COVER SHEET

1 4 5 4 9 0

SEC Registration Number

SHANG PROPERTIES, INC.

(Company's Full Name)

ADMINISTRATION OFFICES SHANGRI-LA PLAZA MALL EDSA COR. SHAW BLVD. MANDALUYONG CITY

(Business Address: No. Street City/Town/Province)

ATTY. FEDERICO G. NOEL, JR.

(Contract Person)

370-2700

(Company Telephone Number)

1 2 | 3 1

Month Day

(Fiscal Year)

I-ACGR

(Form Type)

Month Day

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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Securities and Exchange Commission
PHILIPPINES

Securities and Exchange Commission
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SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended ...2017...............................

2. SEC Identification Number ...145490........................ 3. BIR Tax Identification No. ...000-144-386...........

4. Exact name of issuer as specified in its charter ....

5. ....
Province, Country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only)
Industry Classification Code:

7. Administration Office, Shangri-La Plaza Mall, EDSA cor Shaw Boulevard, Mandaluyong City 1550
Address of principal office | Postal Code

8. (632) 370-2700
Issuer's telephone number, including area code

9. ....
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	link: www.shangproperties.com About / Board of Directors, Management Team and Executive Officers
2. Board has an appropriate mix of competence and expertise.	Compliant		link: www.shangproperties.com About / Board of Directors, Management Team and Executive Officers
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		link: www.shangproperties.com About / Board of Directors, Management Team and Executive Officers
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	link: www.shangproperties.com Disclosures / 17-A Report
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	link: www.shangproperties.com Corporate Governance - Manual on Corporate Governance (Section 1.3, p.5 of the Manual on Corporate Governance)

2. Company has an orientation program for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	link: www.shangproperties.com Corporate Governance / Manual on Corporate Governance (Section 1.3, p.5 of the Manual on Corporate Governance)
3. Company has relevant annual continuing training for all directors.	Compliant		link: www.shangproperties.com Corporate Governance / Manual on Corporate Governance (Section 1.3, p.5 of the Manual on Corporate Governance)
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.	link: www.shangproperties.com Corporate Governance / Manual on Corporate Governance (Section 1.4, p.6 of the Manual on Corporate Governance)
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	Provide information on or link/reference to a document containing the company's policy and measureable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives.	The principle is laid out in Section 1.4, p.6 of the Manual on Corporate Governance as disclosed above. link: www.shangproperties.com Corporate Governance / Manual on Corporate Governance (Section 1.4, p.6 of the Manual on Corporate Governance)
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	link: www.shangproperties.com
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		Corporate Governance / Manual on Corporate Governance (Section 1.5, pages 6-7 of the Manual on Corporate Governance)
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		link: www.shangproperties.com Corporate Governance / Manual on Corporate Governance (Section 1.5, pages 6-7 of the Manual on Corporate Governance)

4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	Assistant Corporate Secretary attends all seminars/ fora organized by the Securities Exchange Commission (SEC) and Philippine Stock Exchange (PSE), the most recent one being the SEC roundtable discussion on Sustainability Reporting for Publicly Listed Companies held last 23 April 2018. Please see some attached Attendance Certificates. link: www.shangproperties.com Disclosures/ Certificate of Attendance (Corporate Governance Seminar)
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	link: www.shangproperties.com Disclosures/ Notice of Annual or Special Stockholders' Meetings
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		SPI's newly appointed Compliance Officer is its Deputy General Counsel. The Deputy General Counsel has yet to commence attending Corporate Governance Trainings.
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance.	Compliant	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	That the Company continues to perform strongly is a testament to the stewardship of its directors who have always acted in the best interest of the company. The reviewer can refer to the Company's Annual Report (2016 Annual Report and previous) and FS disclosure. link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
Recommendation 2.2			

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting) Indicate frequency of review of business objectives and strategy	All significant business and operational endeavors are subject to the approval of the Board (e.g. proposed joint venture,purchase of property, property development, etc.).
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		The BOD has 4 regular meetings annually but has special meetings as necessary.
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Indicate or provide link/reference to a document containing the company's vision, mission and core values. Indicate frequency of review of the vision, mission and core values.	link: www.shangproperties.com About / Mission, Vision and Values
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Provide information on or link/reference to a document containing information on the strategy execution process.	The Board engages in this exercise as matter of practice but it is not necessarily reduced in writing.
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	link: www.shangproperties.com About / Board of Directors, Management Team and Executive Officers
Recommendation 2.4			

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation	link: www.shangproperties.com Corporate Governance / Manual on Corporate Governance (Section 2.4 page 9 of the Manual on Corporate Governance)
2. Board adopts a policy on the retirement for directors and key officers.	Non-compliant		link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 2.4 page 9 of the Manual on Corporate Governance)
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Non-compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	The Company's directors do not receive remuneration or compensation in any form.
2. Board adopts a policy specifying the relationship between remuneration and performance.	Non-compliant		The Company's directors do not receive remuneration or compensation in any form.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Non-compliant		The Company's directors do not receive remuneration or compensation in any form.
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Non-compliant	Provide proof of board approval	Chairman or Executive Director decides on the remuneration of Senior Executives.
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	The performance of the Company's Executive Directors and Senior Executives is measured against standards set forth in the Company's "Perform and Grow Evaluation Form." (Form is attached herewith as Attachment 1).
Recommendation 2.6			

1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders. Provide proof if minority shareholders have a right to nominate candidates to the board Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 2.6, pages 10-14 of the Manual on Corporate Governance)
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 2.6, pages 10-14 of the Manual on Corporate Governance)
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		The Company annually publishes in a newspaper of general circulation a Notice to shareholders of the annual shareholders' meeting and at the same time, calls for the submission of nominations for regular and independent directors. (Copies of the Notices sent last year and this year are attached herewith as Attachments 2-A and 2-B)
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		The Company's Board has not encountered issues or problems in respect of any nomination, election or replacement of a director.
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		Items 4,5 and 6 are generally set forth in the Manual on Corporate Governance and are observed as a matter of practice. link: www.shangproperties.com About/ Board Charter
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Non-compliant	Identify the professional search firm used or other external sources of candidates	The Company does not utilize search firms.
Recommendation 2.7			

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs Identify transactions that were approved pursuant to the policy.	link: www.shangproperties.com Corporate Governance/ Company's policies/ Related Party Transaction Policy
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report) (Refer to 17-A report on disclosures on related party transactions (ex: lease agreements, management agreements, etc.)
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered *de minimis* or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Non-compliant	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories	There are no defined RPT Categories.
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Non-compliant	Provide information on voting system, if any.	There is no specific voting system, but non-related party shareholders are not prohibited from asking questions with respect to Related Party Transactions, which are all duly disclosed during the AGM, or through other avenues such as regulatory disclosures (17-A, 17-C, etc.) required by the SEC and PSE.
Recommendation 2.8			

1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identify the Management team appointed	1.) link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 2.8 and other relevant sections of the Manual on Corporate Governance). 2.) The matter of Board Approval can also be seen in the 17-C report on the appointment of key executives during the Board's annual organizational meeting. link: www.shangproperties.com Disclosures/ SEC Form 17-C (Current Report)/ 20 June 2017
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. Provide information on the assessment process and indicate frequency of assessment of performance.	The Management Team is evaluated on the basis of the appraisal form for executives. The appraisal is conducted annually based on standards set forth in the Company's "Perform and Grow Evaluation Form" hereto attached as Attachment 1.
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	The company undertakes the annual performance evaluation of Management and personnel using set standards for evaluation (please see Attachment 1 for Management and Attachment 3 which is the evaluation form for Employees in general)
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant		
Recommendation 2.10			

1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 2.10, pages 16-17 of the Manual on Corporate Governance)
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		link: www shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 2 10, pages 16-17 of the Manual on Corporate Governance)
3. Board approves the Internal Audit Charter.	Compliant	Provide reference or link to the company's Internal Audit Charter	link: www.shangproperties.com Corporate Governance/ Board Committees/ Committee Charters / Audit Committee Charter
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework. Provide proof of effectiveness of risk management strategies, if any.	1.) link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 2.11, page 17 of the Manual on Corporate Governance)
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		2.) link: www.shangproperties.com About/ Board Charter
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Provide link to the company's website where the Board Charter is disclosed.	link: www.shangproperties.com About/ Board Charter
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		link: www.shangproperties.com About/ Board Charter
3. Board Charter is publicly available and posted on the company's website.	Compliant		link: www.shangproperties.com About/ Board Charter

Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Provide information on or link/reference to a document showing company's insider trading policy.	link: www.shangproperties.com Corporate Governance/ Company's Policies/ Insider Trading Policy
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Non-compliant	Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	Granting loans has never been a practice of the Company, nor is it envisioned to be.
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	Indicate the types of decision requiring board of directors' approval and where there are disclosed.	The Board decides on matters such as loans to be negotiated by the Company, real estate projects that will be undertaken, properties that will be purchased, etc. The Board's material decisions are duly disclosed to the PSE and SEC, through the 17-C structured and unstructured reports.
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company.	link: www.shangproperties.com Corporate Governance/ Board Committees/ Committees The Heads and Members of the Board Committees are appointed during the Board's Annual Organizational Meeting.
Recommendation 3.2			

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 3.1 and 3.2, pages 19-21 of the Manual on Corporate Governance)
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	link: www.shangproperties.com Disclosures/ SEC Form 17-C (Current Report)/ SEC form 17-C [20 June 2017] Two of three Audit Committee members including the chairman are Independent Directors (Messrs. Maximo Licauco III and Benjamin A. Ramos).
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	link: www.shangproperties.com About/ Board of Directors, Management Team and Executive Officers
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	Yes. The Chairman of the Audit Committee, Mr. Maximo Licauco III only chairs the audit committee and does not chair any other committee. He is also not the Chairman of the Board.
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	As of this Disclosure, the company's external auditors (Isla Lipana) have not rendered non-audit services to the Company.

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	Yes. The Audit Committee holds regular meetings. In 2017, 3 meetings were held. For 2018, a meeting was held last 14 March 2018. The 2018 meeting approved its Company's 2018 Internal Audit Plan and Discussed the findings.
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	Indicate the number of Audit Committee meetings during the year and provide proof	Yes. The Audit Committee met 4 times in 2017.
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	This is expressed in the company's Audit Committee Charter. link: www.shangproperties.com Corporate Governance/ Board Committees/ Committee Charters
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	The Company's Nomination Committee has been re-constituted as its Corporate Governance Committee. The members of the Nomination Committee are the members of the Corporate Governance Committee. The Committee meets annually before each Shareholders' Meeting for the shortlisting of nominated directors (regular and independent). link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 2.3, pages 21-22 of the Manual on Corporate Governance)
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	The members of the Corporate Governance Committee are: Edward Kuok Khoon Loong Cynthia R. Del Castillo Antonio O. Cojuangco

3. Chairman of the Corporate Governance Committee is an independent director.	Non-compliant	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	The Chairman of the Corporate Governance Committee is Edward Kuok Khoon Loong who is also the Chairman of the Board.
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	The Committee meets after the Board's Organizational meeting and usually before the next Annual Shareholders' meeting for the screening of regular and independent director nominees. The members of the Committee communicate informally to keep abreast of Corporate Governance updates.
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-compliant	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	The functions of the BROC are subsumed into the functions of the Audit Committee. link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 3.4, page 22 of the Manual on Corporate Governance) Please refer to answer below
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	3.4 of the Manual on Corporate Governance provides for a BROC should the Company grow in size and complexity. At present, the Company's size, which does not qualify the Company as a big conglomerate with a heightened complexity of operations, does not merit the establishment of a BROC.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-compliant	Provide information or link/reference to a document containing information on the Chairman of the BROC	link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 3.4, page 22 of the Manual on Corporate Governance)
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	Not relevant in view of responses above.

Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	3.5 of the Manual on Corporate Governance provides for a RPT Committee should the Company grow in size and complexity. At present, the Company's size which does not qualify the Company as a big conglomerate with a heightened complexity of operations, does not merit the establishment of a RPT. The functions of the RPT Committee are subsumed by the Company's Audit Committee.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 3.5, page 23 of the Manual on Corporate Governance) This is not relevant in the view of the response above.
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	The Audit Committee and Corporate Governance Committee Charters are uploaded in the Company's website. link: www.shangproperties.com Corporate Governance/ Board Committees/ Committee Charters
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		link: www.shangproperties.com Corporate Governance/ Board Committees/ Committee Charters
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed.	link: www.shangproperties.com Corporate Governance/ Board Committees/ Committee Charters

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	The Company's Board Meetings are generally attended by the directors in person. Any tele/videoconferencing that will be undertaken shall follow the rules prescribed by the SEC. Director's attendance are reported through SEC Submission of Director's attendance SEC form MCG 2002. link: www.shangproperties.com Disclosures/ SEC Form MCG 2002 [Amended]
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		Yes, inasmuch as they are provided with the same long before the meeting date.
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors	Minutes of Board Meetings. Minutes are not uploaded in the website as these contain discussions on confidential matters.
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies	1. link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 4.2 of the Manual on Corporate Governance) 2. link: www.shangproperties.com About/ Board Charter 3. link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)

Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	This is disclosed by the directors to the Board.
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant		Yes. The Company's Executive Directors only serve in the SPI Board.
2. Company schedules board of directors' meetings before the start of the financial year. 3.	Non-compliant		This is not practiced, but the Directors are aware of quarterly meetings.
4. Board of directors meet at least six times during the year.	Non-compliant	Indicate the number of board meetings during the year and provide proof	BOD has 4 regular meetings a year, and conducts special sessions as and whenever necessary. In 2017, the Board met five times.
5. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-compliant	Indicate the required minimum quorum for board decisions	Majority votes for Board decisions.
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board	Yes, SPI has 3 independent directors: Maximo Licauco III, Antonio Cojuangco, and Benjamin Ramos link: www.shangproperties.com Disclosures/ SEC Form 17-C (Current Report)/ SEC Form 17-C [20 June 2017]
Recommendation 5.2			

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	link: www.shangproperties.com About/ Board of Directors, Management Team and Executive Officers
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Provide link/reference to a document containing information that directors are not constrained to vote independently.	Please refer to the Board Charter and the Company's Manual on Corporate Governance with respect to the directors' specific duties and responsibilities. link: www.shangproperties.com 1. About/ Board Charter 2. Corporate Governance/ Manual on Corporate Governance
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)/ SEC Form 17A for FY2017
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director	link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 5.3, page 26 of MCG) link: www.shangproperties.com About/ Board Charter (under title on reinforcing Board Independence)
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	Not yet applicable where the SEC Memo Circular reckons the 9 years limitation from 2012 only
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Identify the company's Chairman of the Board and Chief Executive Officer	Chairman: Edward Kuok Khoon Loong Please refer to 20 June 2017 17C Disclosure of SPI link: www.shangproperties.com Disclosure/ SEC Form 17-C (Current Report)

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO.	Yes, please see 5.4 of the Manual on Corporate Governance, pages 26-27. The Chairman and CEO are not related. link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-compliant	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.	The Chairman is not an independent director. The Company has not elected a Lead Independent Director. In any event, any conflict of interest by the Chairman can be resolved under the conflict of interest principles of the Manual on Corporate Governance and the Board Charter
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Provide proof of abstention, if this was the case	Please see Board Charter under title of "Reinforcing Board independence" and section 5.6 of the Manual on Corporate Governance. No proof of abstention can be provided where such a situation has never arisen to date link: www.shangproperties.com 1. Corporate Governance/ Manual on Corporate Governance 2. About/ Board Charter
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-compliant	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	This is not practiced, although, it may be noted that all the members of the Audit Committee are all Non-Executive Directors.
2. The meetings are chaired by the lead independent director.	Non-compliant		The Company has no lead independent director.
Optional: Principle 5			

1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	Provide name/s of company CEO for the past 2 years	Yes. None of the directors is a former CEO of SPI.
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	The Board assesses its performance (from the individual members to the Chairman) annually vis-a-vis the Company's performance, but said assessment is not undertaken through a formal assessment form.
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		Please see attached rating forms of the Audit Committee and Corporate Governance Committee. (Attachments 4-A and 4-B)
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant	Identify the external facilitator and provide proof of use of an external facilitator.	The Company does not utilize the services of third party facilitators.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	The Shareholders freely interact with the Board during the Annual Shareholders' Meeting. They can also give their feedback through SPI's website, or call SPI's Investor Relations Officers directly for any concern. link: www.shangproperties.com 1. Investors/ Investor Relations Officers 2. Home/ Contact
2. The system allows for a feedback mechanism from the shareholders.	Compliant		link: www.shangproperties.com 1. Investors/ Investor Relations Officers 2. Home/ Contact
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	Yes. SPI has adopted its Code of Business Ethics. link: www.shangproperties.com Corporate Governance/ Code of Business Conduct and Ethics
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	Copies of the Code have been circulated/ disseminated to employees.
3. The Code is disclosed and made available to the public through the company website.	Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	link: www.shangproperties.com Corporate Governance/ Code of Business Conflict and Ethics
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery	This is addressed in the Company's Code of Business Ethics. link: www.shangproperties.com Corporate Governance/ Code of Business Conduct and Ethics
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	The code is made known to SPI's employees, and anti-gift giving/ anti-coruption provisions are embedded in SPI's contracts/ agreements with suppliers, contractors,lessees/ etc.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	link: www.shangproperties.com 1. Corporate Governance/ Code of Business Conduct and Ethics
Disclosure and Transparency			

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	The Company has not adopted a separate written disclosure policy, but strictly adheres to all disclosure requirements of the SEC and PSE The Company's financial results, aside from being reported to the SEC, PSE, and the shareholders, are uploaded in the Company's website. The Company's various reporting departments are strictly monitored to ensure Compliance with all regulatory disclosures See also section 8 1 of the Manual on Corporate Governance. link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.	17-A - 120th day after the end of the fiscal year; uploaded to SPI Website. link: www.shangproperties.com Disclosures/ SEC form 17-A (Annual Report) 17-Q - 45 days after the end of the reference quarter; uploaded to SPI Website link: www.shangproperties.com Disclosures/ SEC form 17-Q (Quarterly Report)
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	Provide link or reference to the company's annual report where the following are disclosed: 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.	1. There are no identified risks to the minority shareholders. 2. This is disclosed in Note 34.3 of SPI's audited Financial Statements (please see Attachment no. 5) 3. There are imbalances noted.
Recommendation 8.2			

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share. Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.	Please see Section 8.2 of the Manual on Corporate Governance link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 8.2, page 29 of the Manual on Corporate Governance)
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		Please see Section 8.2 of the Manual on Corporate Governance link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance (Section 8.2, page 29 of the Manual on Corporate Governance)
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders. Provide link or reference to the company's Conglomerate Map.	Please refer to SPI website under title on 'Disclosure/ Other Disclosures to SEC, PSE; 17-A Disclosure; SEC form 23-A and 23-B link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)/ SEC Form 17-A for FY2017
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	Please refer to SPI website to the link on director's qualifications, and the 17-A disclosures for share ownership in the Company, membership in other Boards. link: www.shangproperties.com 1. About/ Board of Directors, Management Team and Executive Officers 2. Disclosures/ SEC Form 17-A (Annual Report) 3. Disclosures/ SEC Form 23-A and 23-B

2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	link: www.shangproperties.com 1. About/ Board of Directors, Management Team and Executive Officers 2. Disclosures/ SEC Form 17-A (Annual Report) 3. Disclosures/ SEC Form 23-A and 23-B
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for setting board remuneration	The Company's Directors do not receive compensation or remuneration for their services as such. This has been consistently disclosed by the Company.
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration	The Company is currently reviewing its policy for Executive Remuneration.
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	Please refer to the 17-A disclosure, Item 10 on Executive Compensation. link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Disclose or provide reference/link to company's RPT policies Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.	Refer to SPI link under title on Corporate Governance/ Company's policies. There has been no occasion of any director having a conflict of interest such as to merit such abstention. link: www.shangproperties.com Corporate Governance/ Company's Policies/ Related Party Transactions Policy

2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions	Please refer to related party transaction disclosures in the 17-A report. link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Indicate where and when directors disclose their interests in transactions or any other conflict of interests.	Yes. Please see Board Charter on Specific Duties and Responsibilities of a Director, Section 2.13 of the Manual on Corporate Governance. No disclosures are available since such a situation has not arisen in the Board to date. link: www.shangproperties.com 1. About/ Board Charter 2. Corporate Governance/ Manual on Corporate Governance
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	Provide link or reference where this is disclosed, if any	Please see 8.5 of the Manual on Corporate Governance; See 17-A disclosures on Related Party Transactions. link: www.shangproperties.com 1. Disclosures/ SEC Form 17-A (Annual Report) 2. Corporate Governance/ Manual on Corporate Governance
Recommendation 8.6			

1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Provide link or reference where this is disclosed	The Company faithfully observes the submission of 17-C and unstructured disclosures as required by PSE link: www.shangproperties.com Disclosures/ SEC Form 17-C (Current Report)
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	Identify independent party appointed to evaluate the fairness of the transaction price Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.	In the merger of KPPI and EPHI several years ago, BPI was appointed to evaluate the fairness of the merger transaction. This report was submitted to both SEC and PSE.
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Non-compliant	Provide link or reference where these are disclosed.	These agreements are not publicly shared on SPI's website, but persons or entities with interest are free to examine said documents.
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	Yes, the Company has adopted its Manual on Corporate Governance. link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance
2. Company's MCG is submitted to the SEC and PSE.	Compliant		link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance
3. Company's MCG is posted on its company website.	Compliant		link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance
Supplement to Recommendation 8.7			

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Non-compliant	Provide proof of submission.	The Company has not implemented any changes, nor doesn't expect making any updates or revisions to its current Manual on Corporate Governance.
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	Provide link or reference to the company's Annual Report containing the said information.	Refer to 17-A report in SPI Website link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
a. Corporate Objectives	Compliant		link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
b. Financial performance indicators	Compliant		link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
c. Non-financial performance indicators	Compliant		link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
d. Dividend Policy	Compliant		link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
f. Attendance details of each director in all directors meetings held during the year	Compliant		link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
g. Total remuneration of each member of the board of directors	Compliant		link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Non-compliant	Provide link or reference to where this is contained in the Annual Report	This is no longer required by the SEC to be done in the 17-A Report.

3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Provide link or reference to where this is contained in the Annual Report	Please refer to 17-A report, section on Management analysis and discussion link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	Provide link or reference to where this is contained in the Annual Report	Please refer to 17-A report, section on Management analysis and discussion link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	Provide link or reference to where these are contained in the Annual Report	Please refer to 17-A report, section on Management analysis and discussion link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	Yes, these are covered in the SPI Audit Committee Charter. link: www.shangproperties.com Corporate Governance/ Committees/ Committee Charter/ Audit Committee Charter/ IV Responsibilities and Duties/ External Audit/Financial Reporting (i)
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	In the June 2017 Annual Shareholders Meeting, the appointment of Isla Lipana as SPI's external auditors was unanimously carried by all shareholders present, representing 72.09% of SPI's shareholders entitled to vote.

3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	The change in external auditor is duly reported to the regulatory authorities. Please see 17-C (23 May 2017) and 17-A FY2017 report items "Changes in and Disagreements with Accountants or Accounting and Financial Disclosure." link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report) Disclosures/ SEC Form 17-C (Current Report)
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.	The Company strictly follows this policy link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	Compliant	Provide link/reference to the company's Audit Committee Charter	Yes. These are all covered in SPI's Audit Committee's Charter link: www.shangproperties.com Corporate Governance/ Committees/ Committee Charter/ Audit Committee Charter/ IV Responsibilities and Duties/ External Audit/Financial Reporting (iii & iv)
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Provide link/reference to the company's Audit Committee Charter	Yes. This is provided for in the Audit Committee Charter. link: www.shangproperties.com Corporate Governance/ Committees/ Committee Charter/ Audit Committee Charter/ IV Responsibilities and Duties/ External Audit/Financial Reporting (iv)
Supplement to Recommendations 9.2			

1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Provide link/reference to the company's Audit Committee Charter	Yes these are provided for in the Audit Committee Charter
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Provide link/reference to the company's Audit Committee Charter	link: www.shangproperties.com Corporate Governance/ Committees/ Committee Charter/ Audit Committee Charter/ IV Responsibilities and Duties/ External Audit/Financial Reporting (i - vii)
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Disclose the nature of non-audit services performed by the external auditor, if any.	While this is not relevant to SPI at this point, as the external auditors have not rendered non-audit services for year 2017, SPI is duty bound to disclose the same for the SEC's required forms.
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Provide link or reference to guidelines or policies on non-audit services	link: www.shangproperties.com Corporate Governance/ Committees/ Committee Charter/ Audit Committee Charter/ IV Responsibilities and Duties/ External Audit/Financial Reporting (v)
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Provide information on audit and non-audit fees paid.	As mentioned, the external auditors have not been asked to render non-audit services.
Additional Recommendation to Principle 9			

1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	Provide information on company's external auditor, such as: 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm.	Yes. Isla Lipana is SEC accredited under Group A category 1. Imelda Ronnie De Guzman – Castro 2. 0410-AR-3, Category A 3. February 3, 2016 4. February 2, 2019 5. Isla Lipana & Co. ; 28F Philam Life Tower, Paseo De Roxas, Makati City; 845-2728
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	Provide information on the following: 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC.	Not applicable. Per Isla Lipana, there is no advice yet from SEC as to which firm they will select for SOAR.
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Non-compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	The Company has yet to move towards adopting a non-financial disclosure framework through the GRI. It intends to engage a consultant to conduct a workshop for its officers on SR/ GRI reporting.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Non-compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	Please see reply above.

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	In addition to online disclosures to the SEC and PSE, SPI taps the Print media to post announcements regarding significant Company developments.
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	Provide link to company website	link: www.shangproperties.com
a. Financial statements/reports (latest quarterly)	Compliant		link: www.shangproperties.com Disclosures/ SEC Form 17-Q (Quarterly Report)
b. Materials provided in briefings to analysts and media	Compliant		link: www.shangproperties.com Press/ Press releases
c. Downloadable annual report	Compliant		link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report)
d. Notice of ASM and/or SSM	Compliant		link: www.shangproperties.com Disclosures/ Notice of Annual or Special Stockholders' Meetings
e. Minutes of ASM and/or SSM	Compliant		link: www.shangproperties.com Disclosures/ Minutes of all General or Special Stockholders' Meetings
f. Company's Articles of Incorporation and By-Laws	Compliant		link: www.shangproperties.com About/ Articles of Incorporation and By-Laws and all Amendments thereto
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant		link: www.shangproperties.com

Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system	SPI's Internal control system is reviewed on an annual basis based on the Company's annual Audit Plan approved by the Audit Committee.
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Identify international framework used for Enterprise Risk Management Provide information or reference to a document containing information on: 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks Indicate frequency of review of the enterprise risk management framework.	The Company's Board and Management regularly assess all significant risks to the Company. Such risk assessment exercises are duly minuted but not uploaded publicly as such contain sensitive and confidential material.
Supplement to Recommendations 12.1			

1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations. Indicate frequency of review.	Compliance with laws and regulations are on a per department basis. It is the responsibility of each department to ensure continuing compliance. For ex: the project group is responsible for ensuring compliance with all laws and regulations relevant to the construction of a condominium development; the HR department ensures compliance with labor laws; the Accounting Department ensures compliance with recurring business permit requirements. Each department has a matrix or schedule of the relevant laws and regulations for compliance
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	Provide information on IT governance process	Yes. These items are covered. Please see the Company's policies on 1. Information Security; 2. Disaster Recovery; 3. Disaster Recovery Team; 4. Back-up Recovery and archiving Procedure (Attachments 6-A, 6-B, 6-C and 6-D)
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	Yes, SPI has an independent internal audit section which has been objectively and effectively carrying out its responsibilities.
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	The Company has not appointed a Chief Audit Executive where it does not view its operations as complex enough.

2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Non-compliant		Internal Audit function is not outsourced
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Non-compliant	Identify qualified independent executive or senior management personnel, if applicable.	Internal Audit function is not outsourced
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Provide information on company's risk management function.	The Company's operations do not have the complexity of a major conglomerate, nor does the Company have a high risk profile such as to require a separate Risk Oversight Committee. The functions of such a committee are performed and subsumed by the Audit Committee. See response in recommendation 3.4.1
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Non-compliant	Identify source of external technical support, if any.	No such occasion or necessity has arisen to date
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	Although there is no formally organized RMO, Risk Management is faithfully observed at the Board and Management level. This function is not vested in a single officer. Further, since the functions of the ROC are subsumed under the Audit Committee, the chairman of the Audit Committee may be viewed as functioning as the Company's CRO.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		See reply above
Additional Recommendation to Principle 12			

1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-compliant	Provide link to CEO and CAE's attestation	This is not formally practiced but the Company continually ensures that an effective Internal Audit is in place.
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	Refer to Section 14 of the Manual on Corporate Governance, pages 37-38, "Respective Rights of Stakeholders and effective readiness for violation of stakeholders' Rights. link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website	Same reply as above link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant		This is observed in all Shareholders' Meetings. One common share is entitled to one vote.
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Provide information on all classes of shares, including their voting rights if any.	The Company only has one class of shares, i.e., common shares with equal voting rights in accordance with Section 6 of the Corporation Code. Refer to Articles of Incorporation and By-Laws (SPI website) which do not provide for special voting rights for any class of shareholders link. www.shangproperties.com About/ Articles of Incorporation and By-Laws and all Amendments thereto
3. Board has an effective, secure, and efficient voting system.	Compliant	Provide link to voting procedure. Indicate if voting is by poll or show of hands.	Voting in shareholders' meetings is by show of hands. Refer to minutes of Annual Stockholders meeting. link: www.shangproperties.com Disclosures/ Minutes of all General or Special Stockholders' Meetings
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.	Cumulative Voting is allowed in all Stockholders Meetings.

5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)	This is a matter provided by law, and it is not prohibited by the Company's By-Laws. Although there has not been any occasion to date that this was exercised by the shareholders.
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Provide information or link/reference to the policies on treatment of minority shareholders	Yes. This is provided. Please see Section 14 of the Manual on Corporate Governance link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance
7. Company has a transparent and specific dividend policy.	Compliant	Provide information on or link/reference to the company's dividend Policy. Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration	The Company's dividend policy is what is in accord with the law, and pursuant to what is appropriate given the Company's earnings and cash position at any given time. Care is also observed to ensure that the Company does not violate Section 43 of the Corporation Code. Please refer to disclosures on dividend in 17C reports dated 29 August 2017 and 15 March 2017 (for FY2017) link: www.shangproperties.com Disclosures/ SEC Form 17-C (Current Report)
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	Identify the independent party that counted/validated the votes at the ASM, if any.	The Company's External Auditors, Isla Lipana/ PricewaterhouseCoopers, validates the votes cast during the Annual Stockholders meeting.
Recommendation 13.2			

1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)	Notice of Annual Stockholders' meeting held last 20 June 2017 were sent out on 04 May 2017 by the Corporate Secretary. link: www.shangproperties.com Disclosures/ Notice of Annual or Special Stockholders' Meetings There was no discussion on Remuneration in the 20 June 2017 Annual General Meeting. link: www.shangproperties.com Disclosures/ SEC Form 20-IS (Information Statement)
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Provide link or reference to the company's notice of Annual Shareholders' Meeting	link: www.shangproperties.com Disclosures/ Notice of Annual or Special Stockholders' Meetings
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant		These are matters extensively set forth in the 20-IS and 17-A submissions of SPI link: www.shangproperties.com Disclosures/ SEC Form 17-A (Annual Report) Disclosures/ SEC Form 20-IS (Information Statement) *But this will be observed for the June 2018 Annual General Meeting
b. Auditors seeking appointment/re-appointment	Compliant		Same reply as above
c. Proxy documents	Compliant		The notice contains instructions regarding proxies.
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Provide link or reference to the rationale for the agenda items	The Agenda items for the 25 June 2018 Annual stockholders' meeting are explained although these are sufficiently self-explanatory.
Recommendation 13.3			

1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	Please refer to SPI Website for the uploaded Minutes and Voting Results of the 2017 Annual General Meeting link: www.shangproperties.com Disclosures/ Notice of Annual or Special Stockholder's Meetings
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any	Same link as above. All agenda items were approved unanimously. Voting was by show of hands. Yes, Stockholders were given the opportunity to ask questions which were duly answered by the Directors and officers present.
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting	Yes. The External Auditors (PwC) were present throughout the Annual General Meeting.
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	The Company has had no conflicts with Stakeholders or Shareholders to date, but provision has been made for alternative dispute resolution in 13.4 of the Manual on Corporate Governance. link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance	Yes. Please Refer to Section 13.4 of the Manual on Corporate Governance. link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address	The IRO is provided for in Section 13.5 of the Manual on Corporate Governance. Please Refer to SPI Website for the names of investor relations officers under the title "Investor". link: www.shangproperties.com 1. Corporate Governance/ Manual on Corporate Governance 2. Investors/ Investors relations Offices
2. IRO is present at every shareholder's meeting.	Compliant	Indicate if the IRO was present during the ASM.	Yes. Both IRO's, Atty. Noel and Ms. Milen Treichler are present during every Annual Stockholder's Meeting.
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	The resort to anti-take over measures has not been relevant to SPI as the Company has never had any takeover issues in the past up to the present.
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	Indicate the company's public float.	The Company duly complies with the minimum public float required by the PSE as disclosed in its Public Ownership Report as of 31 March 2018. link: www.shangproperties.com Disclosures/ Public Ownership Report
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	Shareholders and the public are free to get in touch with the Company's IROs whose contact details are uploaded in the Company's Website. link: www.shangproperties.com Investors/ Investor Relations Officers

2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Non-compliant	Disclose the process and procedure for secure electronic voting in absentia, if any.	This is not necessary where the Company's majority shareholders are represented by proxy, and physical attendees are not numerous so as to merit a sophisticated voting procedure.
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	Please refer to the Company's Manual on Corporate Governance. link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders	The Company's Manual on Corporate Governance clearly provides for the fair treatment and protection of shareholders. Please refer to sections 13 and 14 of the Manual on Corporate Governance. link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders	The names of the Company's IROs are stated in the Company's website for the public to get in touch with at their convenience. link: www.shangproperties.com Investors/ Investor Relations Officers Please refer to the policy as uploaded in the Company's website. link: www.shangproperties.com Corporate Governance/ Company's Policies/ Whistle-blowing Policy

Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	Provide information on the alternative dispute resolution system established by the company.	The Company's Manual on Corporate Governance provides for resort to alternative dispute resolution, following the procedures set forth in prevailing mediation or arbitration laws. Since the Company has not had any conflict with its stakeholders, no such dispute resolution has been resorted to, to date.
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	Disclose any requests for exemption by the company and the reason for the request.	The Company has no current request for exemption.
2. Company respects intellectual property rights.	Compliant	Provide specific instances, if any.	The Company ensures that all of its business or trade names and trademarks are duly registered with the Intellectual Property Office. Prior to the use of any new mark, the company validates registrability with the IPPHIL before proceeding with the registration of the mark.
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	These are provided for. in the Company's Code of Business Ethics and Manual on Corporate Governance. link: www.shangproperties.com Corporate Governance/ Manual on Corporate Governance Corporate Governance/ Code of Business Conduct and Ethics
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	The Company follows a procedure for the selection of supplies and contractors, but it is not publicly available. Please see attached Vendor Accreditation policy of the Company (Attachment 7).

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	Currently through copies sent via e-mail or directly to the division. Review of uploading procedure to Human Resources Information System (HRIS) presently underway.
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	The Company awards performance bonuses of the end of each year to deserving employees. The awards are made based on a standard performance evaluation scheme.
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.	The Company has vaccination programs, a year-long wellness program with fitness activities per month; Life; Personal Accident Insurance policy; Optical Benefits Policy; Training Policy.
3. Company has policies and practices on training and development of its employees.	Compliant	Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption	This is provided for in the Company's Code of Conduct and Code of Business Ethics. Please refer to SPI website. link: www.shangproperties.com Corporate Governance/ Code of Conduct and Code of Business Ethics.

2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Identify how the board disseminated the policy and program to employees across the organization	The Company's employees have been provided copies of the aforecited documents
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. Include any finding of violations of the company policy.	Conflict of Interest Policy and Fraud Policy. link: www.shangproperties.com 1. Corporate Governance/ Company's Policies/ Conflict of Interest Policy 2 Corporate Governance/ Company's Policies/ Fraud Policy
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior.	link: www.shangproperties.com Corporate Governance/ Company Policies/Whistle blower Policy There is a general statement on protection-identity will not be divulged and assurance of fair treatment and protection against unwarranted disciplinary action. link: www.shangproperties.com Investors/ Investor Relations Officer
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant		link: www.shangproperties.com Corporate Governance/ Company Policies/Whistle blower Policy
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	The Board has the authority to do so, although there has been no occasion requiring the enforcement of the Company's whistle blowing policy.

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	Donated Php1 million to Philippine National Red Cross last January 2018 for typhoon victims.
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	The Company's 100% owned subsidiary, Shangri-La Plaza Corporation, is ISO 9001: 2015 (Quality Management System) and ISO 14001: 2015 (Environmental Management System) Certified. Shangri-La Plaza Corporation owns and operates the Shangri-La Plaza Mall.
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	Appointed Unang Hakbang Foundation as Beneficiary of its Christmas "Adopt a Reindeer" program last December 2017. Unang Hakbang is located in Mandaluyong. SLPC operates a chapel that holds regular weekend mass for Shang Place residents and mall goers. All collections go to the Parish.

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report (I-ACGR) is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the MANDALUYONG CITY on MAY 25 2018

SIGNATURES

GREGORY ALLAN DOGAN
Executive Director

KARLO MARCO P. ESTAVILLO
Chief Operating Officer/
Chief Financial Officer

ELMER G. PEDREGOSA
Compliance Officer

FEDERICO G. NOEL JR.
Corporate Secretary

ANTONIO O. COJUANGCO
Independent Director

BENJAMIN I. RAMOS
Independent Director

MAXIMO G. LICAUCO III
Independent Director

SUBSCRIBED AND SWORN to before me this MAY 25 2018 day of ______________ 2018, affiants exhibiting to me their government issued identification cards, as follows:

GREGORY ALLAN DOGAN	Passport No. GBR528899232	21 Sep 2015/Nairobi/21 Jun 2026
KARLO MARCO P. ESTAVILLO	Passport No. EC4018079	23 Apr 2015/DFA Mla/22 Apr 2020
ELMER G. PEDREGOSA	Passport No. EB9454753	25 Oct 2013/DFA NCR East/24 Oct 2018
FEDERICO G. NOEL, JR.	Passport No. P6098076A	20 Feb 2018/DFA Mla/19 Feb 2028
ANTONIO O. COJUANGCO	Passport No. EC5284348	10 Sep 2015/DFA Mla/09 Sep 2020
BENJAMIN I. RAMOS	SSS ID No. 33-0473944-3	
MAXIMO G. LICAUCO III	Passport No. EC7161351	19 Mar 2016/DFA NCR East/18 Mar 2021

Doc. No. 252;
Page No. 52;
Book No. 27;
Series of 2018.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-17 UNTIL DECEMBER 31, 2018
NOTARY PUBLIC
ROLL NO. 53970
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
PTR NO. 3388587; 1-3-18; MANDALUYONG
MCLE COMPLIANCE NO. IV - 0014673 14 APRIL 2019
METRO MART COMPLEX, MANDALUYONG CITY

LIST OF ATTACHMENTS	
Attachment 1	Perform & Grow Evaluation Form
Attachment 2-A	Notice of Annual General Meeting 2017 (Manila Times)
Attachment 2-B	Notice of Annual General Meeting 2018 (Manila Times)
Attachment 3	Perform & Grow Evaluation Form (Officers / Rank & File)
Attachment 4-A	Audit Committee Self-Assessment Worksheet
Attachment 4-B	Nominating and Corporate Governance Committee Self-Assessment Form
Attachment 5	34.3 (Basis of Consolidation) of SPI's Audited Financial Statements
Attachment 6-A	Information Security
Attachment 6-B	Disaster Recovery
Attachment 6-C	Disaster Recovery Team
Attachment 6-D	Back-up, Recovery and Archiving Procedure
Attachment 7	Vendor Accreditation