



May 21, 2008

The Philippine Stock Exchange, Inc.
Phil. Stock Exchange Center, Exchange Road
Ortigas Center, Pasig City, Metro Manila

Attention of Mr. Pete Malabanan
Head – Disclosure Department

Gentlemen:

Pursuant to our disclosures made on November 13, 2007 and February 29, 2008 regarding the acquisition by SM Prime Holdings, Inc. (SM Prime) of 100% of the outstanding common shares of Affluent Capital Enterprises and MegaMake Enterprise Limited, holding companies of the three SM Malls in China, in exchange for 912,897,212 SM Prime shares of common stock, we wish to inform you that the Securities and Exchange Commission has approved last 20 May 2008, the issuance of the 912,897,212 SM Prime shares as exempt from the registration requirements of the Securities Regulation Code pursuant to Section 10.1 (k) thereof.

A copy of the approval by the SEC will be submitted to the Philippine Stock Exchange (PSE), through its Listing Department, in compliance with the PSE's requirements for the additional listing.

Thank you and we trust that you find the above in order.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jeffrey C. Lim', written over a light blue circular stamp.

JEFFREY C. LIM
Executive Vice President