

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 April 12, 2016, 2:30 p.m.

**DIRECTORS PRESENT:**

**HENRY SY, SR.**

Chairman Emeritus

**JOSE L. CUISIA, JR.**

Vice Chairman and Independent Director  
Chairman, Audit Committee  
Chairman, Risk Oversight Committee  
Member, Nomination Committee  
Member, Related Party Transactions Committee

**HANS T. SY**

President  
Member, Compensation Committee  
Member, Executive Committee

**JOSELITO H. SIBAYAN**

Independent Director  
Chairman, Nomination Committee  
Chairman, Related Party Transactions Committee  
Member, Compensation Committee  
Member, Audit Committee  
Member, Risk Oversight Committee

**JORGE T. MENDIOLA**

Non-Executive Director  
Member, Audit Committee  
Member, Risk Oversight Committee

**HENRY T. SY, JR.**

Chairman of the Board  
Chairman, Executive Committee

**HERBERT T. SY**

Non-Executive Director  
Member, Executive Committee

**GREGORIO U. KILAYKO**

Independent Director  
Chairman, Compensation Committee  
Member, Nomination Committee  
Member, Related Party Transactions Committee  
Member, Audit Committee  
Member, Risk Oversight Committee

**ALSO PRESENT:**

<b>ELIZABETH T. SY</b>	Adviser to the Board Member, Executive Committee
<b>TERESITA T. SY</b>	Adviser to the Board
<b>JOSE T. SIO</b>	Adviser, Audit Committee Adviser, Risk Oversight Committee
<b>JEFFREY C. LIM</b>	Executive Vice President Member, Executive Committee
<b>ELMER B. SERRANO</b>	Corporate Secretary
<b>MARIANNE M. GUERRERO</b>	Assistant Corporate Secretary
<b>JOHN NAI PENG C. ONG</b>	Senior Vice President/Chief Finance Officer/Compliance Officer Member, Executive Committee
<b>TERESA CECILIA H. REYES</b>	Vice President-Finance

Stockholders present in person or represented by proxy	<b>25,294,131,429</b> shares (Please see Record of Attendance attached Annex "A")
--	---

=====

**1. Call to Order**

The Chairman of the Board, Mr. Henry T. Sy, Jr. welcomed the stockholders, called the meeting to order and presided over the meeting. The Corporate Secretary, Atty. Elmer B. Serrano, recorded the minutes of the proceedings.

**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 18 March 2016 to all stockholders of record as of 14 March 2016 in coordination with BDO Trust and Investments Group, the Transfer Agent of **SM Prime Holdings, Inc. (the Corporation)** by personal delivery and by mail, as well as published in the Philippine Star, Business World and Business Mirror on 11 March 2016, 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, that 25,294,131,429 or 84.47% 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, on the basis of the certification of the Corporate Secretary, that there was a quorum for the transaction of business at hand.

The Corporate Secretary is tasked and authorized to count votes on any matter properly brought to the vote of the shareholders, with the external auditor of the Company, SGV & Co., officially engaged to validate the ballots when necessary.

### **3. Approval of the Minutes of the Annual Meeting of Stockholders held on 14 April 2015**

The Chairman proceeded to the next item in the agenda which was the reading and approval of the Minutes of the annual meeting of the stockholders held on 14 April 2015.

Upon motion duly made and seconded, the stockholders approved the minutes of the annual meeting of the stockholders held on 14 April 2015 and the following resolution was passed and adopted:

**“RESOLVED**, That the stockholders of SM Prime Holdings, Inc. approve, as they hereby approve, the Minutes of the Annual Stockholders’ Meeting held on 14 April 2015.”

Based on the tabulation of votes of shares present and represented, stockholders owning 25,294,131,429 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.

### **4. Approval of 2015 Annual Report**

The Chairman then gave the floor to the President of the Corporation, Mr. Hans T. Sy, to present his report on the Corporation’s results of operations for 2015. The President reported as follows:

“The economic environment supported the Corporation’s performance as gross domestic product grew 5.8%, and 6.2% growth on household consumption. The growth was attributed to resilient overseas remittances and the sustained growth of Business Process Outsourcing sector.

The Corporation’s performance the past year 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 2015, the Corporation reported recurring net income of PHP21 billion, an increase of 14% from last year on the back of consolidated revenue growth of 8% to PHP72 billion. These were the highest income and revenue levels recorded since the Corporation went public in 1994.

Malls which contribute 60% to the consolidated revenues increased by 10% to PHP43 billion. The Corporation has grown so much in the past three decades. In October last year, we celebrated the 30th anniversary of mall development since building SM North EDSA in 1985.

Today, the Corporation has grown to a total of 62 malls - 56 in the Philippines and six in China with a total floor area of more than 8 million square meters, an increase of 13% in 2015.

Topping off this achievement, SM Prime opened the 430,000 sqm SM Seaside City Cebu, one of the premier malls in our portfolio and the first of its kind in urban development. This will not only revolutionize the shopping experience but the total lifestyle living in Cebu, its neighboring cities and the entire Southern

Philippines. In China, our company increased GFA to almost a million sqm. after the opening of SM City Zibo in September 2015.

Residential business also continues to provide a steady revenue stream as SM Prime's real estate sales contributed 32% to consolidated revenues at PHP23 billion in 2015. The housing group delivered a net income growth of 8% to PHP5 billion. High-rise condominium projects continued to enjoy brisk reservation sales posting 14,227 units in 2015, recording a 14% increase in value worth PHP39 billion. The growth in the residential business is driven by the underlying domestic need for housing where there is a notable backlog especially in the affordable segment. In order to address this, we are leveraging synergies with our retail business to address growth opportunities in Metro Manila.

With the solid performance of the BPO sector, rental growth in the commercial office space was also complemented by the opening of our new office buildings SM Cyberwest in Quezon City and FiveE-comCenter in Pasay City, which are both almost 100% lease-awarded. Combined, these office spaces added GFA of 171,000 sqm. With these, Commercial Properties Group contributed 5% of consolidated revenue, grew by 19% to PHP4 billion.

In Hotel operations, we opened the 154-room Park Inn Clark in Pampanga last year which is just across our mall in that area. We are also excited to open the Conrad Manila in the latter half of 2016. This 347-room hotel will further enhance the value of the properties within the whole Mall of Asia Complex.

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.

Overall, we are committed to earmark at least PHP60 billion annually over the next 3 years to achieve our development roadmap and income targets by 2018. We are confident that, with your support, we are on our way to realizing our vision.

Looking ahead, we are harnessing the strong synergies between our property businesses, in line with our vision to create community development by building and operating more integrated and sustainable lifestyle cities across the country. Together, we are well-positioned to pursue higher growth in 2016."

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

Mr. Roy Eduardo Lucero, stockholder, lauded the Board of Directors and the Management for the Php72 billion revenue attained by the Corporation for 2015. Mr. Lucero expressed hope that the Corporation will be able to hit higher revenue goals for 2016. The Chairman thanked Mr. Lucero and assured the stockholders that the Board and the Management continuously strive to further the growth of the Corporation.

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

**"RESOLVED**, That the Annual Report and the Audited Financial Statements as audited by the Corporation's external Auditor, Sycip, Gorres, Velayo & Co., both as of December 31, 2015 of SM Prime Holdings, Inc., are noted, approved and ratified."

Based on the tabulation of votes of shares present and represented, stockholders owning 25,294,131,429 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

## **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 2015 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 minutes of the meetings of the Board of Directors of SM Prime Holdings, Inc. (the "Corporation") from the date of the last Annual Stockholders' Meeting up to the date of meeting (12 April 2016), are hereby, in all respects, approved, ratified and confirmed."

"**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 25,286,690,729 voting shares or 99.97% of the total number of voting shares represented at the meeting approved the said resolution, stockholders owning 325,000 voting shares voted against the approval, while stockholders owning 7,115,700 voting shares or 0.03% of the total number of voting shares abstained.

## **6. Announcement of Cash Dividends**

The Chairman announced to the stockholders that at the regular meeting of the Board of Directors just adjourned, the Board approved a cash dividend declaration of 23% based on the par value or Php0.23 per common share amounting to Php6.64 billion in favor of all stockholders of record as of 29 April 2016 and payable on 12 May 2016.

## **7. Election of Directors**

The Chairman then proceeded with the election of the Corporation's directors for the year 2016-2017. He announced that in accordance with the Corporation's By-laws, the Nomination 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 Nomination Committee, Mr. Joselito H. Sibayan, to present the Nomination Committee's findings and the nominees qualified to be elected to the Board.

The Nomination Committee Chairman announced that the following have been nominated and qualified by the Nomination Committee for election of the Board for the year 2016 to 2017:

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 2016-2017 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 a period of one (1) year and 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
Henry T. Sy, Jr.	25,172,139,564	30,465,775	91,526,090
Hans T. Sy	25,088,387,705	30,554,775	175,188,949
Herbert T. Sy	25,174,575,242	30,882,475	88,673,712
Jorge T. Mendiola	25,016,443,958	86,869,070	190,818,401
Jeffrey C. Lim	25,195,373,943	35,557,575	63,199,911
Jose L. Cuisia, Jr.	25,220,203,989	334,300	73,593,140
Gregorio U. Kilayko	25,266,203,229	334,300	27,593,900
Joselito H. Sibayan	25,242,319,271	24,218,258	27,593,900

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 external auditor for the year 2016 to 2017. The Chairman informed the shareholders that the Audit & Risk Management Committee screened the nominees for External Auditor and qualified Sycip, Gorres, Velayo & Co. for reappointment 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 the period 2016-2017 and the following resolution was unanimously passed and approved:

**"RESOLVED,** That the stockholders approve, as they hereby approve the appointment of Sycip, Gorres, Velayo & Co., as the external auditor of SM Prime Holdings, Inc. for the year 2016-2017 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 25,294,131,429 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 12, 2016, 2:30 p.m.

**Record of Attendance**

Total number of shares present by proxy	22,639,421,582
Total number of shares present in person	2,654,709,847
Total number of shares represented by proxy and in person	25,294,131,429
Attendance Percentage	<b>84.47%</b>
Total number of voting shares outstanding	29,943,822,674