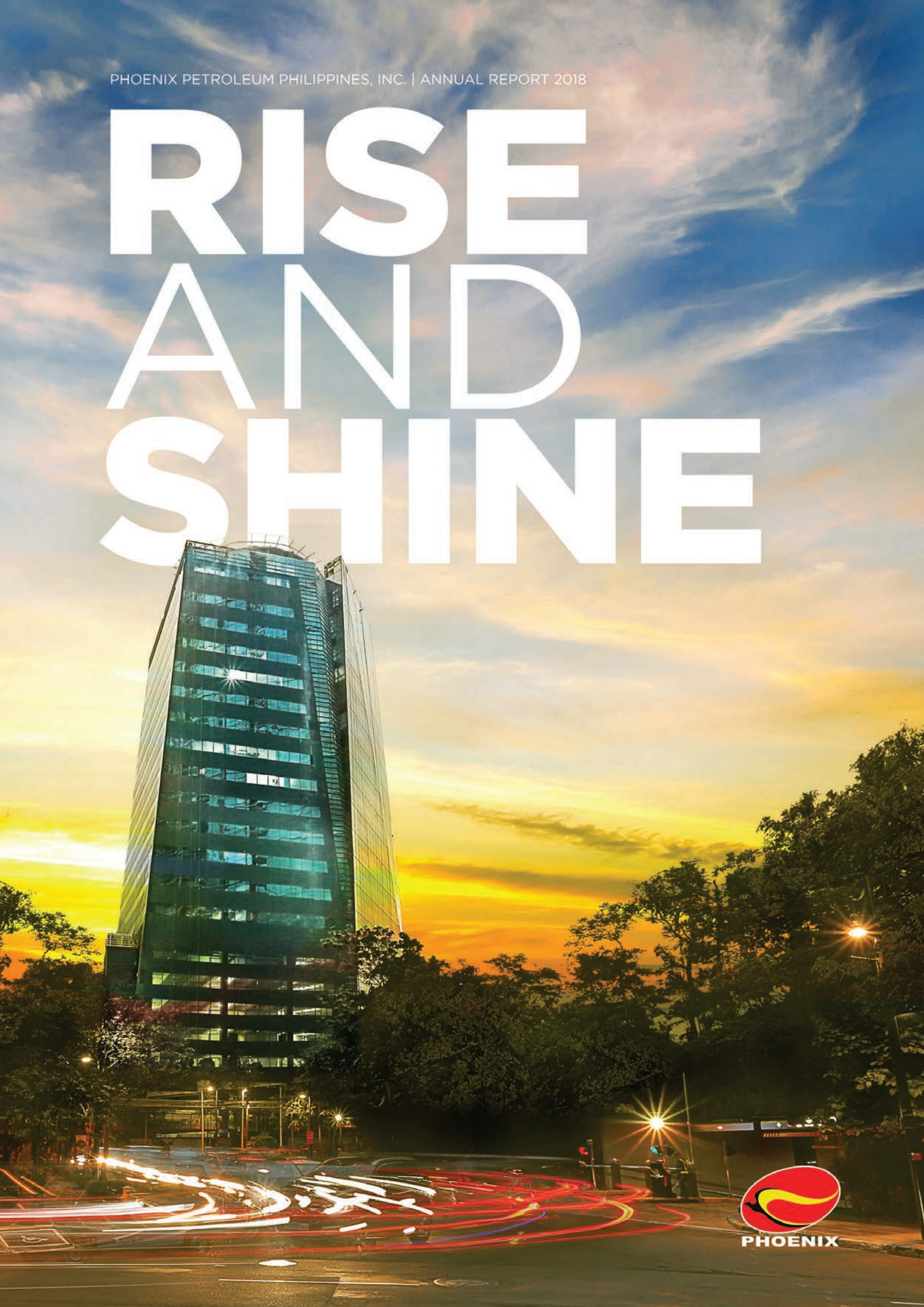
PHOENIX PETROLEUM PHILIPPINES, INC. | ANNUAL REPORT 2018

RISE AND SHINE



PHOENIX

ABOUT THE COVER

Rising, shining amidst a lush landscape, the UDENNA Tower comes alive at the Philippine capital's modern Bonifacio Global City CBD. It will be the new home of Phoenix Petroleum, along with the northern offices of our parent company, UDENNA Corporation, a holding company that has grown exponentially with a diversified business portfolio that includes petroleum, shipping and logistics, real estate development, education, infrastructure and development, and hospitality and gaming. The UDENNA Tower serves as a monument to what tenacity, faith in our capabilities, focus, and commitment can achieve; and stands as a beacon of values and inspiration to everyone whose life we touch.

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OUR **VISION**

To be an indispensable partner in the journey of everyone whose life we touch

OUR **MISSION**

We deliver the best value in products and services to our business partners.

We conduct our business with respect, integrity, and excellence.

We provide maximum returns to our shareholders and investors.

We create opportunities for learning, growth, and recognition to the Phoenix Family.

We build programs to nurture the environment and the welfare of the communities we serve.

OUR **VALUES**

TEAMWORK
Matulungin sa Kasama

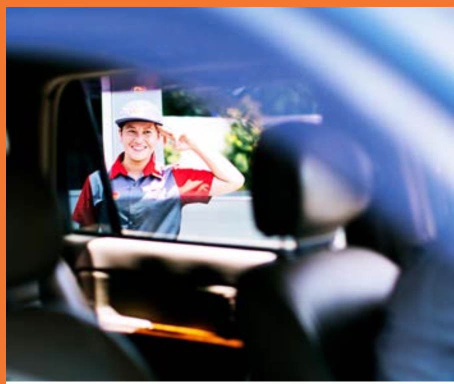
We value relationships. We achieve goals through collaborative efforts.

EXCELLENCE
Magaling at Mabilis

We aim to be the best in everything we do.

SERVICE
Masipag

We value all our stakeholders and provide unrivaled customer experience.



STEWARDSHIP
May Malasakit sa Kumpanya

We nurture our resources responsibly.

INTEGRITY
May Integridad

We adhere to the highest standards of ethics and conduct. Our reputation defines who we are.

INNOVATION
Malakas ang Loob at Madiskarte

We welcome opportunities to create, at all times, new and better products, services, and ideas.

ABOUT
PHOENIX PETROLEUM PHILIPPINES, INC.

We are the fastest-growing and leading independent oil company in the Philippines.

From our humble beginnings in Davao, we have grown to be a national brand, driven by our clear vision, entrepreneurial spirit, and aspiration to be an indispensable partner of our customers and people.

We are the first oil company to be publicly listed on the Philippine Stock Exchange in July 2007 after the oil industry was deregulated in 1998.

We represent the petroleum group of UDENNA Corporation, our parent company, with a business portfolio that includes interests in petroleum, shipping and logistics, real estate, education, infrastructure and development, and hospitality and gaming.

OUR PRODUCTS AND SERVICES

We are a dynamic and multi-industry company that owns and operates businesses dealing in:

TRADING AND DISTRIBUTION

- Distribution of refined petroleum products such as fuels, liquefied petroleum gas, and lubricants to retail, commercial, and industrial channels
- Trading and supply of refined petroleum products

TERMINALING AND HAULING SERVICES

- Operation of depots and terminals
- Leasing of storage space
- Hauling and into-plane services

CONVENIENCE STORE RETAILING

- Ownership and management of the FamilyMart franchise in the Philippines

ASPHALT

- Operation, marketing, and distribution of asphalt and asphalt-related products in the Philippines

DIGITAL TRANSACTIONS

- Bills payment, money remittance, load, bank deposits, and other transactions through the Posible platform

FINANCIAL **HIGHLIGHTS**

INCOME STATEMENT DATA

(All amounts expressed in millions, unless otherwise stated)	2014	2015	2016	2017*	2018
REVENUES	34,734	30,054	30,577	44,543	88,611
COST OF SALES, SERVICES AND EXPENSES	31,144	25,269	29,484	43,022	85,844
NET PROFIT-TOTAL	616	906	1,092	1,521	2,767
NON-RECURRING INCOME/EXPENSES	-	-	-	-	-
EXCESS OF FAIR VALUE OVER ACQUISITION COST	-	-	-	(650)	(625)
PRE-ACQUISITION INCOME	-	-	-	-	-
NET INCOME-EXCLUDING NON-RECURRING INCOME	616	906	1,092	871	2,142
PROVISION FOR PREFERRED DIVIDENDS	41	46	195	195	320
EBITDA	2,084	2,882	3,128	2,911	5,183

BALANCE SHEET DATA

(All amounts expressed in Millions, unless otherwise stated)	2014	2015	2016	2017*	2018
CURRENT ASSET	13,484	17,040	17,012	24,906	37,260
NON-CURRENT ASSET	11,516	13,887	9,526	19,267	27,560
TOTAL ASSETS	25,000	30,927	30,927	44,173	64,820
CURRENT LIABILITIES	11,895	15,001	14,596	20,385	33,844
TOTAL LIABILITIES	17,950	20,903	16,776	32,489	48,846
STOCKHOLDERS' EQUITY	7,050	10,023	9,762	11,952	16,149
BANK DEBTS	**13,843**	**16,984**	**13,184**	**28,171**	**39,900**

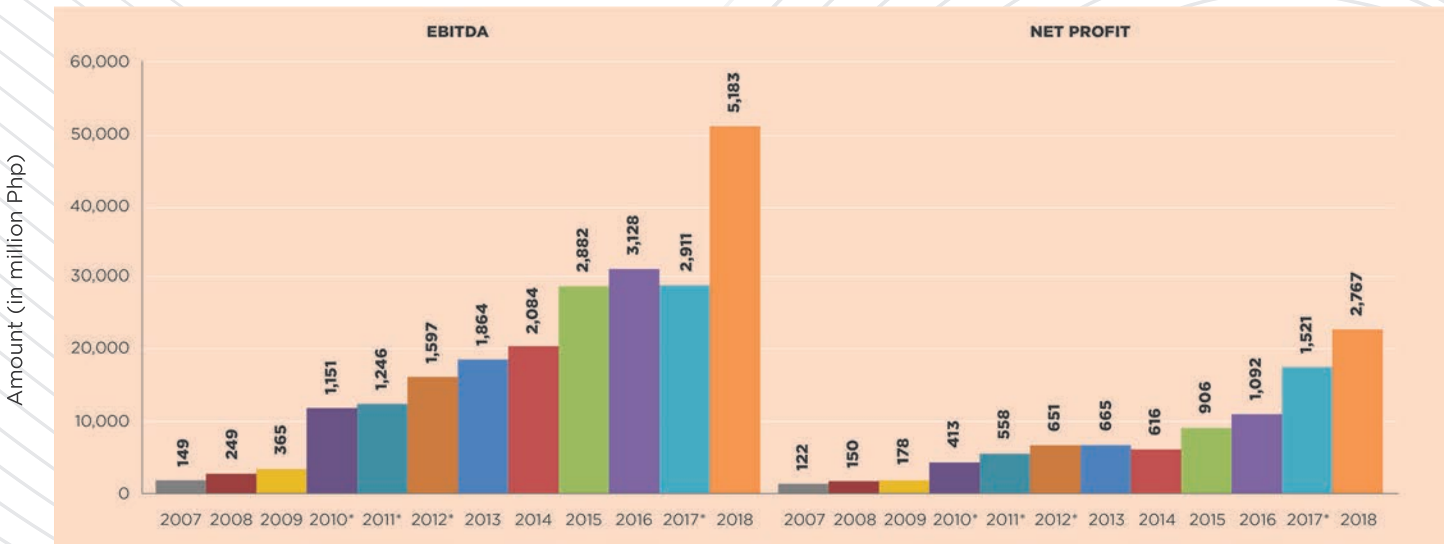
FINANCIAL RATIOS

	2014	2015	2016	2017*	2018
CURRENT RATIO[1]	1.1 : 1	1.1 : 1	1.2 : 1	1.2 : 1	1.1 : 1
DEBT TO EQUITY[2]	2.5 : 1	2.1 : 1	1.7 : 1	2.7 : 1	3.0 : 1
RETURN ON EQUITY[3]	9.10%	10.61%	11.04%	14.01%	19.69%
RETURN ON ASSETS[4]	3.60%	4.13%	4.61%	4.58%	6.16%
RETURN ON SALES	1.77%	3.01%	3.57%	3.42%	3.12%
NET BOOK VALUE PER SHARE[5]	4.58	5.27	5.08	6.60	9.73
EARNINGS PER SHARE-(ADJUSTED)[6]	0.40	0.60	0.64	0.97	1.72
RETURN ON EQUITY-COMMON[7]	9.5%	12.7%	12.7%	12.7%	12.7%

STOCK INFORMATION

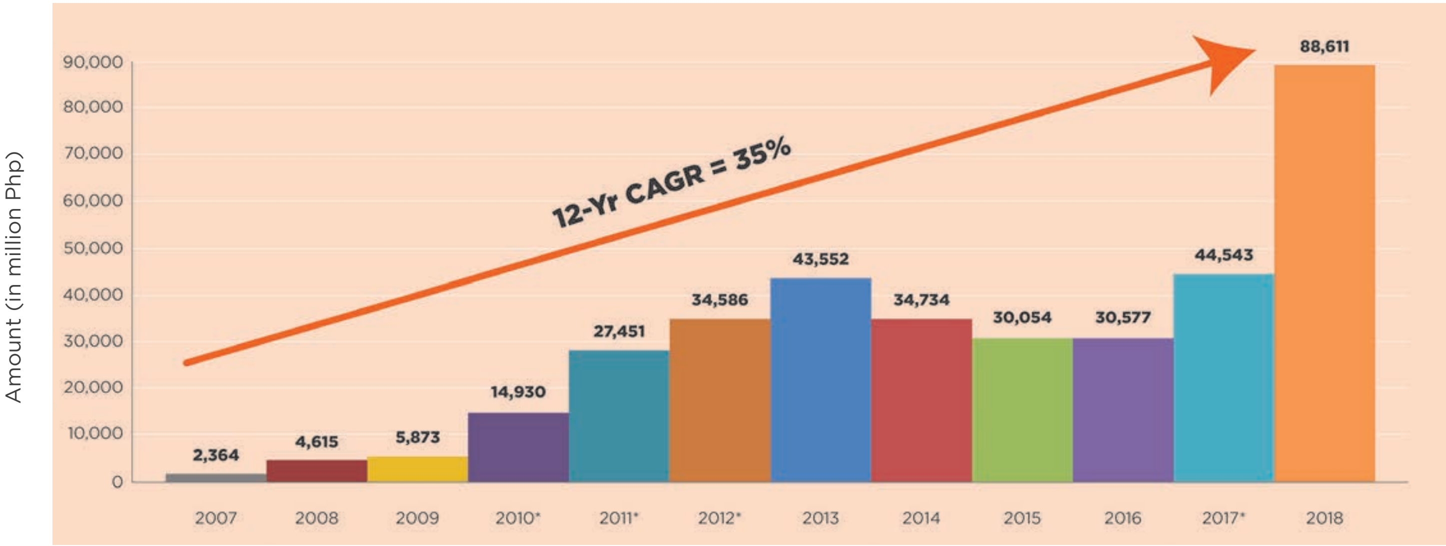
(Figures in millions except per share)	2014	2015	2016	2017*	2018
WEIGHTED AVERAGE NO. OF SHARES-ADJUSTED OF STOCK DIVIDENDS	1,428.78	1,428.78	1,410.96	1,372.49	1,426.59
NUMBER OF SHARES ISSUED	1,428.78	1,428.78	1,428.78	1,431.54	1,403.30
TOTAL NUMBER OF SHARES OUTSTANDING-YEAR END	1,428.78	1,428.78	1,428.78	1,431.54	1,403.30
MARKET CAPITALIZATION (YEAR END)	4,414.92	5,215.04	8,058.30	18,610	15,071.49
STOCK PRICE-CLOSING (YEAR END)	3.09	3.65	5.64	13.00	10.74
TREASURY STOCK-SHARES	-	-	54	-	-

Notes:
1 - Total current assets divided by current liabilities
2 - Total liabilities divided by tangible net worth
3 - Net income divided by average total stockholders' equity
4 - Net income divided by average total assets
5 - Total stockholders equity - (Common) divided by the total number of shares issued and outstanding
6 - Net income after tax (net of Preferred Stock Dividend Allocation) divided by weighted average number of outstanding common shares
7 - Net income after tax (net of Preferred Stock allocation) divided by stockholders' equity-common

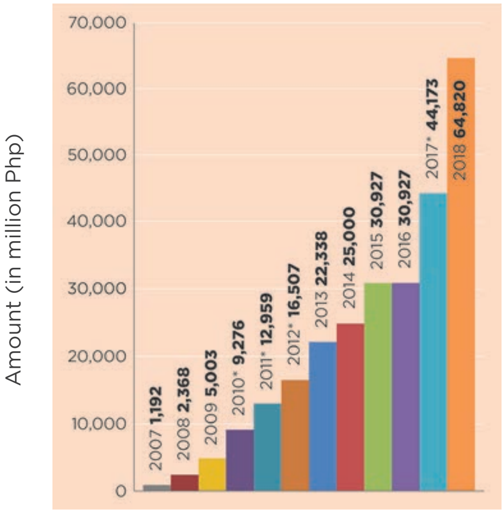


*Re-stated Figures

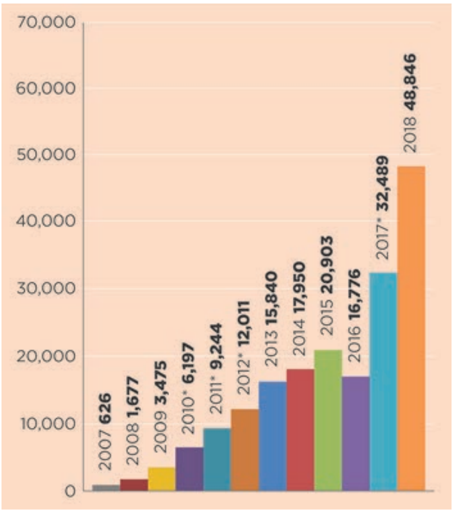
REVENUES



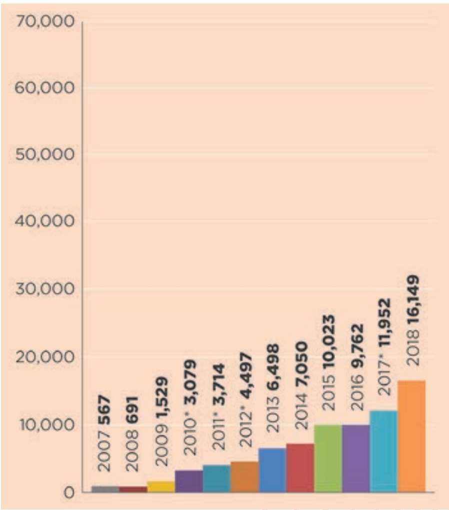
TOTAL ASSETS



TOTAL LIABILITIES

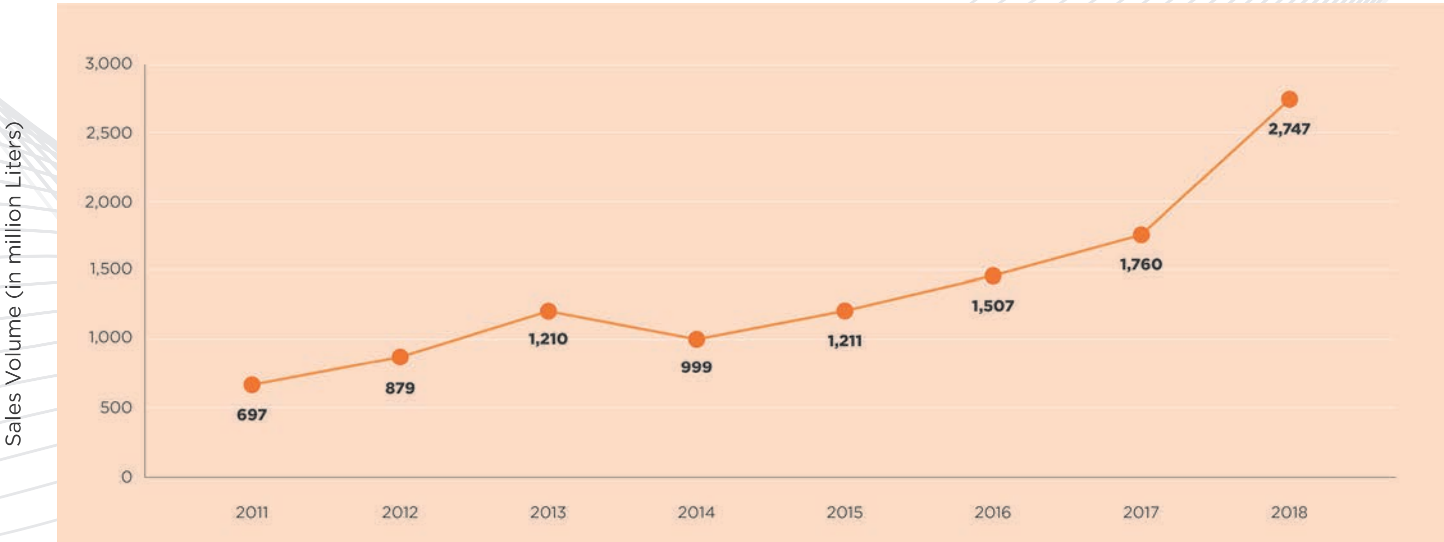


STOCKHOLDERS' EQUITY



*Re-stated Amount

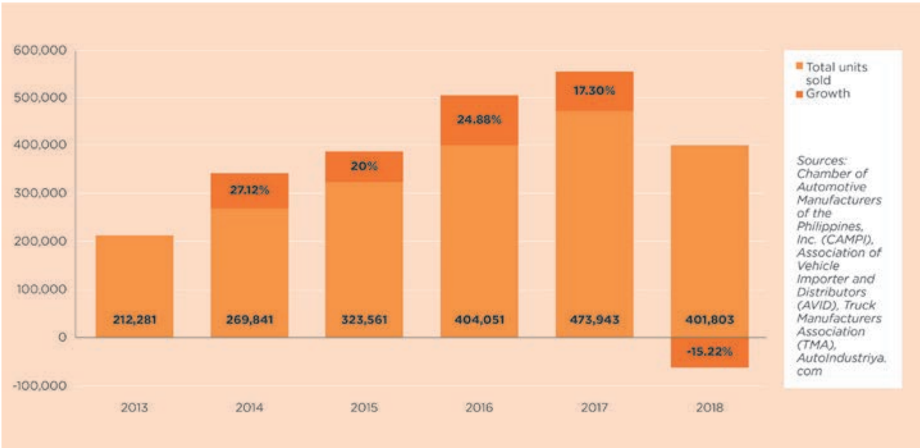
VOLUME SALES



INDUSTRY **HIGHLIGHTS**

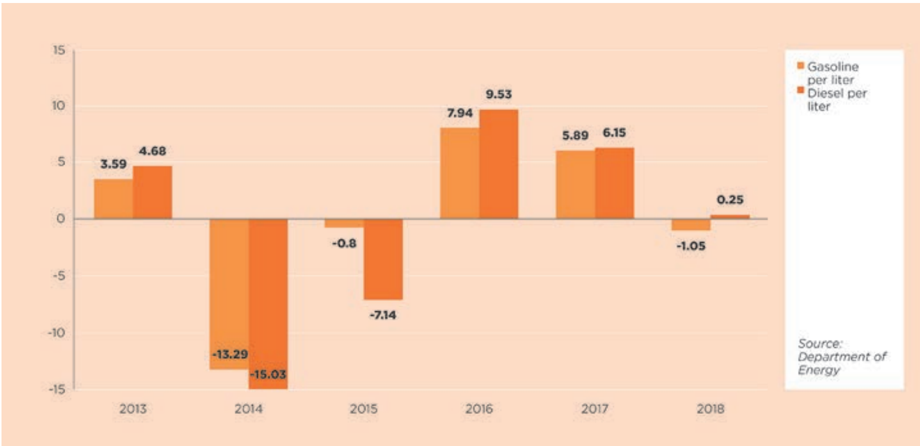
CAR SALES

Car sales growth decreased by 15% in 2018



OIL PRICES

Oil prices adjustments varied, with the price of Diesel fuels increasing even as Gasoline and LPG prices decreased.

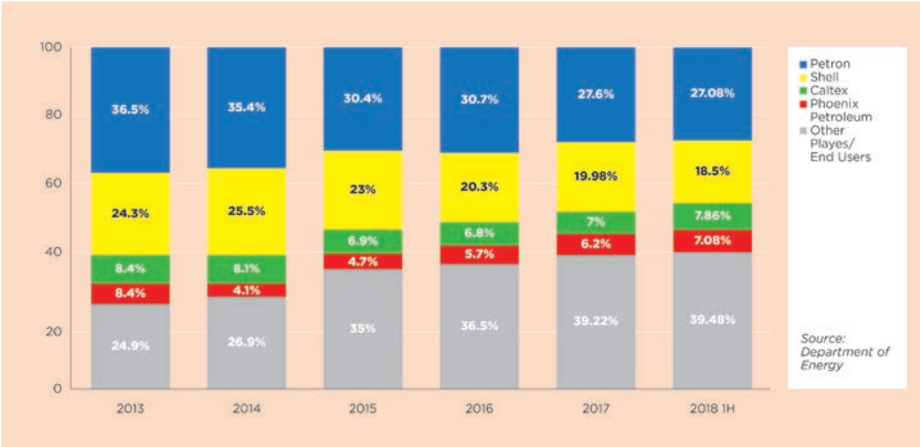


RETAIL PRICES IN METRO MANILA (PESO/LITER)	AS OF 2013, DEC. 31		AS OF 2014, DEC. 16		AS OF 2015, DEC. 29		AS OF 2016, DEC. 27		AS OF 2017, DEC. 19		AS OF 2018, DEC. 28	
PRODUCTS	PRICE RANGE	COMMON PRICE	PRICE RANGE	COMMON PRICE	PRICE RANGE	COMMON PRICE	PRICE RANGE	COMMON PRICE	PRICE RANGE	COMMON PRICE	PRICE RANGE	COMMON PRICE
DIESEL	42.20 - 47.05	45.25	29.20 - 32.55	31.40	20.55 - 23. 95	21.85	28.25 - 30.10	30.10	32.15 - 37.30	36.35	35.20 - 39.54	36.75
GASOLINE (RON 95)	50.00 - 56.35	55.5	37.85 - 43.95	42.00	33.20 - 40.65	39.90	36.90 - 47.90	46.30	43.05 - 52.95	47.85	41.05 - 51.72	46.95
LPG, P/11-KG CYLINDERS	850.00 - 967.00		570.00 - 711.00		470.00 - 680.00		425.00 - 650.00		550.00 - 777.00		531.00 - 715.00	

Source: Department of Energy

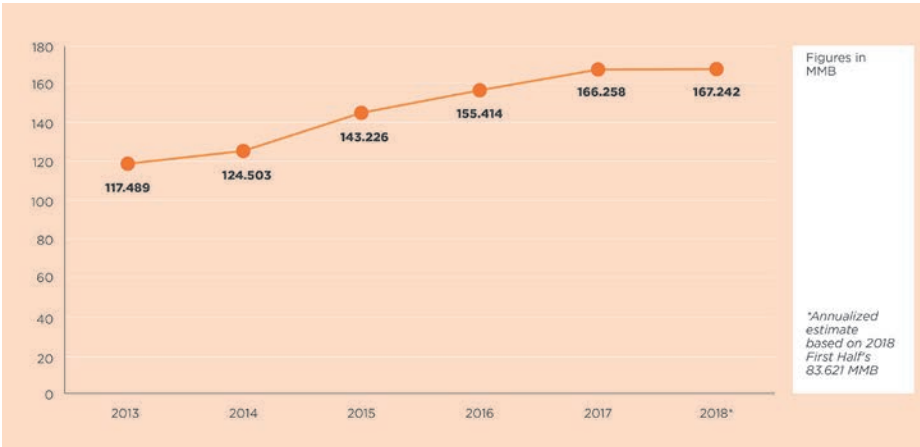
MARKET SHARE

Independent oil companies continued to expand their share of market. Phoenix continues to grow its market share in 2018 by almost 1% (0.88%).



PRODUCT DEMAND

Demand for petroleum products continued to rise



NEW TAX REFORM LAW IN EFFECT

President Rodrigo Duterte signed into law the Tax Reform for Acceleration and Inclusion (TRAIN) on December 19, 2017. The tax reform took effect at the start of 2018 with expectations of generating up to Php 150 billion in revenues to fund infrastructure and social services.

NEW EXCISE TAX RATES FOR FUEL (PER LITER)	2018	2019	2020
DIESEL	Php 2.50	Php 4.50	Php 6.00
LPG	Php 1.00/kg	Php 2.00/kg	Php 3.00/kg
REGULAR AND UNLEADED PREMIUM GASOLINE	Php 7.00	Php 9.00	Php 10.00

Source: Office of the Presidential Spokesperson

NEW HEIGHTS
IN 2018

> **"With a strong core fuels business and an expanding range of growing businesses, we are the fastest-growing oil company in the Philippines."**

MESSAGE FROM THE CHAIRMAN

It was another banner year for Phoenix Petroleum.

In 2018, we cemented our position as the leading independent and an emerging major as we became the third biggest player in terms of market share. With a strong core fuels business and an expanding range of growing businesses, we are the fastest-growing oil company in the Philippines.

Our accelerated growth coincides with our own country's renewed aspirations to be a more affluent upper middle class economy and a powerhouse in the world's fastest-growing region—Southeast Asia. We place our vote of confidence in the Philippine economy, investing in a future brighter than ever and committing to deliver high shareholder value.

I want to thank our Board of Directors, management team, and our people for their steadfast commitment. It is through the inspired collective efforts that we have reached new heights, and we will continue to aim higher as we set our sights from the Philippines to beyond.

Thank you for your support and trust in us.

Domingo

Domingo T. Uy
Chairman

RISING HIGHER

MESSAGE FROM THE PRESIDENT AND CEO

The story of Phoenix Petroleum has always been about a homegrown company challenging business as usual.

We entered the oil industry a few years after it opened itself to new players, at a time when the market was dominated by the traditional brands.

We started in the southern city of Davao and later expanded to the rest of the country, whereas most businesses start in the capital of Manila.

We placed a premium on fulfilling the customer's requirements by being fast and flexible; not transactional but building relationships for the long term.

Courage, determination, persistence, an eye for opportunities, faith in ourselves, our partners, and our values. These have brought us to where we are now – the third biggest player in the oil industry, an expanding range of businesses, and broadening reach from the Philippines to other Asian countries.

From these successes, we have built our ambitions, and we look forward to the future with optimism.

The outlook for the Philippines remains positive, with the country's GDP growing at 6.1% in 2018, despite the slowdown in the global economy. The construction and service industries performed well, manufacturing and agriculture declined, while the rise in inflation slowed down household consumption and investment spending.

“From these successes, we have built our ambitions, and we look forward to the future with optimism.”

The year 2018 marks the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) Law. The new law included new excise taxes on fuel and automobiles, while lowering personal income taxes.

Demand for petroleum products continued to grow overall. LPG saw the most increase at 10.6%, followed by diesel at 5%, and gasoline at 2.4% in the first half of 2018 compared to the same period in 2017, though demand for fuel oil dropped by 10.9%.

Global oil prices climbed in the first three quarters, with the price of Brent crude oil reaching its highest at USD 86.29/bbl in October before falling to a low of USD 50.47/bbl on Christmas Eve.

To local motorists, this resulted to a net decrease of Php 1.05 for gasoline and a net increase of Php 0.25 per liter for diesel. To soften the impact of the fuel excise tax amidst the rising prices, we supported the government’s fuel subsidy program, Pantawid Pasada, to public utility drivers.

Amidst this dynamic environment, the Philippines is on track to become one of the fastest-growing economies in the world. And as a proudly Filipino company, we are ready to rise and shine.

Our company’s performance reflects our growth ambition. We ended 2018 with our highest revenue and earnings thus far, driven by record volume from new businesses and sustained strength in our core fuel business. Net income grew 23% to Php 2.21 billion.

Despite the sharp decline in benchmark crude in the fourth quarter, revenues surged 99% to Php 88.61 billion as volume of petroleum products sold grew by 56% year-on-year to an all-time high of 2.75 billion liters.

Our domestic business, driven by fuels and LPG, delivered a 15% volume increase. Retail volume grew 5% as we opened more stations and increased brand awareness and patronage. As of end 2018, 600 stations have been opened nationwide.

Commercial volume grew 13% year-on-year and continued to strengthen its position with key wins in fast-growing industries.

Our new businesses are delivering significant value.

Driving the company’s record growth is the trading operations at PNX Petroleum Singapore, which contributed 758 million liters, or 28% of the consolidated volume sales. Established in September 2017, the office now supplies to majority of independent importers in the Philippines. We have expanded operations to include LPG trading, consistent with our focus on LPG as a growth driver.

Forty four percent of PNX Petroleum Singapore’s sales to external parties are to customers in the fast-growing markets in Southeast Asia, building a strong foundation for Phoenix’s regional expansion – a development that we are keen to start in early 2019.

Phoenix LPG Philippines, Inc., formerly the local operations of Malaysia’s Petronas, grew its volume 23% as we strengthened our core Visayas-Mindanao markets and expanded to Luzon. VisMin increased its volume by 14%, outpacing industry growth, while volume in Luzon more than tripled, accounting for 10% of total LPG volume compared to 4% before acquisition.

We completed the acquisition of Philippine FamilyMart in January 2018, and focused our efforts on operational excellence to bring the unique FamilyMart experience to our customers. As a result, average daily sales increased by 8% year-on-year. Our new Generation 2 store introduced our new store design, uniform, and food offerings – anchored on the evolving lifestyle shift towards convenience.

We continued to expand in 2018 as we formed partnerships and acquired more businesses.

Phoenix Asphalt Philippines, Inc., a joint venture of Phoenix Petroleum, PhilAsphalt Development Corp., and TIPCO Asphalt of Thailand, will capitalize on the country's aggressive infrastructure program. We have broken ground for the plant in Calaca, Batangas, with operations expected to start in the latter part of 2019.

We ventured into financial technology with the acquisition of Posible.net, a digital transactions platform which will support our business operations through synergies with our retail businesses.

We will continue to capitalize on synergies within our core businesses, such as LPG SUPER hubs and FamilyMart stores in Phoenix stations.

Synergy is a must as we expand not only the Phoenix Petroleum group but also our parent and holding company, UDENNA Corporation. Petroleum is one of the key pillars of UDENNA, as well as shipping and logistics, real estate development, infrastructure, education, and leisure and gaming.

The first Generation 2 FamilyMart store opened in August in Clark Global City, a major project of the UDENNA Development Corporation that is envisioned to become the new center of business and lifestyle in Luzon. FamilyMart also opened kiosks aboard four Starlite Ferries of affiliate Chelsea Logistics Holdings Corporation.

With Chelsea Logistics, PNX Petroleum engaged its first time chartered vessel, the M/T Chelsea Providence, the Philippines' biggest oil tanker, in December.

And as Chelsea bids for infrastructure projects, Phoenix will complement with our businesses in fuels, aviation services, and asphalt.

These and many more opportunities for synergy abound within Phoenix and within the UDENNA group, as our parent company is poised to become one of the most dynamic Filipino businesses.

Looking ahead, 2019 will be a bigger year as we break ground for our most ambitious venture yet, liquefied natural gas.

Tanglawan Philippine LNG Inc., a joint venture between Phoenix and CNOOC Gas and Power Group Co. Ltd., has been given the notice to proceed by the Department of Energy to build an LNG terminal in Batangas.

The regasification and receiving terminal will have a capacity of 2.2 mtpa, with commercial operations targeted to start by 2023.

Our venture into LNG supports the demand for a clean, competitive, and environment-friendly energy source in Luzon, while contributing to the sustainable development of the Philippine economy.

Our accomplishments and aspirations are all in support of our vision; to be an indispensable partner in the journey of everyone whose life we touch.

Seeing how far we have come and the wide expanse ahead of us makes the Phoenix team inspired and challenged to do more. Amidst much change, our values remain constant. Teamwork. Excellence. Service. Stewardship. Innovation. Integrity. These are our guiding light, and through the ebb and flow of business, serve as a reminder of who we are.

We may be a much bigger company now, but we remain at heart, a challenger and disruptor to the traditional and conventional.

We thank you for your trust, confidence, and faith in us, and we hope you continue to support us as we embark on greater journeys ahead.

Dennis

Dennis A. Uy
President and CEO

RISING TO THE **CHALLENGE**

“Your Phoenix Team is very much up to the challenge, and we are inspired to deliver more as we level up.”

MESSAGE FROM THE COO

The year 2018 saw Phoenix Petroleum execute relentlessly on all fronts. While in the previous year we proved that we could take on new ventures, this year, we demonstrated we have the ability to execute and create value for our businesses.

Despite industry headwinds in the fourth quarter, we delivered a strong finish to the year, anchored on the four pillars of our strategy; Delivering the basics, overlaying Growth, Breaking into new ground, and Building people and capabilities.

DELIVERING THE BASICS

Building the brand is at the core of our strategy - critical to establishing our company as a credible and preferred alternative in support of our vision of becoming “an indispensable partner in the journey of everyone whose life we touch.”

We continued to refurbish the look of our service stations with an additional 111 sites now carrying the refreshed design. Close to half of our network now carry our new visual manifestation, giving our sites a more modern, bright, clean, and secure look.

On Valentine’s Day, we launched our biggest marketing campaign with the introduction of our new Phoenix PULSE Technology, a fuel additive package with advanced cleaning and protection properties for enhanced power and acceleration. Phoenix PULSE Technology is available in all our fuel products at no added cost, making it truly value-adding. We are proud that motorists and car enthusiasts of various models have been converted to Phoenix PULSE Technology loyalists, after experiencing for themselves the power and acceleration of our fuel at great value.

From an attractive location and a great product, we focused on operational excellence with the launch of our “BEST” Program, standing for Bright and clean sites, service that’s Easy and fast, Serviceable facilities, and Touching the hearts of our customers. Since the launch of the program, our site Mystery Motorist scores need to be more consistent. What's important is we now have our dealers fully behind the program, we have visibility over site execution, and are aware of the gaps. Ensuring our sites are always at their BEST will be a key focus for retail in 2019.

These investments help strengthen the image our brand, improve customer loyalty, and establish it as a truly credible alternative against the majors. I am pleased to share that in 2018, our brand results have been no less than stellar. In an independent survey, 14% said Phoenix is their Brand Used Most Often, an industry standard for measuring customer loyalty to a brand. We are 5% points higher than the third leading brand and significantly ahead of all other independents.

Retail volume in 2018 increased 5%, whereas the industry is expected to grow only 1% and despite difficulties in the fourth quarter. We anticipate further improvement in market share where we are now almost at par with the third biggest player, even overtaking them at third position in Q1 2018.

The once fledgling brand, dismissed by many as just one of the independents, has risen to become a truly credible alternative, comparable, if not better, able to compete at the highest level, and challenge the dominant incumbents.

We have opened 600 stations to date nationwide. Retail, where our brand is still very much underrepresented, will continue to be a key area of focus in 2019. We will continue to expand and grow our presence.

Still on Retail, on our FamilyMart acquisition, our focus on delivering the basics, driving operational excellence across our line of operations is already delivering value. In the year since we acquired the business, we have made a step change improvement of fill rates and equipment uptime, increased store margins from better trading terms and selling more food, and improved store productivity lowering store operating costs by 14%. Store average daily sales have increased by 8% and store EBITDA improved more than 10 times.

We also made adjustments on the store format, offer, staff uniforms and layout consistent with our fun, fresh, clean and convenient brand vision and to support our "pivot to food" strategy. The new Generation 2 FamilyMart store initially launched at Clark Global City and replicated in a refurbished Glorietta store, the first FamilyMart store in the Philippines, showcased all these changes. Store average daily sales were 50-75% higher, food category sales were twice of typical stores, resulting in higher store margins.

On our Gas business, Phoenix LPG Philippines in its first full year, we focused on establishing the brand, revitalizing the current network, rolling out a new network of Phoenix Super LPG hubs, improving the supply chain, and delivering operational excellence. We invested and deployed new cylinders to serve growing demand in Visayas and Mindanao and support our new market entry in Luzon. We also rolled out our new branding in cylinders and stores.

I am pleased to say that in Visayas and Mindanao, which, prior to acquisition, had been experiencing year on year decline in volumes, we grew 14%. Apart from opening new retail hubs and winning new customers, we have also appointed 7 new dealers. In Luzon, where we hardly had any presence prior to the acquisition, we are starting to make headway. We appointed a total of 39 new dealers and welcomed 5 existing dealers from other brands to join our growing network. Combined growth of our LPG business in 2018 was 23%, a strong and promising start.

Our Gas business will be a key focus area for us in 2019. We believe that it will play a pivotal role in the country's future energy mix and security as it transitions into more renewable energy and a cleaner alternative into the future. We will continue to put more resource in growing and broadening our offers in this space, establish our brand as being safe, secure, and simple, and subsequently grow our rightful share in an industry that's expected to grow upwards of 12% year-on-year.

In the commercial and industrial business, we secured key wins from major accounts and fast-growing industries such as marine, logistics, transportation, and construction. Our end-to-end offering provides not only fuels, but solutions, such as product inventory management, technical training, and equipment upgrade.

The aviation business, however, which in 2018 was part of the C&I group, is a business that could do better. In an industry that's growing double-digit, domestic aviation is expected to grow upwards of 20% while international 24% 2019 to 2022 – we only managed to grow 3% plagued by supply and logistics challenges. While we remain strong and firmly established with our core Cebu Pacific business, having recently renewed our contract, we need to gain more of the growing demand from new and established carriers.

In response, we will be carving our Aviation as a separate business in 2019 with a mandate to grow and establish our Phoenix Jet Aviation brand. Key airport facilities are being upgraded and new airports being opened. To date, we are present in 18 airports – one of the most extensive airport fuels supply and terminaling networks in the country – to cater to the growing demand. Our into-plane services are being further upgraded to be in step with international aviation standards. We remain bullish of our growth prospects in Aviation and this will be a key area of focus in 2019.

GROWING THE BUSINESS

From delivering the basics, we overlay growth as we seize opportunities in a thriving economy.

We will focus on driving synergy and collaboration across Phoenix and the UDENNA group of companies to create more value and accelerate growth. We will build more service stations, LPG hubs to bring our brand closer to our customers, and new FamilyMart stores.

Our portfolio of businesses complements each other. In 2019, we will see more of these businesses coming together to provide customers with complete, one-stop experience. More of our Phoenix stations will be offering not just fuel and lubricants, but also Phoenix SUPER LPG. Soon we will have FamilyMart stores in our stations too.

In FamilyMart, we will leverage on the culinary expertise of affiliate companies Enderun Colleges and Conti's to support our pivot to food as we establish FamilyMart as a destination for food you can eat now or later.

We are forging more partnerships that complement our broad suite of offers. This creates many opportunities for our business partners, customers, and suppliers – making us a credible alternative and preferred choice indeed.

BREAKING NEW GROUND

We continue to invest in the future and new businesses that have good growth potential and have synergies with our portfolio. Following the success of our trading arm PNX Petroleum Singapore Pte Ltd., contributing significant volume and value in 2018, we have extended its trading portfolio into gas by opening an LPG trading desk. This will support our push into gas in the Philippines and lays the groundwork for our expansion to the Asian region.

We are expanding, as well, to other industries such as asphalt, where we have formed a joint venture with Thailand's TIPCO for Phoenix Asphalt Philippines, Inc.. With the plant targeted to finish in late 2019, we will be well positioned to serve the booming construction sector as the government accelerates its 'Build, Build, Build' program.

We recognize that technology is the enabler and data the currency of the future. That said, we will continue to invest in technology and further support our acquisition of start-up Action.able, which operates Posible.net, a digital payments platform. We have upgraded our platform in 2018, sharpened and strengthened the offer around "bayad, bili, and bilis" (pay, buy, fast) and accelerated the push to expand the network presence. We have recently gone into partnerships to broaden our network presence from traditional sari-sari stores to established franchise formats. Recently, we signed up with a leading grains and water franchise, Grainsmart, currently with a network of over 300 grains franchisees, with a plan to expand to 2,000 stores. In 2019, we will start overlaying the platform into our network of service stations, SUPER LPG Hubs, FamilyMart stores, and other partners and affiliates. Our platform will soon have major remittance brands and banks into the system and will soon be ready to offer more and more financial services to the communities we serve.

Across the UDENNA group, we can see a lot of potential to drive synergies in the digital and technology space. We see this as just the start of our digital transformation journey and we see exciting times ahead. The possibilities are endless as we use the power of technology to enhance customer experience.

BUILDING PEOPLE AND CAPABILITIES

The most important key to the success of our plans is our People. We have veterans who bring a wealth of experience and expertise from various industries, homegrown talent who grew with the company, and young professionals eager to make their mark. This diversity creates a distinct Phoenix culture – hardworking, hungry, humble, and honest.

We continue to harness the full potential of our diverse team and the new organization that we have established in 2017, with focus on fulfilling the customers' needs, driving accountability, and executing flawlessly. We will continue to encourage more collaboration and where it makes sense, drive synergies to create efficiencies and value.

This year, we continued to further simplify and standardize our business processes. We rolled out our standard ERP across PLPI and PFM. Following that successful migration, we have established a new Shared Services Team which will bring together in one team Customer and HR Operations, Procurement Services, Finance Operations, and IT services. Instead of having each replicated by PPPI and its subsidiaries, we now have one team catering to all. This drives efficiencies across the group and prepares us to serve the next phase of growth and expansion.

Developing leaders of the future is a key priority moving forward. In 2018 we completed a review of our talent and development needs. In 2019, we will be launching the first of a series of leadership programs aimed at preparing our next set of leaders.

Our accomplishments are affirmed by the awards and recognition we received this year for our leadership, marketing, communication, and corporate performance. Our Pinoy Tsuper Hero advocacy program won a prestigious Philippine Quill award, testament to the power of helping communities by empowering outstanding citizens.

The recognition extends to our basketball team, the Phoenix PULSE Fuel Masters, who ended season 44 of the PBA with their best finish yet. With two of our players winning distinguished awards and a strong roster of talents, the Phoenix PULSE Fuel Masters are on their way to glory in the country's premier basketball league.

Everything that we do has in mind serving our communities. From the industries we seek to lead and transform, to our corporate social responsibility programs, we have always aimed to be an indispensable partner in the journey of everyone whose life we touch.

We are positioning ourselves for more success in 2019 and beyond, with a focus on growth, execution, and delivering for our customers and shareholders.

Your Phoenix Team is very much up to the challenge, and we are inspired to deliver more as we level up.

Henry Albert R. Fadullon
Chief Operating Officer

RISING TO GREATER HEIGHTS: **AN AFFIRMATION OF OUR VALUES**

OPERATIONAL HIGHLIGHTS

Phoenix Petroleum's continued ascent to become one of the most trusted and admired companies in the country today is an affirmation of the long-held values that have been instilled in each and every employee.

By making this set of values our moral compass, guiding our every business decision, we have earned the trust of our partners, our customers, and the communities and the country we serve.

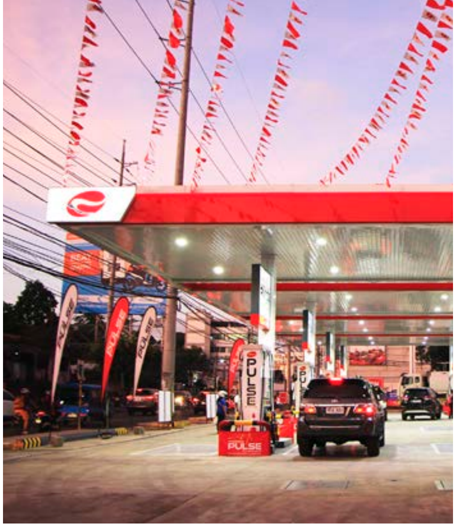
To these values we directly attribute phenomenal success, the new heights we have conquered in all areas of our operations, and our holistic approach to serving people.

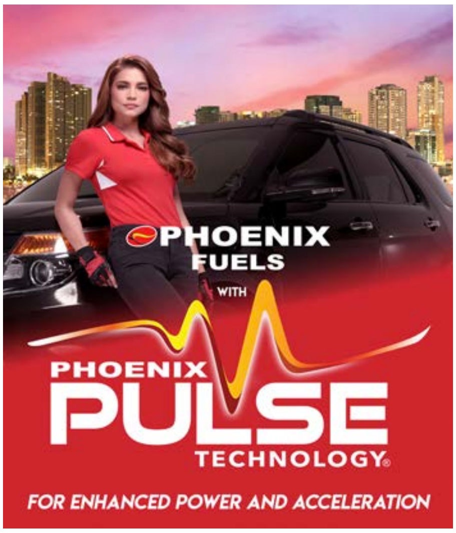
SETTING PULSES RACING: **NEW AND THRILLING HEIGHTS IN RETAIL**

Our retail business is Phoenix's flagship, carrying all the hallmarks of Excellence, Service, Innovation, Teamwork, and Integrity that have made us the leading independent oil company in the country today and a formidable challenger to the erstwhile majors.

The 600 retail stations to date trace themselves to the company's humble beginnings when in 2002, following the deregulation of the Philippine Oil Industry, we put up our first gas station in Davao with the aim of servicing a niche in the underserved markets.

The rest, as they say, is history with 2018 marking the opening of the biggest station yet in Banilad, Cebu, and Phoenix opening its doors to new and more locators in our stations, such as restaurants, cafes, salons, and auto servicing.





PHOENIX RISING. EVERYWHERE.

With 70 newly opened stations, we continue to aim for the best customer experience; Bright and clean stations, Easy and fast service, and Serviceable facilities that Touch the hearts of our customers with the proven side-effect of significantly increased sales.

Finally, we push for strong operational excellence in our stations to deliver the best service standard, through various initiatives such as the Mystery Motorist Program and continued retrofitting of stations to sport the new modern design.

PULSES RACING.

On February 14, we launched Phoenix PULSE Technology, a fuel additive with advanced cleaning and protection properties for enhanced power and acceleration. Available in all our fuel products, it is made with cutting-edge technology by world-class fuel experts, exclusively for Phoenix.

A SOLID PARTNER FOR AN EMERGING ASIAN ECONOMY.

Phoenix Petroleum extended full support to the Pantawid Pasada program in response to the government's effort to mitigate the impact of the Tax Reform for Acceleration and Inclusion (TRAIN) law to the transport sector. The Pantawid Pasada discount card entitles cardholders to a subsidy on Phoenix diesel blended with Phoenix PULSE Technology.

INNOVATIONS THAT BRING BEST VALUE, CONVENIENCE, AND REWARDING EXPERIENCE.

Launched in April, the Phoenix RCBC Bankard Mastercard is a lifestyle credit card packed with exclusive benefits for motorists, and lifestyle access and points for fulfilling rewards.

Made for the needs and lifestyle of this generation's motorists, the card offers pulse-racing lifestyle perks and privileges, such as a five percent fuel rebate on Phoenix fuel purchases, free towing and roadside assistance, accident insurance, a five percent discount on Phoenix gasoline and diesel engine oils, and conversion of rewards points to free flights, gift vouchers, or cash rebates. Cardholders also receive a free Php 500 Phoenix Fuel welcome gift.

RAISING THE FLAG

THE MYTHICAL PHOENIX IS A SYMBOL OF REBIRTH, AND WE ENVISION THE RE-EMERGENCE OF THE PHILIPPINES AS AN ASIAN POWERHOUSE IN MANY ARENAS INCLUDING SPORTS.

In support of the country's mission to win its first Olympic gold medal at the Tokyo 2020 Olympic Games, Phoenix Petroleum launched on Independence Day the "Buhayin Ang Laban Para Sa Ginto" campaign. We pledged to match every liter of Phoenix PULSE Technology-blended fuel purchased by motorists at any Phoenix fuel station nationwide with a 25-centavo donation from June 12, 2018 up to August 12, 2018.

Proceeds of the successful campaign were donated to Siklab Atleta Pilipinas Sports Foundation, Inc., a private non-profit organization whose main mission is to rally organizations and fund our top-flight athletes' quest for an Olympic gold medal. Phoenix doubled the donation, and in total gave Php 50 million to Siklab Atleta.

POP AND MATCH

Every Php 500 single or accumulated fuel purchase from any participating Phoenix retail station entitled customers to a pop-up coupon. The Pop and Match promo ran from October 5 to November 30, 2018.

TOGETHER WE RISE

We held our first Phoenix National Convention in December, gathering our dealers and business partners across the Philippines from our different brands – fuel, LPG, and FamilyMart. As a venue for learning, growth, and recognition, the convention featured an exhibit, conference, and the Phoenix X Factor awards night to recognize outstanding partners.

FUELING BUSINESS AND **INDUSTRY TO GREATER HEIGHTS**

Phoenix Petroleum is now among the country's top three providers of fuel to a wide range of commercial and industrial businesses in power, marine, manufacturing, transportation, aviation, and other industries.

We continue to grow in preferred growth sectors, presenting ourselves as a holistic solutions provider. Beyond the usual price proposition, Phoenix offers product inventory management, technical training, product consignment arrangement, and facilities upgrade of the kind that more than fuels businesses, but solves problems and enables customers to achieve their own success.

FULL THROTTLE AHEAD: AVIATION

Our collaboration with Cebu Pacific began in 2004 when the airline became the company's first customer. Then known as DOTSCO, we provided the innovative and fast-rising airline the lease of a storage tank, and later, into-plane services, eventually becoming their exclusive logistics provider in Mindanao and their major fuel supplier.

This teamwork and collaboration, a shared value, for innovation, and a relationship we truly value is manifested today by expanded into-plane, fuel storage, and bridging services to Cebu Pacific in 18 domestic airports, including new facilities in Mactan, Bacolod, Dumaguete, Capiz, Occidental Mindoro, as well as in NAIA beginning in October.

In January, the two companies renewed their supply agreement for jet fuel through Phoenix's subsidiary, Subic Petroleum Trading & Transport Phils., Inc..

Total lubricant volume grew by

28%

with commercial and high street growing by

59%

and

7%

respectively.

MORE COMPELLING VALUE PROPOSITIONS AT OUR RETAIL LUBE BAY

Striving to provide the best value services and unrivalled customer experience, we expanded our direct channel of Modern Trade via independent workshops and began work on the retail lube bay Autoworx Plus. We also partnered with Don Bosco Makati to provide a crew of excellent mechanics and created relationships with other companies for allied products like tires, batteries, spare parts, and accessories – making our Retail Lube Bay proposition truly responsive to the needs of our customers who come to us, in need of expert, qualified assistance and genuine service. This exemplifies the values that are setting Phoenix apart from its competitors and making us indispensable to our customers' journeys.

RAISING THE BAR: GLOBAL STANDARDS OF SAFETY AT OUR DEPOT OPERATIONS

Having established an effective framework, which adopts and complies with global quality standards, we aimed for ISO certification for our expanded depot operations.

Covering the terminal and depot operations in Calaca, Davao, Villanueva, Calapan, Cebu, Bacolod, Dumaguit, and Zamboanga, as well as the business units and support functions based in the Davao headquarters and Taguig office, the multiple certifications affirm the company's commitment to customer satisfaction, high quality of service, environmental stewardship, compliance, and continuous improvement.

We sustained an excellent safety record with the achievement of

Zero Loss Time Incident

and

8.2 Million

Safe Man-hours as of December 31, 2018.

Phoenix Petroleum Depot Operations achieved

two

International Organization for Standardization (ISO) certifications for our Quality Management System (ISO 9001:2015) and for Environmental Management System (ISO 14001:2015).

OUR PEOPLE: TRANSFORMING CULTURE AND SYSTEMS

OUR GROWTH AND ACHIEVEMENTS THUS FAR, HAVE BEEN POWERED BY THE INCREDIBLE TALENT, TENACITY, AND TEAMWORK OF OUR PEOPLE — THE SAME VIRTUES WE HAVE ALWAYS VALUED, RECOGNIZED, AND SOUGHT TO DEVELOP AS A REAL COMPETITIVE ADVANTAGE THAT SETS US APART FROM THE COMPETITION.

That said, the Phoenix team is also undergoing digitalization that is transforming our systems and operations, as well as the workforce itself and the way work is accomplished.

With the added information workload that increases system complexity, the team is responding to the challenge by finding ways to simplify work environments for people to become more effective and to make it easier for customers to work with us. This year, we implemented various projects to upgrade systems and improve processes. The result is simplified processes, faster extraction of data, fewer errors in transactions, and a higher responsiveness in handling customer and employee needs and concerns.

The digital transformation is making the organization itself rethink our ways of doing business and upgrade the skill set of our workforce for career growth. As we go along this determined path, information and insights from such automation and data driven initiatives will be valuable in better decision making for our businesses to the ultimate benefit of our customers.


Yes we will

FAITH IN OUR
VISION AND PLANS

On December 27, 2018, we successfully listed Php 10 billion worth of short term commercial papers (STCP) at the Philippine Dealing and Exchange Corporation (PDEX) – the biggest issuance of STCP.

THE MARKET AND THE FINANCIAL COMMUNITY CONTINUE TO VALIDATE OUR VISION, PERFORMANCE, INTEGRITY, AND GOOD GOVERNANCE. OUR REPUTATION DOES DEFINE WHO WE ARE.

This undertaking is integral to the growth of the company as it provides an alternative, market-driven source in raising funds for the expansion of our core and new businesses.

PNB Capital and Investment Corp. was the issue manager, lead underwriter, and bookrunner.

In 2014, Phoenix Petroleum became the first to list STCPs at the PDEX in more than a decade, making us a pioneer issuer of STCP programs in the country.

RISING STAR IN LPG: PHOENIX LPG PHILIPPINES, INC.

In its first full year under Phoenix Petroleum, the LPG business grew its volume by 23%. We are aggressively expanding to Luzon, where we have appointed new dealers and opened 48 SUPER LPG Hubs.

Phoenix SUPER LPG provides a clean, safe, and effective burning fuel for domestic, commercial, industrial, and agricultural uses. It is being used in hotels, malls, food chains, restaurants, bakeries, and factories, aside from thousands of homes where LPG is used to cook food to bring happiness and nourishment.

A PASSION FOR EXCELLENCE.

In December, we launched as brand ambassadress for Phoenix SUPER LPG Filipino pop star royalty Sarah Geronimo to represent our young and dynamic image, as well as our passion and pursuit of excellence in everything that we put our hearts into.

ASSURING STABILITY **SPREADING OUR WINGS**

PNX PETROLEUM SINGAPORE PTE. LTD.

A year after it opened, our Phoenix Singapore office has established a full trading set-up; a team of 14 full-time employees with trading expertise in physical, shipping, and derivatives markets. They have engaged with a diversified panel of reliable suppliers, from major Chinese and Korean refineries, to the biggest international oil trading houses.

The office started chartering activities in the second quarter of 2018, LPG trading in the third quarter, and engaged its first time chartered vessel in December, the M/T Chelsea Providence, the Philippines' biggest oil tanker from affiliate Chelsea Logistics Holdings Corporation.

PNX Petroleum Singapore currently supplies to majority of the independent importers in the Philippines.

In October, another wholly owned subsidiary in Singapore was created, PNX Energy International Holdings Pte Ltd., to manage the international investments of Phoenix Petroleum including expansion of related business activities and operations in the Asia Pacific region.

FLYING UNDER THE PHOENIX FLAG: PHILIPPINE FAMILYMART

FamilyMart continues to realize its vision of becoming an essential part of people’s everyday lives by being the most preferred convenience store in the country, where everyone is treated as part of our family.

A year after we acquired the business, Philippine FamilyMart has grown under Phoenix Petroleum. We sought to increase operational excellence by consistently providing the unique FamilyMart quality experience to its customers. The company looked to revitalize its operations and achieved improvements in equipment uptime, with vast improvements in inventory fill rates.

FamilyMart capitalized on the changing market preferences within the CVS and fast food industries by launching its Generation 2 stores which brought larger kitchens, dining areas, and more expansive food offerings as its major innovations. The first FamilyMart Gen 2 store opened on August 8 in Clark Global City, followed by the renovation of the first FamilyMart store in the country in Glorietta, Makati. This store type has produced a higher sales mix in favor of food products.

As of year-end, store count totalled 71, with kiosks present even in Starlight Ferries, breaking new ground with the world’s first convenience stores inside ships.

PHOENIX ASPHALT PHILIPPINES, INC.

In May, Phoenix Asphalt Philippines, Inc. or PAPI broke ground for the asphalt plant at the Calaca Industrial Seaport Park in Batangas with construction estimated to be completed by the last quarter of 2019.

It forms part of Phoenix's broader strategy to pursue growth, diversification, and add complementary industries to our core business so as to build up a solid, homegrown industrial and trade conglomerate.

Phoenix Asphalt Philippines, Inc. is the joint venture of Phoenix Petroleum, Thailand-based TIPCO Asphalt Public Co. Ltd, and PhilAsphalt Development Corporation. The three companies formed the joint venture in January to manufacture, operate, market, and distribute asphalt, asphalt-related products and other by-products of crude oil, and other petroleum products, and operate terminals and depots in the Philippines.

Tipco Asphalt is the leading manufacturer and distributor of asphalt products in Thailand and the Asia-Pacific region. Its major shareholder is COLAS Group of France, a leader in the construction and maintenance of transport infrastructure around the world.

PAPI has begun serving customers for asphalt in North Luzon and Metro Manila.

BUILD, BUILD, BUILD!

Macroeconomic conditions in the Philippines are seen as highly favorable for construction and infrastructure projects, backed by robust economic growth and a resolve to improve connectivity, particularly through better road and aviation infrastructure in the country. PAPI is thus, primed to meet the expected high demand for asphalt products and road building and paving materials for new private developments, as well as from new public initiatives, namely the government's aggressive 'Build, Build, Build' initiative that is currently in full swing.

AND WE HAVE **A LIFT-OFF**

FINTECH RISING: POSIBLE.NET

In May, Phoenix Petroleum acquired Pos!ble.net, a two-and-a-half-year-old digital payment platform, which enables and facilitates financial transactions such as prepaid load, bills, and money remittances via a point-of-sale device.

The acquisition of Pos!ble.net supports our business operations including synergies on our retail network, as well as our subsidiaries and affiliates such as Philippine FamilyMart.

Beyond the platform's current application to our businesses and our digital-ready customers is the growing awareness of how such digital tools are closing a yawning gap, enabling financial inclusion among Filipinos.

THE DIGITAL AND FINANCIAL DIVIDE.

Having a bank account that can be used to save, transfer and accept money, as well as pay bills and make purchases digitally is a basic indicator of financial inclusion today. The Bangko Sentral ng Pilipinas in its 2017 Financial Inclusion Survey, the results of which were released in 2018, revealed that in fact 77% of adult Filipinos do not have bank accounts.

FINTECH RISES.

The new logo and business package of Posible.net under Phoenix was launched at the Franchise Asia in July. As again, Phoenix finds itself in the right place, at the right time, and with its primordial motivation to serve the underserved.

PILIPINAS RISING: TANGLAWAN PHILIPPINE LNG INC.

Ultimately, Phoenix is in the service of the Filipino People. The Tanglawan Philippine LNG (Liquefied Natural Gas) venture thus, seeks to contribute to the power needs of the Philippines especially at a time of rapid economic growth that translates to a greater demand for electricity back-to-back with steep power supply challenges.

Tanglawan Philippine LNG Inc., a joint venture between Phoenix Petroleum and CNOOC Gas and Power Group Co. Ltd., was granted by the Department of Energy in December the Notice to Proceed to build an LNG terminal in Batangas.

The company plans to break ground in 2019 for the regasification and receiving terminal with a capacity of 2.2 mtpa, with commercial operations targeted to start by 2023.

The LNG facility will help support the demand for clean, low-cost, and environment-friendly energy source in Luzon and contribute to the sustainable development of the Philippine economy.

The integrated long-term project plan also aims to develop a gas-fired power generation facility with up to 2,000 megawatts installed capacity.

In June, Phoenix Petroleum signed a memorandum of understanding with CNOOC Gas and Power Group Co. Ltd., a subsidiary of China National Offshore Oil Corporation (CNOOC), China's largest LNG importer and terminal operator and the third largest in the world, to study, plan, and develop an LNG receiving terminal and gas-fired power plant project in the Philippines.

AWARDS AND **RECOGNITION**

HUMBLY, WE ACCEPTED THESE TROPHIES HONORING BRAND, MARKETING, AND LEADERSHIP.

PROUDLY, WE RAISED THEM AS INSPIRATIONS TO CONTINUE SERVICE, TEAMWORK, AND EXCELLENCE.

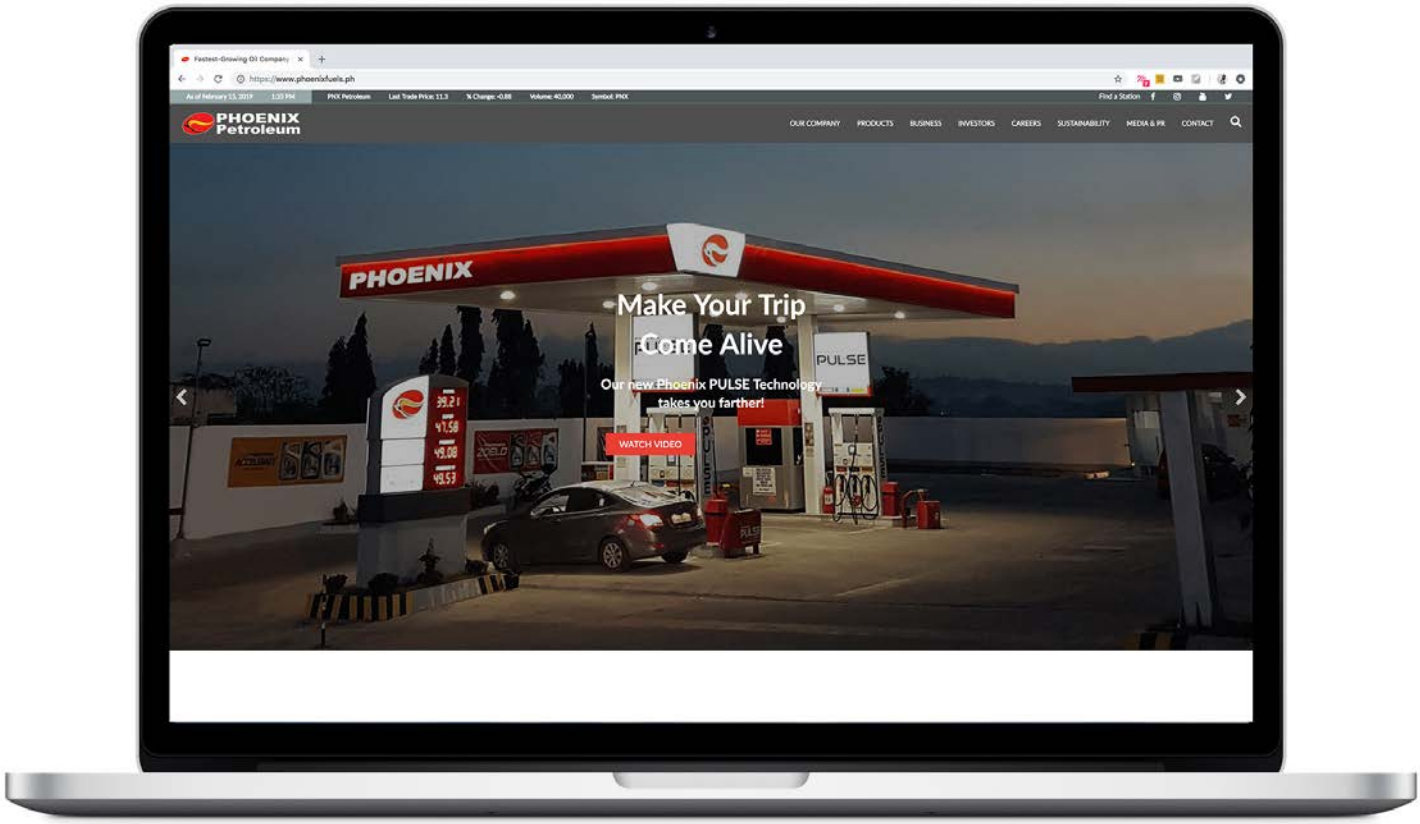
FRANCHISE ASIA 2018

Phoenix Petroleum took home—for the sixth time—the Best Booth Design award under the non-food, 72 sqm. and above category at the Franchise Asia Philippines 2018, dubbed the Biggest Franchise Show in Asia.

Bringing in for the first time all of its newly acquired subsidiaries, Phoenix Petroleum showcased a mockup of a Phoenix fuel station, a Phoenix Super LPG hub, a replica of a FamilyMart convenience store, and a Phoenix Auto Lounge during the three-day franchise show held on July 20 to 22, 2018 at the SMX Convention Center in Pasay City.

And just like the real and modern Phoenix stations they simulated, the booths attracted foot traffic at the expo where hundreds of aspiring entrepreneurs flocked to the booths to inquire about various business possibilities and opportunities with Phoenix. Other Phoenix offerings such as lubricants distributorship and Phoenix-RCBC Bankard membership were also extended to visitors at the booths.

IT WAS A 6-PEAT FOR BEST BOOTH DESIGN AT FRANCHISE ASIA.



THE STEVIE AWARDS AT THE 15TH INTERNATIONAL BUSINESS AWARDS

Phoenix Petroleum entered the elite circle of winners at the prestigious International Business Awards (IBA) as it won Gold and Silver trophies at the 2018 Stevie Awards, considered the Oscars of business.

The company's newly revamped website bagged the Gold Stevie Award for the Best Website in the Energy category. Phoenix Petroleum introduced its redesigned website in February 2018 to showcase the brand as an emerging major player in the oil industry. The online platform features a dynamic, engaging, and user-friendly design that supports the company's positioning as the next generation company.

Phoenix Petroleum also received a Silver Stevie Award from the IBA as the Fastest-Growing Company of the Year in the Asia, Australia, and New Zealand region.

This year, the IBA received more than 3,900 nominations from various organizations worldwide. Stevie Award winners were determined by the average scores of more than 270 executives who participated on 12 juries.

2018 PHILIPPINE QUILL AWARDS

Phoenix Petroleum's Pinoy Tsuper Hero received the Award of Excellence under the Community Relations category at the 2018 Philippine Quill Awards.

The campaign recognizes outstanding Filipino drivers who exemplify discipline on the road, make a big difference in the community, and take steps to protect the environment. Pinoy Tsuper Hero aims to bring out the "superhero" in every driver and promote driving as a noble profession.

The Philippine Quill Awards is the country's highest and most comprehensive award-giving body in business communication. Organized by the International Association of Business Communicators, it recognizes individuals, companies, and programs that exemplify excellent use of communication in achieving goals and in making a difference in the society.

Phoenix Petroleum's Brand and Marketing Group, led by Assistant Vice President Celina Matias, and the ABS-CBN Lingkod Kapamilya Foundation, Inc. team, led by Chief Marketing Officer Paul Mercado, received the trophy during the awards night on July 9, 2018 at the Marriott Hotel in Pasay City.

"You can do what you love, and you can also love what you do. Work that comes from the heart, with good intentions, will always come out the best."

Dennis Uy,
President and CEO

TOASTMASTERS INTERNATIONAL

Toastmasters International is a nonprofit educational organization that operates clubs worldwide for the purpose of helping members improve their communication skills, public speaking, and leadership adeptness.

President and CEO Dennis Uy was the recipient of the Communication and Leadership Award at the Toastmasters International District Conference 2018 held on April 27, 2018. The conference took place at the Apo View Hotel in Davao City, which was attended by hundreds of members of the organization nationwide.

Uy was recognized for his outstanding service to the Filipino community, the state, and the various industries our businesses are engaged in.

In his message, the Phoenix President and CEO shared the lessons he has learned in his entrepreneurial journey—lessons that he believe would help fellow Filipinos compete and shine in a bigger stage, be it in the business sector, in the professional world, or even in their personal lives.

DAVAO LEAD AWARDS

Phoenix Petroleum President and CEO and proud Davaoeño, Dennis Uy, was among the honorees at the 2018 Leaders and Achievers of Davao (Lead) Awards on November 17, 2018.

Uy was recognized under the business entrepreneurship and management category for his pioneering achievements as the leader of the country's fastest-growing oil company, Phoenix Petroleum.

The criteria for selection includes character, integrity, and moral values; leadership and embodying the leadership tenets of the Junior Chamber International along with the candidate's contribution and impact to his or her community.

ASIA CEO AWARDS 2018

Phoenix Petroleum President and CEO Dennis Uy was included in the Circle of Excellence in the Global Filipino Executive of the Year category at the Asia CEO Awards 2018.

Uy was cited for his pioneering achievements as the leader of the country's fastest-growing oil company, Phoenix Petroleum, and driving the company into achieving triple all-time highs in revenue, net income, and volume.

The Asia CEO Awards is the largest business awards event in the Philippines and Southeast Asia. It promotes the ASEAN region as a premier business destination in the world and serves as a regular networking platform for active business leaders in the region.

PHOENIX PHILIPPINES FOUNDATION: **RAISING THE FUTURE OF FILIPINOS**

PHOENIX FOUNDATION HIGHLIGHTS

Apart from the company's contributions to the national economy and to the welfare of our employees and the communities we serve, Phoenix Petroleum supports Corporate Social Responsibility programs and initiatives bannered by the Phoenix Philippines Foundation, Inc..

Since our first CSR activity in 2007, Phoenix Philippines Foundation, Inc. has been an active partner of communities and institutions in the development of skills, in education, in the promotion of health and safety, and in the empowerment of people, especially the less privileged and marginalized sectors of society. As our company grows, so does our commitment to uplift the quality of life, to give hope for brighter futures, and to uphold the dignity of Filipinos whose lives we touch.

CORPORATE SOCIAL RESPONSIBILITY

PRO-PEOPLE. PRO-NATURE. PRO-NATION.

May Pulso para sa Tao, Kalikasan, at Bayan.

Through Phoenix Philippines Foundation, we make a large stake in our Youth, our Communities, and our Nation; always forward-looking as we partner with institutions for education and skills development, for the promotion of health and safety, for the empowerment of sectors, for sustaining life, and caring for nature.

Phoenix Petroleum is all about the pulse to live, to give, to serve.

9,434
PRE-SCHOOL GRADUATES
since 2008

29
ADOPTED SCHOOLS
Helping young kids study for free.

2,018
LIVELIHOOD GRADUATES
since 2008

100%
PASSING RATE
of our ALS graduates in the TESDA certification

52,300
TREES PLANTED
since 2009

8
YEARS
that our adopted Philippine Eagle “Phoenix” has been together with his pair

105
ARTIFICIAL REEFS
made to provide shelter to marine life

16,102
BENEFICIARIES
of medical and dental missions to date

9,796
BLOOD BAGS
collected since 2007

20,209
GIFTS
since our annual Christmas gift-giving in 2007

EDUCATION: EQUALIZING OPPORTUNITIES FOR FILIPINOS

Phoenix Foundation's education programs aim to equalize opportunities and empower people to build and secure their own future.

Our wholistic approach integrates components of free education and scholarship grants, building libraries, and outfitting classrooms through the Brigada Eskwela program. Then there is the support for the Department of Education's Alternative Learning System which offers courses such as welding, electronics, electricity, plumbing, computer servicing, beauty culture and hairstyling to out-of-school youth, the unemployed, and those looking to learn new skills and get a new start in life.

HEALTH: HEALTHY PEOPLE, STRONGER NATION

The Phoenix Foundation cares for partner communities by ensuring their health and wellness through various programs. Apart from medical and dental missions conducted all over the country, the Foundation also organizes bloodletting activities that supply blood bags to thousands of patients who need them every year. Our health advocacy also takes us on missions to rescue actual lives. Through its support to the Dr. Gerry Cunanan Mindanao Heart Fund at the Southern Philippines Medical Center, it has helped three young patients undergo free heart operations, giving them a new lease on life.

OUTREACH: SPREADING JOY, GIVING HOPE

Phoenix Foundation shares the joy of Christmas every year, giving gifts to children at beneficiary institutions and allowing employees to play Santa to over 16,000 kids who received bags, school supplies, toys, slippers, and other gifts.

With over 20 natural calamities and disasters striking the Philippines year in and year out, Phoenix Foundation readily responds with humanitarian rescue and relief operations to ease the plight of victims.

THE ENVIRONMENT: A LEGACY TO FUTURE GENERATIONS

Phoenix Foundation programs are propelled by one motivation; to protect and enhance the environment so that future generations may live and enjoy it as much as we do. It is enshrined in our values — we view ourselves as stewards, merely caring for our earth for the future generations. Whether it’s planting seedlings and nurturing their growth, or ensuring that seas are clean through coastal cleanups, or taking care of the endangered Philippine Eagle, we find it in our own nature to nurture life.

FOR OVER A DECADE, PHOENIX PHILIPPINES FOUNDATION HAS CHAMPIONED VARIOUS SECTORS AND COMMUNITIES WITH INITIATIVES DESIGNED TO UPLIFT THE FILIPINO’S PRIDE, DIGNITY, AND QUALITY OF LIFE. AND AS IT GROWS ITS BUSINESS AND EXPAND ITS REACH, IT STAYS COMMITTED TO UPLIFT LIVES AND FUEL JOURNEYS, ONE FILIPINO DREAMER AT A TIME.

PINOY TSUPER HERO

Pinoy Tsuper Hero is a nationwide advocacy program, which aims to bring out the "superhero" in every driver and promote driving as a noble profession. It is presented by Phoenix Petroleum in partnership with ABS-CBN Lingkod Kapamilya Foundation Inc. and Bayan Academy.

Regional finalists are selected from drivers who register at the selected Phoenix station in their area during the registration period. During the qualifying period, candidates attend trainings about road safety, environment protection, and leadership. Applicants are screened and the top 10 finalists are called in for training and mentoring by industry experts.

IN THE DRIVER'S SEAT AT WORK, AT HOME, AND IN THE COMMUNITY

ALBERTO ABAD, PINOY TSUPER HERO 2017

Sheer hard work, discipline, and a strong sense of civic duty and responsibility brought Albert Abad to where he is today. He had been a farmer, construction worker, furniture maker, houseboy, personal assistant, driver, and now a proud owner and operator of a modest fleet of three tricycles and two UV express vehicles. The same qualities have earned Abad the trust and respect of many people.

Implementing various safety and environment protection programs in his community, such as proper waste segregation and prohibition on burning of trash, monitoring stringent regulations on clearing pathways for cars and people, and keeping the surroundings clean through the Linis Walis Program, Abad was elected president of their community's homeowners association and currently serves as a member of the Board of Directors of a cooperative in his hometown in Antipolo, Rizal. He is also an active and a reputable member of the Tricycle Operators and Drivers' Association (TODA) in his locality.

The proud father of three bested over 30,000 drivers from all over the country who joined this year's Pinoy Tsuper Hero contest and was chosen through a series of screenings including trainings, deliberations, and panel interviews. He took home an accumulated cash prize of Php 140,000, Phoenix fuel and lubricant products worth Php 50,000, a family accident insurance worth Php 1 million, a Phoenix Petroleum watch, and a brand new Suzuki Ertiga.

"My plans are to educate the drivers on how to become a defensive driver and be trained on how to save lives during emergencies. I also want to organize seminars to discuss and teach them how to abide by traffic laws, how to dispose used oil, and how to use oil filters properly. I want to share with them my advocacy on protecting the environment and hopefully encourage them to support or even start their own program of the same cause. Above all, I want to inculcate in them the virtue of discipline which has enabled me to make a difference all these years," Abad said.

"With discipline, determination, trustworthiness, and respect for the rights of others, time will come that we will receive the kind of respect similar to the respect given to those in the corporate world."

He is more than ready to live up to the Pinoy Tsuper Hero title and continue the legacy of former winners Reynaldo Samonte of Batangas and Edwin Escamos of Iloilo City.

"As a Pinoy Tsuper Hero winner, I want to be a good ambassador of drivers by showing that although drivers may not earn as much as other professionals, we are still able to support the needs of our family in a rightful way," said Abad. "With discipline, determination, trustworthiness, and respect for the rights of others, time will come that we will receive the kind of respect similar to the respect given to those in the corporate world."

Launched three years ago, Pinoy Tsuper Hero is the collaborative advocacy campaign of Phoenix Petroleum, ABS-CBN Lingkod Kapamilya Foundation, and Bayan Academy. The brainchild of Phoenix Petroleum President and CEO Dennis Uy, it recognizes and empowers outstanding Filipino drivers who make a big difference in the community, exemplify discipline on the road, and help protect the environment.

SIKLAB ATLETA: FUELING PILIPINAS' QUEST FOR OLYMPIC GOLD

Launched in March 2018, the Siklab Atleta Pilipinas Sports Foundation, Inc. is a private, non-profit organization, whose main mission is to help provide scientific training, and financial, as well as logistical support to top-flight Filipino athletes and give them the best possible chance of bringing home the country's first-ever gold medal in the Olympics.

Resources are pooled through Siklab Atleta to provide athletes with training equipment and facilities, coaching services, exposure to international competitions, education, housing, and livelihood programs.

Particular sports and athletes were chosen according to the fields where the Philippines has greater chances of winning such as archery, athletics, aquatics, boxing, cycling, canoe-kayak, gymnastics, judo, karate, surfing, taekwondo, triathlon, weightlifting, and windsurfing. Athletes supported by Siklab Atleta Pilipinas Sports Foundation, Inc. include Hidilyn Diaz (weightlifting), Nicole Tagle (Archery), Shawn Cray (Athletics), James Dieparine (Aquatics), John Tupas (Boxing), James Delos Reyes (Karate), and many more.

The Philippines has been in pursuit of its first-ever gold medal since it first joined the Olympics in Paris in 1924, and Siklab hopes to achieve just that through the support of industry leaders who share the organization's dream of winning at the Olympics.

“Siklab Atleta Pilipinas Sports Foundation will fuel the Philippines’ best athletes to make the country’s dream of bagging an Olympic gold a reality.”

Dennis Uy, Presidential Adviser for Sports, Phoenix Petroleum President and CEO

SIKLAB ATLETA
PILIPINAS SPORTS FOUNDATION

SHINING STARS

Meanwhile, at the Philippines' premier professional basketball league, the Philippine Basketball Association (PBA), the Phoenix PULSE Fuel Masters charge into the hard court in a display of grit, spirit, firepower, and precision that has made basketball the country's number one sport. And yet, the qualities that make this sport and the Phoenix PULSE Fuel Masters' brand of basketball a genuine thing of beauty for fans across the country proceed from our own Corporate Values: Awesome Teamwork, the Pursuit of Excellence, and Genuine Service to the Community.

PHOENIX PULSE
FUEL MASTERS

NOVEMBER

We signed Coach Louie Alas and Coach Topex Robinson as our team's new Head Coach and Associate Head Coach, respectively.

We drafted and signed future superstar Jason Perkins to a 3-year Rookie Max deal.

APRIL

In cooperation with the Phoenix Foundation, we launched the first-ever Phoenix Pinoy Hoops in Subic, Pampanga, a week-long basketball tournament for kids aged 11 to 14. This is part of the team's advocacy to develop and reach out to our grassroots through sports.

The team marched into the Commissioner's Cup using the Phoenix PULSE Technology brand on their game uniforms.

MAY

Phoenix PULSE Technology became the major sponsor in the annual PBA All-Star event which took place in three different legs, namely Davao, Batangas, and Iloilo.

PHOENIX PULSE FUEL MASTERS' PBA SEASON 44 HIGHLIGHTS

AUGUST

Our team figured in a blockbuster trade to acquire "The Beast" Calvin Abueva from Alaska. Calvin later signed a 2-year extension with our team. With a 2-0 start in the Governor's Cup, our team beat the Northport Batang Pier with a franchise-best 41 point lead – the biggest in our team's history.

NOVEMBER

Our team qualified for the Quarter Finals with a franchise-best record of 8 wins and 3 losses, good enough to be able to place second overall after the elimination phase. This is also the best ranking finish our team has ever attained, so far.

DECEMBER

The Fuel Masters donated Php 100,000 to Cribs Foundation, a non-profit, non-stock, and non-government organization that fosters abandoned, surrendered, neglected, and sexually abused children.

The team figured in yet another significant trade wherein we gave up our 4th overall pick in exchange for veteran marquee players Alex Mallari and Dave Marcelo.

JANUARY

We capped off the season with two of our players winning prestigious awards at the 2018 PBA Leo Awards. Jason Perkins won Rookie of the Year while Matthew Wright bagged home the Mythical 10 award.

BOARD OF DIRECTORS

ATTY. J.V. EMMANUEL A. DE DIOS
Director

FREDERIC C. DYBUNCIO
Director

ROMEO B. DE GUZMAN
Vice Chairman and Senior Strategic Adviser

CHERYLYN C. UY
Director

DENNIS A. UY
President and Chief Executive Officer

STEPHEN T. CUUNJIENG
Director

DOMINGO T. UY
Chairman

MONICO V. JACOB
Independent Director

JUSTICE CONSUELO YNARES SANTIAGO
Independent Director

JOSEPH JOHN L. ONG
Director

CAROLINA INEZ ANGELA S. REYES
Director
(Not in photo)

BOARD OF **DIRECTORS**

DOMINGO T. UY
Chairman

Mr. Domingo T. Uy is a co-founder and has been a member of the Board of Directors of the Company since 2002. Mr. Uy was elected Chairman of the Board of Directors of the Company on February 15, 2007. He is also a Director of Granland Resources Corporation, a corporation involved in real estate development, and is actively involved in socio-civic programs. He is the Chairman of the Board of Trustees of the Davao Chong Hua High School, director of the Philippine National Red Cross - Davao Chapter, and a Past President of the Davao City Sta. Ana Lions Club and the Kang Ha Uy Association - Davao Chapter.

DENNIS A. UY
President and Chief Executive Officer

Mr. Dennis A. Uy is the founder of the Company and has served as President and Chief Executive Officer since inception. He is the Founder, Chairman, and CEO of UDENNA Corporation, the parent company with a diverse business portfolio that includes interests in petroleum retail and distribution, shipping and logistics, real estate development, infrastructure, education, and leisure and gaming.

Mr. Uy is the Chairman of Chelsea Logistics Holdings Corporation, a dominant player in the shipping and logistics industry, and Chairman of 2GO Group Inc., the country's largest logistics provider.

He is Chairman and President of UDENNA Development Corporation, which develops and manages real estate projects such as Clark Global City, Calaca Industrial Seaport Park, UDENNA Tower, and The Emerald in Mactan, Cebu. He is Chairman and President of UDENNA Infrastructure Corp., Chairman of PH Travel and Leisure Holdings Corp., and President of Enderun Colleges, Inc..

Mr. Uy is also Chairman of Phoenix Philippines Foundation, UDENNA Foundation, Siklab Atleta Pilipinas Sports Foundation, and LIFE Fund.

He serves as Director of Alphaland Corporation and Independent Director of Apex Mining Corp.. He was appointed Presidential Adviser on Sports in 2016, and Honorary Consul of Kazakhstan to the Philippines in 2011. Mr. Uy is a graduate of De La Salle University with a degree in Business Management.

ROMEO B. DE GUZMAN
Director

Mr. Romeo B. De Guzman has been Director of the Company since 2009. He is the Vice Chairman and Senior Strategic Adviser, and previously, was Chief Operating Officer of the Company, bringing over 40 years of outstanding experience in the oil industry. Before joining the Company, he was with Pilipinas Shell Petroleum Corporation, where he was Vice President for External Affairs for Asia Pacific and a member of the Board of Directors up to December 2006. He was with the said company holding various management and executive positions. Prior to that, he worked at Getty Oil Philippines Inc. for 10 years. Mr. De Guzman is also the Chairman of the Board of Directors of Mirait Philippines, Inc.. He holds a Marketing Management and MBA degrees from San Sebastian College – Manila.

JOSEPH JOHN L. ONG
Director

Mr. Joseph John L. Ong is the Treasurer and Head of Corporate Finance, and previously, was Chief Finance Officer of the Company. He is also a member of the Board of Directors of Phoenix LPG Philippines, Inc., Philippine FamilyMart CVS, Inc., and South Pacific, Inc., an affiliate of the Company. Prior to his employment in the Company, he spent almost 10 years at Primeworld Digital Systems, Inc. (Pacific Internet Phils.) initially as Vice President and CFO and eventually as Executive Vice President – Operations and Chief Finance Officer from 2008 to 2009. He also worked for 12 years with Ginebra San Miguel, Inc., then known as La Tondeña Distillers, Inc., the country's second largest beverage company at the time and a listed subsidiary of San Miguel Corporation. He was its Vice President for Treasury from 1995 to 1999, at which time he headed the team that took the company public in 1994 and was primarily responsible for institutional-investor relations. Prior to the San Miguel Group, he held various positions at the Bank of the Philippine Islands and Ayala Investment & Development Corp. (before it merged with BPI) from 1980 to 1986. He received his Bachelor of Science in Commerce degree from De La Salle University in 1980.

CHERYLYN C. UY
Director

Ms. Cherylyn C. Uy is one of the pioneers and incorporators of UDENNA Corporation, the parent company of Phoenix Petroleum, and which has businesses in petroleum retail and distribution, shipping and logistics, real estate development, infrastructure, education, and leisure and gaming. She is the Corporate Treasurer of UDENNA Corporation and Chelsea Logistics Holdings Corporation. She is President of UDENNA Foundation and Phoenix Philippines Foundation, Inc.. Ms. Uy is a graduate of Business and Finance from Ateneo de Davao University.

BOARD OF **DIRECTORS**

J.V. EMMANUEL A. DE DIOS
Director

Atty. J.V. Emmanuel A. De Dios was elected Independent Director of the Company on February 15, 2007 and regular director on March 7, 2008. He is the CEO of GE Philippines, and prior to that, was President and CEO of Nido Petroleum Pty Ltd., an Australian Stock Exchange-listed oil and gas company. He was Managing Director of Merritt Advisory Partners, Inc. and was a member of the Board of Directors of Davies Energy Systems, Inc.. He also served as Chairman of the Board of the Philippine National Oil Company Exploration Corporation and was former Undersecretary of the Philippine Department of Energy. Atty. De Dios obtained his Master of Laws degree from Harvard Law School and completed his Bachelor of Laws at the Ateneo School of Law.

CAROLINA INEZ ANGELA S. REYES
Director

Carolina Inez Angela S. Reyes is the owner and Co-Chief Executive Officer of Reyes Barbecue, a popular chain of more than 50 barbecue-focused restaurants founded by her husband, Francisco Reyes. Before taking charge at Reyes Barbecue in 2008, Ms. Reyes spent 20 years as a corporate marketing executive, where she distinguished herself by revitalizing and energizing brands. From 1994 to 1999, she held the following positions in La Tondeña Distillers, Inc.: Vice-President Marketing Services; Vice-President Marketing and Sales Non-Liquor (Bottled Water & Juices), Assistant Vice-President and Area Sales Director. From 1999 to 2002, Ms. Reyes also worked in The Coca-Cola Export Corporation as its Division Marketing Director of Non-Carbonated Beverages Business Unit and Director for Alternative Beverages. From July 2002 to October 2007, Ms. Reyes served as the Vice-President for Marketing of Jollibee Foods Corporation. She took her Masters in Business Administration from De La Salle University Graduate School of Business, graduated from the University of the Philippines (Diliman) with a degree in A.B. Economics, and took a short course at the Culinary Institute of America in New York.

MONICO V. JACOB
Independent Director

Monico V. Jacob has been Independent Director of the Company since March 7, 2008. He is President and Chief Executive Officer of the STI Education Systems Holdings, Inc., a publicly listed company; of STI Education Services Group, Inc.; and of West Negros University. He is also the Chairman of Philplans First, Inc., a pre-need company; and of Philippine Life Financial, Inc., a life insurance company. He, likewise, sits as an independent director of Jollibee Foods, Inc., Lopez Holdings, Inc. and 2GO Shipping. He sits as Director of Asian Terminals, Inc., Philhealthcare Systems, Inc., an HMO, and IAcademy.

FREDERIC C. DYBUNCIO
Director

Mr. Frederic C. DyBuncio was elected as a Director of the Company on May 27, 2017. He is the President of SM Investments Corporation. He is a Director of Atlas Consolidated Mining and Development Corporation, Premium Leisure Corp., 2GO Group, Inc., and Pacific Online Systems Corporation. Prior to holding the post, he was a career banker who spent over 20 years with JP Morgan Chase and its predecessor institutions. During his stint in the banking industry, he was assigned to various executive positions where he gained substantial professional experience in the areas of credit, relationship management and origination, investment banking, capital markets, and general management. He has worked and lived in several major cities including New York, Seoul, Bangkok, Hong Kong, and Manila. He graduated from Ateneo de Manila University with a Bachelor of Science degree in Business Management, and completed a Master's degree in Business Management from the Asian Institute of Management.

STEPHEN T. CUUNJIENG
Director

Mr. Stephen T. CuUnjieng was elected as a Director of the Company on January 15, 2018, after being a long-time adviser to the Board. He is Chairman of Evercore Asia Limited, and has substantial and wide experience in investment banking. He has acted as Financial Adviser to several financial transactions of companies involving initial public offerings, major and strategic acquisitions, and mergers of various companies from various industries. He is a member of the Executive Advisory Board for Asia of the Wharton School of Business, and an Independent Director of Century Properties Group and Aboitiz Equity Ventures. He has received several awards and distinctions, such as the Best Independent Advisory Firm in Asia in 2016 for Evercore, and Deals of the Year for various acquisitions. He graduated from Ateneo de Manila University and Ateneo School of Law, and completed an MBA in Finance from the Wharton School of Business.

CONSUELO YNARES-SANTIAGO
Independent Director

Ms. Consuelo Ynares-Santiago is a retired Justice of the Philippine Supreme Court. Justice Santiago (Ret) is currently an independent director of Anchor Insurance Brokerage Corp., a leading insurance brokerage company based in New York, USA, SMC Global Power Holdings, Inc., one of the country's leading power companies which is the power generation unit of San Miguel Corporation, South Luzon Tollway Corp., and Top Frontier Investment Holdings, Inc.. She is the Chair Advisory Council of the Office of Alternative Dispute Resolution under the Department of Justice. She earned her Law Degree at the University of the Philippines. After being admitted to the bar, she started her career as a Legal Officer of the Securities and Exchange Commission (SEC). After five years of legal practice, she decided to enter the Judiciary and spent 36 years of her career as Municipal Judge, Metropolitan Trial Court judge, Regional Trial Court judge, and Associate Justice of Court of Appeals, before becoming an Associate Justice of the highest court of the country, the Supreme Court. During her time in the Supreme Court, she became the chairperson of the Supreme Court's 3rd Division and also joined various committees, among them the Justice on Wheels Program as Chairperson, the Foreign Travel Committee as Chairperson, the House of Representative Electoral Tribunal (HRET) as Chairperson, and member of the Presidential Electoral Tribunal. She was also a consultant of the Judicial and Bar Council (JBC) and a Bar Examiner of Labor Law and Social Legislation during the 1996 Bar Examination and Taxation Law in the 1998 Bar Examination.

MANAGEMENT TEAM

EXECUTIVE COMMITTEE

ALAN RAYMOND T. ZORRILLA Senior Vice President for External Affairs, Business Development, and Security
ROMEO B. DE GUZMAN Vice Chairman and Senior Strategic Adviser
DENNIS A. UY President and Chief Executive Officer
JOSEPH JOHN L. ONG Treasurer and Head of Corporate Finance
HENRY ALBERT R. FADULLON Chief Operating Officer
MA. CONCEPCION F. DE CLARO Chief Finance Officer

ROY O. JIMENEZ General Manager for Commercial and Industrial Business
JOSELITO G. DE JESUS General Manager for Business Development, Strategies, and Portfolio Unit
JOVEN JESUS G. MUJAR General Manager for Lubricants Sales and Distribution Business
RICHARD C. TIANSAY General Manager for Pricing and Demand

ARNEL G. ALBAN Asst. Vice President for Retail Operations
ERICSON S. INOCENCIO General Manager for Retail Sales
BERNARD C. SUIZA Asst. Vice President for Network Development, Non-Fuel Retailing Business, and Capital Investment
JORIZ B. TENEBRO General Manager for Joint Ventures

DENIS CHRISTIAN M. CAES Chief Finance Officer for PNX Petroleum Singapore
JULGIN ANTHONY G. VILLANUEVA General Manager for PLPI Luzon
EVELYN T. GERODIAS General Manager for PLPI Visayas and Mindanao
ELMER A. BAGUIORO General Manager for LPG Trading
STEFANO ANGELOCOLA Managing Director for PNX Petroleum Singapore

ROALD JOHANN L. YAP General Manager for FamilyMart
JOHN JOSEPH GABRIEL C. PUZON Posible.net President and CEO
MAGTANGGOL C. BAWAL Chief Finance Officer for FamilyMart

IGNACIO RAYMUND S. RAMOS, JR. Asst. Vice President for Engineering
MARIA RITA A. ROS Asst. Vice President for Supply
WILLIAM M. AZARCON VP for Business Development of Terminals and Depots

SOCORRO T. ERMAC-CABREROS Vice President for Corporate Legal
CELESTE MARIE G. ONG Asst. Vice President for Human Resources
MA. CELINA I. MATIAS Asst. Vice President for Brand and Marketing
DEBBIE U. RODOLFO General Manager for Shared Services

REYNALDO A. PHALA Asst. Vice President for Treasury
JONAREST Z. SIBOG Asst. Vice President for Comptrollership
ALFREDO ROGELIO E. REYES Asst. Vice President for Information Technology

JAIME T. DIAGO, JR. Asst. Vice President for Technical Services and QAPD (Not in photo)

CORPORATE **GOVERNANCE**

The Board of Directors, officers, management, executives, and employees of P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. (the "Corporation") hereby commit themselves to comply and observe the fundamental principles of sound corporate governance and best practices contained in this Code of Corporate Governance ("CCG") which are necessary components in the attainment of its corporate goals and enhancing the value of the Corporation to all its stakeholders.

This CCG is adopted pursuant to Securities and Exchange Commission (SEC) Memorandum Circular No. 19, Series of 2016 issued on 22 November 2016. It supersedes the Corporation's Revised Corporate Governance Manual adopted last 28 January 2011 as amended on 31 July 2014.

DECLARATION OF CORPORATE PRINCIPLES

The Corporation adheres to the highest standards and principles of Integrity, Excellence, Service, Innovation, Teamwork and Stewardship to serve the best interest of its stakeholders.

This Code of Corporate Governance reflects that commitment of the Board of Directors ("the Board") of the Corporation to guide and assist them including management in effectively performing of its duties and responsibilities in order to achieve and enhance long-term success of the Corporation and shareholder value.

As the Corporation progresses, the CCG shall be kept under constant review and revision to keep up with the recent and emerging standards of good corporate governance.

CORPORATE GOVERNANCE RULES AND PRINCIPLES

PRINCIPLE 1: THE CORPORATION SHALL BE GOVERNED BY A WORKING, COMPETENT, AND EFFECTIVE BOARD OF DIRECTORS

The Corporation shall be headed by a competent, working Board of Directors ("the Board") to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objective and the long-term best interest of its shareholders and other stakeholders.

1.1 The Board of Directors (the "Board") of the Corporation shall be primarily responsible for the governance of the Corporation. It shall independently act and make its decision with full knowledge of the facts on the objective of enhancing shareholder value.

1.2 It shall be composed of directors possessing expertise and/or experience in their respective fields or sectors that may be relevant to the industry of the Corporation in order to properly fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.

1.3 Directors shall be pre-qualified before they are nominated to the Board. Nominations may be made by any member of the Board, stockholder, officer or employee in accordance with the By-laws to ensure the qualification of the nominee and enable them to effectively participate in the deliberations of the Board and carry out their roles and responsibilities.

1.4 The Corporation shall ensure to formulate a policy on regular training of its directors, including orientation program for first time directors particularly on corporate governance to ensure compliance and adherence to standards.

1.5 The Board shall be assisted by its duly elected or appointed, as the case may be, Corporate Secretary who should be a separate individual from the Compliance Officer. The Corporate Secretary shall not be a member of the Board and shall likewise comply with the trainings for corporate governance.

1.6 The Board shall ensure that it is assisted in its duties by a Compliance Officer who shall be part of management in charge of compliance function. The Compliance Officer shall be primarily liable to the Corporation and its shareholders.

PRINCIPLE 2: ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

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

2.1 It is imperative that each of the director or member of the Board shall observe two key elements of the fiduciary duty: the duty of care and duty of loyalty.

2.1.a Duty of Care - each director shall be required to act on a fully informed basis, in good faith, with due diligence and care.

2.1.b Duty of Loyalty - each director is expected to act in the interest of the Corporation and all its shareholders. Hence, it is imperative that directors shall have no conflicting businesses or interest inimical to the interest of the Corporation.

2.2 The Board shall oversee, monitor and approve the development of the Corporation's business objectives, plans of action, policies and procedures, annual budgets and business strategies and monitor their implementation and corporate performance, capital expenditures in order to sustain the Corporation's viability and strength.

2.3 The Board shall be headed by a competent and qualified Chairperson who shall be elected among the members of the Board in accordance with the Corporation's By-laws. The Chairperson's role and responsibilities shall include among others:

2.3.a Ensures that agendas during regular and special meetings involve strategic matters which shall include and discuss risks, governance concerns, issues, environmental effects.

2.3.b Ensures that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions.

2.3.c Facilitates healthy, relevant and constructive discussion on key issues to aid the Board in reaching a sound decision.

2.3.d Ensures periodic or regular evaluation of the performance of the Board.

2.4 The Board shall be responsible in adopting an reasonable and viable succession plan program for the directors, key officers and management to ensure growth, continuous and smooth operation of business at the same enhance shareholders' value. To maintain dynamism and adaptability to change and development, the Board shall likewise adopt a policy on retirement for directors and key officers as part of the management succession.

2.5 The Board shall set and approve remuneration or compensation plan of key officers including directors based on performance. However, no director should participate in discussions or deliberations involving his own remuneration.

2.6 The Board shall have sufficient disclosure on the procedure or process of nomination as well as election policy which shall include nominations from minority shareholders. The policy should include an assessment of the effectiveness of the Board's processes and procedures in nominations, elections and replacement of a director as well as process of identifying quality directors which should be aligned with strategic direction of the Corporation.

2.7 The Board shall be responsible for ensuring an approved group-wide policy and system governing Related-Party Transactions (RPT) and other unusual and infrequently occurring transactions, particularly those which pass certain thresholds of materiality. It shall be imperative that a potential RPT must at all times guarantee fairness valuation and transparency of transaction such as risk profile, complexity of operations and structure.

2.8 The Board shall be primarily responsible for approving the selection and performance of management led by the Chief Executive Officer (CEO) and other control function such as Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive.

2.9 The Board shall establish an effective performance management framework to ensure that management including its key officers such as the CEO is at part with the standards set by the Board.

2.10 The Board shall set in place, oversee and establish the appropriate internal control system in the Corporation in order to monitor and manage potential conflicts of interest of management, the Board and shareholders. It shall approve upon recommendation of the audit committee an Internal Audit Charter.

2.11 The Board shall set in place, establish and oversee a sound Enterprise Risk Management (ERM) framework to effectively identify, monitor, assess and manage key business risks.

2.12 The Board shall likewise establish and formulate a Board Charter that will state, formalize and define its roles, responsibilities and accountabilities in carrying out fiduciary duties. The Board Charter shall guide the directors in the performance of their functions and should be publicly available and posted on the Company's website.

PRINCIPLE 3: ESTABLISHING BOARD COMMITTEES

Board Committees are 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. Each committee shall have its respective Committee Charter.

3.1 There shall establish committees within the Board such as (a) Audit Committee (AC), (b) Corporate Governance Committee (CGC), (c) Board Risk Oversight Committee (BROC) and (d) Related Party Transaction Committee (RPTC) to support the Board in the effective performance of its functions. The establishment of the BROC and RPTC shall be duly assessed and evaluated by the Board depending on the Corporation's size, risk profile, complexity of operations and its necessity.

3.2 The Audit Committee shall have oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The Committee shall be composed of at least three (3) appropriately qualified non-executive directors, preferably majority of whom are independent. All members must have relevant background, knowledge and experience in areas of accounting, finance and audit. The Chairman of the Audit Committee shall not be chairman of any other committees or the Board.

3.3 The Corporate Governance Committee shall have the responsibility in assisting the Board in the performance of and compliance with corporate governance responsibilities including the functions that formerly belongs to Nominations and Remuneration Committee. The Committee shall be composed of at least three (3) members, all of whom preferably independent directors, including the Chairperson.

3.4 Subject to the assessment and approval of the Board on its establishment depending on Corporation's size, risk profile and complexity of operations, the Board Risk Oversight Committee (BROC) shall be responsible for the oversight of the Corporation's Enterprise Risk Management system to ensure its functionality and effectiveness. The BROC shall be composed of at least three (3) members, majority of whom shall be independent directors, including the Chairman. The Chairman shall not be a Chairman of the Board or of any other committee. At least one member of the committee must have relevant knowledge and/or experience on risk and risk management.

3.5 Subject to the assessment and approval of the Board on its establishment depending on Corporation's size, risk profile and complexity of operations, the Related Party Transaction (RPT) Committee shall be primarily tasked to review all material related party transactions of the Corporation. The RPTC shall be composed of at least three (3) non-executive directors, two of whom shall be independent directors including the Chairman.

3.6 All established committee shall have their respective Committee Charters stating in plain terms their purpose, memberships, structures, operations, reporting processes, resources and other relevant information. Each Charter shall include and provide standards for evaluating the performance of the Committees and shall be fully disclosed in the Corporation's website.

PRINCIPLE 4: FOSTERING COMMITMENT

The directors must devote time and attention necessary to properly and effectively perform their duties and responsibilities in order to show their commitment to the Corporation and to be familiar with the Corporation's business.

4.1 The directors shall attend and actively participate in all meetings of the Board, Committees and Shareholders in person in a manner acceptable to the Corporation in accordance with the rule of the Commission except on justifiable causes. It shall be the duty of the directors to review meeting materials and if called for, ask necessary relevant questions or clarifications and explanation.

4.2 The non-executive directors may concurrently serve as directors of other publicly-listed companies (PLC) up to a maximum number of five (5) PLCs to ensure sufficient time to prepare and attend meetings and fully oversee and monitor its long term strategy.

4.3 It is incumbent upon each director to notify the Board before accepting a directorship in other Corporation.

PRINCIPLE 5: REINFORCING BOARD INDEPENDENCE

The Board should endeavor at all times to exercise an objective and independent judgment on all corporate affairs.

5.1 The Board shall have at least three (3) independent directors or such number as to constitute at least one-third of the members of the Board, whichever is higher.

5.2 The Board shall ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.

5.3 Independent directors shall serve for a maximum cumulative term of nine years. After serving the maximum term, the director shall be perpetually barred from re-election as independent director of the Corporation. In the event, the Corporation decides to retain an independent director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual stockholders' meeting.

5.4 The Chairman of the Board as well as the Chief Executive Officer shall be held separately by individuals with their respective roles and responsibilities clearly defined.

5.5 The Board shall designate a "lead director" among the independent directors if the Chairman of the Board is not independent and in cases where the Chairman and the CEO are held by one person.

5.6 The director with a material interest in any transaction affecting the Corporation shall abstain from taking part in the deliberations of the transaction or corporate affair.

5.7 The non-executive directors shall have separate meetings with the external auditor and heads of internal audit, compliance and risk functions, without any executive directors present to ensure proper checks and balances within the Corporation. The lead independent director shall chair the meetings.

PRINCIPLE 6: ASSESSING BOARD PERFORMANCE

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.

6.1 The Board shall conduct an annual self-assessment of its performance including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment should be supported by an external facilitator.

6.2 The Board shall establish a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system that will allow feedback mechanism from the shareholders.

PRINCIPLE 7: STRENGTHENING BOARD ETHICS

Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

7.1 The Board shall adopt a Code of Business Conduct and Ethics which shall provide and set the standards for professional and ethical behavior, as well as regulate and define acceptable conducts and practices in internal and external dealings. The Code shall be disclosed and made available to the public through the Corporation's website.

7.2 The Board shall monitor proper and efficient implementation and compliance with the Code of Business Ethics and internal policies.

PRINCIPLE 8: ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES

The Corporation should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

8.1 The Board shall establish corporate disclosure policies and procedures to ensure comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of the Corporation's financial condition, results and business operations.

8.2 All directors and key officers shall disclose/report to the Corporation through the Corporate Secretary or Compliance Officer any dealings of the Company's shares within three (3) business days.

8.3 The Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflict of interest that might affect their judgment.

8.4 A clear disclosure of its policies and procedures for the setting or establishment of the remuneration of the Board and executive as well as level and mix of the same shall be made in the Annual Corporate Governance Report.

8.5 Policies on Related Party Transactions and other unusual or infrequently occurring transaction shall be disclosed in their Manual on Corporate Governance while the material or significant RPTs which were reviewed and approved during the year shall be disclosed in the Annual Corporate Governance Report.

8.6 There shall be a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. An independent third party shall be engaged to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

8.7 Corporate Governance policies, programs and procedures of the Corproation should be contained in its Manual on Corporate Governance, which should be submitted to the regulators and posted on the Corporation's website.

PRINCIPLE 9: STRENGTHENING THE EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY

The Corporation shall 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.

9.1 The Audit Committee shall establish a process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor should be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. For removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures.

9.2 The Audit Committee Charter shall include the Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter should also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.

9.3 There shall be a disclosure on the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee should be 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.

PRINCIPLE 10: INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING

The Corporation shall ensure that the material and reportable non-financial and sustainability issues are disclosed.

10.1 The Board should have 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. Companies should adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.

PRINCIPLE 11: PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

The Corporation shall 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.

11.1 Media and analysts' briefings shall be deemed acceptable channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.

PRINCIPLE 12: STRENGTHENING THE INTERNAL CONTROL SYSTEM AND ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Corporation shall have a strong and effective internal control system and enterprise risk management framework to ensure the integrity, transparency and proper governance in the conducts of its business and affairs.

12.1 Subject to the assessment and approval of the Board as it may deem necessary taking into consideration the Corporation's size, risk profile and complexity of operations, the Corporation shall have an adequate and effective internal control system and an enterprise risk management framework in the conduct of its business.

12.2 The Board shall set in place an independent internal audit function for the Corporation that will provide an independent and objective assurance, and consulting services designed to add value and improve the Corporation's operations.

12.3 Subject to a company's size, risk profile and complexity of operations upon assessment and approval by the Board, the Corporation shall have a qualified Chief Audit Executive (CAE) appointed by the Board to oversee for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.

12.4 Subject to its size, risk profile and complexity of operations upon assessment and approval by the Board, the Corporation shall have a separate risk management function to identify, assess and monitor key risk exposures.

12.5 In managing the company's Risk Management System, the company should have a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations.

PRINCIPLE 13: CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS

The Corporation shall treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

13.1 The Board shall ensure that basic shareholder rights are disclosed in the Manual on Corporate Governance and on the Corporation's website.

13.2 The Board shall encourage 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.

13.3 The Board shall encourage 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. In addition, the Minutes of the Annual and Special Shareholders' Meeting should be available on the Corporation's website within five business days from the end of the meeting.

13.4 The Board shall make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. This shall be included in the Corporation's Manual on Corporate Governance.

13.5 The Board should establish an Investor Relations Office (IRO) to ensure constant engagement with its shareholders. The IRO should be present at every shareholders' meeting.

PRINCIPLE 14: RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDERS RIGHTS

The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. The stakeholders shall have the opportunity to obtain prompt effective redress for the violation of their rights.

14.1 The Board shall identify the Corporation's various stakeholders and promote cooperation between them and the company in creating wealth, growth and sustainability.

14.2 The Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.

14.3 The Board shall adopt a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.

PRINCIPLE 15: ENCOURAGING EMPLOYEES' PARTICIPATION

A mechanism for employee participation shall be developed to create a symbiotic environment, realize the Corporation's goals and participate in its corporate governance processes.

15.1 The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Corporation's goals and in its governance.

15.2 The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. Further, the Board should disseminate the policy and program to employees across the organization through trainings to embed them in the Corporation's culture.

15.3 The Board shall establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board shall be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

PRINCIPLE 16: ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Corporation shall 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.

16.1 The Corporation recognizes and places importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Corporation to grow its business, while contributing to the advancement of the society where it operates.

EFFECTIVITY

This Code of Corporate Governance is approved and adopted this 31st day of May 2017 by the Board of Directors. It supersedes the previous Manual on Corporate Governance that was approved and adopted by the Corporation on 28 January 2011 as amended on 31 July 2014.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries** (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein and as enumerated below, for the years ended December 31, 2018, 2017 and 2016, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

a) Supplementary schedules required under Annex 68-E of the Securities Regulation Code
   i. Financial assets
   ii. Amounts of receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
   iii. Amounts of receivables from Related Parties which are Eliminated during the Consolidation of Financial Statements
   iv. Intangible assets – other assets
   v. Long-term debt
   vi. Indebtedness to Related Parties (Long-term loans from related Company)
   vii. Guarantee of Securities of Other Issuers
   viii. Capital stock

b) Map showing the relationship between and among related entities

c) Schedule of Philippine Financial Reporting Standards and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2018

d) Schedule showing financial soundness indicators

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Signed this 22nd day of February 2019

DOMINGO T. UY	**DENNIS A. UY**	**MA. CONCEPCION F. DE CLARO**
Chairman	President	Chief Finance Officer

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries
Stella Hizon Reyes Road
Barrio Pampanga, Davao City

OPINION

We have audited the consolidated financial statements of P-H-O-E-N-I-X Petroleum Philippines, Inc. and subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three years in the period ended December 31, 2018, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2018 in accordance with Philippine Financial Reporting Standards (PFRS).

BASIS FOR OPINION

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue Recognition

Description of the Matter

The Group's revenue is primarily generated from the sales of goods [fuels, liquefied petroleum gas (LPG), lubricants and other petroleum products], which is recognized as the goods are delivered. The Group focuses on revenue as a key performance measure, which could create an incentive for management to overstate revenues, particularly from sale of goods. In our view, revenue recognition is a key audit matter due to its significance to profit, high volume of revenue transactions and susceptibility to misstatement due to fraud or error. Relative to this, we consider that there is a higher risk associated with revenue occurrence and appropriate recognition of sales in the correct accounting period.

The revenue recognition policy and disaggregation of revenues are disclosed in accounting policies for revenues are included in Notes 2.13 and 21, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures included, among others, the following:

- updating our understanding of the Group's revenue recognition policy and procedures;
- reviewing the existing contracts with customers and evaluating the appropriateness of the Group's revenue recognition policies and application in accordance with PFRS 15, Revenue from Contracts with Customers;
- performing sales cut-off procedures immediately before and after the year-end by testing the sales invoices to evidence of delivery to ensure that revenue was recognized in the correct period;
- performing detailed transaction testing by agreeing sample revenue items to supporting documents, including sales invoices, contracts and third party correspondence,
- conducting substantive analytical procedures; and,
- confirming trade receivables, on a sample basis, as of the end of the reporting period.

(b) Impairment of Trade and Other Receivables

Description of the Matter

Under the PFRS, the Group is required to assess its trade and other receivables for impairment. As described in Note 4.2(b) to the consolidated financial statements, the impairment losses have been determined in accordance with PFRS 9, Financial Instruments. The allowance for impairment of trade and other receivables is considered to be a matter of significance since estimates used to determine the allowance for impairment requires significant judgment.

As of December 31, 2018, the Group had trade and other receivables amounting to Php 15,030.7 million, which contributed to 23.3% of the Group's total assets. As of December 31, 2018, the allowance for impairment on trade and other receivables amounted to Php 634.4 million.

The disclosures of the Group on the allowance for impairment of trade and other receivables and the related credit risk are included in Notes 7 and 4.2(b) to the consolidated financial statements, respectively.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to the adequacy of allowance for impairment of trade and other receivables, included, but not restricted to:

- evaluating the appropriateness of the Group's expected credit loss model based on the requirements of PFRS 9;
- assessing the appropriateness and reasonableness of underlying assumptions, and the sufficiency, reliability and relevance of the data used by the Group's management;
- performing independent checking on the probability of default, loss given default and exposure at default rates that are used as bases in computing the impairment loss on selected trade and other receivables accounts; and,
- performing an independent calculations based on the Group's methodology.

(c) Business Combination

Description of the Matter

As disclosed in Note 1.4 to the consolidated financial statements, in 2018, the Group completed the acquisitions of Philippine FamilyMart CVS, Inc. (PFM), Action.Able Inc. (AAI), Think.Able Limited (TAL) (AAI and TAL collectively known as AAI Group). The Group has determined these acquisitions to be business combinations for which the purchase price is to be allocated between the identifiable assets and liabilities at their respective fair values.

Following the various acquisitions, the management has determined Goodwill amounting to P273.1 million and P155.0 million for the acquisitions of PFM and AAI Group, respectively. The accounting for these on business acquisition is complex due to the significant judgements and estimates that are required to determine the values of the consideration transferred and the identification and measurement of the fair value of the assets acquired and liabilities assumed. We, therefore, consider the business acquisition to be a key audit matter due to the significance of the amount involved and the complexity of the accounting requirements.

The Group's disclosure on policies on business combinations is presented in Note 2.12 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures included, among others, the following:

- reviewing the relevant minutes of meeting of the Parent Company for the approval of the transaction and executed share purchase agreement;
- involving our own valuation specialist to assist in evaluating the appropriateness of the valuation methods and relevant assumptions used;
- examining supporting document of the cash consideration given;
- reviewing the appropriateness and reasonableness of valuations prepared by independent appraisers on certain properties; in addition, assessing the competencies, objectivity and capabilities of the appraisers;
- testing the reasonableness of the fair values of the assets acquired and liabilities assumed as at the acquisition date;
- recalculating the difference between the net assets acquired and considerations given; and,
- evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgements.

(d) Existence and Valuation of Inventories

Description of the Matter

As of December 31, 2018, the Group held Php 11,135.5 million of inventories, which is 17.2% of the total consolidated assets of the Group. Given the size of the inventory balance relative to the consolidated total assets of the Group, and the estimates and judgments involved in this account, the valuation of inventory required our significant audit attention. As disclosed in Note 2.5, inventories are held at the lower of cost and net realizable value using the moving average method. As of year-end, the valuation of inventory is reviewed by the management and the cost of inventory is reduced where inventory is forecast to be sold below cost. The breakdown of inventory as of December 31, 2018 is disclosed in Note 8 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures included among others, the following:

- observing inventory counts and performing test of quantities;
- performing test of purchases and test on the moving average cost calculation; and,
- testing the net realizable values of sample inventory items to recent selling prices.

(e) Impairment of Goodwill

Description of the Matter

The Group has recognized goodwill amounting to Php 4,418.8 million as of December 31, 2018. Under PFRS, the Group is required to annually test the amount of its goodwill for impairment. The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of management process in assessing the recoverability of goodwill. In addition, the assumptions used in determining the cash generating units (CGUs) where the goodwill is allocated and estimating the recoverable amount involves significant judgment. The recoverable amount of the CGUs has been computed using discounted cash flows method. This valuation method uses several key assumptions, including estimated of future sales volume and prices, operating costs, terminal value growth rates and discount rate.

The Group's disclosures about Goodwill and the policy are included in Notes 14 and 2.12, respectively.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to goodwill included, among others, the following:

- involving our own valuation specialist to assist in evaluating the appropriateness of assumptions used in estimating the recoverable amount of CGUs;
- evaluating the appropriateness of assumptions and methodologies used by the management, in particular, those relating to the estimated of future sales volume and prices, and operating costs as well as the discount rate used; and,
- evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgements.

(f) Change in Accounting Policy Resulting in Revaluation of Properties

Description of the Matter

As described in Note 2.1(b), the Group changed its accounting policy in 2018 with respect to the subsequent measurement of its parcels of land that are classified under property, plant and equipment and investment properties. The Group now applies the revaluation model for parcels of land under property, plant and equipment, and fair value model for parcels of land under investment properties. Under the revaluation model, property, plant and equipment are carried at a revalued amount, being its fair value at the date of revaluation, less any subsequent impairment losses. Under the fair value model, investment properties are carried at fair value, and changes in fair value is recognized in profit or loss. Prior to this change, the Group applied the cost model, under which the parcels of land are carried at cost less impairment. The management believes that the new policy results in the consolidated financial statements providing reliable and more relevant information. As a result of the change in accounting policy, gain on revaluation of land under property, plant and equipment and fair value gains on investment properties amounting to Php 1,219.8 million and Php 624.9 million, respectively, were recognized. The voluntary change in accounting policy resulting to the valuation of parcels of land classified under property, plant and equipment and investment properties is considered as a key audit matter due to the significance of the amounts involved, combined with the significant judgements associated with the determination of fair values.

The Group's disclosures about the effect of the change in accounting policy is presented in Note 2.1(b)(ii) to the consolidated financial statements; the new accounting policy for property, plant and equipment and investment properties are discussed in Notes 2.7 and 2.8 to the consolidated financial statements, respectively; and, while the presentation of the carrying values are presented in Notes 11 and 15 for property, plant and equipment and investment properties, respectively.

How the Matter was Addressed in the Audit

Our audit procedures in relation to the change in accounting policy resulting to revaluation of the properties included, among others, the following:

- evaluating the appropriateness of the change in accounting policy and analyzing the effects from the perspective of PAS 8, Accounting Policies, Changes in Accounting Estimates, Errors;
- reviewing the appropriateness and reasonableness of valuations prepared by independent appraisers on certain properties and testing the land values, on a sampling basis, by comparing the values used by the independent appraisers to publicly available information of similar comparable properties;
- assessing the competencies, objectivity and capabilities of the appraisers; and,
- recalculating for the gain on revaluation of property, plant and equipment and fair value gains on investment properties.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Parent Company's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2018, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2018 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 7333698, January 3, 2019, Makati City
SEC Group A Accreditation
Partner - No. 0395-AR-3 (until May 19, 2019)
Firm - No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002511-19-2018 (until Jan. 25, 2021)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

February 22, 2019

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017
(AMOUNTS IN PHILIPPINE PESO)

ASSETS	NOTES	2018	2017 (As restated - see Note 2)
CURRENT ASSETS			
Cash and cash equivalents	6	P 7,889,708,807	P 1,831,557,883
Trade and other receivables - net	7	15,030,714,704	7,705,307,762
Inventories - net	8	11,135,494,286	12,416,237,073
Due from related parties - net	27	937,904,172	518,004,898
Restricted deposits	9	52,719,265	51,281,559
Input value-added tax - net		1,517,537,410	1,773,091,281
Prepayments and other current assets	10	695,698,779	610,271,176
Total Current Assets		37,259,777,423	24,905,751,632
NON-CURRENT ASSETS			
Property, plant and equipment - net	11	18,715,994,505	13,399,979,808
Investment properties	15	1,739,021,205	1,114,780,281
Intangible assets - net	12	328,054,350	295,458,242
Investments in joint ventures	13	455,436,370	-
Goodwill - net	14	4,418,842,831	3,990,666,606
Deferred tax assets - net	26	147,484,516	235,996,230
Other non-current assets	16	1,595,667,530	223,467,068
Total Non-current Assets		27,400,501,307	19,260,348,235
TOTAL ASSETS		P 64,660,278,730	P 44,166,099,867
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	17	P 26,309,487,284	P 16,796,874,145
Trade and other payables	19	7,434,839,252	3,584,623,798
Income tax payable		99,380,682	3,671,202
Total Current Liabilities		33,843,707,218	20,385,169,145
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	17	13,590,520,166	11,374,559,853
Deferred tax liabilities - net	26	631,776,224	225,027,052
Other non-current liabilities	20	620,602,265	497,806,312
Total Non-current Liabilities		14,842,898,655	12,097,393,217
Total Liabilities		48,686,605,873	32,482,562,362
EQUITY	28		
Equity attributable to parent company			
Capital stock		1,112,004,232	1,456,538,232
Additional paid-in capital		7,233,692,486	5,709,303,309
Revaluation reserves		827,510,428	(2,306,049)
Other reserves		(730,361,725)	(730,361,725)
Accumulated translation adjustment		24,928,394	(3,791,486)
Retained earnings		7,542,843,961	5,254,155,224
		16,010,617,776	11,683,537,505
Non-controlling interest		(36,944,919)	-
Total Equity		15,973,672,857	11,683,537,505
TOTAL LIABILITIES AND EQUITY		P 64,660,278,730	P 44,166,099,867

For further notes and discussions, see our Audited FS Report on our website.

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(AMOUNTS IN PHILIPPINE PESO)

	NOTES	2018	2017 (As restated - see Note 2)
REVENUES			
Sale of goods	2, 27	P 87,672,722,663	P 44,148,952,252
Fuel service and other revenues	2, 20	824,182,312	301,402,792
Rent income	15, 31	113,863,129	92,626,832
Charter fees and other charges		-	-
Port revenues		-	-
		88,610,768,104	44,542,981,876
COST AND EXPENSES			
Cost of sales and services	21	78,838,964,820	38,345,104,529
Selling and administrative expenses	22	5,741,750,297	4,207,027,951
		84,580,715,117	42,552,132,480
OTHER CHARGES (INCOME)			
Finance costs	23	1,449,247,671	804,707,861
Fair value gains on investment properties	15	(624,941,000)	-
Finance income	23	(73,374,342)	(56,313,476)
Equity share in net income of joint ventures	13	(7,342,245)	-
Excess of fair value of net assets acquired over acquisition cost	1	-	(650,182,327)
Others - net	15	(87,267,127)	(36,852,747)
		656,322,957	61,359,311
PROFIT BEFORE TAX		3,373,730,030	1,929,490,085
TAX EXPENSE	26	606,588,321	408,067,238
NET PROFIT		P 2,767,141,709	P 1,521,422,847
NET PROFIT ATTRIBUTABLE TO:			
Parent company		P 2,776,255,552	P 1,521,422,847
Non-controlling interest		(9,113,843)	-
		P 2,767,141,709	P 1,521,422,847
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will be reclassified subsequently to profit or loss			
Translation adjustment related to a foreign subsidiary	2	(28,719,880)	(3 ,791,486)
Items that will not be reclassified subsequently to proft or loss			
Gain on revaluation of land	11	1,219,846,043	-
Remeasurements of post-employment defined benefit obligation	24	(34,393,933)	14,060,076
Tax expense	26	(355,635,633)	(4,218,023)
		829,816,477	9,842,053
Other Comprehensive Income - net of tax		801,096,597	6,050,567
TOTAL COMPREHENSIVE INCOME		P 3,568,238,306	P 1,527,473,414
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Parent company		P 3,577,352,149	P 1,527,473,414
Non-controlling interest		(9,113,843)	-
		P 3,568,238,306	P 1,527,473,414
Basic Earnings per share	29	P 1.72	P 0.97
Diluted Earnings per share		P 1.72	P 0.96

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018, 2017 AND 2016
(AMOUNTS IN PHILIPPINE PESO)

	NOTES	CAPITAL STOCK												
		PREFERRED STOCK	PREFERRED TREASURY STOCK - AT COST	COMMON STOCK	COMMON TREASURY STOCK - AT COST	TOTAL	ADDITIONAL PAID-IN CAPITAL	REVALUATION RESERVES	OTHER RESERVES	ACCUMULATED TRANSLATION ADJUSTMENT	RETAINED EARNINGS	TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
Balance at January 1, 2018 as previously reported		**P 30,000,000**	**(P 5,000,000)**	**P 1,431,538,232**	**P -**	**P 1,456,538,232**	**P 5,709,303,309**	**(P 2,306,049)**	**(P 730,361,725)**	**(P 6,065,195)**	**P 5,524,581,532**	**P 11,951,690,104**	**P -**	**P 11,951,690,104**
Adjustment from adoption of PFRS 9	2	-	-	-	-	-	-	-	-	-	(76,725,448)	(76,725,448)	-	(76,725,448.26)
Restatements	2	-	-	-	-	-	-	-	-	2,273,709	(270,426,308)	(268,152,599)	-	(268,152,599)
As restated	2	30,000,000	(5,000,000)	1,431,538,232	-	1,456,538,232	5,709,303,309	(2,306,049)	(730,361,725)	(3,791,486)	5,177,429,776	11,606,812,057	-	11,606,812,057
Cash dividends	28	-	-	-	-	-	-	-	-	-	(409,640,735)	(409,640,735)	-	(409,640,735)
Issuance of shares during the year	28	2,000,000	-	2,766,000	-	4,766,000	2,019,389,177	-	-	-	(8,444,298)	2,015,710,879	-	2,015,710,879
Acquisition of shares during the year	28	-	(5,000,000)	-	(344,300,000)	(349,300,000)	(495,000,000)	-	-	-	-	(844,300,000)	-	(844,300,000)
Share-based compensation	24	-	-	-	-	-	-	-	-	-	7,243,666	7,243,666	-	7,243,666
Business combination	1	-	-	-	-	-	-	-	-	-	-	-	(27,831,076)	(27,831,076)
Translation adjustments during the year	2	-	-	-	-	-	-	-	-	28,719,880	-	28,719,880	-	28,719,880
Total comprehensive income for the year		-	-	-	-	-	-	829,816,477	-	-	2,776,255,552	3,606,072,029	(9,113,843)	3,596,958,186
Balance at December 31, 2018		**P 32,000,000**	**(P 10,000,000)**	**P 1,434,304,232**	**(P 344,300,000)**	**P 1,112,004,232**	**P 7,233,692,486**	**P 827,510,428**	**(P 730,361,725)**	**P 24,928,394**	**P 7,542,843,961**	**P 16,010,617,776**	**(P 36,944,919)**	**P 15,973,672,857**
Balance at January 1, 2017		**P 30,000,000**	**(P 5,000,000)**	**P 1,428,777,232**	**(P 330,679,783)**	**P 1,123,097,449**	**P 5,320,816,182**	**(P 12,148,102)**	**(P 730,361,725)**	**P -**	**P 4,060,689,929**	**P 9,762,093,733**	**P -**	**P 9,762,093,733**
Sale of treasury shares	28	-	-	-	440,087,488	440,087,488	367,136,612	-	-	-	-	807,224,100	-	807,224,100
Cash dividends	28	-	-	-	-	-	-	-	-	-	(331,118,383)	(331,118,383)	-	(331,118,383)
Acquisition of shares during the year	28	-	-	-	(109,407,705)	(109,407,705)	-	-	-	-	-	(109,407,705)	-	(109,407,705)
Issuance of shares during the year	28	-	-	2,761,000	-	2,761,000	21,350,515	-	-	-	(8,429,034)	15,682,481	-	15,682,481
Share-based compensation	24	-	-	-	-	-	-	-	-	-	11,589,866	11,589,866	-	11,589,866
Translation adjustments during the year	2	-	-	-	-	-	-	-	-	(3,791,486)	-	(3,791,486)	-	(3,791,486)
Total comprehensive income for the year		-	-	-	-	-	-	9,842,053	-	-	1,521,422,846	1,531,264,899	-	1,531,264,899
Balance at December 31, 2017 - As Restated - see Note 2		**P 30,000,000**	**(P 5,000,000)**	**P 1,431,538,232**	**P -**	**P 1,456,538,232**	**P 5,709,303,309**	**(P 2,306,049)**	**(P 730,361,725)**	**(P 3,791,486)**	**P 5,254,155,224**	**P 11,683,537,505**	**P -**	**P 11,683,537,505**
Balance at January 1, 2016		**P 30,000,000**	**(P 5,000,000)**	**P 1,428,777,232**	**P -**	**P 1,453,777,232**	**P 5,320,816,182**	**P 559,295,266**	**(P 622,952,239)**	**P -**	**P 3,312,425,742**	**P 10,023,362,183**	**P -**	**P 10,023,362,183**
Deconsolidation of subsidiaries	1	-	-	-	-	-	-	(557,352,943)	(107,409,486)	-	(65,599,296)	(730,361,725)	-	(730,361,725)
Acquisition of shares during the year	28	-	-	-	(330,679,783)	(330,679,783)	-	-	-	-	-	(330,679,783)	-	(330,679,783)
Cash dividends	28	-	-	-	-	-	-	-	-	-	(309,212,179)	(309,212,179)	-	(309,212,179)
Share-based compensation	24	-	-	-	-	-	-	-	-	-	5,757,780	5,757,780	-	5,757,780
Total comprehensive income for the year		-	-	-	-	-	-	10,752,560	-	-	1,092,474,897	1,103,227,457	-	1,103,227,457
Transfer of revaluation reserves absorbed through depreciation, net of tax		-	-	-	-	-	-	(24,842,985)	-	-	24,842,985	-	-	-
Balance at December 31, 2016		**P 30,000,000**	**(P 5,000,000)**	**P 1,428,777,232**	**(P 330,679,783)**	**P 1,123,097,449**	**P 5,320,816,182**	**(P 12,148,102)**	**(P 730,361,725)**	**P -**	**P 4,060,689,929**	**P 9,762,093,733**	**P -**	**P 9,762,093,733**

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(AMOUNTS IN PHILIPPINE PESO)

	NOTES	2018	2017 (As restated - see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		P 3,373,730,030	P 1,929,490,085
Adjustments for:			
Interest expense on bank loans and other borrowings	23	1,376,994,786	780,917,196
Depreciation and amortization	22	1,056,749,318	851,080,582
Impairment losses on trade and other receivables	22	68,465,111	50,335,399
Interest income	23	(31,424,946)	(18,480,943)
Unrealized foreign exchange currency loss (gain) - net		(30,577,666)	3,893,468
Translation adjustment	2	28,719,880	(3,791,486)
Provision for loss on lost cylinders	11	24,290,486	-
Share in net income of an indirectly-owned joint ventures	13	(7,342,245)	-
Employee share options	24	7,243,666	11,589,866
Recovery of accounts written off		(2,768,583)	-
Loss (gain) on disposal of property, plant and equipment		(1,006,348)	9,165,790
Excess of fair value of net assets acquired over acquisition cost	1	-	(650,182,327)
Gain on reversal of impairment losses on investment properties	15	-	(40,785,503)
Impairment losses on non-financial assets		-	92,823
Operating profit before working capital changes		5,863,073,489	2,923,324,950
Decrease (increase) in trade and other receivables		(7,415,944,495)	1,784,568,722
Decrease (increase) in inventories		26,812,185,929	11,723,876,386
Decrease in land held for sale and land development costs		-	-
Decrease (increase) in restricted deposits		(1,437,706)	(356,155)
Decrease (increase) in input value-added tax - net		363,028,626	(1,027,547,440)
Increase in prepayments and other current assets		(1,174,855,871)	(235,826,739)
Increase (decrease) in trade and other payables		3,555,861,543	101,084,787
Cash generated from operations		28,001,911,515	15,269,124,511
Cash paid for income taxes		(29,603,287)	(7,345,345)
Net Cash From Operating Activities		27,972,308,228	15,261,779,166
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	11	(4,517,753,320)	(3,176,343,510)
Increase in other non-current assets		(1,698,692,055)	27,350,919
Advances to related parties	27	(524,778,830)	(669,526,678)
Investments in joint ventures	13	(448,094,125)	-
Acquisition of subsidiaries	1	(397,455,037)	(6,705,620,931)
Acquisitions of intangible assets	12	(58,062,515)	(50,548,722)
Interest received		27,225,602	15,769,301
Collections from related parties	27	25,952,983	1,158,519,706
Proceeds from disposal of property, plant and equipment		22,618,656	14,531,586
Proceeds from disposal of subsidiaries	27	-	-
Increase in land held for future development		-	-
Net Cash Used in Investing Activities		(7,569,038,642)	(9,385,868,329)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of interest-bearing loans and borrowings		(71,873,587,858)	(43,104,708,403)
Proceeds from additional interest-bearing loans and borrowings		57,798,571,804	37,016,647,657
Proceeds from issuance of shares of stock	28	2,015,710,879	15,682,481
Interest paid		(1,638,604,940)	(741,202,295)
Acquisition of treasury shares	28	(844,300,000)	(109,407,705)
Payments of cash dividends	28	(409,640,735)	(331,118,383)
Increase in other non-current liabilities		606,732,188	63,749,068
Proceeds from sale of treasury shares	28	-	807,224,100
Net Cash From Used in Financing Activities		(14,345,118,662)	(6,383,133,480)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		6,058,150,924	(507,222,643)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,831,557,883	2,338,780,526
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 7,889,708,807	P 1,831,557,883

Supplemental Information on Non-cash Investing and Financing Activities:
1) In 2018, the Parent Company acquired certain land from a related party amounting to P92.9 million, of which, P19.8 million remained unpaid as of December 31, 2018 (see Note 27).
2) On August 14, 2017, the Parent Company acquired the 100.00% shares of stocks of Duta, Inc. and Subsidiary for the amount of P394.2 million, of which P267.3 million advances of Duta, Inc.'s previous stockholder was novated in favor of the former (see Note 1.4).
3) Interest payments amounting to P261.6 million, P19.7 million, and P61.7 million in 2018, 2017 and 2016, respectively, were capitalized as part of the cost of property, plant and equipment (see Notes 11.1)
4) Certain hauling and heavy equipment with carrying amount of nil as of December 31, 2018 and 2017 and P3.1 million as of December 31, 2016, respectively, are accounted for under finance leases.
5) On November 24, 2016, the Parent Company sold its entire investments in Chelsea Shipping Corp. and Calaca Industrial Seaport Corp. to related parties under common ownership for a total consideration of P3,000.0 million (see Note 1.5). The disposal of the subsidiaries resulted to a recognition of Other Reserves, accounted as the difference between the net asset values of the subsidiaries and consideration received (see Notes 1.5 and 2.12). As of December 31, 2018 and 2017, the outstanding receivable from the sale of subsidiaries is presented as part of Non-trade receivable under Trade and Other Receivables account in the consolidated statements of financial position (see Notes 7 and 27.9).

MANAGEMENT'S DISCUSSION AND ANALYSIS **OF FINANCIAL CONDITION AND RESULTS OF OPERATION**

REVENUES, COST OF SALES AND GROSS MARGINS

The Group's Revenues during the year 2018 grew to Php 88.611 billion, about 99% higher compared to the Php 44.426 billion generated in 2017. This was due to the combined effect of the 49% growth in total volume sold in the same period (2018: 2,747 million liters vs. 2017: 1,844 million liters) and the increase in the domestic selling prices of the products as a result of the 31% increase in the price of Dubai crude (benchmark crude of Asian refineries) average (2018: USD 69.65/ bbl vs. USD 53.14/ bbl) as well as the implementation of the new excise tax rates on the sale of domestic petroleum products. This was augmented by the Php 1.308 billion sales contributed by Philippine Family Mart CVS, Inc. (PFM) and Php 54 million sales contributed by Action Able, Inc..

The 903 million liters incremental sales volume was mainly attributable to the 758 million liters sold by PNX Petroleum Singapore. In addition, volume sold by both the parent company and Phoenix LPG Philippines, Inc. rose by 139 million liters (8%) and 31 million liters (22%), respectively, during the comparative years.

Similarly, Cost of Sales and Services increased by 106%, from Php 37.909 billion in 2017 to Php 78.839 billion in 2018, as a result of the volume growth, aggravated by the higher product costs reflecting the global oil price movements, as well as the imposition of the new excise tax rates on petroleum products starting in January 1, 2018.

Consequently, Gross Margin rose by 58% or Php 3.596 billion. On the other hand, Gross Margin Rate decreased to 12% from the 16% registered in 2017. This was primarily due to the change in company's sales volume mix. The volume sold to commercial accounts as well as PNX Singapore sales to external customers grew faster (by 12% and 3877%) than volume sold through the company's retail outlets where margins are generally higher.

OPERATING EXPENSES, NON-OPERATING EXPENSES, RECURRING INCOME

Meanwhile, Selling and Administrative Expenses of Php 5.714 billion, was up by 36% versus the Php 4.134 billion incurred in 2017, primarily because of the cost outlay of the new businesses.

On the other hand, Other Net Non-operating Charges of Php 0.656 billion was 970% greater than the Php 0.061 billion incurred in 2017. This year includes Php 0.625 billion fair value gains on Investment Property while previous year's balance included Php 0.650 billion one-time gain on fair value of acquired asset. However, even excluding this one-time gain, 2018 Net Non-operating Charges still reflected a 80%, mainly due to the rise in borrowing rates as the Bangko Sentral ng Pilipinas (BSP) increased the benchmark rates three times or an equivalent of 1.75% in 2018. Furthermore, additional debt service was incurred due to the acquisition of the new businesses which were funded by short-term debt.

Despite the increases in both operating and non-operating expenses, the net income after tax of Php 2.767 billion, rose by 82% from 2017 re-stated level of Php 1.521 billion.

NON-RECURRING TRANSACTIONS AND NET INCOME

Meanwhile, the company recorded non-recurring transactions, principally as a result of the excess of the fair value over the acquisition cost of the Investment Properties amounting to Php 0.650 billion in 2017. In 2018, the fair value increment of Php 0.625 billion is treated as an addition to the retained earnings net of deferred tax liability.

Considering these adjustments, as well as the Php 0.029 million translation adjustment related to Pnx SG, and the fair value revaluation of land assets amounting to Php 1.220 billion total Comprehensive Income stood at Php 3.568 billion, 134% higher than the Php 1.527 billion re-stated report in 2017.

The fair value revaluation of land assets was in compliance with Philippine Accounting Standards No. 16, which requires that revaluations be carried out regularly for the entire class of assets to which that asset belongs. Specifically, since the land assets of the PLPI were recorded at fair market even prior to its purchase by the Company, the company opted to similarly reflect the fair value of all its land holdings.

FINANCIAL CONDITION

(As of December 31, 2018 versus December 31, 2017)

Total resources of the Group as of December 31, 2018 stood at Php 64.660 billion, a 46% growth compared to the Php 44.166 billion level as of December 31, 2017. This was mainly due to the increases in Property, Plant, and Equipment, including the revaluation of the Land Assets and Goodwill, the latter of which was incurred in relation to the acquisition of Philippine Family Mart CVS, Inc. and Action Able, Inc..

As a result of the doubling of revenues, Cash and Cash Equivalents as well Trade and Other Receivables rose by 331% (from Php 1.832 billion in December 31, 2017 to Php 7.890 billion as of December 31, 2018), and 95% (from Php 7.705 billion as of December 31, 2017 to Php 15.031 billion as of December 31, 2018), respectively.

Inventories declined by 10% to Php 11.135 billion as of December 31, 2018, from Php 12.416 billion as of December 31, 2017. The build-up in December 2017 was brought about by the confluence of the following factors: to address the new businesses such as LPG with the purchase of Petronas Energy Philippines, Inc. operation of PNX Petroleum Singapore and the volume requirements of the new accounts, higher price of imported petroleum products as a result of movement of prices in the international market, and the decrease in demand for IFO by power companies.

As of December 31, 2018, the Group's Property and Equipment, net of accumulated depreciation, increased to Php 18.716 billion versus the Php 13.400 billion as of December 31, 2017 (by 40%), representing the assets of the newly acquired subsidiaries, the fair value revaluation of the Land Assets as well as the continuing expansion program of the group.

Interest-bearing Loans and Borrowings, both current and non-current, was up by 42% from Php 28.171 billion as of December 31, 2017 to Php 39.900 billion as of December 31, 2018. The increment of Php 11.729 billion was from the availment of new loans to service the working capital requirements of the new businesses, the bulk of which is by PNX SG, as well as the company's various capital expenditures.

Trade and Other Payables increased by 107% from Php 3.585 billion as of December 31, 2017 to Php 7.435 billion as of December 31, 2018 due to the additional trade transactions of the new subsidiaries.

Total Stockholders' Equity increased to Php 15.974 billion as of December 31, 2018 from Php 11.684 billion as of December 31, 2017 (by 37%), resulting from the earnings generated and non-recurring gains during the year. This was partly offset by the declaration of cash dividends for both common and preferred shares. In addition, new stocks were issued in relation to the Company's Employee Stock Option Plan (ESOP).

KEY PERFORMANCE INDICATORS AND RELEVANT RATIOS

The Group's key performance indicators and relevant ratios and how they are computed are listed below:

	DECEMBER 31, 2018	DECEMBER 31, 2017
CURRENT RATIO[1]	1.1x : 1x	1.2x : 1x
DEBT TO EQUITY RATIO[2]	3.0x : 1x	2.8x : 1x
NET BOOK VALUE PER SHARE[3]	Php 8.53	Php 8.33
DEBT TO EQUITY INTEREST-BEARING[4]	2.5x : 1x	2.4x : 1x
EARNINGS PER SHARE[5]	Php 1.72	Php 0.96

Notes:
1 - Total current assets divided by current liabilities
2 - Total liabilities divided by tangible net worth
3 - Total stockholder's equity (net of Preferred) divided by the total number of shares issued and outstanding
4 - Interest Bearing Debts divided by Total stockholder's equity (net of Preferred)
5 - Period or Year Net income after tax divided by weighted average number of outstanding common shares

These key indicators were chosen to provide management with a measure of the Group's financial strength (Current Ratio and Debt to Equity) and the Group's ability to maximize the value of its stockholders' investment in the Group (Return on Equity, Net Book Value Per Share and Earnings Per Share). Likewise, these ratios are used to compare the Group's performance with similar companies.

MATERIAL (5% OR MORE) CHANGES TO THE GROUP'S BALANCE SHEET AS OF DECEMBER 31, 2018 VS. DECEMBER 31, 2017

331% increase in Cash and Cash Equivalents
Increased cash inflow due to the 99% increase in revenue compared to the previous period.

95% increase in Trade Receivables
A result of the 99% increase in revenue brought about by the increase in sales volume this period compared to the previous period.

10% decrease in Inventory
This is the normal minimum inventory requirement given the current growth in revenue.

81% increase in Due from Related Parties
In line with the plan of the company to further expand its operations in Luzon, the company advanced funds to Calaca Industrial Seaport Corp. to enable the latter to upgrade and improve wharf facilities, which will redound to the benefit and improve the company's supply operations.

14% decrease in Net Input VAT
In relation to the decrease in inventory movement.

14% increase in Prepayments and other current assets
Due to the renewal of insurances of all the assets, prepaid rentals advertising and other services and acquisitions which will cover the periods beyond December 31, 2018.

40% increase in PPE
Due to new acquisitions, and construction of new retail and depot facilities and the fair value revaluation of land assets of Php 1.219 billion.

11% increase in Intangible Assets
Due to new software acquisitions for the new subsidiaries.

100% increase in Investment in a Joint Venture
Additions from newly concluded Joint Ventures such as Phoenix Asphalt Philippines, Inc. (PAPI), Phoenix Southern Petroleum, Corp. (PSPC) and Galaxi Petroleum Fuel, Inc..

56% increase in Investment Properties
Resulting from the latest appraisal of the particular investment properties, specifically the land assets of PLPI.

11% increase in Goodwill
Due to the acquisition of PFM, Think Able and Action Able.

614% increase in Other Non-current Assets
Due to the acquisition of PFM and additional rental deposits for the new leases intended for network expansions and option agreements related to property acquisitions.

27% increase in Deferred Tax Assets
Due to increase in accrued revenues.

57% increase in Current Interest-bearing loans
Due to the reclassification of certain long-term loans that are due in the next 12 months as well as the additional loans incurred to finance the working capital requirements of PNX Petroleum Singapore.

107% increase in Trade and Other payables
Due to the increased trade transaction of the new subsidiaries.

2607% increase in Income Tax payable
Due to the increase in Income Tax from Non-ITH segments.

19% increase in Non-current Interest-bearing loans
Due the availment of certain long-term loans within the year.

242% increase in Deferred Tax Liabilities
Increase due the deferred taxes computed on the Fair Value Increment from Investment Property and Land Assets.

25% increase in Non-current liabilities
Due the increase security deposits from customers of PPPI and PLPI.

27% increase in Additional Paid in Capital
Coming from the receipt in excess of the par value of the Php 2.0 million Preferred Shares last December, net of the APIC from the redeemed Php 5.0 million shares.

35984% decrease in Revaluation Reserve
Due to Fair Value Appraisal of the Land Assets.

757% decrease in Accumulated Translation Adjustments
Due to increased transaction of the foreign currency denominated subsidiary, PNX Petroleum Singapore.

44% increase in Retained Earnings
Increase coming from the Net Income after tax and fair value revaluation of the Land Assets and Investment properties net of the dividends declared and distributed during the year.

MATERIAL (5% OR MORE) CHANGES TO THE GROUP'S INCOME STATEMENT AS OF DECEMBER 31, 2018 VS. DECEMBER 31, 2017

99% increase in Sale of Goods
Due to the revenues coming from the new subsidiaries namely PLPI, Duta Group, PFM and PNX Petroleum Singapore, coupled with higher fuel prices (by 30%) and additional volume sold relative to last year (by 49%). The parent company recorded an 8% improvement on its volume sold this year.

138% increase in fuel service, storage income, rental income and other revenue
This is due to the revenues from the newly acquired subsidiary – PFM and Action Able, Inc..

106% increase in Cost of Sales and Services
This mirrors the increase in the sale of goods, reflecting the price movements in the world market during the year which is higher compared to the same period in 2017. The increase in excise tax rates on petroleum products also contributed to the increment.

36% increase in selling and administrative expenses
This is primarily because of the operating requirements of the new subsidiaries. The expansion program of the group caused higher salaries and wages, depreciation, fuel expenses and other operating expenses. The launching of various advertisements and promotions like PULSE Technology are also factors causing the increment.

70% increase in Finance Costs
A substantial portion represents interest from the Php 6B loan used to acquire Petronas during the last quarter of 2017.

80% increase in Finance Income and Others
These pertain to the reversal of certain bad debts, which were collected in 2018, expenses accrued in the prior years which would no longer be paid, net realized and unrealized forex gains.

100% increase in Equity Share in Net Income of a Joint Venture
This is the net share from PAPI, PSPC and Galaxi joint ventures.

49% increase in Income Tax Expense
Substantial portion comes from the new businesses net of the ITH holiday benefit of the parent.

657% increase in Translation Adjustments
Due to the increased forex exposure on the increased transactions of the foreign denominated subsidiary.

100% increase in Revaluation of Land
This is due to the deferred taxes computed on the Fair Value Increment from Investment Property and Land Assets.

345% decrease in Remeasurement of Retirement Benefit Obligation
This is the result of the Actuarial Valuation Report per revised PAS 19.

8331% increase in Deferred Tax Expense
Due to the increase in Other Comprehensive Income subject to deferred tax liability.

There are no other material changes in the Group's financial position (5% or more) and condition that will warrant a more detailed discussion. Furthermore, there are no material events and uncertainties known to management that would impact or change the reported financial information and condition of the Group.

OUR PRODUCTS

FUELS

RETAIL
Premium 98 Gasoline with Phoenix PULSE Technology
Premium 95 Gasoline with Phoenix PULSE Technology
Super Regular 91 Gasoline with Phoenix PULSE Technology
Biodiesel with Phoenix PULSE Technology

COMMERCIAL AND INDUSTRIAL
Premium Plus 97 Gasoline
Premium 95 Gasoline
Super Regular 91 Gasoline
Biodiesel
Jet A-1
IFO (Bunker Oil)
SFO 60-1500

LPG
Phoenix SUPER LPG
in these quantities:
- 11 Kg Compact-Valve
- 11 Kg Pol-Valve
- 22 Kg Pol-Valve
- 50 Kg Pol-Valve
- 120 Kg Big Tank

Autogas
Special Blends

LUBRICANTS

PASSENGER CAR MOTOR OILS
Accelerate Fully Synthetic SN 5W40 12X1L
Accelerate Fully Synthetic SN 5W40 4X4L
Accelerate Multi-Grade SJ 20W50 12X1L
Accelerate Multi-Grade SJ 20W50 4X4L
Accelerate Multi-Grade SJ 20W50 1X18L
Accelerate Multi-Grade SJ 20W50 1X200L
Accelerate Mono-Grade SF 40 12X1L
Accelerate Mono-Grade SF 40 4X4L
Accelerate Mono-Grade SF 40 1X18L
Accelerate Mono-Grade SF 40 1X200L

HEAVY-DUTY DIESEL ENGINE OILS
Zoelo Extreme CI-4/SL 15W40 12X1L
Zoelo Extreme CI-4/SL 15W40 4X4L
Zoelo Extreme CI-4/SL 15W40 1X18L
Zoelo Extreme CI-4/SL 15W40 1X200L
Zoelo Max Deo CD/SF 15W40 12X1L
Zoelo Max Deo CD/SF 15W40 4X4L
Zoelo Max Deo CD/SF 15W40 1X18L
Zoelo Max Deo CD/SF 15W40 1X200L
Zoelo Extra Deo CF/SF 30 1X18L
Zoelo Extra Deo CF/SF 30 1X200L
Zoelo Extra Deo CF/SF 40 12X1L
Zoelo Extra Deo CF/SF 40 4X4L
Zoelo Extra Deo CF/SF 40 1X18L
Zoelo Extra Deo CF/SF 40 1X200L
Zoelo Extra Deo CF/SF 10W 1X18L
Zoelo Extra Deo CF/SF 10W 1X200L
Zoelo Diesel Oil API CC/SC SAE40 Pail 18L
Zoelo Diesel Oil API CC/SC SAE 40 Drum
Zoelo Diesel Oil API CC/SC SAE30 Pail 18L
Zoelo Diesel Oil API CC/SC SAE 30 Drum
Zoelo Diesel Oil API CC/SC 10W Pail 18L
Zoelo Diesel Oil API CC/SC SAE 10W Drum

MOTORCYCLE OILS

- Cyclomax Racing 4T MA2/SL 10W40 12X1L
- Cyclomax Racing 4T MA2/SL 10W40 12X0.8L
- Cyclomax Titan 4T MA2/SJ 20W50 12X1L
- Cyclomax Titan 4T MA2/SJ 20W50 12X0.8L
- Cyclomax Force 4T MA/SG 20W40 12X1L
- Cyclomax Force 4T MA/SG 20W40 12X0.8L
- Cyclomax 2T 12X1L
- Cyclomax 2T 60X200mL
- Cyclomax 2T 1X18L
- Cyclomax 2T 1X200L
- Cyclomax Fork Oil 60X200ML
- Cyclomax 4T Jasoma2 40 60X200ML
- Cyclomax Scooter Gear Oil 80W90 36X100ML

GEAR OILS

- Phoenix Gear Oil GL-4 90 12X1L
- Phoenix Gear Oil GL-4 90 1X18L
- Phoenix Gear Oil GL-4 90 1X200L
- Phoenix Gear Oil GL-4 140 12X1L
- Phoenix Gear Oil GL-4 140 1X18L
- Phoenix Gear Oil GL-4 140 1X200L
- Phoenix Gear Oil GL-5 80W90 1X200L
- Phoenix Gear Oil API GL-5 SAE 90 Pail 18L
- Phoenix Gear Oil API GL-5 SAE 90 Drum 200L
- Phoenix Gear Oil API GL-5 SAE 140 Pail 18L
- Phoenix Gear Oil API GL-5 SAE 140 Drum 200L
- Phoenix Gear Oil API GL-5 SAE 85W 140 Pail 18L
- Phoenix Gear Oil API GL-5 SAE 85W 140 Drum 200L
- Phoenix Automatic Transmission & Power Steering Fluid DIII 12X1l
- Phoenix Automatic Transmission & Power Steering Fluid DIII 1X18l
- Phoenix Automatic Transmission & Power Steering Fluid DIII 1X200l

GREASES

- Phoenix EP2 Grease NLGI2 24X500G
- Phoenix EP2 Grease NLGI2 1X16KG
- Phoenix EP2 Grease NLGI2 1X180KG
- Phoenix MP3 Grease NLGI3 24X500G
- Phoenix MP3 Grease NLGI3 1X16KG
- Phoenix MP3 Grease NLGI3 1X180KG

AUTOMOTIVE SPECIALTIES

- Phoenix Radiator Coolant 12X1L
- Phoenix Brake and Clutch Fluid 12X900ML
- Phoenix Brake and Clutch Fluid 36X250ML
- Phoenix Brake and Clutch Fluid 36X150ML

INDUSTRIAL GEAR OILS

- Industrial Gear Oil SP 150 Pail 18L
- Industrial Gear Oil SP 150 Drum 200L
- Industrial Gear Oil ISO VG 220 Pail 18L
- Industrial Gear Oil ISO VG 220 Drum 200L
- Industrial Gear Oil ISO VG 320 Pail 18L
- Industrial Gear Oil ISO VG 320 Drum 200L
- Industrial Gear Oil ISO VG 460 Pail 18L
- Industrial Gear Oil ISO VG 460 Drum 200L

HYDRAULIC OILS

- Hydraulic Oil AW ISO VG 32 Pail 18L
- Hydraulic Oil AW ISO VG 32 Drum 200L
- Hydraulic Oil AW ISO VG 46 Pail 18L
- Hydraulic Oil AW ISO VG 46 Drum 200L
- Hydraulic Oil AW ISO VG 68 Pail 18L
- Hydraulic Oil AW ISO VG 68 Drum 200L
- Hydraulic Oil AW ISO VG 220 Pail 18L
- Hydraulic Oil AW ISO VG 220 1X200L
- Hydraulic Oil AW ISO VG 100 Pail 18L
- Hydraulic Oil AW ISO VG 100 Drum 200L
- Hydraulic Oil AW ISO VG 460 Drum 200L

MARINE OILS

- Manta Marine Engine Oil TBN10 SAE30 200L
- Manta Marine Engine Oil TBN10 SAE40 200L
- Manta Marine Engine Oil TBN12 SAE40 200L
- Manta Marine Engine Oil TBN30 SAE40 200L
- Manta Marine Engine Oil TBN15 SAE30 200L
- Manta Marine Engine Oil TBN15 SAE40 200L
- Manta Marine Engine Oil TBN20 SAE30 200L
- Manta Marine Engine Oil TBN20 SAE40 200L
- Manta Marine Engine Oil TBN40 SAE40 200L
- Manta Marine Engine Oil TBN50 SAE40 200L
- Nautilus Cylinder Oil TBN 50 SAE 50 200L
- Nautilus Cylinder Oil TBN70 SAE50 200L

TURBINE OILS

- Turbine Oil 32 1X18L
- Turbine Oil 32 1X200L
- Turbine Oil ISO VG 68 Pail 18L
- Turbine Oil 68 1X200L
- Turbine Oil 46 1X18L
- Turbine Oil 46 1X200L
- Turbine Synthetic Oil 68 1X18L
- Turbine Synthetic Oil 68 1X200L

COMPRESSOR OILS

- Compressor Oil 68 Pail 18L
- Compressor Oil 68 Drum 200L
- Compressor Oil 100 Pail 18L
- Compressor Oil 100 Drum 200L
- Compressor Oil 100 Pail 18L
- Compressor Oil 100 Drum 200L
- Compressor Oil 150 Pail 18L
- Compressor Oil 150 Drum 200L

OTHER OILS

- Phoenix SMO SAE 30 12X1L
- Phoenix SMO SAE 40 12X1L
- Phoenix All Purpose Oil 36X120ML
- Heat Transfer Oil Bulk
- Heat Transfer Oil 200L
- Heat Transfer Oil 18L
- Transformer Oil Drum 200L

CONTACT US

PLDT TOLL FREE 1-800-10-PNX FUEL (769-3835)
GLOBE TOLL FREE 1-800-8-PNXFUEL (769-3835)
GLOBE MOBILE NUMBERS 0917-313-7011 to 18
SMART MOBILE NUMBERS 0998-960-4246 to 53

E-MAIL info@phoenixfuels.ph
WEBSITE www.phoenixfuels.ph
FACEBOOK /phoenixfuels.ph
TWITTER /phoenixfuels
INSTAGRAM /phoenixfuels

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CEBU

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CAGAYAN DE ORO

Suite 1 & 2, 8th Floor Limketkai Gateway Center,
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SUBSIDIARIES

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PNX ENERGY INTERNATIONAL HOLDINGS PTE. LTD.

350 Orchard Road, #17-05/06 Shaw House, 238868 Singapore
TEL +65 6360-0780
E-MAIL info@pnxpetroleum.com

PHILIPPINE FAMILYMART CVS, INC.

The Penthouse, TARA Building, 389 Sen. Gil Puyat Ave., Makati City 1200
TEL +63 (02) 908-0500

SHAREHOLDER SERVICES

BDO UNIBANK, INC. - TRUST & INVESTMENTS GROUP

15th Floor South Tower BDO Corporate Center
7899 Makati Avenue, Makati City 0726
TEL +63 (02)878-4964; 878-4053

STOCK TRADING INFORMATION

Phoenix Petroleum Philippines, Inc. is listed on the Philippine Stock Exchange.
Ticker symbol: PNX

PHOENIX