



27 November 2012

**Ms. Janet A. Encarnacion**  
Head, Disclosure Department  
Philippine Stock Exchange  
3<sup>rd</sup> Flr, PSE Plaza, Ayala Triangle  
Ayala Ave., Makati City

Dear *Ms. Encarnacion*:

We would like to announce and submit the attached press statement pertaining to the resolution of the Department of Justice on the criminal charges for violation of the Tariff and Customs Code filed by the Bureau of Customs - RATS Group against Mr. Dennis A. Uy, Pres. and CEO of the Company and customs broker, Jorlan Cabanes last May 2011.

Thank you and warm regards.

Very truly yours,

A handwritten signature in black ink, appearing to read "Socorro Ermac Cabreros".

**Atty. Socorro Ermac Cabreros**  
Corporate Secretary

November 27, 2012 Press release on DOJ resolution

## **DOJ DISMISSES CHARGES AGAINST PHOENIX**

The Department of Justice (DOJ) dismisses all charges for smuggling and other alleged violations of the Tariff and Customs Code of the Philippines (TCCP) filed by the Bureau of Customs (BOC) against respondents Dennis A. Uy, Pres and CEO of Phoenix Petroleum Philippines, Inc. and customs broker, Jorlan Cabanes for lack of merit.

In a resolution dated 16 November 2012 pursuant to a procedural automatic review, the DOJ found no unlawful importations under Section 3601 of the TCCP based on the records submitted by the respondents vis-a-vis the allegations of the BOC. It stated that the shipments subject of the case regularly passed through the customs house according to the standard procedure where the required documents and custom entries were filed and accepted.

Significantly, in the said resolution, DOJ declared that respondents could not be held criminally liable for violation of 3602 of the TCCP as the BOC failed to show that the subject importations were fraudulently made. The documents submitted by the respondents mostly emanated from the complainant BOC which clearly showed that the payment of duties, taxes and fees covering the importations in question and its subsequent release were regular and above board. Complainant BOC failed to refute the charges by clear and convincing proof.

Furthermore, the resolution mentioned complainant BOC's attempt to file additional documentary evidence (despite having the case already submitted for resolution) through their "Motion to Reopen Preliminary Investigation". However, these purported documents were not attached to the said motion which to DOJ's consideration only "bolsters our finding that complainant has no additional documents to discredit those submitted by respondents."

It can be remembered that the charges for smuggling was filed by BOC through the Run After the Smugglers (RATS) Group under the term of then Com. Angelito Alvarez in May 2011 but received only by the respondents on July 06 2011. Ironically, despite the pending case filed by BOC-RATS, Phoenix has been awarded as the Top 1 Importer in Davao City by BOC Port of Davao in 2011 and 2012 and the country's Top 7 Importer in 2011 based on duties and taxes paid.