIO U. KILAYKO	Independent Director Chairman, Risk Oversight Committee Member, Corporate Governance Committee Member, Related Party Transactions Committee
JEFFREY C. LIM	Director and President Member, Executive Committee

ALSO PRESENT:

ELIZABETH T. SY	Adviser to the Board Member, Executive Committee
TERESITA T. SY	Adviser to the Board
JOSE T. SIO	Adviser, Audit Committee Adviser, Risk Oversight Committee
ELMER B. SERRANO	Corporate Secretary

MARIANNE M. GUERRERO	Assistant Corporate Secretary
JOHN NAI PENG C. ONG	Senior Vice President/Chief Finance Officer/ Compliance Officer Member, Executive Committee
TERESA CECILIA H. REYES	Vice President-Finance
Stockholders present in person or represented by proxy	23,889,518,007 shares (Please see Record of Attendance attached Annex "A")

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1. Call to Order

The Chairman of the Board, Mr. Henry T. Sy, Jr. welcomed the stockholders of **SM Prime Holdings, Inc. (the Corporation)**, called the meeting to order and presided over the proceedings. The Corporate Secretary, Atty. Elmer B. Serrano, recorded the minutes of meeting.

2. Certification of Notice and Quorum

The Corporate Secretary, Atty. Elmer B. Serrano, certified that written notices of the annual stockholders' meeting together with the agenda and the Definitive Information Statement were sent beginning 31 March 2017 to all stockholders of record as of 31 March 2017 in coordination with BDO-Trust and Investments Group, the Transfer Agent the Corporation by personal delivery and by mail, as well as published in Business World on 06 April 2017 and in Business Mirror and the Philippine Star on 07 April 2017, in accordance with the Amended By-Laws of the Corporation.

The Chairman then inquired from the Corporate Secretary whether there was a quorum for the transaction of business by the stockholders.

The Corporate Secretary certified that based on the proxies recorded and on the registration of those personally present at the meeting, 23,889,518,007 shares or 79.78% of the aggregate number of 29,943,822,674 shares issued, outstanding and entitled to vote, were either present in person or represented by proxy at the meeting. He then certified that a quorum was present for the transaction of business by the stockholders.

The Chairman then declared that there was a quorum for the transaction of business at hand.

It was then announced that SyCip Gorres Velayo & Co., the external auditor of the Corporation, was officially engaged to validate proxies and the tabulation of votes when necessary, with the Corporate Secretary having been tasked and authorized to count votes on any matter properly brought for the approval by the stockholders.

3. Approval of the Minutes of the Annual Stockholders' Meeting Held on 12 April 2016

The Chairman proceeded to the next item in the agenda which was the approval of the minutes of the last annual meeting of the stockholders held on 12 April 2016. Copies of the minutes were provided to all stockholders prior to the meeting and were also posted on the Corporation's website immediately after last year's annual stockholders' meeting.

Upon motion duly made and seconded, the stockholders approved the minutes of the annual meeting of the stockholders held on 12 April 2016 and the following resolution was passed and adopted:

RESOLVED, That the stockholders of **SM Prime Holdings, Inc.** approve the minutes of the Annual Stockholders' Meeting held on 12 April 2016.

Based on the tabulation of votes of shares present and represented, stockholders owning 23,889,511,407 voting shares or 99.99% of the total number of voting shares represented at the meeting approved the said resolution, while stockholders owning 6,600 voting shares voted against the approval.

4. Approval of 2016 Annual Report

The Chairman then gave the floor to the President of the Corporation, Mr. Jeffrey C. Lim, for his report on the results of operations for 2016. The President reported as follows:

“Good afternoon, ladies and gentlemen, and welcome to SM Prime’s 2017 Annual Stockholders’ Meeting. 2016 marked SM Prime’s third year as a fully integrated property developer and we continue to realize the benefits of this integration. Today, we will share with you the highlights of your company during the past year.

Our performance in the past years shows that we are on track to deliver our five-year goals and enjoying the benefits of our transformation into a large-scale, integrated property developer.

In 2016, we reported recurring net income at PHP24 billion, an increase of 14% from last year on the back of consolidated revenue growth of 12% to PHP80 billion.

Overall positive performance of the Company can be attributed to the continued expansion of the malls business and strong sales take-up of our residential units.

More than 60% of consolidated revenues comes from the Malls, Residences accounts to 32%, while the rest contributed by our other business units.

Mall’s overall revenue increased by 9% to almost PHP49 billion driven by the 7% same-mall-sales and new malls and expansions we added in the past two years.

This allowed your Company to register an operating income of PHP26 billion, an increase of 9% from 2015.

We capped 2016 with 67 shopping malls – 60 in the Philippines and seven in China with a total floor area of 9 million square meters. In the Philippines, 45% of our malls are located in Metro Manila, 35% in Luzon outside Metro Manila, 14% in Visayas and 6% in Mindanao, allowing your Company to maintain its leadership in the shopping center industry.

Our residential business delivered a strong financial performance with a 13% revenue growth to PHP25.4 billion this year from PHP22.5 billion last year. Operating income likewise improved by 17% to PHP7 billion from PHP6 billion in 2015.

SM Development Corporation’s reservation sales grew by 21% in terms of sales value to PHP48 billion in 2016 from PHP39 billion last year due to strong sales take-up generated from the residential projects mostly located in Mall of Asia Complex area. This resulted to a 17% improvement on unit sales to

Meanwhile, the rest of the business portfolio recorded a 32% increase in revenues to PHP6 billion from almost PHP5 billion in 2015. This brought operating income growth to 44% to PHP3 billion from PHP2 billion last year. Other business accounted for 7% of consolidated revenues and 8% of consolidated operating income.

For 2017, SM Prime will be opening five new malls. This includes SM Cherry Antipolo, SM CDO Downtown Premier, SM Center Tuguegarao, SM City Puerto Princesa and SM Center Lemery. By the end of the year, your Company will have 65 malls in the Philippines and seven in China with an estimated combined gross floor area of 9.2 million square meters.

For the residential group, SM Prime is slated to launch 15,000 to 18,000 units that includes high-rise, mid-rise and single detached house and lot within Metro Manila and nearby provinces.

We are committed to earmark at least PHP50 billion per annum over the next two years to achieve our development roadmap and income targets by 2018. We are confident that, with your support, we are on our way to achieving our goals.

As a group, we continue to maintain a strong balance sheet and deliver strong recurring revenue which give us high confidence in our growth plans.

In 2016, net debt to equity is equivalent to 37:63, within management's target of keeping a conservative net gearing.

Allow me to convey my deepest appreciation to our Directors and dedicated employees for their service and hard work towards maximizing the value of SM Prime.

Let me share our deepest gratitude to our shareholders, business partners and customers for their continued confidence and support.

As SM Prime continues to bring its integrated development in more provincial cities in the country, let us join hands in shaping a better tomorrow to the communities we serve."

After the President's presentation, the Chairman opened the floor to stockholders to provide them the opportunity to ask questions or give comments.

One stockholder, Mr. Romy David, representing the shares of SharePhil, asked on the business risks the Company is currently facing. Mr. Chairman responded that online shopping is not a significant concern for the Corporation since SM Prime is not primarily engaged in online retail business. Mr. Lim added that information technology risk is another risk which is being mitigated through a regular conduct of vulnerability testing for better cyber and data security management.

A foreign stockholder asked about the updates of mall operations in China. Mr. Lim provided that, for 2016, it contributed 5% to SM Prime's total revenue. Further, the stockholder inquired on why SM Investments Corporation (SMIC), and not SM Prime, acquired the condo/dormitory "MyTown" brand. Mr. Jose T. Sio of SMIC explained that this is a new phenomenon in the real estate industry and if proven viable, SM Prime can undertake this route in the future.

Another stockholder, Mr. Ishmael Sam Canua, inquired on the following: (1) plans of expanding within other ASEAN countries; (2) addition of BPO Tower and IMAX in SM Fairview; and (3) start of construction of MRT-LRT common station. In response: (1) the Chairman responded that this is being contemplated but would still require further study; (2) there is an ongoing mall expansion in SM Fairview which will include a provision for future BPO offices; and (3) Mr. Lim explained that all the parties involved have already signed and agreed on the location of the common station. The actual construction depends on the government agencies concerned.

Mr. Jose L. Cuisia, Jr., Director and stockholder, commended Mr. Hans T. Sy for his leadership as former President and lauded Ms. Teresita Sy-Coson, MAP Man of the Year, for her guidance as Adviser to the Board. Mr. Cuisia expressed his appreciation and gratitude to Ms. Coson.

There being no other comments nor questions from the stockholders, the 2016 Annual Report was presented for notation and approval. On motion made and duly seconded, the following resolution was passed and approved:

"RESOLVED, That the 2016 Annual Report of SM Prime Holdings, Inc., is noted, approved and ratified."

Based on the tabulation of votes of shares present and represented, stockholders owning 23,879,733,707 voting shares or 99.96% of the total number of voting shares represented at the meeting approved the said resolution, stockholders owning 6,600 voting shares voted against the approval, while stockholders owning 9,777,700 voting shares or 0.04% of the total number of voting shares abstained.

5. Ratification of Acts of Management and of the Board of Directors

The next item in the agenda was the ratification of all acts, transactions and contracts entered into, as well as resolutions made and adopted by the Board of Directors and its duly constituted committees and of Management of the Corporation from the date of the annual stockholders' meeting in 2016 up to the present stockholders' meeting.

On motion duly made and seconded, the stockholders approved the following resolutions ratifying the acts of management and of the Board of Directors and the following resolutions were passed and adopted:

"RESOLVED, That the acts of the Board of Directors, Board Committees and Management of SM Prime Holdings, Inc. (the **Corporation**) from the date of the last Annual Stockholders' Meeting held on 12 April 2016 up to the date of meeting, are hereby, in all respects, approved, ratified; and

RESOLVED, That all contracts, acts, proceedings, elections and appointments heretofore made or taken by the Board of Directors, its committees and/or the Management of the Corporation, and all acts and proceedings performed or taken pursuant thereto, be, and the same hereby are, in all respects, approved, ratified and confirmed."

Based on the tabulation of votes of shares present and represented, stockholders owning 23,879,554,907 voting shares or 99.96% of the total number of voting shares represented at the meeting approved the said resolution, stockholders owning 6,600 voting shares voted against the approval, while stockholders owning 9,956,500 voting shares or 0.04% of the total number of voting shares abstained.

6. Announcement of Cash Dividends

The Chairman announced that at the regular meeting of the Board of Directors just adjourned, the Board approved a cash dividend declaration of 26% based on the par value or Php0.26 per common share amounting to Php7.5 billion in favor of all stockholders of record as of 12 May 2017 and payable on 25 May 2017.

7. Election of Directors

The Chairman then proceeded with the election of the Corporation's directors for the year 2017-2018. He announced that in accordance with the Corporation's By-laws, the Corporate Governance Committee had pre-screened and short-listed all candidates qualified and nominated to the Board of Directors. He thus called upon the Chairman of the Corporate Governance Committee, Mr. Joselito H. Sibayan, to present the Corporate Governance Committee's findings and the nominees qualified to be elected to the Board.

Mr. Joselito H. Sibayan, Chairman of Corporate Governance Committee, announced that the following have been nominated and qualified by the Corporate Governance Committee for election of the Board for the year 2017-2018:

HENRY T. SY, JR.
HANS T. SY
HERBERT T. SY
JORGE T. MENDIOLA
JEFFREY C. LIM

Independent Directors

JOSE L. CUISIA, JR.
GREGORIO U. KILAYKO
JOSELITO H. SIBAYAN

Upon motion, duly made and seconded, all unqualified votes were cast equally in favor of the nominees who were thus elected to the Board for the period 2017-2018 until their successors shall have been duly elected and qualified and the following resolution was passed and approved:

"RESOLVED, That the following persons are hereby elected directors of SM Prime Holdings, Inc. for 2017-2018, to serve as such until their successors shall have been duly elected and qualified:

HENRY T. SY, JR.
HANS T. SY
HERBERT T. SY
JORGE T. MENDIOLA
JEFFREY C. LIM

Independent Directors

JOSE L. CUISIA, JR.
GREGORIO U. KILAYKO
JOSELITO H. SIBAYAN

The votes received and cast in favor of the said nominees are as follows:

Nominee	Number of shares voting in favor	Number of shares not voting in favor	Number of shares abstaining
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Henry T. Sy, Jr.	23,795,026,817	8,506,100	85,985,090
Hans T. Sy	23,166,338,072	6,861,100	716,318,835
Herbert T. Sy	23,173,338,072	6,861,100	709,318,835
Jeffrey C. Lim	23,797,790,917	6,861,100	84,865,990
Jorge T. Mendiola	23,156,567,247	6,861,100	726,089,660
Jose L. Cuisia, Jr.	23,834,369,617	3,046,300	52,102,090
Gregorio U. Kilayko	23,883,460,207	2,728,300	3,329,500
Joselito H. Sibayan	23,882,341,107	2,728,300	4,448,600

Sycip, Gorres, Velayo & Co. conducted an independent validation and tally of the votes for the election of directors.

8. Appointment of External Auditors

The next item in the agenda was the appointment of the Corporation's external auditor for 2017. The Chairman informed the shareholders that the Audit Committee pre-screened the nominees and qualified SyCip, Gorres, Velayo & Co. for re-appointment as external auditor for the ensuing year.

Upon motion made and seconded, Sycip, Gorres, Velayo & Co. was re-appointed as the external auditor of the Company for 2017 and the following resolution was passed and approved:

"RESOLVED, That the stockholders approve the appointment of SyCip, Gorres, Velayo & Co., as the external auditor of SM Prime Holdings, Inc. for the 2017 under such terms and conditions as may be approved by the Board of Directors. "

Based on the tabulation of votes of shares present and represented, stockholders owning 23,889,518,007 voting shares or 100% of the total number of voting shares represented at the meeting approved the said resolution. No stockholder voted against or abstained from voting.

9. Other Matters

The Chairman inquired if there were other matters that could properly be taken up at this meeting. The Corporate Secretary confirmed that there were none.

10. Adjournment

There being no further business to transact, the meeting was upon motion duly made and seconded thereupon adjourned.

Signature page follows

CERTIFIED CORRECT:

ELMER B. SERRANO
Corporate Secretary

ATTEST:

HENRY T. SY, JR.
Chairman of the Board

SM Prime Holdings, Inc.
Annual Stockholders' Meeting
April 25, 2017, 2:30 p.m.

Record of Attendance

Total number of shares present by proxy	23,888,829,478
Total number of shares present in person	688,529
Total number of shares represented by proxy and in person	23,889,518,007
Attendance Percentage	79.78%
Total number of voting shares outstanding	29,943,822,674