



SMINVESTMENTS

Note: Pending stockholders' approval at the 2025 Annual Stockholders' Meeting

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS

SM INVESTMENTS CORPORATION

On April 24, 2024, 2:30 p.m.
Held In-Person at Forbes Ballroom 1 and 2, Conrad Manila
Seaside Blvd. corner Coral Way, Mall of Asia Complex, Pasay City
with Livestreaming via Zoom

PRESENT:

DIRECTORS

AMANDO M. TETANGCO, JR.

Chairman and Independent Director
Member, Audit Committee
Member, Risk Management Committee
Member, Compensation Committee
Member, Related Party Transaction Committee
Vice-Chairperson

TERESITA T. SY

Chairperson, Executive Committee
Chairperson, Compensation Committee
Vice-Chairman

HENRY T. SY, JR.

HARLEY T. SY

Executive Director
Member, Executive Committee

TOMASA H. LIPANA

Independent Director
Chairperson, Audit Committee
Member, Corporate Governance Committee

ROBERT G. VERGARA

Independent Director
Chairman, Risk Management Committee
Member, Corporate Governance Committee
Member, Related Party Transaction Committee

RAMON M. LOPEZ

Independent Director
Chairman, Corporate Governance Committee
Chairman, Related Party Transaction Committee
Member, Audit Committee
Member, Compensation Committee
Member, Risk Management Committee

ALSO PRESENT:

ELIZABETH T. SY

HANS T. SY

HERBERT T. SY

GREGORY L. DOMINGO

ROBERTO G. MANABAT

FRANKLIN C. GOMEZ

ATTY. ARTHUR A. SY

ATTY. ELMER B. SERRANO

TIMOTHY DANIELS

ATTY. LILY K. GRUBA

Adviser to the Board
Adviser to the Board
Adviser to the Board
Adviser to the Board
Independent Adviser
SVP – Finance, Corporate Information Officer
SVP – Legal, Assistant Corporate Secretary
Corporate Secretary
Consultant, Investor Relations

Stockholders present via remote attendance or represented by proxy

1,074,216,081 shares (87.90% of Outstanding Shares)
(Please see Record of Attendance attached as **Annex A**)

1. Call to Order

The meeting opened with an invocation followed by the Philippine National Anthem. The host, Mr. Timothy Daniels, Consultant for Investor Relations and Sustainability, acknowledged the presence of all directors and key officers of SM Investments Corporation (**SMIC** or the **Company**). The host then introduced Mr. Amando M. Tetangco, Jr, the Chairman of the Board.

The Chairman welcomed the stockholders and guests to the 2024 Annual Stockholders' Meeting of the Company, held in-person at Conrad Manila and streaming live. The Chairman then called the meeting to order and presided over the proceedings. Atty. Elmer B. Serrano, Corporate Secretary, recorded the minutes of meeting.

2. Certification of Notice and Quorum

Before proceeding with the meeting, the Chairman requested the Corporate Secretary to certify to the posting and publication of notice and existence of a quorum.

The Corporate Secretary certified that, in compliance with the rules issued by the Securities and Exchange Commission, notice of the meeting, the Definitive Information Statement, along with the Company's "Guidelines for Remote Participation and Voting *in Absentia*" were uploaded via PSE EDGE and posted on the Company's website beginning March 25, 2024. In addition, the notice of meeting was published on March 25 and 26, 2024, both in print and online formats, in the Business Section of the Daily Tribune and BusinessWorld.

The Corporate Secretary also certified that based on the record of registration, the stockholders participating in this meeting in person, virtually and by proxy represent **1,074,216,081** common shares of the Company, representing **87.90%** of the total outstanding capital stock of the Company as of record date, March 25, 2024. He then certified that a quorum was present for the transaction of business by the stockholders.

The Corporate Secretary then announced that SyCip Gorres Velayo & Co. (**SGV**), the Company's external auditor, are present and has been engaged as third-party tabulator of votes cast for the meeting. He also informed participants that the meeting will be recorded and for good order, the open forum will be conducted at the end of the meeting.

3. Approval of Minutes of the Annual Stockholders' Meeting held on April 26, 2023

The Chairman proceeded to the next item in the agenda which is the approval of the minutes of the annual meeting of stockholders held on April 26, 2023. A copy of the minutes was posted on the Company's website soon after last year's annual meeting adjourned. The minutes have also been appended to the Definitive Information Statement posted on PSE EDGE and the Company's website <www.sminvestments.com> and were made available to the shareholders for downloading. The minutes reflect the proceedings of the last annual meeting, including resolutions adopted and approved, with corresponding tabulation of votes.

The votes cast and received were as follows:

In Favor		Against		Abstain	
No. of Shares	% Out of Total Number of Shares Present or Represented at the Meeting	No. of Shares	% Out of Total Number of Shares Present or Represented at the Meeting	No. of Shares	% Out of Total Number of Shares Present or Represented at the Meeting
1,074,216,081	100.00%	0	Nil	0	Nil

Thereafter, there being no objection and upon motion duly made and seconded, with majority of the stockholders present and represented in the meeting in favor of approval, the following resolution was passed and adopted:

"RESOLVED, that the minutes of the annual meeting of stockholders of SM Investments Corporation held on April 26, 2023 are approved."

4. Approval of 2023 Annual Report and Audited Financial Statements

The Chairman then requested the stockholders to direct their attention to the screen for the President's Report. Mr. Frederic C. DyBuncio, President and CEO, rendered his report on the 2023 results of operations via video:

"Dear Shareholders, 2023 has been a milestone year. Each of our businesses contributed to drive revenues higher by 11% and earnings by 25%. We continue to expand across the country through our core businesses and invest in high-growth sectors.

Let me first give a quick overview of the economic situation we faced last year. The Philippine economy grew 5.5% last year, outpacing major economies in Asia. A major driver of this growth was strong consumption spending as consumers benefited from record-low unemployment rate of 3.1%, and steady growth in Overseas Filipino Workers' remittances of 2.9%. Inflation averaged 6% for the year and slowed to 3.9% in December amid rising energy and food prices. Taking this largely into consideration, we ensured our products and services continue to meet our customers' needs and wallet sizes.

Given this strong economic backdrop, SM remained a proxy for the Philippines and its consumer-focused growth in particular. Our strong financial performance last year was driven by all three core businesses, retailing, banking and property, as well as contributions from our portfolio investments. Our net income grew 25% to 77 billion pesos, while Consolidated Revenues increased by 11% to 616.3 billion pesos. Our banks delivered the largest portion of our earnings at 47%, as they benefited from higher margins and broad economic growth. Meanwhile our malls experienced high food traffic and strong consumer activity, especially in FNB and entertainment which helped drive property contribution at 25%. Retail pitched in 19% to total net earnings as discretionary spending remained vibrant. Portfolio Investments delivered 9%, as it continues to demonstrate growth, especially in logistics, renewable energy, leisure entertainment, and the bakeshop business. Our long-term policy of financial prudence ensured that we were not adversely impacted by high-interest rates. Our total assets increased 7% to 1.6 trillion pesos and remained conservative at a ratio of 33% net debt to 67% total equity. Our balance sheet remains strong with our banks well-capitalized, and our businesses able to invest in growth.

Our retail business which consists of groceries, department and specialty retail stores reported revenues of 415 billion pesos, up 10% on consistent growth across key segments. Net income increased 11% to 19.9 billion pesos. Revenues from SM's food group, consisting of SM Markets, Waltermart and Alfamart, grew 7%, contributing almost half to total retail revenue growth. With continuing efficiencies in operations, net income for the food segment increased 21%. Revenues of the SM Store increased 16%, while specialty retail revenues grew 11%. These were driven by discretionary spending on fashion, footwear, pets, and health and beauty. Backed by consistent growth, we continue to expand our retail footprint to over 3,800 outlets in 2023. Out of this total, we opened 49 new stores last year with 371 stores or 89% located in provincial areas. Alfamart, our minimart grocery format, intends to accelerate its expansion by at least 400 stores this year. This reflects our strategy to tap into growth opportunities in emerging regions. Our property business under SM Prime reported Consolidated Net Income grew 33% to 40 billion pesos. Consolidated Revenues increased 21% to 128.1 billion pesos. The mall business which accounts for 56%, consolidated property revenues grew 30% in revenues to 71.9 billion in 2023. Mall rental income increased by 24% to 61.3 billion pesos.

The residential business led by SM Development Corporation reported that revenues grew by 8% to 43.1 billion. Reservation sales stood at 102 billion in 2023, translating to more than 21,000 residential units sold. Other key businesses consisting of offices, hotels, and Convention Centers reported and grew revenues by 26% to 13.1 billion pesos. Last year SM Prime opened three new malls in growing regions, namely SM City Bataan, SM Center San Pedro in Laguna, and SM City Sto. Tomas in Batangas. SMDC is building more residential communities with 20 projects outside Metro Manila, namely in Pampanga, Bulacan, Rizal, Cavite, Laguna, Cagayan De Oro, Davao, Iloilo, and Bacolod. It launched three new SMDC developments in 2023, namely Jade Residences in Makati, Turf Residences in Laguna, and Parkville in Bacolod. Among hotels and Convention Centers, SM Prime opened its first Lanson Place property here in Mall of Asia Complex in Pasay City.

Our bank delivered sustained net income growth from their core businesses. BDO Unibank reported its net income grew 29% to 73.4 billion pesos. Net interest income grew by 25% to 186.4 billion pesos. Gross customer loans grew 9% to 2.85 trillion pesos, with growth across all market segments. Total deposits increased by 11% to 3.57 trillion pesos, with CASA ratio at 72%. Asset Quality continued to improve as non-performing loan ratio declined to 1.85%. NPL coverage increased to 185% with the bank's conservative provisioning policy. BDO continued to reach more areas in the Visayas and Mindanao regions through the BDO Network Bank. As of last year, BDO had 1,100 branches in the provinces, out of its total 1,720 branches. Meanwhile, Chinabank reported higher net income by 15% to 22 billion pesos boosted by higher core business revenues. Net interest in income increased 17% to 53.5 billion pesos. A strong growth in loans and investments offset the significantly higher interest expense. Gross loans grew by 10% to 791 billion. On the funding side, total deposits were higher by 11% to 1.2 trillion pesos with CASA ratio at 48%. With the improving economic conditions, the bank reduced loan loss provisions to 1.2 billion pesos. Asset quality was stable with a 2.5% NPL ratio, while NPL coverage remained sufficient at 104%. Chinabank likewise has a wide footprint in the provinces. Out of its 648 branches, 300 are outside Metro Manila. Its Thrift Bank subsidiary, Chinabank Savings has a total of 168 regular branches, of which 92 are outside of Metro Manila. In addition, there are 88 'branch lites' and 'lending centers' in the provinces.

In addition to the expansion of our core businesses, we aim to develop our presence in new and high growth sectors through active investments. Our portfolio Investments now account for 9% of the group's net earnings. We aim to increase this into the mid-teens in the medium term. Last year, we increased our stake in 2GO to 67.2%. We also acquired two new ships to add to our fleet of eight ROPAX vessels and one freighter in order to serve more routes and capture opportunities in the growth of the Philippine economy. We are also investing in support of clean energy sources. Following our acquisition of Philippine Geothermal Production Company (PGPC) in late 2022, we are looking at new steam fields in Northern and Southern Luzon, with the aim of doubling our 300 Megawatts of steam production from our two existing steam fields over the medium term.

We celebrated SM's 65th anniversary last year together with our employees, customers, tenants and MSMEs who have grown with us over the years. Today we continue to operate with our founder Henry Sy's fundamental belief that business growth and the good of our stakeholders go hand-in-hand. As we grow, we work hard to ensure shared value-creation. We continue to Champion workplace inclusivity for hundreds of thousands of our people and deepen our support for over 100,000 MSMEs, who are among our tenants and suppliers. Through our Foundations, we undertook school-building and scholarship programs, constructed Health Care Facilities nationwide, and supported a number of farmers through training. Notably our medical missions achieved the milestone of serving over a million Filipinos. In our environmental advocacy, we ensured that our businesses have a comprehensive long-term sustainability roadmap to manage their environmental impact. We continue to support the UN Global Compact and 17 Sustainable Development Goals, the UN Women's Empowerment Principles, the Task Force for Climate-related Financial Disclosures, the Carbon Disclosure Project and the Global Reporting Initiative Principles. In addition to our investments in renewable energy, BDO is one of the largest funders of the local renewable energy sector, supporting 59 large scale projects nationwide.

As we close the year, we are grateful to be recognized by a number of leading local and international award bodies. Several group companies were recognized in the Philippines' Best Customer Service 2023 Awards, including the SM Store, Toy Kingdom, BDO, SM Markets and SM Cinemas. Forbes Magazine recognized SM as one of the world's best employers. Sustainalytics, a leading ESG rating company, regarded SM Investments as Top Rated both among Diversified Financial Companies globally, and among all companies in Asia-Pacific. In governance, 10 SM companies were recognized by The Institute of Corporate Directors. We also garnered six Regional Awards from the ASEAN Corporate Governance Scorecard.

Given all this, we maintain our cautious optimism for the rest of 2024. We intend to continue investing in the Philippine growth story, committed to being a catalyst for responsible development in the communities that we serve. We remain positive in the growth of our core businesses, while optimizing their synergies with our portfolio investments. Today, there is still a significant gap in accessing modern retailing, banking services, and integrated property developments for many Filipinos. Our strategy is to continue to expand coverage nationwide, to reach and create new markets, to improve accessibility and inclusivity in these sectors, to help bridge these gaps, and provide more opportunities for underserved areas.

On behalf of the SM Group, I'd like to extend our deepest gratitude to our numerous stakeholders for your unwavering trust and patronage your confidence inspires us to continue to grow responsibly to help create a more inclusive and prosperous society for every Filipino. Thank you for your steady support and dedication. Together let's build a brighter and sustainable future I wish you all a very pleasant day. Thank you."

The votes cast and received were as follows:

In Favor		Against		Abstain	
No. of Shares	% Out of Total Number of Shares Represented at the Meeting	No. of Shares	% Out of Total Number of Shares Represented at the Meeting	No. of Shares	% Out of Total Number of Shares Represented at the Meeting
1,072,886,095	99.88%	Nil	0.00%	1,329,986	0.12%

Thereafter, there being no objection and upon motion duly made and seconded, with majority of the stockholders present and represented in the meeting in favor of approval, the following resolution was passed and adopted:

"RESOLVED, that the 2023 Annual Report and Audited Financial Statements of SM Investments Corporation are approved."

5. Announcement of Cash Dividends

The Chairman then announced that at the recently adjourned regular meeting of the Board of Directors, the Board approved a cash dividend amounting to Ten Billion Nine Hundred Ninety-Eight Million Two Hundred Ten Thousand Two Hundred Twenty-Two Pesos (P10,998,210,222.00) or Nine Pesos (P9.00) per share in favor of all stockholders of record as of May 9, 2024, and payable on May 23, 2024.

6. Approval and Ratification of the Acts of the Board of Directors, Board Committees and Management

The next item in the agenda is the ratification of all acts, proceedings and resolutions made and adopted by the Board of Directors, the Board Committees, and carried out by Management during their terms of office, or from the date of the last annual stockholders' meeting up to this meeting. The collective efforts of the Board, its Committees and Management

are the key success factors to the Company's 2023 performance. A summary of these acts is found in the Company's Definitive Information Statement.

The votes cast and received were as follows:

In Favor		Against		Abstain	
No. of Shares	% Out of Total Number of Shares Represented at the Meeting	No. of Shares	% Out of Total Number of Shares Represented at the Meeting	No. of Shares	% Out of Total Number of Shares Represented at the Meeting
1,072,211,800	99.81%	608,940	0.06%	1,395,341	0.13%

Thereafter, upon motion duly made and seconded, with majority of the stockholders present and represented in the meeting in favor of approval, the following resolution was passed and adopted:

“**RESOLVED**, that the acts and proceedings of the Board of Directors, Board Committees and Management during their terms of office or from the date of the last annual stockholders' meeting up to this meeting are ratified and approved.”

7. Amendment of the Sixth Article of the Articles of Incorporation

The next item in the agenda is the approval of the Amendment of the Sixth Article of the Articles of Incorporation. The Sixth Article of the Articles of Incorporation is being amended to increase the number of the members of the Board of Directors from eight to nine.

The proposed amendment was presented as follows:

ARTICLE NO.	FROM	TO
SIXTH	That the number of directors of said corporation shall be EIGHT (8) and that the names, nationalities and residences of the directors of the corporation who are to serve until their successors are duly elected and qualified as provided by the By-laws are as follows, to wit: x x x	That the number of directors of said corporation shall be <u>NINE (9)</u> and that the names, nationalities and residences of the directors of the corporation who are to serve until their successors are duly elected and qualified as provided by the By-laws are as follows, to wit: x x x

The votes cast and received were as follows:

In Favor		Against		Abstain	
No. of Shares	% Out of Outstanding Capital Stock	No. of Shares	% Out of Outstanding Capital Stock	No. of Shares	% Out of Outstanding Capital Stock
1,074,216,081	87.90%	Nil	0.00%	Nil	0.00%

Thereafter, there being no objection and upon motion duly made and seconded, with at least two-thirds (2/3) of the outstanding capital stock of the Corporation in favor of approval, the following resolutions were passed and adopted:

“RESOLVED, that **SM INVESTMENTS CORPORATION** (the **Corporation**) be authorized to increase the number of directors of the Corporation to Nine (9);

RESOLVED, FURTHER, that the Sixth Article of the Articles of Incorporation be amended to read as follows:

‘SIXTH: That the number of directors of said corporation shall be **NINE (9)** and that the names, nationalities and residences of the directors of the corporation who are to serve until their successors are duly elected and qualified as provided by the By-laws are as follows, to wit:

xxx”

8. Election of Directors for 2024-2025

The next item in the agenda is the election of directors for the year 2024-2025. The Chairman noted that in accordance with the Corporation’s By-Laws, the Corporate Governance Committee has pre-screened and short-listed all candidates qualified and nominated to the Board of Directors. The Chairman requested, Mr. Ramon M. Lopez, Chairman of the Corporate Governance Committee, to present the nominees qualified to be elected to the Board.

Mr. Lopez stated that the Corporate Governance Committee has pre-screened and qualified the nominees for election to the Board of Directors. He then announced the names of the following qualified nominees to the Board for 2023-2024:

1. Mr. Amando M. Tetangco, Jr as Independent Director
2. Ms. Teresita T. Sy
3. Mr. Henry T. Sy, Jr.
4. Mr. Harley T. Sy
5. Mr. Frederic G. DyBuncio
6. Ms. Tomasa H. Lipana as Independent Director
7. Mr. Robert G. Vergara as Independent Director
8. Mr. Ramon M. Lopez as Independent Director

Mr. Lopez also stated that the Corporate Governance Committee pre-screened and qualified Atty. Lily K. Gruba for election as independent director of the Company for the year 2024 to 2025 to assume directorship upon approval by the Securities and Exchange Commission of the increase in directors.

The votes cast and received by each of the nominees were as follows:

Nominee	No. of Votes
Mr. Amando M. Tetangco, Jr.	1,067,691,566
Ms. Teresita T. Sy	1,051,491,571
Mr. Henry T. Sy, Jr.	1,068,941,725
Mr. Harley T. Sy	1,072,807,188
Mr. Frederic C. DyBuncio	1,072,368,913
Ms. Tomasa H. Lipana	1,073,491,201
Mr. Robert G. Vergara	1,073,491,201
Mr. Ramon M. Lopez	1,063,358,676
Ms. Lily K. Gruba	1,074,216,081

Thereafter, upon motion duly made and seconded, with all nominees have obtained sufficient votes for election, the following resolutions were passed and adopted:

"RESOLVED, that following are elected to the Board of Directors of SM Investments Corporation (the **Corporation**) for 2024-2025, to serve as such directors until their successors have been duly qualified and elected:

1. Mr. Amando M. Tetangco, Jr. as Independent Director,
2. Ms. Teresita T. Sy,
3. Mr. Henry T. Sy, Jr.,
4. Mr. Harley T. Sy,
5. Mr. Frederic G. DyBuncio,
6. Ms. Tomasa H. Lipana as Independent Director,
7. Mr. Robert G. Vergara as Independent Director, and
8. Mr. Ramon M. Lopez as Independent Director.

RESOLVED, FURTHER, that Atty. Lily K. Gruba is elected to the Board of Directors of the Corporation for 2024-2025, to serve as Independent Director upon the approval by the Securities and Exchange Commission of the amendment to Article Sixth of the Corporation's Articles of Incorporation increasing the number of directors from eight (8) to nine (9)."

9. Appointment of External Auditor

The next item in the agenda is the appointment of the Company's external auditor for 2024. The Corporate Secretary informed the stockholders that the Audit Committee processed and pre-screened the nominees for external auditor and recommended, as confirmed by the Board of Directors, the appointment of SyCip, Gorres, Velayo & Co. or SGV as external auditor for 2024.

The votes cast and received were as follows:

In Favor		Against		Abstain	
No. of Shares	% Out of Total Number of Shares Represented at the Meeting	No. of Shares	% Out of Total Number of Shares Represented at the Meeting	No. of Shares	% Out of Total Number of Shares Represented at the Meeting
1,071,825,140	99.78%	2,390,941	0.22%	Nil	0.00%

Thereafter, upon motion duly made and seconded, with majority of the stockholders present and represented in the meeting in favor of approval, the following resolution was passed and adopted:

"RESOLVED, that the appointment of SyCip, Gorres, Velayo & Co. as external auditor of SM Investments Corporation for 2024 is approved."

10. Open Forum

The Chairman then proceeded with the Question-and-Answer portion of the meeting. The host explained that the floor will be first open to persons attending in-person. He then added that all stockholders of record were allowed to submit questions via email to <asm@sminvestments.com> not later than April 22, 2024. The Chairman thanked the stockholders for sending their questions and comments. Shareholders were also allowed to send their questions or comments through the chat box of the livestream.

A stockholder expressed his interest of writing a biography of the founder of the SM Group, Mr. Henry Sy, Sr. The host informed him that he may discuss with the representatives of the Company after the meeting.

Thereafter, a stockholder asked "With the portfolio investments contribution to income at 9%, what other sectors are you bullish about?"

The Chairman answered that the Company is targeting to increase the contribution of its portfolio investments to the mid-teens in the medium term, and that the Company sees growth in logistics and renewables. In the recent months, the Company bought the remaining listed shares of 2GO as it commits to the growing transport and logistics industry. The Directors of the Company felt that for the country to continue to grow and for the growth of the economy to trickle down to the provincial areas, a very important element is logistics. The Company's investments are in 2GO which is the largest end to end logistics provider. And the other logistics company is called Airspeed which is more focused on cross-border logistics. The Company intends to grow both.

The Chairman added that the Company also acquired PGPC as its initial foray into renewable energy via steam generation. PGPC is a leading provider of clean and sustainable geothermal energy in the country. PGPC targets to increase its steam production by approximately another 300 Megawatts of baseload renewable energy through new exploration projects. Across the Company's core businesses, the President noted that it will continue of course to grow in banking, retail and property.

The next question was "In the perspective of the Company, how is consumer spending affected by the current inflation environment?"

The Chairman answered that based on the Company's financial performance for 2023, we have seen steady discretionary spending on fashion, health and beauty, pets, toys and other discretionary items. We also see discretionary spending in the malls through dining and entertainment activities. The President added that consumers are adjusting their spending behavior amid a heightened inflation environment to continue meeting their daily needs. The Company's retail businesses ensure that our offerings cater to these diverse needs to fit various wallet sizes. With unemployment at record lows and personal remittances from Overseas Filipinos at an all-time high, we continue to see resilience in consumption even amid the ongoing inflation environment.

The host thanked the Chairman for answering the questions and thanked the stockholders for their questions.

11. Other Matters

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

12. Adjournment

There being no further business to transact, the Chairman thanked everyone who participated in the meeting and invited everyone to partake refreshments prepared for the occasion. Thereafter, the meeting was adjourned.

CERTIFIED CORRECT:

ELMER B. SERRANO
Corporate Secretary

ATTESTED BY:

AMANDO M. TETANGCO, JR.
Chairman

DRAFT

Annex A

SM Investments Corporation
Annual Stockholders' Meeting
April 24, 2024, 2:30 p.m.

Record of Attendance

Total number of voting shares outstanding	1,222,023,358
Total number of shares present or represented by proxy	1,074,216,081
Attendance percentage	87.90%

DRAFT