

07 Februaary 2018

Philippine Stock Exchange

Disclosure Department
3/F PSE Plaza, Ayala Triangle Plaza
Makati City, Metro Manila

Attention: Mr. Jose Valeriano B. Zuño III
OIC - Disclosure Department
Philippine Stock Exchange

Sir:

Please find attached Preliminary Information Statement (SEC Form IS-20) submitted to the Commission today for its consideration and approval in relation to the Company's Annual Stockholders' Meeting on March 15, 2018 in Davao City, Philippines.

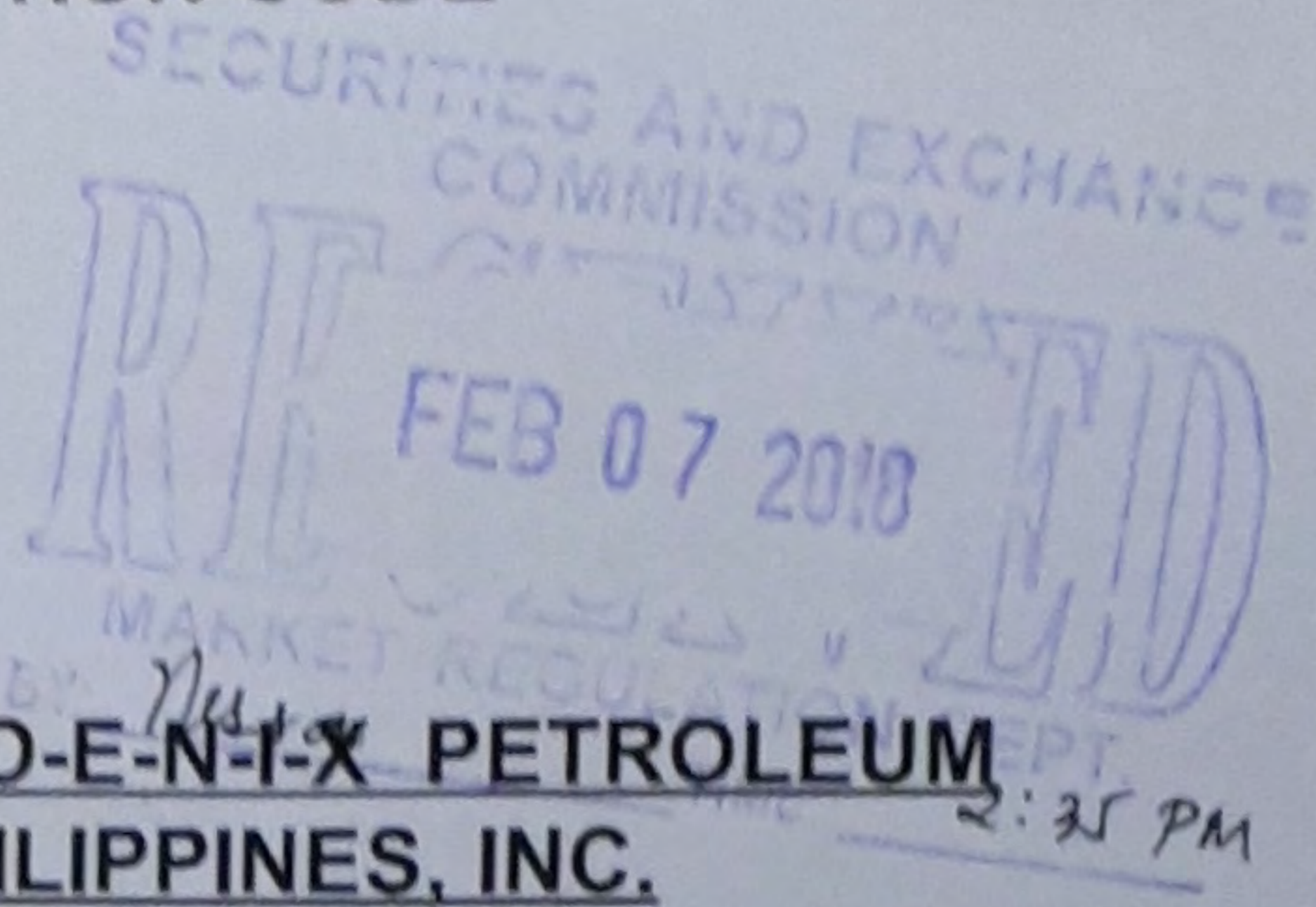
Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE



1. Check the appropriate box:

☒ Preliminary Information Statement

☐ Definitive Information Statement

2. Name of Company as specified in its charter: **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.**

3. Country of Incorporation: **Philippines**

4. SEC Identification Number: **A200207283**

5. BIR Tax Identification Code: **006-036-274**

6. Address of principal office: **Stella Hizon Reyes Road, Bo. Pampanga**
Lanang, Davao City 8000

7. Company's telephone number, including area code: **(082) 235-8888**

8. Date, time and place of the meeting of security holders:

March 15, 2018, 2:00 p.m.
Phoenix Petroleum Corporate Headquarters
Stella Hizon Reyes Rd. Bo. Pampanga,
Lanang, Davao City

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **February 22, 2018**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the SRC:

<u>Title of Each Class</u>	<u>Number of Shares</u>
Common Shares, Php1.00 par value	1,431,538,232
Preferred Shares, Php 1.00 par value	25,000,000

11. Are any or all of Company's securities listed on a Stock Exchange?

Yes X No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, 1,431,538,232 Common Shares
25,000,000 Preferred Shares



NOTICE AND AGENDA
(Amended)

The Annual Stockholders' Meeting of P-H-O-E-N-I-X Petroleum Philippines, Inc. will be held on the following date and place:

Thursday, March 15, 2018, 2:00 PM
Phoenix Petroleum Corporate Headquarters
Stella Hizon Reyes Rd.
Lanang, Davao City

The agenda for the Meeting shall be, as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held last March 15, 2017
4. Report of the President and Chief Executive Officer
5. Approval of the 2017 Audited Financial Statements and 2017 Annual Report
6. Corporate Actions:

- a) Proposed Amendment of Articles of Incorporation particularly Article II on Secondary Purpose to include and read as follows:

"SECOND: That the purposes for which the corporation is formed are as follows:

"PRIMARY PURPOSE

X x x x x x x x

"SECONDARY PURPOSE

1. X x x x x x x
2. X x x x x x x
3. X x x x x x x
4. X x x x x x x
5. To enter into any lawful arrangements for sharing of profits, union of interest, utilization or such other paramount agreements, reciprocal concession, or cooperation with any corporation, association, partnership, syndicate, entity, person or government, municipal or public authority, domestic or foreign, including execution of management contracts with and for its subsidiaries, affiliates and other corporations, in the carrying on of any transaction as may deemed necessary, convenient, or incidental in the carrying out of any of the purpose of the corporation.
6. X x x x x x x

7. To aid in any lawful manner, by loan, subsidy, guaranty or otherwise, any corporation whose stocks, bonds, notes, debentures or other securities or obligations are held or controlled, directly or indirectly, by the Corporation, and to do any and all lawful acts or things necessary or desirable to protect, preserve, improve or enhance the value of such stocks, bonds, securities or other obligations or evidences of indebtedness, and to guarantee the performance of any contract or undertaking of any person, partnership, association or corporation in which the Corporation is or becomes interested.

B. X x x x x

- b) Proposed approval and authority to enter into and execute Management Contracts with its corporate subsidiaries, ie., **Phoenix LPG Philippines, Inc., PNX Petroleum Singapore PTE Ltd. and Philippine FamilyMart CVS, Inc.** and other subsidiaries;
- c) Proposed Investment of Corporate Funds consisting of Php110,000,000.00 of the Authorized Capital Stock of the Joint Venture Corporation with TIPCO Asphalt*Public Company Limited and Carlito B. Castrillo of PhilAsphalt Development*Corp. for the manufacture, storage and distribution of bitumen and bitumen-related products;
- d) Ratification of the acquisitions of 100% shares in the following corporation:
- Petronas Energy Philippines, Inc. (PEPI), Duta Inc. (Duta) and Kaparangan Inc. (Kaparangan)
 - Philippine FamilyMart CVS, Inc. (PFM)
7. Ratification and Confirmation of all Acts and Resolutions of the Board and Management executed in the normal course of business covering the period of 01 Feb 2017 until 31 January 2018
8. Election of the Members of the Board of Directors
- In the event of re-election of Atty. Monica Y. Jacob, proposed approval to elect him from Independent Director to regular director
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

All stockholders as of **14 February 2018** shall be entitled to participate and vote in the said annual meeting.


Atty. Socorro Ermac Cabreros
Corporate Secretary

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

- (a) Date : March 15, 2018
 Time : 2:00 p.m .
 Place : Phoenix Petroleum Corporate Headquarters
 Stella Hizon Reyes Rd.
 Davao City
- Mailing P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.
 Address: Office of the Corporate Secretary
 Phoenix Petroleum Corporate Headquarters
 Stella Hizon Reyes Road, Bo. Pampanga
 Lanang, Davao City 8000

- (b) Approximate date on which the Information Statement is first to be sent or given to security holders: February 22, 2018.

Item 2. Dissenter 's Right of Appraisal

Procedure for the exercise of Appraisal Right

Pursuant to Section 81 of the Corporation Code of the Philippines, a stockholder has the right to dissent and demand payment of the fair value of his shares in case of any amendment to the articles of incorporation that, (1) in case of amendment to the articles of incorporation, has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (2) in case of lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code, and (3) in case of merger or consolidation. Such appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

Within ten (10) days after demanding payment for his shares, a dissenting stockholder shall submit the certificate(s) of stock representing his shares to the Company for notation thereon that such shares are dissenting shares and proof that such dissenting shareholder has voted against the proposed corporation action in order to exercise his appraisal right . His failure to do so shall, at the option of the Company, terminate his appraisal rights. No demand for

payment as aforesaid may be withdrawn by the dissenting stockholder unless the Company consents thereto.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company and third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment: Provided, further, that upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

One of the proposed corporate actions in the annual meeting is the amendment of the Company's Articles of Incorporation particularly Article II on Secondary Purpose. The Proposed amendment of Article II particularly under Secondary Purpose consists as follows:

"SECONDARY PURPOSE

1. X x x x x x x
2. X x x x
3. X x x x x
4. Xx x x x
5. To enter into any lawful arrangements for sharing of profits, union of interest, utilization or any paramount agreement, reciprocal concession, or cooperation with any corporation, association, partnership, syndicate, entity, person or government, municipal or public authority, domestic or foreign, including execution of management contracts with and for its subsidiaries, affiliates and other corporations, in the carrying on of any transaction as may deemed necessary, convenient, or incidental in the carrying out of any of the purpose of the corporation."
6. Xx x x x
7. To aid in any lawful manner, by loan, subsidy, guaranty or otherwise, any corporation whose stocks, bonds, notes, debentures or other securities or obligations are held or controlled, directly or indirectly, by the Corporation, and to do any and all lawful acts or things necessary or desirable to protect, preserve, improve or enhance the value of such stocks, bonds, securities or other obligations or evidences of indebtedness, and to guarantee the performance of any contract or undertaking of any person, partnership, association or corporation in which the Corporation is or becomes interested.
8. Xx x x x"

The foregoing proposed amendments in the Secondary Purpose further authorizes the Corporation to enter into management contracts with its subsidiaries as well as authorizes the Corporation to assist its subsidiaries and affiliates to execute corporate guarantees, loan

subsidiaries to aid in the subsidiaries' business activities in order to protect, preserve and/or enhance the value of its respective shares which effectively will redound to the benefit of the Corporation.

The said proposed amendments have no effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending the term of the corporation existence.

HENCE, THERE ARE NO MATTERS THAT WILL BE PRESENTED FOR SHAREHOLDERS' APPROVAL DURING THE ANNUAL MEETING THAT MAY OCCASION THE EXERCISE OF THE RIGHT OF APPRAISAL.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) No director or officer of the Company since the beginning of the last fiscal year, nominee for election as director of the Company, nor any of their associates, have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Annual Meeting, other than election to office.
- (b) No director of the Company has informed the Company in writing that he intends to oppose any action to be taken by the Company during the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Voting Securities

As of 31 January 2018, the total number of shares outstanding and entitled to vote on all corporate matters to be acted upon during the Annual Meeting are 1,431,538,232 common shares.

(b) Record Date

The record date for purposes of determining the stockholders entitled to notice of and to vote at the Annual Meeting is February 14, 2018 .

(c) Voting Rights and Trust

In the matters to be voted upon in the Annual Meeting, stockholders of record as of February 14, 2018 shall be entitled to one vote per share in person or by proxy. If he will

vote thru a proxy, the By-Laws of the Company requires the submission of the accomplished proxy form to the Corporate Secretary for validation and authentication at least ten (10) days before the date of the Annual Meeting.

The validation of proxies chaired by the Corporate Secretary or Assistant Corporate Secretary and attended by the Stock and Transfer Agent shall be convened at least five (5) days before the Annual Meeting. Any questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies shall only be raised during said forum and resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding upon the shareholders, and those not settled at such forum shall be deemed waived and may no longer be raised during the Annual Meeting.

With respect to the election of the members of the Board of Directors, cumulative voting is allowed. A stockholder may vote such number of shares for as many persons as there are directors to be elected; or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares; or he may distribute these shares on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the total number of directors to be elected.

(d) Security Ownership of Certain Record and Beneficial Owners and Management as of January 31, 2018.

(1) Security Ownership of Certain Record and Beneficial Owners

As of January 31, 2018, the following are the owners of the Company's common stock in excess of five percent (5%) of the total outstanding shares:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Phoenix	Name of Beneficial Owners/Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership
Common	Phoenix Petroleum Holdings, Inc. Stella Hizon Reyes Road, Bo. Pampanga, Lanang, Davao City	Record Owner is the direct beneficial owner	Filipino	588,945,630	41.14%
	Majority Shareholder				
Common	ES Consulting Group, Inc. Unit 1506, 15th/F The Centerpoint Bldg., Julia Vargas cor., Garnet Road, Ortigas Center Pasig City	Record Owner is the direct beneficial owner	Filipino	340,270,980	23.77%

Common	Top Direct Investments Limited	Record Owner is the direct beneficial owner	Filipino	142,000,000	9.92%
Common	Udenna Corporation Stella Hizon Reyes Road, Bo. Pampanga, Lanang, Davao City Shareholder	Record Owner is the direct beneficial owner	Filipino	117,245,918	8.19%
Common	PCD Nominee Corporation (Filipino) 37/F Tower 1, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Record Owner is the indirect beneficial owner	Filipino	109,844,749	7.67%
Common	PCD Nominee Corporation (Non-Filipino) 37/F Tower 1, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Record Owner is the indirect beneficial owner	Filipino	107,206,416	7.49%%

As of January 31, 2018, there are no beneficial owners under the PCD Nominee Corp. of the Company's common stock in excess of five percent (5%) of the total outstanding shares.

There are NO voting trust agreement entered into by the Company or any of the major stockholders of the Company.

However, the persons are authorized for purposes of this annual meeting to vote for and in behalf of the following stockholders are as follows:

Name of Stockholders	Representative
1. Phoenix Petroleum Holdings, Inc.	Domingo T. Uy
2. Udenna Corporation	Cherylyn C. Uy
3. Udenna Management & Resources Corp.	Igna S. Braga IV
4. PCD Nominees/ Trading Participants	Ultimate Beneficial Owners representing the trading participants shall be made available after lapse of the Record Date and only after submission of their respective proxy forms for validation

Security Ownership of Management

As of January 31, 2018 , the security ownership of Management is as follows:

Common

Title of Class of Securities	Name/Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Ownership
Directors:				
Common	Dennis A. Uy Stella Hizon Reyes Rd., Bo. Pampanga, Lanang, Davao City	4,349,811 direct beneficial owner	Filipino	0.30%
Common	Dennis A. Uy &/or Cherylyn C. Uy Stella Hizon Reyes Rd., Bo. Pampanga, Lanang, Davao City	1,098,099 direct beneficial owner	Filipino	0.08%
Common	Domingo T. Uy Insular Village Phase II, Lanang, Davao City	645,919 direct beneficial owner	Filipino	0.05%
Common	Romeo B. De Guzman Hillsborough, Alabang Village, Muntinlupa City	1,425,746 direct beneficial owner	Filipino	0.10%
Common	J.V. Emmanuel A. De Dios 95 A. Melchor St., Loyola Heights, Quezon City	1,300,819 direct beneficial owner	Filipino	0.09%
Common	Joseph John L. Ong 80 Pola Bay, Southbay Gardens, Paranaque City	520,836 direct beneficial owner	Filipino	0.04%
Common	Consuelo Ynares Santiago Santiago Cruz & Associates Law Office Unit 1702 East Tower PSE Center, Pasig City	1 direct beneficial owner	Filipino	0.00%
Common	Monico V. Jacob 7 th flr Philippine First Bldg, 6764 Ayala Ave., Makati City	1 direct beneficial	Filipino	0.00%

		owner		
Common	Frederic T. DyBuncio	1	Filipino	0.00 %
		direct beneficial owner		
Common	Carolina Inez Angela S. Reyes 135 F. Manalo St., Brgy. Kabayanan, San Juan	1	Filipino	0.00 %
		direct beneficial owner		
Common	Stephen R. CuUnjieng	1	Filipino	0.00 %
		direct beneficial owner		

Senior Management

Common	Socorro T. Ermac Cabrerios 223 V. Mapa St., Davao City	103,316	Filipino	0.01%
		direct beneficial owner		
Common	Reynaldo A. Phala Block 5 Lot 20 Pioneers Village	24,830	Filipino	0.00%
		direct beneficial owner		

Preferred

Title of Class of Securities	Name/Address of Beneficial Owner	Amount and Nature of Beneficial Ownership			% of Ownership
		Number of Shares			
Directors:		PNX3A	PNX3B	Total	% to total I/O shares
Preferred	Domingo T. Uy* Ph2 Blk 07 Insular Village Phase II, Lanang, Davao City	-	10,000 direct beneficial owner	10,000	0.05%
Preferred	Romeo B. De Guzman* Hillsborough, Alabang Village, Muntinlupa City Bacaca, Davao City	25,000 Indirect beneficial owner thru	-	25,000	0.13%

Spouse					
Preferred	Consuelo Ynares Santiago Santiago Cruz & Associates Law Office Unit 1702 East Tower PSE Center, Pasig City	-	10,000	10,000	0.05%
				direct beneficial owner	
Preferred	Joseph John L. Ong* 80 Pola Bay, Southbay Gardens, Paranaque City	-	30,000	30,000	0.15%
				direct beneficial owner	

*named directors are likewise officers of the Company or Corporation per By-Laws

The other executive officers of the Company, Alan Raymond T. Zorrilla – VP for External Affairs, Business Development and Security; Ericson Inocencio-General Manager for Retail Business; Joselito De Jesus-General Manager for Business Development, Strategies and Portfolio Unit; William M. Azarcon – Vice President for Business Development for Terminal and Depot; Ma. Rita A. Ros – Asst. Vice President for Supply; Richard Tiansay-General Manager for Pricing and Demand, Roy Jimenez-General Manager for Commercial and Industrial Business; Celina I. Matias-AVP for Brand and Marketing, Celeste Marie G. Ong-AVP for Human Resources; Jonarest Z. Sibog, Asst. Vice President for Comptrollership; Debbie A. Uy-Rodolfo, Asst. Vice President for Customer Service Unit and Corporate Communications and Joven Jesus G. Mugar-General Manager for Lubricant Sales and Distribution Business own common shares in scripless form through the Company's Employees Stock Option Plan (ESOP) issued on July 26, 2017 and November 15, 2017 as follows:

Names	No. of Shares
Alan Raymond T. Zorrilla	89,000
Ericson S. Inocencio	57,000
Joselito G. De Jesus	59,000
William M. Azarcon	62,000
Ma. Rita A. Ros	57,000
Richard R. Tiansay	58,000
Roy O. Jimenez	51,000
Ma. Celina I. Matias	46,000
Celeste Marie G. Ong	39,000
Jonarest Z. Sibog	26,000
Debbie Uy-Rodolfo	32,000
Joven Jesus G. Mugar	44,000

However, some of the officers have disposed their shares through their respective brokers.

The numbers of aggregate shares for all directors and executive officers is Ten Million Eight Nine Thousand Three Hundred Eighty-One (10,089,381) for common shares and Seventy Five Thousand (75,000) for preferred shares.

Other than those mentioned above, there are no persons holding more than five percent (5%) of a class under a voting trust or any similar agreements as of the date of this Report.

(e) Change in Control

On 22 May 2017, the Corporation was informed by its major stockholders, Udenna Corporation (UC) and Udenna Management & Resources Corp. (UMRC) of a joint block sale, using the Philippine Stock Exchange's (PSE) facilities, of a total of 340,270,958 common shares of the Corporation in favor of a certain ES Consulting Group, Inc. (ESGI), a consulting firm that is focused on financial strategy, capital mergers and acquisitions as well as joint ventures. This consists of about 23.77% of the Corporation's outstanding capital stock.

On 04 January 2018, the Corporation received a copy of SEC Form 18-A from a certain Top Direct Investments Limited (Top Direct Investments), a foreign corporation organized in the British Virgin Islands with registered office in Hongkong, SAR through a reporting person identified as Miguel Jose C. Valencia who is holding office at the PSE Center in Ortigas, Metro Manila. The form indicated that Top Direct Investments acquired about 142,000,000 shares in the Corporation representing about 9.92% of the total outstanding capital stock, through a special block sale crossed at the PSE at the price of Php15.00 per share. It further disclosed that the purpose of the acquisition of equity interest in the Corporation is for investment purposes in the petroleum industry and it does not intend to acquire shares of the Corporation for purposes of taking over the same.

Item 5. Directors and Executive Officers

(a) The incumbent members of the Board of Directors and the executive officers of the Company are as follows:

Office	Name	Age	Citizenship
Directors			
Chairman	Domingo T. Uy	70	Filipino
Director/President and Chief Executive Officer	Dennis A. Uy	44	Filipino
Director/Vice-Chairman	Romeo B. De Guzman	68	Filipino
Director/Chief Finance Officer	Joseph John L. Ong	58	Filipino
Director	Cherylyn C. Uy	37	Filipino
Director	*Frederic C. DyBuncio	57	Filipino
Director	J.V. Emmanuel A. de Dios	52	Filipino
Director	**Stephen T. CuUnjieng	58	Filipino
Director	Carolina Inez Angela S. Reyes	56	Filipino
Independent Director	Consuelo Ynares Santiago	77	Filipino
Independent Director	Monico V. Jacob	72	Filipino
Corporate Secretary/Asst. Vice President for Corporate Legal	**Socorro T. Ermac Cabreros	53	Filipino
Treasurer	Chryss Alfonsus V. Damuy	44	Filipino

Other Executive Officers			
Chief Operating Officer	Henry Albert R. Fadullon	50	Filipino
Vice President for Corporate Affairs, Business Development and Security	Alan Raymond T. Zorrilla	48	Filipino
Vice President for Business Development for Terminals and Depot	William M. Azarcon	71	Filipino
Asst. Vice President for Engineering	Ignacio Raymund Ramos, Jr.	55	Filipino
General Manager for Pricing and Demand	Richard C. Tiansay	54	Filipino
General Manager for Retail Business	Ericson S. Inocencio	43	Filipino
General Manager for Business Development, Strategies and Portfolio Unit	Joselito G. De Jesus	62	Filipino
General Manager for Lubricants Sales and Distribution Business	Joven Jesus G. Muiar	47	Filipino
General Manager for Commercial and Industrial Business	Roy O. Jimenez	55	Filipino
Asst. Vice President for Supply	Ma. Rita A. Ros	58	Filipino
Asst. Vice President for Technical Service and Quality Product Assurance Department	Ignacio B. Romero	73	Filipino
Asst. Vice President for Treasury	Reynaldo A. Phala	51	Filipino
Asst. Vice President for Comptrollership	Jonarest Z. Sibog	37	Filipino
Asst. Vice President for Brand and Marketing	Celina I. Matias	53	Filipino
Asst. Vice President for Customer Service Unit and Corporate Communications	Debbie A. Uy-Rodolfo	38	Filipino
Asst. Vice President for NFRB, Network Development & Capital Investments	Bernard C. Suiza	52	Filipino

*Frederic C. DyBuncio has been elected to the Board on May 26, 2017 in lieu of the resignation of Paul Dominguez.

Stephen T. CuUnjieng has been elected to the Board on January 15, 2018 in lieu of the resignation of * Socorro Ermac Cabrerros as Member of the Board of Directors but Atty. Cabrerros continues to function as the Board's Corporate Secretary and head of the Company's Corporate Legal Department.

Since the last annual meeting of 2017, NO officer or director has resigned because of a disagreement with the Company on any matter relating to the Company's issuance, operations, policies or practices.

Directors

The members of the Board of Directors of the Company are elected during the annual stockholders' meeting to hold office until the next succeeding annual stockholders' meeting and until their successors have been appointed or elected and qualified. The following is the list of the incumbent members of the Board of Directors, and their business experiences during the past five (5) years:

Domingo T. Uy Chairman

Mr. Domingo T. Uy, Filipino, 71 years old, 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. Mr. Uy is actively involved in socio-civic programs and is a Director of the Philippine National Red Cross, Davao Chapter. He is also a Past President of the Davao City Sta. Ana Lions Club and the Kang Ha Uy Association - Davao Chapter.

Dennis A. Uy Director, President and Chief Executive Officer

Mr. Dennis A. Uy, Filipino, 44 years old, is the founder of the Company and has served as President and Chief Executive Officer since inception. He is the Chairman and President of Udenna Corporation, the parent company, which has businesses in the shipping, logistics, distribution, real estate, and service industries. Among the subsidiaries of Udenna Corporation are Phoenix Petroleum Holdings, Inc. (PPHI), Udenna Management & Resources Corp. (UMRC), Chelsea Logistics Corp., Udenna Investments BV, and Udenna Trade Corporation. The subsidiaries of Phoenix Petroleum Philippines are Phoenix Global Mercantile, Inc., Subic Petroleum Trading & Transport Philippines, Inc., and PFL Petroleum Management. The subsidiaries of Udenna Management & Resources Corp. (UMRC) are Udenna Development Corporation (UDEVCO), Global Synergy Trade and Distribution Corp., Value Leases, Inc., Udenna Capital, PNX-Udenna Insurance Brokers, Udenna Environmental Services, Udenna Energy Corporation, and F2 Logistics. Under UDEVCO are Phoenix Petroterminals & Industrial Park Corp. (PPIPC), Udenna Tower Corporation, and GoHotels Davao. The Chelsea Logistics Corp. has the shipping businesses Chelsea Shipping Corp. and Trans-Asia Shipping Lines. Mr. Uy is also Chairman of Phoenix Philippines Foundation and Udenna Foundation. He is director of shipping and logistics provider 2Go Group, Inc. through his Udenna Investments BV subsidiary KGLI-NM Holdings Inc. He also serves as independent director of Apex Mining Corp. Mr. Uy is a member of the Young Presidents Organization's Philippine chapter and the Philippine Business for Social Progress. Since November 2011, Mr. Uy has been the Honorary Consul of Kazakhstan to the Philippines. In 2016, he was appointed as the Presidential Adviser on Sports. He is a graduate of De La Salle University with a degree in Business Management.

Romeo B. De Guzman
Director , Vice Chairman

Mr. Romeo B. De Guzman, Filipino, 68 years old, was elected Director of the Company in 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.

Atty . J.V. Emmanuel A. De Dios
Director

Atty. J.V. Emmanuel A. De Dios, Filipino, 53 years old, 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.

Joseph John L. Ong
Director , Chief Finance Officer

Mr. Joseph John L. Ong, Filipino, 59 years old, is the Chief Finance Officer of the Company. He is also a member of the Board of Directors of 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 - 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 – 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 1980-1986. He received his Bachelor of Science in Commerce from De La Salle University in 1980.

Frederic T. 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.

Cherylyn C. Uy
Director

Ms. Cherylyn Chiong-Uy, Filipino, 38 years old, is a graduate of Business and Finance from Ateneo de Davao University. Ms. Uy is one of the pioneers/incorporators of Udenna Corporation, the ultimate parent company of Phoenix Petroleum, and which has subsidiaries engaged in the petroleum, shipping, logistics, services, and real estate businesses, among others. She is the Corporate Treasurer of Udenna Corporation. Ms. Uy is also one of the Executive Directors of Phoenix Philippines Foundation, Inc., the corporate social responsibility arm of the Company. She is the Corporate Treasurer of Udenna Management and Resources Corporation and Chelsea Shipping Corp.

Carolina Inez Angela S. Reyes
Director

Carolina Inez Angela S. Reyes, 56 years old, 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.

Stephen T. CuUnjieng
Director

Stephen T. CuUnjieng, Filipino, 58 years old, 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 Yñares-Santiago*
Independent Director

Ms. Consuelo Ynares-Santiago, Filipino, 77 years old, 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 5 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.

Monico V. Jacob*
Independent Director

Monico V. Jacob, Filipino, 73 years old, 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; of Philippine Life Financial, Inc., a life insurance company, and of Republic Surety and Insurance Co., a non-life insurance Company. He likewise sits as an independent director of Jollibee Foods, Inc., Century Properties, Lopez Holdings, Inc. and 2GO Shipping. He sits as Director of Asian Terminals, Inc., Philhealthcare Systems, Inc., an HMO, Philippine Women's University and IAcademy.

* Independent director – the Company is compliant with the Guidelines set forth by the Securities Regulation Code (SRC)) Rule 38 regarding the Nomination and Election of Independent Director. The Company's By-Laws incorporate the procedures for the nomination and election of independent director/s in accordance with the requirements of the said Rule.

Period of Directorship in the Company

<u>Name</u>	<u>Period of Service</u>	<u>Term of Office</u>
Dennis A. Uy	since incorporation to present	1 year
Domingo T. Uy	since incorporation to present	1 year
Socorro T. Ermac-Cabrereros*	2006 to January 15, 2018	1 year
Romeo B. De Guzman	since 2009 to present	1 year
J.V. Emmanuel De Dios	2007 to present	1 year
Cherylyn C. Uy	2004 to 2006, 2013 to present	1 year
Joseph John L. Ong	2013 to present	1 year
Monico V. Jacob	2008 to present	1 year
Consuelo Ynares Santiago	2013 to present	1 year
Carolina Inez A. S. Reyes	2016 to present	1 year
Stephen T. CuUnjieng**	January 15, 2018 to present	1 year
Frederic C. DyBuncio	May 27, 2017 to present	1 year

* Incoming Director

**Outgoing Director

Directorships in Other Reporting Companies

The following are directorships held by the directors and executive officers in other reporting companies during the last five (5) years:

Name of Director	Name of Reporting Company	Position Held
Consuelo Ynares Santiago	Anchor Insurance Brokerage Corp. SMC Global Power Holdings, Inc. South Luzon Tollway Corp. Top Frontier Investment Holdings, Inc.	Independent Director
Monico V. Jacob	Jollibee Foods Corporation Lopez Holdings, Inc. Rockwell Land Corporation STI Educations Systems Holdings, Inc. Asian Terminals, Inc. 2GO Shipping	Independent Director

Certificate of Qualification of the Independent Directors

The Company will submit an updated Certificate of Qualification of all independent directors pursuant to the October 20, 2006 notice of the Commission on or before the Company's distribution of the Definitive Information Statement to the security holders on February 22, 2018.

Certificates of Attendance of Directors for 2017 and Compliance with the Provisions of the Manual of Corporate Governance

Copies of the Corporate Secretary's Sworn Certifications on the attendance of Directors for the year 2017 and compliance with the Provisions of the Manual of Corporate Governance are attached hereto as Annexes "C" and "D", respectively.

Executive Officers

The following is a list of other executive officers and their business experiences during the past five (5) years:

Henry Albert R. Fadullon , Filipino, 50 years of age, was appointed Chief Operating Officer of the Company on April 17, 2017. Prior to this, he served Shell Shared Services (Asia) B.V. as General Manager for its global businesses. He has over 25 years of experience in the petroleum industry, having held various roles at Pilipinas Shell Petroleum

Corp., a decade of which were spent overseas with postings in Malaysia, Oman, and London. He has a wealth of experience in Retail and B2B performing a variety of frontline and functional roles leading into General Management positions. He completed his BS Industrial Management Engineering, minor in Mechanical Engineering, from De La Salle University.

Alan Raymond T. Zorrilla , Filipino, 48 years of age, is the Vice President for External Affairs, Business Development, and Security of the Company. Prior to his employment with the Company, he was Chief Legal Counsel of the Unioil Group of Companies where he headed the Legal, Human Resources, and Administrative Departments. He also served as Director for Freeport Services Corporation, a 100% subsidiary of Subic Bay Metropolitan Authority and was once a Legal Consultant of the Department of Environment and Natural Resources. Atty. Zorrilla was engaged in litigation practice with Pangilinan, Britanico, Sarmiento and Franco Law Offices before he entered corporate practice. He formerly worked as Corporate Legal Counsel of publicly-listed Fil-Estate Group of Companies in its Litigation and Labor Department. Atty. Zorrilla completed his law studies at the San Beda College of Law in 1994 and was admitted to the Philippine Bar in 1995. He also took up his masteral studies at the Ateneo Graduate School of Business. He is an Army Reservist and a concurrent Commander (Lt. Colonel) of the Philippine Coast Guard Auxiliary.

William M. Azarcon , Filipino, 71 years old, is currently the Vice President for Business Development for Terminals and Depots. Mr. Azarcon has twenty-six (26) years experience in the oil industry, covering engineering operations, retail and distribution of bulk & packed products nationwide. Mr. Azarcon used to work for Pilipinas Shell Petroleum Corporation and served as Field Engineer in Operations nationwide constructing depots & related facilities, i.e, jetties, submarine pipelines, bulk storage tanks, among others. He likewise served as Head of Operations of North Luzon and transferred to Retail Engineering as Retail Engineering Manager nationwide. He also served as RVI (Retail Visual Identity) Manager. After retiring from Shell, Mr. Azarcon engaged in business as Retail Engineering Contractor of Shell. He holds a degree in Bachelor of Science in Mechanical Engineering from Mapua.

Socorro T. Ermac-Cabreros , Filipino, 53 years old, is concurrently the Asst. Vice President for Corporate Legal and Corporate Secretary of the Company. She is also the Corporate Secretary Phoenix Petroleum Holdings, Inc. Prior to joining the Company, she was a Legal Counsel of Philippine National Bank in Davao City. She has worked for the government such as Office of the Ombudsman for Mindanao and later as Prosecutor for the Province of Davao del Norte after engaging in the private practice of law. She finished her law degree at the Ateneo de Davao University College of Law. She was President for the Davao City Chapter of the Integrated Bar of the Philippines, Davao City Chapter from 2009-2011 and President of the Davao Lady Lawyers Association from 2000-2002.

Jonarest Z. Sibog, Filipino, 37 years old, is the Asst. Vice President for Comptrollership. She joined the company in 2006, starting her career in Procurement which she headed for seven years before moving to Finance. She is a graduate of Ateneo de Davao University with a degree in Bachelor of Science in Accountancy. She finished her Masters in Business Administration at the University of Mindanao where she also earned a few units in LLB. She is a Certified Public Accountant and is currently a Board of Director of the Association of CPAs in Commerce and Industry (ACPACI) - Davao City Chapter

Richard C. Tiansay, Filipino, 54 years old, is the General Manager for Pricing and Demand. Mr. Tiansay has more than 22 years of experience in the oil industry covering domestic and international operations. His last position in Royal Dutch Shell is as Global SAP IT Order to Cash Team Lead in London, U.K. This after being assigned to various key managerial positions not limited in the Philippines but as well as in a number in Asia Pacific and other countries. Mr. Tiansay completed his Bachelor of Science in Mechanical Engineering degree from the University of San Carlos, Cebu City.

Roy O. Jimenez, Filipino, 55 years of age is currently the General Manager for Commercial and Industrial Business. Prior to joining the Company he was connected with Chevron Phil. Inc for almost 30 years and handled various National and District Managerial positions, as well as supervisory positions for various trades such as Retail, Commercial/Industrial, Marketing Support, Liquefied Petroleum Gas and Lubricants. He also handled regional position as a Programs Manager and have been the team lead for Philippines in various Chevron Regional projects. He was assigned as a District Manager covering various areas like North Metro Manila/North Luzon, Visayas and Mindanao. He is a licensed Mechanical Engineer and graduated in University of Santo Tomas. He has MBA units in De La Salle University and attended various Leadership and Management programs in Asian Institute of Management, as well as in-house training programs of Chevron in Asia Pacific and South Africa.

Joselito G. de Jesus, Filipino, 62 years old, is the General Manager for Business Development, Strategies and Portfolio Unit. Prior to joining the Company, Mr. de Jesus was the Assistant Vice-President for Reseller Trade of Petron Corporation. He joined the oil industry in late 1970's when became a Corporate Planning Analyst, then later on Corporate Planning Manager/Coordinator, of the Philippine National Oil Company (PNOC). Mr. de Jesus also became a Manager in the Corporate Planning Department of PNOC Shipping and Transport Corporation and at the same time, he was also an assistant to the Chairman of PNOC. In the late 90's, Mr. de Jesus transferred to Petron Corporation and stayed with said Company for almost 17 years. He is a graduate of Bachelor of Science in Business Administration Major in Marketing and Finance from the University of the Philippines and holds a Masters in Business Administration from the Ateneo Graduate School of Business.

Ericson S. Inocencio, Filipino, 43 years old, is the General Manager for Retail Business. Eric has more than 20 years of extensive experience in the petroleum industry. Prior to joining the Company, he was connected with Chevron Phils. where he

held various positions primarily leading the Commercial and Industrial business as District Sales Manager for more than five(5) years and as concurrent National Fleet Cards Sales Manager. He has exposure in marketing support function in charge of developing and executed local & global process/programs which includes profitability modelling. He is a certified Mechanical Engineer from De La Salle University and attended his MBA at Ateneo Graduate School of Business.

Joven Jesus G. Mugar, Filipino, 47 years of age, is the General Manager for Lubricants Sales and Distribution Business. He joined Phoenix last May 4, 2015. He brought with Him twelve and a half years of pure lubricant experience from a major petroleum company holding various positions in sales, business development and marketing handling both B2C and B2B. Within those years, he had 2 years assignment in the Asia Pacific Region doing Channel Development Specialist work.

Ignacio B. Romero, Filipino, 73 years old, is currently the Asst. Vice President for Technical Service and Quality Product Assurance Department. Mr. Romero has more than 44 years of experience in the oil industry. Before joining the Company, he held the same position in National Oil Company of Indonesia, Pilipinas Shell Corporation, and Mobil Exxon. He is a graduate of Bachelor of Science in Mechanical Engineering at Cebu Institute of Technology in 1966 and is a licensed Mechanical Engineer.

Maria Rita A. Ros, Filipino, 58 years old, is currently the Asst. Vice President for Supply. Ms. Ros has more than thirty (30) years of experience in the oil industry covering materials management, supply chain management, production planning, imports-exports, warehousing and logistics. She held various positions in Petron Corporation from 1981 up to 2011 when she handled Biofuels and Special Projects, and Supply Optimization. Ms. Ros set up a personal business before joining Phoenix Petroleum Philippines, Inc. in November 2013. She is a graduate of B.S. Chemical Engineering from the University of the Philippines, and is a licensed Chemical Engineer, and took up Basic Management at the Asian Institute of Management.

Celina I. Matias, Filipino, 53 years old, is presently the Asst. Vice President for Brand and Marketing Group of the Company. Ms. Matias has more than 25 years of expertise on strategic marketing and client servicing. She honed her skills from Ogilvy & Mather and McCann Erickson and had worked with local Ad Agency as partner. She handled over 25 local and global brands across different product categories from petroleum, telecoms, real estate, automotive, pharmaceutical and a lot more. She finished Communication Arts major in Advertising & Public Relations in Assumption College.

Debbie A. Uy-Rodolfo, Filipino, 38 years old, is presently the Asst. Vice President for Customer Service Unit and Corporate Communications of the Company. On top of her role as head of the Corporate Communications department, Debbie leads the Customer Service Unit team in achieving their targets by determining customer service trends, determining system improvements and implementing change. She graduated with a degree in Computer Science major in IT from De La Salle University, and finished her Masters in Journalism at Ateneo de Manila University.

Reynaldo A. Phala Filipino, 51 years old, is the Asst. Vice President for Treasury. He joined the Company in 2008 as its Credit and Collection Manager. Before joining the Company, he led a progressive banking career for 17 years, which he started at UCPB. He also worked with the Department of Trade and Industry as Municipal Trade and Industry Officer for a year. He graduated from Mindanao State University-General Santos City with the degree Bachelor of Science in Civil Engineering as a consistent academic scholar and passed the licensure examinations for Civil Engineers in May 1989. He recently finished his Master in Business Administration (MBA) under the Regis Program at the Ateneo Graduate School of Business.

Celeste Marie G. Ong, Filipino, 50 years old, is currently the Asst. Vice President for Human Resources. Ms. Ong has more than 20 years of solid human resources management experience from local and multinational companies (Concrete Aggregates Inc., Van Melle Phils., Fujitsu Computer Products and Optodev, Inc.) Her expertise includes compensation management, talent acquisition, training and development, employee relations/engagement, benefits administration and HRIS. She finished A.B. Psychology from Pamantasan ng Lungsod ng Maynila and took her M.A. in Psychology at University of Santo Tomas. She completed Essilor Management Training course in Singapore & France.

Gigi Q. Fuensalida-T y, Filipino, 41 years old, is presently the Asst. Corporate Secretary of the Company. Prior to her employment with the Company, she was one of the Senior Associates of the Villaraza Cruz Marcelo and Angangco Law Office. For six (6) years, Atty. Fuensalida specialized in Civil, Commercial and Criminal Litigation wherein she developed strategies for complex litigation and actively participated in the prosecution and defense of criminal cases before the regular trial courts, quasi-judicial bodies and the appellate courts. Atty. Fuensalida holds a degree in Bachelor of Arts Major in Political Science from the Ateneo de Manila University. She further obtained her Juris Doctor degree from the same institution and graduated with honors in 2002. Atty. Fuensalida is a member of the Integrated Bar of the Philippines since 2003.

Alfredo E. Reyes, Filipino, 55 years old, is currently the Asst. Vice President for - Information Technology of the Company. Mr. Reyes has been in the oil industry for the past 28 years. He worked in Pilipinas Shell Petroleum for 24 years in various management roles, regional and global, in retail and IT, his last position being Retail Lead GSAP Implementation for both Philippines and Indonesia. Prior to joining Phoenix he had a brief stint in Northgate Arinso as a Project Manager implementing HR SAP. Since joining the Company, he has overseen the SAP ERP and MSD CRM Systems which are anchoring Phoenix's aggressive sales growth with retail and commercial accounts.

Ignacio Raymund S. Ramos, Jr., Filipino, 55 years old, is the AVP for Engineering. He has more than 25 years of specialized practice in the fuel industry. He previously worked with Shell Philippines (1985 to 2003) and worked his way up to key positions like Special Projects Manager, Head Retail Construction, Retail Engineering Manager and Field

Facilities Engineering Manager. He also worked in Enmar Construction Inc. (2004-2009) where his role as General Manager propelled the business in the field of construction and maintenance of bulk oil terminal facilities and equipment for major petroleum companies. Among the projects he managed from 2006-2017 were: SMART Pigging (Intelligent Inspection of Pipelines) Shell Guam Inc.; In Indonesia: Pulau Laut Terminal bulk storage & distribution and jetty facility' PT Banten Energy for the construction of Refrigerated LPG Terminal, New IBT Barge Fuel Loading facility and in Singapore the construction of Lube Oil & Grease Manufacturing Plant. He finished Civil Engineering from the University of the Philippines.

Bernard C. Suiza, Filipino, 52 years old is the Assistant Vice President for NFRB, Network Development & Capital Investments. Bernard has 30 years of experience in network planning, marketing, and operations, having worked in industries from fuel to food. He joined Phoenix in 2017, and was previously with San Miguel Foods as its Area Sales Manager for North Luzon. He was formerly marketing director of Prominex Ventures, and General Manager of Emerging Channels Inc. where he handled marketing and distribution of food and non-food products. He spent 11 years in Pilipinas Shell Petroleum Corp. in various roles in retail, finance, network planning, and non-fuels retailing. He graduated from the University of the Philippines with a degree in Business Administration, and obtained his MBA from UP in 2017.

Chryss Alfonsus V. Damuy, Filipino, 44 years old, is the Treasurer and the Vice-President for Finance of the Company. Prior to his employment with the Company, he was the Controller of Lapanday Foods Corporation and held various positions in its subsidiaries including the Fresh Asia Produce as Accounting Manager and the Mindanao Fresh Produce Services Corporation as Assistant Accounting Manager. He also worked as Chief Accountant of the Regional Educators Multi-purpose Cooperative and as its Branch Officer. Mr. Damuy started his professional career as College Instructor of the Holy Cross of Davao College where as a dean's lister, he earned his Bachelor of Science Degree in Accountancy in 1997. Mr. Damuy is a Certified Public Accountant.

Period of Service in the Company

<u>Name</u>	<u>Period of Service</u>
Henry Albert R. Fadullon	April 17, 2017 to present
Joseph John L. Ong	November 3, 2010 to present
Socorro Ermac Cabrereros	July 2, 2006 to present
Jonarest Z. Sibog	March 27, 2006 to present
Reynaldo A. Phala	October 16, 2008 to present
Alan Raymond T. Zorrilla	April 1, 2009 to present
William M. Azarcon	June 1, 2009 to present

Joselito G. De Jesus	March 15, 2011 to present
Edwin M. Jose	March 1, 2013 to present
Richard C. Tiansay	March 1, 2013 to present
Eric S. Inocencio	February 15, 2014 to present
Roy O. Jimenez	May 11, 2015 to present
Joven Jesus Muijar	May 4, 2015 to present
Ma. Rita A. Ros	November 1, 2013 to present
Ignacio B. Romero	2013 to present to present
Celeste Marie G. Ong	July 2, 2012 to present
Debbie A. Uy-Rodolfo	February 1, 2008 to present
Celina I. Matias	July 2, 2012 to present
Gigi Q. Fuensalida	2008 to present
Alfredo E. Reyes	April 6, 2011 to present
Chryss Alfonsus V. Damuy	January 13, 2008 to present
Ignacio Raymund Ramos, Jr.	January 16, 2018 to present
Bernard C. Suiza	August 16, 2017 to present

Nominations of Directors and Independent Directors for the term 2018-2019

The following are the final nominees who were duly screened by the nomination committee for election to the Board of Directors for the following fiscal year 2018 at the forthcoming Annual Meeting:

1. Domingo T. Uy
2. Dennis A. Uy
3. Romeo B. De Guzman
4. J.V. Emmanuel A. de Dios
5. Joseph John L. Ong
6. Cherylyn C. Uy
7. Carolina Inez Angela S. Reyes (Independent Director)
8. Consuelo Ynares-Santiago (Independent Director)
9. Monico V. Jacob
10. Frederic C. DyBuncio
11. Stephen T. CuUnjieng

The term of Mr. Jacob as Independent Director has reached its full term of 9 years. He is currently nominated as a regular member of the Board of Directors.

To replace him, Ms. Carolina Inez Angela S. Reyes is nominated to become an Independent Director of the Company based on the following qualifications:

1. Ms. Reyes has no transaction, affiliations or relations with the Issuer/Corporation
2. Her current business activities such as in the food industry are different from the current business activities of the Corporation. Thus, her credentials adds to the diversity in the business backgrounds of the Board of Directors
3. She has always maintained independent judgment and views with the Board of

Directors

4. Except for the 1 share, Ms. Reyes does not own any shares in the Corporation
5. She possesses none of the disqualification of an Independent Director.

Carolina Inez Angela S. Reyes

Carolina Inez Angela S. Reyes, 56 years old, 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.

Retired Supreme Court Justice Consuelo Ynares-Santiago was nominated as Independent Director by Atty. J.V. Emmanuel A. de Dios. On the other hand, Ms. Carolina Inez Angela S. Sanchez was nominated by Ms. Cherylyn C. Uy. Atty. de Dios and Ms. Cherylyn C. Uy or any of the nominated directors is not related to either Retired Justice Santiago or Ms. Reyes by consanguinity or affinity and has no professional or business dealings with them. Retired Justice Santiago and Ms. Reyes are neither officers nor substantial stockholders of the Company. They possess the qualifications and none of the disqualifications of independent directors. Retired Justice Santiago and Mr. Reyes hold only one (1) share each in the Company. Prior to being elected as Director of the Company, they have not, at any time, rendered any service to the Company.

The members of the Nomination Committee are: Consuelo Ynares-Santiago as Chairman, and the following as members: Atty. J.V. Emmanuel A. de Dios, and Cherylyn C. Uy.

For the scheduled Annual Meeting, the Committee has screened and evaluated the candidates for Independent Directors based on the Rule 38 of the Securities Regulation Code ("SRC") and the Company's amended By-laws and New Code of Corporate Governance. Amendments to the By-laws of the Company incorporating the provisions of SRC Rule 38 were approved by the SEC on February 19, 2007.

(For the individual write-ups of the nominees, please refer to item 5 of this Information.)

(b) Significant Employees

No single person is expected to make a significant contribution to the Company's business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's performance.

(c) Family Relationships

With the exception of Messrs. Domingo T. Uy and Dennis A. Uy who are related to each other by consanguinity within the first civil degree, Debbie Uy-Rodolfo and Mr. Dennis Uy, who are related to each other by consanguinity within the second civil degree, Cherylyn C. Uy and Dennis A. Uy, who are spouses and related to each other by affinity, Domingo T. Uy and Cherylyn C. Uy who are related to each other by affinity, and Domingo T. Uy and Debbie Uy-Rodolfo who are related to each other by consanguinity within the first civil degree, and Cherylyn C. Uy and Debbie Uy-Rodolfo, who are related to each other by affinity, there are no other family relationships either by consanguinity or affinity up to the fourth civil degree among the directors, executive officers, and persons nominated and chosen by the Company to become directors and executive officers of the Company.

(d) Involvement in Certain Legal Proceedings

The Company's Independent Director, Monico V. Jacob, in his capacity as then Chairman of Petron Corporation, was impleaded in a case together with some government officials for Violation of Republic Act 3019 otherwise known as the Anti-Graft and Corrupt Practices Act involving tax credit payments. The case have been dismissed by the Sandiganbayan, Fourth Division, Quezon City in a Resolution dated March 2, 2017.

The Department of Justice (DOJ) filed twenty-five (25) Informations against Dennis A. Uy, President and CEO of the Company, for alleged violations of the Tariff and Customs Code of the Philippines, twenty-two (22) of which were filed with the Regional Trial Court of Davao City, and three (3) Informations filed with the Regional Trial Court of Batangas City.

With respect to the Informations filed with the Regional Trial Court of Batangas City, upon filing by Mr. Uy on September 2, 2013 of an Omnibus Motion for the Determination of Lack of Probable Cause, the Regional Trial Court of Batangas City granted said motion on September 17, 2013 and DISMISSED all three (3) Informations. The DOJ filed a Motion for Reconsideration with Motion for Inhibition of Judge Ruben A. Galvez, which was subsequently denied on December 6, 2013. On July 7, 2014, the Regional Trial Court of Batangas City issued a Certificate of Finality certifying that its Order dated December 6, 2013, which denied the Motion for Reconsideration and affirmed the Order dated September 17, 2013 which dismissed the 3 Informations filed against Mr. Uy for lack of probable cause, has already become final and executory since no appeal was filed therefrom.

With respect to the Informations filed with the Regional Trial Court of Davao City, on October 4, 2013, the Regional Trial Court of Davao City ordered the DISMISSAL of the criminal cases against Mr. Uy. The subsequent Motion for Reconsideration of the Plaintiff, People of the Philippines, was also denied in an Order dated August 18, 2014. Hence, the People of the Philippines ("Petitioner") filed on October 27, 2014 with the Court of Appeals (CA), Cagayan de Oro City a Petition for Certiorari under Rule 65 of the Rules of Court docketed as CA G.R. SP No. 06500-MINm CA, CDO, 23rd Division. On October 24, 2016, Mr. Uy received a copy of the Decision of the CA dated October 12, 2016 DENYING the Petition for Certiorari. On November 10, 2016, Mr. Uy received a copy of the Motion for Reconsideration filed with the CA.

As of January 25, 2017, the Court of Appeals has DENIED the Petitioner's Motion for Reconsideration and upheld the decision the Court on October 12, 2016.

On 4 April 2017, we received a copy of the Petition for Review on Certiorari dated 27 March 2017 filed by petitioner docketed as GR No. 229705, SC, Manila, 3rd Division. To date, we are still awaiting for the Supreme Court to issue a resolution directing us to file COMMENT to the PETITION FOR REVIEW.

Several cases of Grave Coercion, Robbery and Libel were filed against the Sales Team of South Mindanao and other officers, including all the members of the Board of Directors except for Domingo T. Uy, Paul G. Dominguez and Carolina Inez Angela S. Reyes, in relation to the Company's closure and take-over of six (6) Phoenix Fuel Stations in Davao City. To date, the cases have been dismissed by the City Prosecutor's office of Davao City.

Other court cases typical and customary in the course of the business operations of the Company such as those, among others, involving collection, qualified theft, breach of contract and reckless imprudence have been filed by and against the Company, by and against its employees and/or third parties. The results of which will not significantly affect the financial standing of the Company.

Except for the above, to the best of the Company's knowledge there has been no occurrence during the past five (5) years up to the date of this Prospectus of any of the following events which are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, or control person of the Company:

- Any insolvency or bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the insolvency or within two years prior to that time;
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- Any final and executory order, judgment, or decree or any court of competent

jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and

- Any final and executory judgment by a domestic or foreign court or competent jurisdiction (in a civil action), the Commission, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

There are no other pending legal cases as far as records of the Company is concerned.

(e) Certain Relationships and Related Transactions

The Group's related parties include the ultimate parent company, parent company, subsidiaries, stockholders, the Group's key management and others as described below.

The Company has an operating lease agreement with its ultimate parent company, Udenna Corporation, for the use of various properties for its operations and for office space. Furthermore, the Company regularly charters the use of marine tankers from its affiliate, CSC, for the hauling of its fuel products from suppliers' terminals and from its own depots to Company depots and to its customers. These contracted services are made on reasonable arms-length terms as would be obtainable from third party providers. The following are the transactions with related parties:

a.) Rentals

The Group has an operating lease agreement with Udenna Corporation, the ultimate parent company. The total rent expense of the Company is presented as follows:

2014	2015	2016	2017	TOTAL
65,545,819.59	70,723,717.38	75,198,160.90	68,093,074.22	

b.) Contract of Affreightment

The Company entered into a Contract of Affreightment with CSC, an affiliate to haul the Company's petroleum supplies for both regional and domestic markets.

c.) Due to and Due from Related Parties

The breakdown of due from related parties as of December 31, 2016 and 2017 is as follows:

	2016	2017
PPHI		
Balance at beginning of year		
Additions	-	-
Collections		
	-	-
Balance at end of year		
UMRC		
Balance at beginning of year		
Additions		
Collections		
Balance at year-end	-	-
UDEVCO		
Additions	50,000,000	-
Collections		(50,000,000)
Balance at end of year	50,000,000	-
CISC (formerly PPIPC)		
Additions	942,812,571	200,000,000
Collections		(645,996,472)
Balance at end of year	942,812,571	496,816,099

CSC Group Inc.		
Additions	500,000,000	948,817
Collections		(500,000,000)
Balance at end of year	500,000,000	948,817

PPFI		
Balance beginning of the year	12,260,843	13,256,329
Additions	1,020,486	10,748,633
Collections	(25,000)	(3,764,980)
Balance at end of year	13,256,329	20,239,982

TOTAL		
Balance beginning of the year	12,260,843	1,506,977,925
Additions	1,494,782,082	211,697,447
Collections	(25,000)	(1,199,761,452)
Balance at end of year	1,506,997,925	518,913,926

The Group's advances to related parties are presented as Due from Related Parties in the consolidated balance sheet.

23.3 Key Management Compensations.

The compensations of key management personnel are broken down as follows:

	2016	2017
Salaries	59,049,145	65,863,918
Honoraria and Allowances		
13th Month and Bonuses	6,962,236	5,488,660

SSS, PHIC, HDMF and
Others

403,043

268,512

65,499,388

71,621,090

Item 6. Compensation of Directors and Executive Officers

The Company's executives are regular employees and are paid a compensation package of twelve (12)-months pay. They also receive performance bonuses similarly to those of the managerial, supervisory and technical employees.

The members of the Board of Directors who are not employees of the Company are elected for a period of one (1) year. The Company pays its non-executive directors a per diem of ₱30,000.00 for each meeting. There are no other arrangements for which the members of the Board of Directors are compensated.

The members of the Board of Directors are elected for a period of one (1) year.

The aggregate compensation paid or incurred during the last three (3) fiscal years and estimated to be paid in the ensuing fiscal year to the executive officers of the Company are as follows:

Summary of Compensation Table

Projected Compensation of Executive Officers and Directors (in thousand Pesos)				
		Year ended December 31, 2018		
Name	Principal Position	Salaries (in ₱)	Bonuses / 13 th Month / Other Income (in ₱)	Total (in ₱)
Dennis A. Uy	President and Chief Executive Officer	42,432	3,536	45,968
Henry Albert R. Fadullon	Chief Operating Officer			
Joseph John L. Ong	Chief Finance Officer			
Alan Raymond T. Zorrilla	VP – External Affairs, Business Development and Security			
William M. Azarcon	VP – Business development for terminals and depots			
All other officers and directors as a group unnamed		27,234	2,269	29,503

Compensation of Executive Officers and Directors (in thousand Pesos)				
		Year ending December 31, 2017		
Name	Principal Position	Salaries (in P)	Bonuses / 13 th Month / Other Income (in P)	Total (in P)
Dennis A. Uy	President and Chief Executive Officer	40,412	3,368	43,779
Henry Albert R. Fadullon	Chief Operating Officer			
Joseph John L. Ong	Chief Finance Officer			
Alan Raymond T. Zorrilla	VP – External Affairs, Business Development and Security			
William M. Azarcon	VP – Business development for terminals and depots			
All other officers and directors as a group unnamed		25,452	2,121	27,573

Compensation of Executive Officers and Directors (in thousand Pesos)				
		Year ending December 31, 2016		
Name	Principal Position	Salaries (in P)	Bonuses / 13 th Month / Other Income (in P)	Total (in P)
Dennis A. Uy	President and Chief Executive Officer	25,140	3,480	28,620
Henry Albert R. Fadullon	Chief Operating Officer			
Joseph John L. Ong	Chief Finance Officer			
Alan Raymond T. Zorrilla	VP – External Affairs, Business Development and Security			
William M. Azarcon	VP – Business development for terminals and depots			
All other officers and directors as a group unnamed		33,109	3,905	37,814

Generally, a typical employment contract executed between the Company and its named executive officers has the following terms:

1. Specification of job title, commencement date of employment, work assignment and possible need for reassignment of work or location as the need may arise;

2. A probation period of six months probationary period from commencement of employment. If the job performance is found to be satisfactory, employment shall be converted to regular basis.
3. Salary & Benefits: specifies that the executive shall receive his monthly salary and a guaranteed 13th month pay less the necessary government deductions allowed by law such as but not limited to SSS premium, Philhealth, Pag-IBIG contributions. The same section likewise provides that the executive's salary shall be subject to annual review which shall take into consideration his performance and the achievement of a mutually-agreed goals.
4. Exclusivity: The employment contract provides that the executive shall render exclusive service to the Company and the prohibition to work with other companies regardless of whether such work is done outside office hours, without the consent of the Company.
5. Confidentiality: The executive/employee is duty bound to keep all information, materials and records which he or she may access in the course of his/her employment with the Company are confidential in nature and he or she may not disclose or reproduce the same without the consent of the Company.
6. Professional Conduct: The executive concerned is expected to comply with all the policies and procedures which the Company may issue from time to time. It is specifically prohibited to accept any or all kinds of gifts from suppliers and customers without the consent of the Company

Compensation Committee

The Company's Compensation Committee shall be composed of at least three (3) members of the Board, one of whom shall be an Independent Director. It is tasked with establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provides oversight over remuneration of senior management and other key personnel.

The following are the members of the Compensation Committee:

Justice (Ret) Consuelo Ynares Santiago	Chairperson
Dennis A. Uy	Member
Romeo B. de Guzman	Member
Carolina Inez Angela S. Reyes	Member

Item 7. Independent Public Accountants

The financial statements of the Company were audited by Punongbayan & Araullo for the years ended December 31, 2014, 2015, and 2016. Said external auditor has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and the Professional Regulation Commission.

Punongbayan & Araullo will be recommended for re-appointment at the scheduled Annual Meeting.

Representatives of the firm are expected to be present at the Annual Meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Punongbayan & Araullo was first appointed external auditor of the Company in 2006. The Company is compliant with SRC Rule 68, paragraph 3(b)(IV) (Rotation of External Auditors) and the two year cooling off period. The certifying partner for the examination of the Company's financial statements for the year/s 2016 is Mr. Ramil Nanola. The last of the Company's Financial Statement that Mr. Nanola certified was the Company's 2010 Financial Statement.

Audit Fees

The following table sets out the aggregate fees billed for each of the last three (3) fiscal years for professional services rendered by the Company's external auditors.

Audit and Related Fees				
		Amount in Thousands Php		
Particulars	Nature	2015	2016	2017
Punongbayan and Araullo	Audit of FS for the year 2008 - Parent and Subsidiaries			
Punongbayan and Araullo	Audit of FS for the year 2009 - Parent and Subsidiaries			
Punongbayan and Araullo	Audit of FS for the year 2010 –Parent and Subsidiaries			
Punongbayan and Araullo	Audit of FS for the			

	year 2011 - Parent and Subsidiaries			
Punongbayan and Araullo	Audit of FS for the year 2012 - Parent and Subsidiaries			
Punongbayan and Araullo	Audit of FS for the year 2013 - Parent and Subsidiaries			
Punongbayan and Araullo	Audit of FS for the year 2014 - Parent and Subsidiaries	3,064.46		
Punongbayan and Araullo	Audit of FS for the year 2015 - Parent and Subsidiaries	2,107.17	1,638.18	
Punongbayan and Araullo	Audit of FS for the year 2016 - Parent and Subsidiaries		2,608.84	1,920.00
Punongbayan and Araullo	Audit of FS for the year 2017 - Parent and Subsidiaries			2,728.00
Sub-total		5,171.63	4,247.02	4,648.00
Tax Advisory Services				
Sycip, Gorres and Velayo	Tax Consultancy	138.36	155.07	120.18
Sub-total		138.36	155.07	120.18
All Other Fees				
Ena Accounting Office	Professional Fee for BOI Registration of Depot Facilities		187.5	1,526.63
Punongbayan and Araullo	Professional Fee for Special Audit, Transfer Pricing, tax Compliance for PLPI and Due Diligence Engagement			5,557.75
Sub-total			187.5	7,084.38
GRAND TOTAL		5,309.99	4,589.59	11,852.56

Audit Committee and Policies

Under the Company's By-laws, the Audit Committee is responsible for, among others, the setting-up of an internal audit department and considers the appointment of an internal auditor as well as the independent external auditor, the audit fees and any question of resignation or dismissal, and the review of the quarterly, half-year and annual financial statements before their submission to the Board of Directors.

In accordance with the Company's By-laws and Manual of Corporate Governance, in 2007, the Company formed its Audit Committee. The Company's Audit Committee shall be composed of at least three (3) members of the Board, preferable with accounting and finance background, one of whom shall be an Independent Director and another should have related audit experience. The chairman of the Audit Committee should be an independent director and he should be responsible for inculcating in the minds of the members of the Board the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

The following are the members of the Audit Committee: Monico Jacob (Independent Director) as Chairman, Domingo T. Uy, Carolina Inez Angela S. Reyes and Justice Consuelo Ynares Santiago (Independent Director) as members.

The Internal Audit systems of the Company are in place since 2008 but these auditing tools are strengthened this year. The Internal Audit's role and responsibilities are defined in the Audit Charter approved by the Board of Directors. Primarily, it assists the Audit Committee of the Board in fulfilling its oversight responsibility to the shareholders by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and internal control processes.

Internal Audit, in fulfilling its role, performs the following general functions: 1.) evaluating the Company's governance processes including ethics-related programs; 2.) performing an objective assessment of the effectiveness of risk management and internal control framework, identifying risk exposures and recommending strategies to mitigate them; 3.) evaluating the reliability and integrity of financial statements and the financial reporting process; 4.) analyzing and evaluating business processes and associated controls; 5.) determining compliance with applicable laws and regulations.

Changes In and Disagreements With Accountants

The Company has not had any disagreement with its previous and current external auditor/independent public accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Item 8. Compensation Plans

No action is to be taken by the Company with respect to any compensation plans.

Employee' s Stock Options Plan

On June 22, 2011, the Commission has approved the application for exemption from the registration requirement of the Securities Regulations Code of the Company for the proposed issuance of 24,493,620 common shares for the Company's Employees Stock Options Plan (ESOP).

On May 14, 2014, the Philippine Stock Exchange (the Exchange) has approved the listing of 24,493,620 Common shares pertaining to the Company's Employee Stock Option Plan (ESOP);

On July 26, 2017, the Company, through its Stock Transfer Agent, implemented for the first time the Corporation's ESOP after its vesting period for 1 year. For the first tranche, the Company issued additional 2,160,000 PNX Common shares to qualified employees pursuant to the Employee Stock Option Plan (ESOP) in scripless form and on November 15, 2017, the company issued additional 601,000 PNX Common shares at the price of Php5.68 per share.

As of November 15, 2017, a total of 2,761,000 ESOP shares have been exercised and subscribed by the company's grantees.

The ESOP was granted to the following persons:

- a) Dennis A. Uy, Chief Executive Officer
- b) top 4 executives
- c) all current executive officers as a group
- d) there are no directors who were granted any ESOP shares of the Corporation since ESOP shares are granted only to regular employees
- e) there are no persons who receive or is to receive 5% of the ESOP
- f) there are no current directors who are not executive officers who received or was granted any ESOP shares
- g) all other employees as a group

ESOP Grantee	No. of Shares
Top 5 Executives:	667,000
Other Executive Officers	568,000
All qualified employees	1,526,000
TOTAL	2,761,000

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no authorization or issuance of securities other than for exchange for outstanding securities for the registrant.

Item 10. Modification or Exchange of Securities

No action is to be taken by the Company with respect to the modification of any class of securities of the Company or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

The Management Report is attached herein as Annex B and the 3rd Quarter Financial Statements for Period ended September 30, 2017 is attached herein as Annex "B-1";

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

Acquisition of Petronas Energy Philippines, Inc. (PEPI), and Duta Inc.

For ratification is the Company's acquisition of 100% shares of Petronas Energy Philippines, Inc. (now renamed as Phoenix LPG Philippines, Inc. "PLPI"), and its property holding company of PEPI, Duta, Inc., along with the latter's 100% owned subsidiary, Masaligan, Inc.

PEPI was incorporated with the SEC last June 20, 1995. Upon the Company's acquisition of PEPI, it was later renamed as Phoenix LPG Philippines, Inc. (PLPI), in accordance with its Share Purchase Agreement. PEPI's principal office has recently been transferred to Stella Hizon Reyes Road, Bo. Pampanga, Lanang, Davao City.

PEPI, now PLPI, mainly engages in the importation, distribution and retail sale of Liquefied Petroleum Gas (LPG), and is, at the time of its acquisition, the second largest LPG marketer in the Visayas and Mindanao area and is sixth nationwide. Duta, Inc. on its part, is the property holding company of PLPI. This acquisition expands the existing product line of the company to include another petroleum product, LPG. It also aims to take advantage of the existing retail network of the Company to expand the market reach and sales of PEPI.

The Company acquired a total of One Billion Ninety Two Million Five Hundred Thousand (1,092,500,00) common shares and One Million Five Hundred Eleven Thousand Three Hundred Twenty Five (1,511,325) preferred shares, representing 100% of the total issued and outstanding

shares of Petronas Energy Philippines, Inc. The Company also acquired Four Hundred Fifty Seven Thousand Five Hundred (457,500) common shares, representing 100% of the total issued and outstanding shares of Duta, Inc., the property holding company of PEPI. With the acquisition of Duta, Inc., the Company also indirectly acquired Duta, Inc.'s 100% owned subsidiary Kaparangan, Inc.

Acquisition of Philippine FamilyMart CVS, Inc. (PFM)

Another item for ratification is the Company's other acquisition, its purchase of 100% of the outstanding shares of Philippine FamilyMart CVS, Inc. PFM holds the exclusive Area Franchise Agreement for the use of the name and system "FamilyMart" in the Philippines, as granted by its main franchisor, FamilyMart Co., Ltd. of Japan.

PFM was registered with the SEC last November 29, 2012 and currently maintains its principal office at Fourth Floor, Tara Building, 389 Sen. Gil J. Puyat Avenue, Makati City, Philippines.

PFM is the exclusive franchisee of FamilyMart, Co., Inc. in the Philippines, for the exclusive use of the name and trademark "FamilyMart", and for the operation and sub-franchising of Convenience Stores under the "FamilyMart" name and system. PFM mainly engages in the operation and sub-franchising of the different "FamilyMart" stores in the Philippines. Similar to the acquisition of PEPI, this acquisition aims to take advantage of the existing retail network expertise, supply chain and support services of the Company to further expand its business. PFM on its part perfectly complements the Retail Operations of the Company as it aims to provide its customers and clients a complete package, providing a one-stop-shop for all their needs, and making Phoenix Retail Stations more attractive to a wider range of consumers.

The Company purchased a total of 100% of the issued and outstanding shares of Philippine FamilyMart, Inc., including all the shareholder advances issued by the previous shareholders. The Company purchased Seventy Five Million (75,000,000) common shares and Nine Hundred Seventy Four Million Four Hundred Thousand (974,400,000) preferred shares from SIAL CVS Retailers, Inc., Forty Six Million Two Hundred Fifty Thousand (46,250,000) common shares and Six Hundred Eleven Million Three Hundred Eighty Million (611,380,000) preferred shares from FamilyMart Co., Ltd., and Three Million Seven Hundred Fifty Thousand (3,750,000) common and Thirty Eight Million Two Hundred Twenty Thousand (38,220,000) preferred shares from ITOCHU Corporation. With this acquisition, the FamilyMart Co., Ltd. of Japan executed a fresh Area Franchise Agreement with the new management of PFM, with the latter as its sole area franchisee in the Philippines.

Both of the above mentioned acquired businesses are related and complementary, if not necessary, to the business operations of the Company, thereby doing away with the need for stockholders' approval. However, for proper order and in order to adhere to Good Governance transparency practices, the Company deems it proper to have the stockholders ratify both acquisitions in the Annual Stockholders' Meeting.

Investment of Corporate Funds in a Joint Venture Corporation to be organized between the Corporation, TIPCO Asphalt Public Company Limited and Carlito B. Castrillo of

PhilAsphalt Devt. Corp.

On January 15, 2018, the Corporation's Board of Directors approved and authorized the execution of a Joint Venture Agreement with TIPCO Asphalt Public Company, Limited (TIPCO Asphalt) and Carlito B. Castrillo of PhilAsphalt (Devt.) Corp. for the operation, manufacture, marketing and distribution of bitumen and bitumen-related products in the Philippines.

TIPCO Asphalt is the leading manufacturer and distributor of asphalt products for repairing, maintenance, and servicing and construction of road pavements, highways and airport runways in Thailand and the Asia-Pacific region. Its asphalt products are also sold to importers and road contractors in Africa, Australia and North America.

As part of the Agreement, the Venturers agreed to form and organize a Joint Venture Corporation to be named as PHOENIX ASPHALT PHILIPPINES, INC. which shall operate to achieve the primary objective of the Joint Venture Agreement. Pursuant to the JV Agreement, the Parties agreed that the Authorized Capital Stock shall be Php275,000,000.00 divided into 275,000,000 common shares with par value of Php1.00 per share.

Out of the authorized capital stock, parties further agreed that the authorized capital stock shall be fully subscribed based on the following ownership ratio: 40% TIPCO Asphalt, 40% P-H-O-E-N-I-X Petroleum and 20% Carlito B. Castrillo. Hence, the total investment of the Corporation shall be up to Php110,000,000.00 which is about 40% of the planned capital stock. The Parties intend to fully pay up, by the third quarter of 2018, the authorized capital stock with a total of Php20,000,000.00 for the initial tranche as its minimum paid up capital.

The JV Corporation or PHOENIX ASPHALT PHILIPPINES, INC. will establish its plant in Calaca Industrial & Seaport Park (formerly known as Phoenix Petroterminal & Industrial Park Corp.) in Calaca, Batangas.

The Corporation's rationale in cooperating with TIPCO Asphalt centers on creating growth and opportunities in highly attractive industries and markets that are complementary to its core fuel business and are underpinned by strong macroeconomic fundamentals. In this instance, bitumen is one of the by-products of crude oil refining. Effectively, Phoenix is expanding its portfolio of petroleum products.

Item 13. Acquisition or Disposition of Property

No transaction to be taken by the Company with respect to the acquisition or disposition of any Property.

Item 14. Reclassification of Accounts

No actions are to be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports and Other Proposed Action

1. Approval of the Minutes of the Annual Stockholders' Meeting held last 15 March 2017
2. Report of the President and Chief Executive Officer
3. Approval of the 2017 Audited Financial Statements and 2017 Annual Report
4. Corporate Actions:

- a) Proposed Amendment of Articles of Incorporation particularly Article II on Secondary Purpose to include and read as follows:

"SECOND: That the purposes for which the corporation is formed are as follows:

"PRIMARY PURPOSE

X x x x x x x x

SECONDARY PURPOSE

1. X x x x x x x
2. X x x x
3. X x x x x
4. X x x x x

5. To enter into any lawful arrangements for sharing of profits, union of interest, utilization or such other paramount agreements, reciprocal concession, or cooperation with any corporation, association, partnership, syndicate, entity, person or government, municipal or public authority, domestic or foreign, including execution of management contracts with and for its subsidiaries, affiliates and other corporations. in the carrying on of any transaction as may deemed necessary, convenient, or incidental in the carrying out of any of the purpose of the corporation.

6. X x x x x

7. To aid in any lawful manner, by loan, subsidy, guaranty or otherwise, any corporation whose stocks, bonds, notes, debentures or other securities or obligations are held or controlled, directly or indirectly, by the Corporation, and to do any and all lawful acts or things necessary or desirable to protect, preserve, improve or enhance the value of such stocks, bonds, securities or other obligations or evidences of indebtedness, and to guarantee the performance of any contract or undertaking of any person, partnership, association or corporation in which the Corporation is or becomes interested.

8. X x x x x

- b) Proposed approval and authority to enter into and execute Management Contracts with its corporate subsidiaries, ie., Phoenix LPG Philippines, Inc., Duta, Inc., Kaparangan, Inc., PNX Petroleum Singapore PTE Ltd. and Philippine FamilyMart CVS, Inc. and other subsidiaries;
- c) Proposed Investment of Corporate Funds consisting of Php110,000,000.00 of the Authorized Capital Stock of the Joint Venture Corporation with TIPCO Asphalt Public Company Limited and Carlito B. Castrillo of PhilAsphalt Development Corp. for the manufacture, storage and distribution of bitumen and bitumen-related products;
- d) Ratification of the acquisitions of 100% shares in the following corporation:
 - i. Petronas Energy Philippines, Inc. (PEPI) and Duta Inc. (Duta)
 - ii. Philippine FamilyMart CVS, Inc. (PFM)

- 5. Ratification and Confirmation of all Acts and Resolutions of the Board and Management executed in the normal course of business covering the period of 01 February 2017 until 31 January 2018 as set forth in Annex "A."
- 6. Election of the Members of the Board of Directors
 - a) In the event of re-election of Atty. Monico V. Jacob, proposed approval to elect him from Independent Director to regular director
- 7. Election of External Auditor.

Aside from the Election of the Members of the Board of Directors, election and appointment of the External Auditor, Approval of the 2017 Financial Statements and Annual Report, and the approval Minutes of the Minutes of the previous year's Annual Stockholders' Meeting, there are no other items that was discussed and approved by the Stockholders in the 2017 Annual Stockholders' Meeting.

Below was the agenda of the 2017 Annual Stockholders' Meeting held in the Company's Corporate Headquarters in Davao City.

Thursday, March 15, 2017, 2:00 PM
Phoenix Petroleum Corporate Headquarters
Stella Hizon Reyes Rd.
Lanang, Davao City

The agenda for the Meeting shall be, as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held last March 15, 2017
4. Report of the President and Chief Executive Officer
5. Approval of the 2016 Audited Financial Statements and 2016 Annual Report
6. Ratification and Confirmation of all Acts and Resolutions of the Board and Management executed in the normal course of business covering the period of 01 Feb 2016 until 31 January 2017
7. Election of the Members of the Board of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

Item 16. Matters Not Required to be Submitted

There are no actions to be taken with respect to any matter, which are not required to be submitted to a vote by security holders.

Item 17. Amendment of Articles of Incorporation, By-laws or Other Documents

Amendment of the Articles of Incorporation

At the scheduled Annual Meeting of the company, the following proposed amendment to the Articles of Incorporation of the Company shall be submitted to the stockholders for approval:

"SECOND: That the purposes for which the corporation is formed are as follows:

"PRIMARY PURPOSE

Xx x x x x x x

SECONDARY PURPOSE

- | | | | | | | | |
|----|---|---|---|---|---|---|---|
| 1. | X | x | x | x | x | x | x |
| 2. | X | x | x | x | | | |
| 3. | X | x | x | x | x | | |
| 4. | X | x | x | x | | | |

5. To enter into any lawful arrangements for sharing of profits, union of interest, utilization or any paramount agreement, reciprocal concession, or cooperation with any corporation, association, partnership, syndicate, entity, person or government, municipal or public authority, domestic or foreign, including execution of management contracts with and for its subsidiaries, affiliates and other corporations, in the carrying on of any transaction as may deemed necessary, convenient, or incidental in the carrying out of any of the purpose of the corporation.”

6. Xx x x x

7. To aid in any lawful manner, by loan, subsidy, guaranty or otherwise, any corporation whose stocks, bonds, notes, debentures or other securities or obligations are held or controlled, directly or indirectly, by the Corporation, and to do any and all lawful acts or things necessary or desirable to protect, preserve, improve or enhance the value of such stocks, bonds, securities or other obligations or evidences of indebtedness, and to guarantee the performance of any contract or undertaking of any person, partnership, association or corporation in which the Corporation is or becomes interested.

Xx x x x

The above proposed amendments will enable the Corporation to enter into management contracts with including corporate guarantees, loans, subsidies to its subsidiaries, affiliates and such other Corporations that it may be interested in to assist and aid them in protecting their interest, further enhance the value of their stocks and achieve their primary or core objectives.

Item 18. Other Proposed Action

Entering into a Management Contract with PNx Petroleum Singapore Pte. Ltd. (PNXSG), Phoenix LPG Philippines, Inc. (PLPI), Duta, Inc. (DUTA), Kaparangan, Inc. (Kaparangan) and Philippine FamilyMart CVS, Inc. (PFM).

For stockholders approval is the proposed management contract between the Company and its above mentioned subsidiaries, PNXSG, PLPI, DUTA, Kaparangan and PFM, in accordance with Section 44 of the Corporation Code of the Philippines.

In order to optimize cost and increase efficiency, services such as but not limited to General Accounting, treasury, IT Services, Human Resources, Procurement, and Legal Services, can be shared and can be provided centrally by the Company for the benefit of its subsidiaries. In effect, each subsidiary, though legally separate and distinct, will be managed and operated as a Business Unit (BU) similar to BUs within the Company. In return the Company shall charge a Management Service Fee to each of these subsidiaries. Understandably, service levels may differ per subsidiary depending on the level of scale, complexity and/or geographical limitations. Thus different Management Fees shall be charged to the different subsidiaries based on the above mentioned factors.

Item 19. Voting Procedures

Under the Corporation Code, the affirmative vote of stockholders representing at least two thirds

(2/3) of the outstanding capital stock of the Company shall be necessary for the approval of the proposed amendment to the Articles of Incorporation and the investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized.

Except in cases provided above, or where the law provides otherwise, all matters subject to vote shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present.

Stockholders of record are entitled to one (1) vote per share. There is no manner of voting prescribed in the By-Laws of the Company. Hence, voting may be done by viva voce, raising of hands or by balloting.

The external auditor of the Company, Punongbayan & Araullo, will validate the votes when voting is done by secret ballot. Likewise, Punongbayan & Araullo will count the number of hands raised when voting by show of hands is done.

The following items will be included in the agenda for the meeting:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held last March 15, 2017
4. Report of the President and Chief Executive Officer
5. Approval of the 2017 Audited Financial Statements and 2017 Annual Report
6. Corporate Actions:
 - a) Proposed Amendment of Articles of Incorporation particularly Article II on Secondary Purpose to include and read as follows:

"SECOND: That the purposes for which the corporation is formed are as follows:

"PRIMARY PURPOSE

X x x x x x x x

SECONDARY PURPOSE

1. X x x x x x x
2. X x x x
3. X x x x x
4. X x x x x
5. To enter into any lawful arrangements for sharing of profits, union of interest, utilization or such other paramount agreements, reciprocal concession, or cooperation with any corporation, association, partnership, syndicate, entity, person or government, municipal or

public authority, domestic or foreign, including execution of management contracts with and for its subsidiaries, affiliates and other corporations, in the carrying on of any transaction as may deemed necessary, convenient, or incidental in the carrying out of any of the purpose of the corporation.

6. X x x x x

7. To aid in any lawful manner, by loan, subsidy, guaranty or otherwise, any corporation whose stocks, bonds, notes, debentures or other securities or obligations are held or controlled, directly or indirectly, by the Corporation, and to do any and all lawful acts or things necessary or desirable to protect, preserve, improve or enhance the value of such stocks, bonds, securities or other obligations or evidences of indebtedness, and to guarantee the performance of any contract or undertaking of any person, partnership, association or corporation in which the Corporation is or becomes interested.

8. X x x x x

b) Proposed approval and authority to enter into and execute Management Contracts with its corporate subsidiaries, ie., Phoenix LPG Philippines, Inc., PNX Petroleum Singapore PTE Ltd. and Philippine FamilyMart CVS, Inc. and other subsidiaries;

c) Proposed Investment of Corporate Funds consisting of Php110,000,000.00 of the Authorized Capital Stock of the Joint Venture Corporation with TIPCO Asphalt Public Company Limited and Carlito B. Castrillo of PhilAsphalt Development Corp. for the manufacture, storage and distribution of bitumen and bitumen-related products;

d) Ratification of the acquisitions of 100% shares in the following corporation:

- i. Petronas Energy Philippines, Inc. (PEPI) and Duta Inc. (Duta)
- ii. Philippine FamilyMart CVS, Inc. (PFM)

7. Ratification and Confirmation of all Acts and Resolutions of the Board and Management executed in the normal course of business covering the period of 01 Feb 2017 until 31 January 2018

8. Election of the Members of the Board of Directors

a) In the event of re-election of Atty. Monico V. Jacob, proposed approval to elect him from Independent Director to regular director

9. Appointment of External Auditor

10. Other Matters

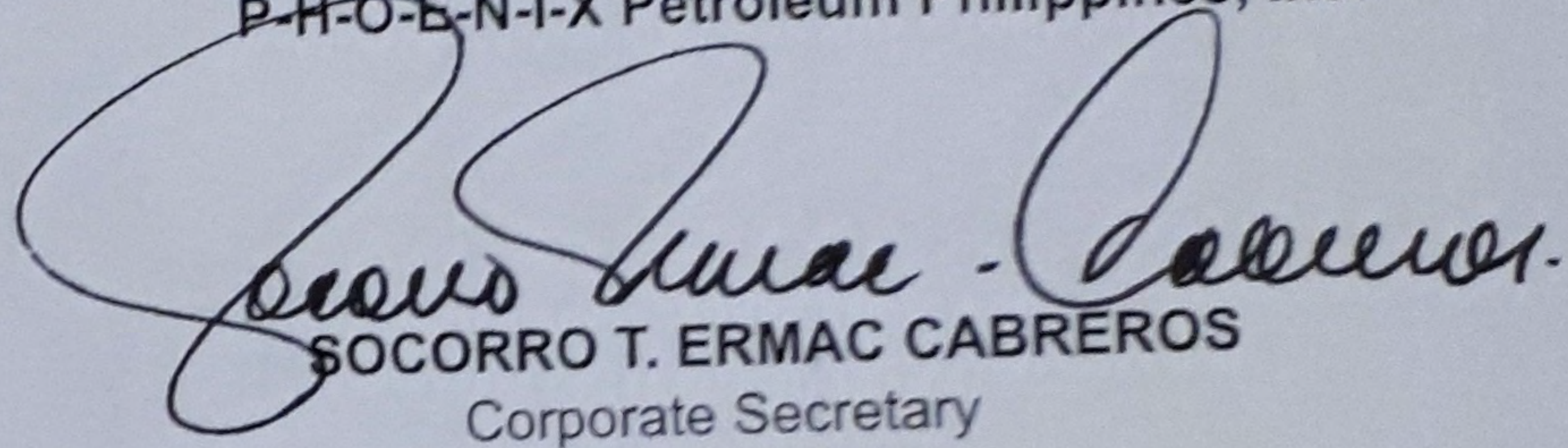
11. Adjournment

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct.

This report is signed in Davao City on **07 February 2018**.

P-H-O-E-N-I-X Petroleum Philippines, Inc.


SOCORRO T. ERMAC CABREROS
Corporate Secretary

ANNEX A

ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS February 1, 2017 to January 30, 2018	
3 Feb-2017	<ul style="list-style-type: none">Approval of the following officers and/or members of the Board of the corporation in the manner and combination herein provided as authorized signatories effective September 8, 2013, to sign, draw or issue checks of the Company, for purposes of disbursing funds for its day-to-day operation, viz : <u>Class A</u> <u>Name of Officer and Position</u><ol style="list-style-type: none">Dennis A. Uy (Chief Executive Officer)Domingo T. Uy (Chairman)Cherylyn C. Uy (Director)<u>Class B</u> <u>Name of Officer and Position</u><ol style="list-style-type: none">Romeo B. de Guzman (Chief Operating Officer)Joseph John L. Ong (Chief Finance Officer)Reynaldo A. Phala (AVP – Treasury)<ol style="list-style-type: none">That any one of the signatories in Class A shall constitute a valid transaction and shall have no limit in amount; orA combination and concurrence of any one of the signatories in Class A and any one of the signatories in Class B, which shall have no limit in amount; orIn the absence of an, authorize y one of the signatories in Class A, the signatures of any two of the signatories in Class B, but up to a limit of Php200,000.00.”
	<ul style="list-style-type: none">to close the company’s existing accounts maintained with PHILIPPINE NATIONAL BANK (formerly Allied Bank). Branch: Account No. Sta. Ana Branch SA No. 0621-01258-8
	<ul style="list-style-type: none">Transact with UNIVERSAL ROBINA CORPORATION for purchase of fuels under such terms and condition as may deemed most advantageous to the Corporation; RESOLVED FURTHER, to authorize Supply Manager JOHN HENRY C. YAP to negotiate, transact business with UNIVERSAL ROBINA CORPORATION as well as to sign execute, deliver, receive and receipt.
	<ul style="list-style-type: none">Negotiate, transact and enter into contract with ZAMBOECOZONE AND FREEPORT AUTHORITY for lease/purchase of a property with an area of about 10 hectares under reasonable terms and condition as the proper officers would deem in the best interest of the Corporation; RESOLVED FURTHER, hereby authorized AVP for Supply Maria Rita Ros to negotiate, sign, deliver, execute receive and receipt any and all documents and papers including but not limited to the Registration Agreement, Lease Agreement.
	<ul style="list-style-type: none">To maintain deposit account(s) and to avail of any related services, and/or to open and maintain placement(s) and/or to invest in government management agency transactions/arrangements and/or open and maintain trust/investment management account(s) with UNITED OVERSEAS BANK LIMITED, MANILA BRANCH, under such terms and conditions, as may be mutually agreed upon, where its cash funds, any credit remittances or checks issued in its favour, with or without endorsement, may be deposited or invested.
13-Feb-2017	<ul style="list-style-type: none">The payment of cash dividends for the following preferred shares for the first of 2017 as follows: 2nd Tranche: Shares Record Date Payment Date Interest Rate per annum

	<div>-----</div> <div>--</div> <table><tr><td>PNXP</td><td>February 22, 2017</td><td>March 20, 2017</td><td>8.25%</td></tr></table> <div>3rd Tranche:</div> <table><tr><td>PNX3A</td><td>February 22, 2017</td><td>March 18, 2017</td><td>7.427%</td></tr><tr><td>PNX3B</td><td>February 22, 2017</td><td>March 18, 2017</td><td>8.1078%</td></tr></table> <p>Payments for aforesaid dividends for the preferred shares shall be implemented and through Banco De Oro Unibank Inc – Trust and Investment Group the company’s stock transfer agent.</p>	PNXP	February 22, 2017	March 20, 2017	8.25%	PNX3A	February 22, 2017	March 18, 2017	7.427%	PNX3B	February 22, 2017	March 18, 2017	8.1078%
PNXP	February 22, 2017	March 20, 2017	8.25%										
PNX3A	February 22, 2017	March 18, 2017	7.427%										
PNX3B	February 22, 2017	March 18, 2017	8.1078%										
21-Feb-2017	<ul style="list-style-type: none">To execute amendments in error found in “Audited Financial Statements” and “Management Discussion and Analysis” amend, change and correct the information stated in the Financial Statements, including the Management Discussion and Analysis of the Financial Condition and Result of Operation to reflect the true and accurate status; RESOLVED FURTHER, hereby authorize AVP for Corporate Legal Counsel Atty. Socorro Cabrerros to sign and execute the amendment.												
2-Mar- 2017	<ul style="list-style-type: none">To create a corporate INVESTMENT MANAGEMENT ACCOUNT; that Philippine National Bank - Trust Banking Group (PNB-TBG) appointed as Investment Manager to manage the funds of the said accounts, subject to the term and conditions of the Corporate Investment Management Agreement between PNB-TBG and DTU Resources, Inc. The following corporate officers whose names and signatures appear are hereby constituted as those authorize by the Board of Directors to represent DTU Resources Inc. For and its behalf to sign, execute and enter into such agreement. <table><tr><td>Name:</td><td>Position</td></tr><tr><td>DEBBIE A. UY-RODOLFO</td><td>Corporate Secretary</td></tr><tr><td>DOMINGO T. UY</td><td>President</td></tr></table>	Name:	Position	DEBBIE A. UY-RODOLFO	Corporate Secretary	DOMINGO T. UY	President						
Name:	Position												
DEBBIE A. UY-RODOLFO	Corporate Secretary												
DOMINGO T. UY	President												
3-Mar-2017	<ul style="list-style-type: none">To authorize and empower Mr. Simplicio Y. Alfonso Jr. To claim one (1) unit Isuzu Dmax with Plate No. YGU – 318 from the TransAsia/2Go or the port of Cagayan de Oro City.												
	<ul style="list-style-type: none">to close the company’s existing accounts maintained with UNITED COCONUT PLANTERSBANK (UCPB) the following accounts. <table><tr><td>Branch:</td><td>Account No.</td></tr><tr><td>UCPB-J.P Rizal Branch</td><td>SA No. 1014-8000-3458</td></tr><tr><td></td><td>CA No. 20148-000182-0</td></tr></table>	Branch:	Account No.	UCPB-J.P Rizal Branch	SA No. 1014-8000-3458		CA No. 20148-000182-0						
Branch:	Account No.												
UCPB-J.P Rizal Branch	SA No. 1014-8000-3458												
	CA No. 20148-000182-0												
	<ul style="list-style-type: none">To deposit account to be enrolled in RCBC AccessOne Corporate (AOC) belong only to the Corporation and are the only accounts that will be accessed through RCBC AccessOne Corporate (AOC): DENNIS UY (PRESIDENT & CEO) DOMINGO T. UY (CHAIRMAN) are authorized in behalf of the Corporation, (i) to enter into an agreement with RCBC to avail of RCBC’s AccessOne Corporate (AOC) facility; and (ii) to sign RCBC AccessOne Corporate (AOC) Facility Service Agreement as the recognize corporate representative(s) responsible for providing the following:<ol style="list-style-type: none">List of Accounts to be enrolled in AOCList of User Names, User ID and Email Address to be set-up in AOCList of Financial Transactions to be used in AOCSpecify the Approval workflow for use in AOCAnd other form may be required by RCBC in connection with Service Agreement and the implementation of RCBC AccessOne Corporate Facility including subsequent amendments made thereto.												
	<ul style="list-style-type: none">Rizal Commercial Banking Corporation and/or any of its branches, be as designated as the depository of the moneys and funds of this Corporation and that each of the officers, agents and employees of this Corporation is hereby authorize to deposit any of the Corporation’s funds in said Bank, and said Bank is hereby authorized to pay, encash or otherwise honour and charge this Corporation, without inquiry as to whether the same be drawn or required for the Corporation’s business or benefit, any and all checks, notes, drafts, bills of exchange, acceptance, order or other instruments for the payment of money or other withdrawal of funds, including those which may cause an overdraft, when assigned.												

	<ul style="list-style-type: none"> To apply for an Income Tax Holiday Entitlement with the Board of Investment (BOI) for the year 2016; RESOLVED FURTHER, hereby authorize company Comptroller Jonarest Z. Sibog. 																								
	<ul style="list-style-type: none"> Authorize ING Wholesale Banking (ING) to act as company's financial advisor involving the company's proposed strategic partner search; Any of all foregoing transactions shall be negotiated, concluded, obtained and/or contracted for, by the company's President and CEO DENNIS A. UY and/or its Chief Finance Officer JOSEPH JOHN L. ONG, under such terms and conditions and stipulations as the said authorized signatory may deem advisable and desirable in the best interest of the Corporation. 																								
	<ul style="list-style-type: none"> Authorize CLSA Exchange Capital Inc. (CLSA) to act as company's financial advisor connection with acquisition of Petronas Energy Philippines; Any of all foregoing transactions shall be negotiated, concluded, obtained and/or contracted for, by the company's President and CEO DENNIS A. UY and/or its Chief Finance Officer JOSEPH JOHN L. ONG, under such terms and conditions and stipulations as the said authorized signatory may deem advisable and desirable in the best interest of the Corporation. 																								
	<ul style="list-style-type: none"> Authorize the company's Application for Certification of Accreditation of Importer with Bureau of Internal Revenue (BIR); any of all foregoing transactions shall be negotiated, concluded, obtained and/or contracted for, by the company's Chief Finance Officer JOSEPH JOHN L. ONG, under such terms and conditions and stipulations as the said authorized signatory may deem advisable and desirable in the best interest of the Corporation. 																								
	<ul style="list-style-type: none"> to negotiate and obtain with LAND BANK OF THE PHILIPPINES (LBP) for a renewal of its DP/DA/OA/LC/TR Line in the amount of FIVE HUNDRED MILLION PESOS (P500,000,000.00 million); and to negotiate for the renewal without change of its DBPL in the amount of FIFTY MILLION PESOS (P50,000,000.00) and renewal of Standby LC in the principal amount of US\$ 7.50 Million (or P373.28 Million based on its peso equivalent of US\$1=P49.77), wherein the Standby LC shall also be usable as DP/DA/OA/LC/TR Line up to a maximum amount of P373.28 Million, as the need arises; wherein the DP/DA/OA/LC/TR and Standby LC shall be secured by among others, Trust Receipts on Goods. To negotiate the additional ONE BILLION PESOS (P1,000,000,000.00) Short term Lone and ONE BILLION PESOS (P1,000,000,000.00) Term Lone in the facility with authorizers. 																								
	<ul style="list-style-type: none"> The following are the incumbent officers of the Company: <table> <tr> <th>Name</th><th>Position</th></tr> <tr> <td>DOMINGO T. UY</td><td>Chairman</td></tr> <tr> <td>DENNIS A. UY</td><td>President & CEO</td></tr> <tr> <td>ROMEO B. De GUZMAN</td><td>Director & Chief Operating Officer</td></tr> <tr> <td>SOCORRO ERMAC CABREROS</td><td>Director & Corporate Secretary</td></tr> <tr> <td>JOSEPH JOHN L. ONG</td><td>Director & Chief Finance Officer</td></tr> <tr> <td>CHERYLYN C. UY</td><td>Director</td></tr> <tr> <td>J.V EMMANUEL A. DE DIOS</td><td>Director</td></tr> <tr> <td>PAUL G. DOMINGUEZ</td><td>Director</td></tr> <tr> <td>CAROLINA INEZ ANGELA S. REYES</td><td>Director</td></tr> <tr> <td>CONSUELO YNARES SANTIAGO</td><td>Independent Director</td></tr> <tr> <td>MONICO V. JACOB</td><td>Independent Director</td></tr> </table> <p>To open and maintain Philippine Peso Saving and/or Current Account(s) and US Dollar Savings Account for the loan availment at Land Bank of the Philippines (LBP).</p> 	Name	Position	DOMINGO T. UY	Chairman	DENNIS A. UY	President & CEO	ROMEO B. De GUZMAN	Director & Chief Operating Officer	SOCORRO ERMAC CABREROS	Director & Corporate Secretary	JOSEPH JOHN L. ONG	Director & Chief Finance Officer	CHERYLYN C. UY	Director	J.V EMMANUEL A. DE DIOS	Director	PAUL G. DOMINGUEZ	Director	CAROLINA INEZ ANGELA S. REYES	Director	CONSUELO YNARES SANTIAGO	Independent Director	MONICO V. JACOB	Independent Director
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CONSUELO YNARES SANTIAGO	Independent Director																								
MONICO V. JACOB	Independent Director																								
	<ul style="list-style-type: none"> To create corporate INVESTMENT MANAGEMENT ACCOUNT; RESOLVED FURTHER, that the PHILIPPINE NATIONAL BANK – TRUST BANKING GROUP (PNB-TBG) is hereby appointed as Investment Manager to manage the funds of the said account, subject to the terms and conditions of the Corporate Investment Management Agreement between PNB-TBG and P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC., 																								
	<ul style="list-style-type: none"> To enter, negotiate and transact with registered owners for the purchase of parcels of land situated in the Barrio of Sirawan, City of Davao Island of Mindanao, and registered in the Registry of Deeds for the City of Davao, for purpose of establishing a depot/terminal facility particularly under reasonable terms and conditions; RESOLVED FURTHER, empower its VP-Finance, CHRYSS ALFONSUS V. DAMUY to sign, deliver and execute any or all instrument or documents necessary to implement the foregoing authority. 																								
15-Mar-2017	<ul style="list-style-type: none"> Declares and approves cash dividends at the rate of Php0.10 per share to all its Common Share stockholders of records as of 30 March 2017; aforementioned cash dividends for the 																								

	Company's Common Share shall be payable on April 27, 2017; payment of the aforesaid dividends for the common shares shall be implemented and paid through Banco de Oro Unibank, Inc. Trust and Investment Group, the company's stock transfer agent.
3-Apr-2017	<ul style="list-style-type: none"> Authorized and empowered to stand as Surety in favour of Asia United Bank (the "Bank") for the Term Loan in Philippine Currency in an amount of equivalent to Eight Hundred Million Pesos (P800,000,000.00) (the "Loan") to be obtained by Dennis A. Uy (the "Borrower") from the Bank, including renewals, extensions re-availments, re-scheduling, restructuring or amendments or conversions into whatever credit form or type considering that said transactions of the Borrower is essential and would translate into measurable economic advantage to the Corporation.
	<ul style="list-style-type: none"> To apply, transact, process and claim electrical power connection with Panay Electric Company, Inc (PECO), and two (2) other permits necessary with any private and government entities including business permit for the year 2017 in connection with the construction and business operation of Phoenix Fuels Life Stations in the Island of Panay, Negros, Philippines; RESOLVED FURTHER, hereby authorize its Retail Territory Manager for Panay, Island Negros Occidental Charnel M. Macatiag to sign execute in behalf of the corporation's all transactions and negotiations.

	<ul style="list-style-type: none"> To negotiate and obtain with PHILIPPINE VETERANS BANKS (PVB) for Credit Facility Limit of PESOS: EIGHT HUNDRED FIFTY MILLION (Php 850,000,000.00): <table> <tr> <td>Individual Facility</td><td>Individual Facility Limit Pesos</td></tr> <tr> <td>(a) Revolving Promissory Note Line (RPNL)</td><td>675,000,000</td></tr> <tr> <td>(b) Pre-Settlement Risk Line (PSRL)</td><td>25,000,000</td></tr> <tr> <td>(c) Settlement Risk Line (SRL)</td><td>150,000.00</td></tr> </table> Addition to the company's President and CEO DENNIS A. UY and Chairman DOMINGO T. UY, as the company's duly authorized signatories. 	Individual Facility	Individual Facility Limit Pesos	(a) Revolving Promissory Note Line (RPNL)	675,000,000	(b) Pre-Settlement Risk Line (PSRL)	25,000,000	(c) Settlement Risk Line (SRL)	150,000.00
Individual Facility	Individual Facility Limit Pesos								
(a) Revolving Promissory Note Line (RPNL)	675,000,000								
(b) Pre-Settlement Risk Line (PSRL)	25,000,000								
(c) Settlement Risk Line (SRL)	150,000.00								
27-Apr-2017	<ul style="list-style-type: none"> To authorize the purchase of 100% shares of Petronas Energy Philippines, INC (PEPI) and its property holdings company, Duta, Inc. (Duta) which includes its subsidiary Kaparangan Inc.; to authorize management to appoint CLSA Exchange Capital (CSLA) as financial adviser, P&A Grant Thornton (P&A) and Picazo Buyco Tan Fider & Santos Law Offices (Picazo) to provide accounting and legal due diligence services for the above described transaction; CEO Dennis A. Uy and CFO Joseph John L. Ong or any of their assigns to sign, execute, deliver and further to implement foregoing powers as herein granted and approved including the hiring of external consultants to assist in the evaluation and/or the performance of due diligence on PEPI and Duta. 								
3-May-2017	<ul style="list-style-type: none"> To apply, transact, process and claim (1) electrical power connection with Cagayan Electric Power & Light Co., Inc (CEPALCO) (2) water connection with Cagayan De Oro City Water District System and (3) other permits necessary with any private and government entities in connection with the constructions and business operations of Phoenix Fuels Life Stations within North Mindanao; RESOLVED FURTHER, hereby authorize its Project Engineer Ryan Guy Esteban to execute and sign in behalf of the Corporation. 								
	<ul style="list-style-type: none"> To apply, transact, process and claim (1) electrical power connection with Cagayan Electric Power & Light Co., Inc (CEPALCO) (2) water connection with Cagayan De Oro City Water District System and (3) other permits necessary with any private and government entities in connection with the constructions and business operations of Phoenix Fuels Life Stations within North Mindanao; RESOLVED FURTHER, hereby authorize its Project Engineer Ryan Guy Esteban to execute and sign in behalf of the Corporation. 								
	<ul style="list-style-type: none"> To participate in the bidding of SUPPLY AND DELIVERY OF OIL-BASED FUEL TO SPUG POWER PLANTS AND BARGES for the Calendar Year 2017 (Diesel Oil for Calaguas DP and Fuel Oil for Lot-25 Zamboanga), that if awarded the tender shall 								

	<p>enter into a contract with the National Power Corporation; Hereby appoint JOSELITO G. DE JESUS, acting as duly authorized and designated representatives of PHOENIX are granted full power and authority to do execute, and perform any and all acts necessary and/or to represent PHOENIX.</p> <ul style="list-style-type: none"> • In case of award JOSELITO G. De JESUS, Deputy Chief Operating Officer, is hereby authorized to sign the contract in behalf of the corporation.
	<ul style="list-style-type: none"> • ES CONSULTANCY GROUP, INC. (ES Consultancy) proposes to acquire 34,270,958 common shares of P-H-O-E-N-I-X Petroleum Philippines, Inc. (PNX) or such number if shares as shall be equivalent to at least 25% of the issued and outstanding capital stock of PNX; whereas ES CONSULTANCY intends to secure loan facilities from BDO Unibank, Inc. (the Lender) in the aggregate principal amount of up to Four Billion Pesos (P4,000,000,000.00) (the Loan Facility), for the purpose of funding the acquisition of the Acquisition Shares, and ES Consultancy has sought the consent of P-H-O-E-N-I-X Petroleum Holdings Inc. (the "Corporation") to the giving of certain collateral to secure the Loan Facility; whereas, the Board of Directors, has independently satisfied itself that it will derive direct and indirect economic benefits from the arrangements contemplated in the arrangements for the Loan Facility and that the execution by it of said agreements will result in corporate benefits to it; the Corporation authorized and empower to execute in favour of the LENDER and other secured parties the required collateral and security arrangements to secure Loan Facility, including a chattel of mortgage over shares of the Corporation in PNX (the Mortgage Shares), an assignment of certain rights, receivable and entitlements of the Corporation including over the Corporation's dividend receivables on the Mortgage Shares, as well as other mortgages, pledges, assignments, performance, guarantees, sureties and bonds, grant of option, and any other security arrangements (the Security Agreements) as may be agreed among ES Consultancy, the Corporation and the Lender; RESOLVED FINALLY, appoints and designates MR. DENNIS A. UY, with full power to delegate the authorities granted to him herein, he is authorized and empowered, for and on behalf of the Corporation, to negotiate, sign, execute, deliver and perform any and all agreements and contracts relating to Loan Facility, including an Omnibus Loan and Security Agreement, the Security Agreement and all other ancillary loan documents, the Option Agreement, as well as any and all documents, agreements, instruments, certification, acknowledgements, consents, instructions and notices, including to the Corporation's agents and securities broker/s, as appropriate, with full power and authority to agree to or approve amendments, supplementals or modifications thereto in order to give effect to the foregoing resolutions.
	<ul style="list-style-type: none"> • To transact, process and enter into Miscellaneous Lease Agreement (MLA) and apply for Environmental Compliance Certificate (ECC) with the Department of Natural Resources (DENR) and other necessary permits with the local agencies/entities relative to its business operation in the Barrio Lazareto, Municipality of Calapan, Province of Oriental Mindoro; RESOLVED FURTHER, hereby authorized and empower Vice President for Depot and Retail Engineering WILLIAM M. AZARCON, to sign execute, deliver, receive and receipt, for and on behalf of the Corporation.
	<ul style="list-style-type: none"> • Authorize and empower LEONARD BILLBERT C. LORIA and/or REY R. TABADA, To file criminal and/or civil case against ROGER V. ATACADOR or such other persons acting in collusion with him for Qualified Theft or for any other offenses committed against the Corporation
	<ul style="list-style-type: none"> • To authorize and empower the Company's Asst. Security Manager LEONARD BILBERT C. LORIA, to file a criminal and/or civil case for any offenses committed against the Corporation.
	<ul style="list-style-type: none"> • To transact with BUREAU OF CUSTOMS (BOC) for application of renewal for accreditation; RESOLVED FURTHER, the Corporation Supply Manager JOHN HENRY C. YAP, as he is hereby authorized and empowered to sign, execute, deliver, receive and receipt for and on behalf of the Corporation any and all documents and instruments required or necessary to carry out the foregoing resolutions.
	<ul style="list-style-type: none"> • To open and maintain an account and engage in stock market investments WITH SB EQUITIES, INC.; RESOLVED FURTHER, that any one (1) of the following persons are hereby authorized and empowered to transact for P-H-O-E-N-I-X Petroleum Philippines Inc. And to execute sign and deliver the accounts opening documents,

	<p>sign and endorse stock certificates and any/all other agreements, which may be required, necessary or proper to carry the foregoing resolutions into effects:</p> <p>Name: Position DENNIS A. UY President & CEO JOSEPH JOHN L. ONG Chief Finance Officer</p>								
	<ul style="list-style-type: none"> To approve and accept the increase and additional services in the credit banking facilities ("Banking Facilities") from United Overseas Bank Limited ("the Bank") and on the terms and conditions stated therein. 								
	<ul style="list-style-type: none"> To apply, transact process and claim (1) Tax Declarations for our properties in Phoenix Fuels Stations in Caibaán, Naga-Naga, Tagloban City, including other stations in East Visayas with the Office of the Assessor's of Tacloban City and (2) other permits necessary with private and government entities including Lessor's Permit for the business operation of Phoenix Fuels Life Stations within East Visayas, Philippines; Authorize and empower its Network Planner for East Visayas QUENNIE ANN GRACE B. VIERNES to sign, execute, deliver, in behalf of the Corporation. 								
	<ul style="list-style-type: none"> To participate in the bidding of SUPPLY AND DELIVERY of DND-Wide Petroleum Oil and Lubricants (POL) Requirements to the Department of National Defense (DND) for Calendar Year 2017; if awarded the tender shall enter into a contract with the National Power Corporation; appoints and authorize JOSELITO G. De JESUS. 								
	<ul style="list-style-type: none"> RESOLVED, that the Corporation authorized and empower to negotiate for and obtain with Philippine Veterans Bank (PVB) a Credit Facility up to the amount of PESOS: EIGHT HUNDRED TWENTY MILLION (Php 820,000,000) subject to such term and condition as may be imposed by PVB; <table> <tr> <td>a.) Revolving Promissory Note Line (RPNL)</td><td>775,000,000.00</td></tr> <tr> <td>b.) Pre-Settlement Risk Line (PSRL)</td><td>5,000,000.00</td></tr> <tr> <td>c.) Settlement Risk Line (SRL)</td><td>40,000,000.00</td></tr> <tr> <td>Total</td><td>820,000,000.00</td></tr> </table> <p>RESOLVED FURTHER, the company's President and CEO DENNIS A. UY and/or it's Chairman DOMINGO T. UY, as the company's duly authorized signatories signing, the combination of the set of signatories as approved and appointed on JUNE 26, 2013 by the Board pursuant to a Board Resolution, as they are hereby authorized, to sign, execute and deliver for and in behalf of the Corporation, any and all contracts agreements and documents and acts necessary and pertinent to the deposit account and Credit Facility, including the extensions, roll-over, renewals, restructuring, modification or amendments thereof.</p>	a.) Revolving Promissory Note Line (RPNL)	775,000,000.00	b.) Pre-Settlement Risk Line (PSRL)	5,000,000.00	c.) Settlement Risk Line (SRL)	40,000,000.00	Total	820,000,000.00
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b.) Pre-Settlement Risk Line (PSRL)	5,000,000.00								
c.) Settlement Risk Line (SRL)	40,000,000.00								
Total	820,000,000.00								
5-June-2017	<ul style="list-style-type: none"> To apply process the Company's Application for Accreditation as Importer for Direct Use and processing of sales reporting using the "DO-IT-YOURSELF" System with Land Transportation Office (LTO), Department of Transportation & Communications (DOTC); authorize Road Transport Engineering Department, Officer-In-Charge, EUGENIO NELLO Z. LIM, JR and/or MARK LOUISE J. CRUZ, under such terms and conditions and stipulations as the said authorized signatory may deem advisable and desirable in the best interest of the Corporation. 								
	<ul style="list-style-type: none"> To participate in the bidding of Supply and Delivery of Industrial Fuel Oil with POWER SECTOR ASSETS and LIABILITIES MANAGEMENT ('PSALM Corporation') for MALAYA THERMAL POWER PLANT for Calendar Year 2017, and that if awarded the tender, shall enter in a contract with PSALM Corporation; appoints and authorize Deputy Chief Operating Officer, JOSELITO G. DE JESUS. 								
	<ul style="list-style-type: none"> To negotiate and contract for the renewal of the Omnibus Financial Assistance with the Development Bank Of the Philippines (DBP) for TWO BILLION PESOS (Php 2,000,000,000.00) available via: (1) Letter of Credit (LC) Trust Receipt (TR) Line; (2) Revolving Promissory Note Line; and Domestic Bills Purchase Line; authorize President and CEO Dennis A. Uy and/or Domingo T. Uy. 								
	<ul style="list-style-type: none"> To borrow from BANK OF THE PHILIPPINE ISLAND (BPI), domestic banking corporation, hereinafter referred to as "BANK", from time to time, such sum or sums of money as in the judgment of the officer or officers hereinafter authorized, this corporation may require; provide that the aggregate amount of 								

	such borrowing, pursuant to this resolution, shall not at any time exceed the sum of PESOS: TWO BILLION SIX HUNDRED FIFTEEN MILLION only (Php 2,615,000,000.00) in addition to such amount as may otherwise authorize; RESOLVED FURTHER , that except for the company's PRESIDENT & CEO DENNIS A. UY who is likewise authorized and empowered to sign, execute and deliver all transactions.						
	<ul style="list-style-type: none"> To negotiate transact enter into a TRIPARTITE MEMORANDUM OF AGREEMENT and UNDERTAKING with Sps. Ricardo and Emilie Alba and Benjamin Young Jr. for the terms and conditions of a Temporary Road Access of Sps. Alba and their privies in the Company's situated in Brgy.Lahug, (now Brgy.Kasambagan), Cebu City consisting of 4,264sqm registered under TCT No. T-107-2016001483. RESOLVED FURTHER, as it empowers AVP for Sales Visayas RICHARD C. TIANSAY. 						
	<ul style="list-style-type: none"> To negotiate transact enter into a TRIPARTITE MEMORANDUM OF AGREEMENT and UNDERTAKING for the terms and conditions of a Temporary Road Access of Sps. Ricardo and Emilie Alba and their privies in the Company's situated in Brgy.Lahug, (now Brgy.Kasambagan), Cebu City consisting of 4,264sqm registered under TCT No. T-107-2016001483. RESOLVED FURTHER, as it empowers AVP for Sales Visayas RICHARD C. TIANSAY. 						
	<ul style="list-style-type: none"> PHOENIX PETROLEUM PHILIPPINES INC., ("Corporation") authorizes and designates any one (1) of the following officers, whose specimen signatures appear opposite their names below, to open an account with CLSA Philippines Inc., under the name of PHOENIX PETROLEUM PHILIPPINES , INC. and to transact any shares of stocks that are listed in the Philippines Stock Exchange, Inc. and to sign execute and deliver and all documents pertaining thereto; RESOLVED FURTHER, that any one (1) of said individuals is likewise authorized to transact, sign, execute and deliver any and all documents involving transfers of the shares of stocks owned by the Corporation in various Companies, and all necessary thereto. 						
3-July-2017	<ul style="list-style-type: none"> To apply, transact, process and pay Real Property Taxes Due for its properties including machineries and other permits necessary with any private and local government entities relative to the business operations of PHOENIX FUELS LIFE SERVICE STATIONS WITHIN Valenzuela City and in any areas of Luzon; RESOLVED FUTHER, as it is hereby relolved to authorize STANLEY B. GARMA and/or ROSALIA T. ALINGIG to the above powers and thereby to execute and sign in behalf of the Corporation all transactions and negotiations with said local government unit and other private entities in order to execute and implement the foregoing authority; RESOLVED FURTHER, that the Corporation hereby approves and confirms as is hereby confirmed and approved that the above name individual may lawfully do or cause to be done by virtue of this authority given to him/her. 						
	<ul style="list-style-type: none"> Hereby authorized and empowered to negotiate conclude and enter into contracts in connection with the sales and operations of the Corporation, which includes, but not limited to Contract of Lease and/or Sublease for the operation of gasoline stations or other businesses and other lease arrangement, Memorandum of Agreements, Dealership Agreements or Retail Outlet Agreements for the operation of Phoenix service stations, Owner Contractor Agreements do the construction stations or other building or structures, Distributor Agreement for lubricant or products or other petroleum products, supply agreement, retail sales and commercial sales transactions, including any bidding transactions, and other legal related transactions relative to the operation of the Corporation in the Luzon Island group; <p>RESOLVED as it is hereby resolved that in relations to the aforementioned transactions, the company designates the any of the following officers as the authorized signatories for all the transactions, agreements or contracts nationwide:</p> <table> <tr> <td>Name:</td><td>Position:</td></tr> <tr> <td>HENRY ALBERT FADULLON</td><td>Chief Operating Officer</td></tr> <tr> <td>RAYMOND T. ZORRILLA</td><td>VP for Corporate Affairs, Business Dev't and Security</td></tr> </table> <p>RESOLVED as it hereby resolved that for purposes of negotiating, signing or entering into Contract of Lease and/or Sublease for the operation of gasoline stations or other</p>	Name:	Position:	HENRY ALBERT FADULLON	Chief Operating Officer	RAYMOND T. ZORRILLA	VP for Corporate Affairs, Business Dev't and Security
Name:	Position:						
HENRY ALBERT FADULLON	Chief Operating Officer						
RAYMOND T. ZORRILLA	VP for Corporate Affairs, Business Dev't and Security						

	<p>business and other lease arrangement, Memorandum of Agreements, Dealership Agreements or Retail Outlet Agreements for the operation of Phoenix service stations, supply agreements, retail sales and commercial sales transactions, including any bidding transactions, and other legal and related transactions relative to the sales operation of the Corporation in their designated areas the Company further designates the following Officers as the additional authorized signatories in their designated area for the aforementioned transactions, agreements or contracts</p> <table> <tr> <th>Name and Position</th><th>Designated Area</th></tr> <tr> <td>ERICSON S. INNOCENCIO Gen. Manager for Retail</td><td>Retail Business-Luzon, Visayas & Mindanao Islands</td></tr> <tr> <td>ROY JIMENEZ Gen Manager for Commercial Business</td><td>Commercial Business-Visayas & Mindanao Islands</td></tr> </table> <p>RESOLVED FURTHER, hereby resolved that for purposes of negotiating, signing or entering into Owner-Contractor Agreements for the construction of stations or other buildings or structures of the Corporation, the Company further designates the Corporation's AVP for COMPTROLLERSHIP JONAREST Z. SIBOG as an additional authorized signatory for the aforementioned transactions, agreement or contracts involving Finance fo Business all over Luzon, Visayas and Mindanao Island Group;</p> <p>RESOLVED FURTHER, as it hereby resolved that for purposes of negotiating, signing or entering into Distributor Agreement for Lubricant or Products or other petroleum products and all contracts relating to the lubricant products, the Company further designates the Corporations' General Manager for Lubes Sales and Distribution Business JOVEN JESUS MUJAR, as an additional authorized signatory for the aforementioned transactions, agreement or contracts all over the LUZON, VISAYAS and MINDANAO Island Group;</p> <p>RESOLVED FURTHER, that the signature/s from any of the above indicated signatory/ies shall be authorized to enter into the above-specified arrangements with various government agencies/entities, under such terms and conditions as the said individuals may deem necessary for the implementation of the foregoing transactions;</p> <p>RESOLVE FURTHER, to authorize the aforementioned representatives to the above powers and thereby execute, sign and deliver from time to time in behalf of the said Corporation all documents, instruments or any other related processes pertaining to the implementation of the foregoing authority under such terms and conditions and stipulations as the said authorized signatory/ies may deem advisable and desirable in the best interest of the corporation.</p>	Name and Position	Designated Area	ERICSON S. INNOCENCIO Gen. Manager for Retail	Retail Business-Luzon, Visayas & Mindanao Islands	ROY JIMENEZ Gen Manager for Commercial Business	Commercial Business-Visayas & Mindanao Islands
Name and Position	Designated Area						
ERICSON S. INNOCENCIO Gen. Manager for Retail	Retail Business-Luzon, Visayas & Mindanao Islands						
ROY JIMENEZ Gen Manager for Commercial Business	Commercial Business-Visayas & Mindanao Islands						
5-July-2017	<ul style="list-style-type: none"> To respond, to continue or commence any civil and/or criminal action in order to protect and advance the assets, rights and interests of the Corporation; RESOLVED FURTHER, the Board of Directors designates and appoints, as it hereby designates and appoints its Retail Territory Manager, MARK ANDREW PASIA to represent and sign in behalf of the Corporation before the Department of Trade and Industry (DTI) – Fair Trade Enforcement Bureau, Mediation Division with Regard to complaint of MS. PRINCESS CAWILE, and be as he is hereby authorized, individually and separately , and empowered and represent the Corporation, to sign and execute, for and in behalf if the Corporation, any compromise agreement or amicable settlement for early disposition of the case, and such other matters as may aid in the prompt disposition of the action. 						
	<ul style="list-style-type: none"> To purchase and acquire up to (i) One Billion Ninety Two Million Five Hundred Thousand (1,092,500,000.00) common shares of PETRONAS ENERGY PHILIPPINES, INC. ("PEPI") and (ii) One Million Five Hundred Eleven Thousand Three Hundred Twenty Five (1,511,325) preferred shares of PEPI, representing up to 100% of the total issued and outstanding capital stock of PEPI (Collectively, the "PEPI sale shares" and, the purchase of the PEPI Sale Shares, the "transactions"); 						

3-July-2017	<ul style="list-style-type: none"> To authorize Atty. Maceste W. Uy and/or any of the lawyers of Uy, Cruz, Lo & Associates Law Office to appear and represent the Respondents Phoenix Petroleum Philippines, Inc. during the Judicial Dispute Resolution (JDR) before Regional Trial Court Branch XVI, Davao City including the authority and power to receive the proposal of the other parties; Sps John and Michelle Orpeza and/or Davao Custom Graffix Advertising Corp. in Civil Case Nos. R-DVO-16-00381-CV and R-DVO-1600388-CV; RESOLVED FURTHER, that the foregoing powers are in addition to the authority granted to Atty.Uy and his law firm issued in their favour at the onset of these cases which shall remain valid and existing;
	<ul style="list-style-type: none"> To procure a loan facility (the "Loan") in the principal amount not exceeding, SIX BILLION PESOS (Php 6,000,000,000.00) from BDO UNIBANK, INC. (the "Facility"), and pursuant thereto, negotiate other documents as may be necessarily connected thereto; RESOLVED, as it is hereby resolved, that the Board of Directors of the Corporation authorize, as it hereby authorizes, the Corporation to open, maintain and manage in the name of the Corporation, peso or foreign currency savings/current/ time with the Bank or any of its Branches ("Depository Accounts"), and in this regard to: <ul style="list-style-type: none"> A. Deposit to and withdraw from the Depository Accounts, in whatever form and manner, and in such amount as the Corporation may deem appropriate or necessary; B. Transfer from and to the Depository Accounts to other corporate, partnership, cooperative and/or individual accounts under different account names being maintained at branch of account or other Bank branches; C. Close the Depository Account and ask, demand sue for, collect and receive the proceeds of the Depository Account in the name of the Corporation; <p>RESOLVED, that the Board of Directors of the Corporation authorize, as it hereby authorizes, the Corporation allowing the Bank to execute a hold-out on the Peso and/or foreign currency savings accounts of the Corporation as stipulated in the Loan Agreement hereinafter mentioned; RESOLVED FURTHER; that the Board of Directors of the Corporation authorize, as it hereby authorizes, the Corporation to nominate a peso savings and/or current account and to allow the Bank to debit automatically on quarterly basis the principal amortization and interest due to the Facility; RESOLVED FURTHER; that the Board of Directors of the Corporation authorizes the Corporation to engage the services of advisors, legal counsel, facility agents, security trustees and other agents or officers, as may be necessary, proper or desirable to effect and implement the Facility, under such terms and conditions as the management may deem fair and reasonable and in the best interest of the Corporation; RESOLVED FURTHER, that the Board of Directors of the Corporation authorizes the Corporation to execute, to deliver and perform its obligations under any and all documents, contracts, agreements, and instruments as may be necessary, convenient, or appropriate in connection with the Facility, including but not limited to, the following (the "Loan Agreement");</p> <ul style="list-style-type: none"> i. Loan Agreement ii. Such other documents as may be contemplated under the foregoing and such further agreements, instruments, notices or documents as may be required necessary, convenient or appropriate for purposes of giving effect to, consummating, completing or procuring the performance, completion and implementation of all or any of the Facility and the foregoing documents; <p>RESOLVED FURTHER; that any two of Dennis Uy – President & CEO, Joseph J L Ong, CFO, and Reynaldo A. Phala – AVP Vice President for Treasury are authorize and empowered to sign, execute and deliver all transactions defined in the foregoing paragraphs, all other transactions namely, to sign, execute and deliver and all documents for and on behalf and in the name of the Corporation, the Loan Agreements, any and all notices, certifications, instruments, deeds and other documents and to perform such further acts and deeds as may be necessary, convenient or appropriate, to give force to these resolutions, in order to effectuate the foregoing matters can be completed, negotiated and delivered by the persons who are duly designated as</p>

	signatories to the transaction provided the same observes and follows the prescribed combination as approved and authorized.																																
3-Aug-2017	<ul style="list-style-type: none">Hereby resolved that the Board hereby ratifies the authorization of the following officers of the Corporation, viz:<table><tr><td>Name</td><td>Position</td></tr><tr><td>DOMINGO T. UY</td><td>Chairman</td></tr><tr><td>HENRY ALBERT R. FADULLON</td><td>Chief Operating Officer</td></tr><tr><td>ALAN RAYMOND T. ZORRILLA</td><td>VP for External Affairs Business Dev't & Securities</td></tr><tr><td>JONAREST Z. SIBOG</td><td>AVP-Comptrollership</td></tr></table><p>To sign execute documents for the sale and acquisition of the vehicles of the Corporation; RESOLVED, that the Corporation be authorized to sell or purchase vehicles and to negotiate such sale upon consideration, terms and conditions as in its discretion is for the best interest of the Corporation</p><p>RESOLVED FURTHER as they are hereby empowered to:</p><ol style="list-style-type: none">Sign singly and execute all documents and such other papers requisite and necessary for the sale or purchase of vehicles and the transfer and registration thereof; andDesignate qualified representative to represent them in the processing of the transfer of ownership of the Certificates of Registration of ay vehicle sold or purchased"	Name	Position	DOMINGO T. UY	Chairman	HENRY ALBERT R. FADULLON	Chief Operating Officer	ALAN RAYMOND T. ZORRILLA	VP for External Affairs Business Dev't & Securities	JONAREST Z. SIBOG	AVP-Comptrollership																						
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JONAREST Z. SIBOG	AVP-Comptrollership																																
	<ul style="list-style-type: none">Hereby declares and approves the payment of cash dividends for the following preferred shares for the third quarter of 2017 as follows:<table><tr><td>2nd Tranche:</td><td></td><td></td><td></td></tr><tr><td>Shares</td><td>Record Date</td><td>Payment Date</td><td>Interest Rate per annum</td></tr><tr><td>-----</td><td></td><td></td><td></td></tr><tr><td>----</td><td></td><td></td><td></td></tr><tr><td>PNXP</td><td>August 24, 2017</td><td>Sept. 20 , 2017</td><td>8.25%</td></tr><tr><td>3rd Tranche:</td><td></td><td></td><td></td></tr><tr><td>PNX3A</td><td>August 23, 2017</td><td>Sept 18. 2017</td><td>7.427%</td></tr><tr><td>PNX3B</td><td>August 23, 2017</td><td>Sept 18. 2017</td><td>8.1078%</td></tr></table><p>Payments for aforesaid dividends for the preferred shares shall be implemented and through Banco De Oro Unibank Inc – Trust and Investment Group the company's stock transfer agent.</p>	2 nd Tranche:				Shares	Record Date	Payment Date	Interest Rate per annum	-----				----				PNXP	August 24, 2017	Sept. 20 , 2017	8.25%	3 rd Tranche:				PNX3A	August 23, 2017	Sept 18. 2017	7.427%	PNX3B	August 23, 2017	Sept 18. 2017	8.1078%
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PNX3A	August 23, 2017	Sept 18. 2017	7.427%																														
PNX3B	August 23, 2017	Sept 18. 2017	8.1078%																														
	<ul style="list-style-type: none">To apply, transact process and claim (1) tax declarations (2) Business Permits (3) Light and Water connection/account and (4) other permits necessary with any private government entities including Lessor's Permit for the Business operation of Phoenix Fuels Life Stations within Samar/Leyte, South Cebu and Bohol areas; RESOLVED FURTHER, as it hereby resolved and authorize its Retail Territory Manager for Leyte/Samar, So. Cebu and Bohol QUEENIE ANN GRACE B. VIERNES to do the above powers and thereby execute and sign in behalf of the Corporation all transactions and negotiations with said local government unit and other private entities in order to execute and implement the forgoing authority.																																
	<ul style="list-style-type: none">To apply, transact process and claim Business Permits, Clearance and other permits necessary with any private and government entities for the business operation of its Depot in General Santos City; RESOLVED FURTHER, that FARRIDA S. SIMPAL and/or JESSICA S. YTAC of the GREENFLEX CONSULTING be hereby authorized and empowered to sign, deliver, receive and receipt, for and on behalf of the Corporation, any and all contracts, documents and instruments required to carry out the foregoing resolution."																																
	<ul style="list-style-type: none">RESOLVED, as it is hereby resolved, for purposes of facilitating the importation																																

	<p>operation and such other related and significant business activities, the Company hereby approves and authorizes the opening and establishment of the various credit accommodations or facilitates, including but not limited to letters of credit, trust receipts or bank drafts from time to time in amounts which may be required by the Company;</p> <p>RESOLVED FURTHER, to authorize and empower the following officers of the Company to deliver; execute any or all documents or instruments to implement the foregoing authorities:</p> <table> <tr> <td>CLASS A</td><td>Position</td></tr> <tr> <td>Dennis Uy</td><td>President and CEO</td></tr> <tr> <td>Domingo T. Uy</td><td>Chairman</td></tr> <tr> <td>Joseph John L. Ong</td><td>Chief Finance Officer</td></tr> <tr> <td>Reynaldo A. Phala</td><td>AVP for Treasury</td></tr> </table> <p>CLASS B</p> <table> <tr> <td>Henry Albert R. Fadullon</td><td>Chief Operating Officer</td></tr> <tr> <td>Jonarest Z. Sibog</td><td>AVP for Comptrollership</td></tr> <tr> <td>John Henry C. Yap</td><td>Supply Manager</td></tr> </table> <p>RESOLVED FURTHER, that the concurrence of any one of the signatories from each class or any combination provided below shall constitute a valid authorized transaction:</p> <ol style="list-style-type: none"> Preferably, the concurrence of any one of the signatories in Class A and any one of the signatories in Class B. In the absence of any of the signatories of Class B, concurrence of any two (2) of the signatories of Class A may stand alone but never for Class B alone. <p>RESOLVED FURTHER, as it hereby, authorize the aforementioned representatives to the above powers and thereby to execute, sign and deliver from time to time in behalf of the said Corporation all documents instruments or any other related process pertaining to the implementation of the foregoing authority.</p> <p>RESOLVED FINALLY that the foregoing resolution shall remain valid and subsisting unless otherwise revoked or amended in writing and duly submitted to the necessary party herein referred to.</p>	CLASS A	Position	Dennis Uy	President and CEO	Domingo T. Uy	Chairman	Joseph John L. Ong	Chief Finance Officer	Reynaldo A. Phala	AVP for Treasury	Henry Albert R. Fadullon	Chief Operating Officer	Jonarest Z. Sibog	AVP for Comptrollership	John Henry C. Yap	Supply Manager
CLASS A	Position																
Dennis Uy	President and CEO																
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Jonarest Z. Sibog	AVP for Comptrollership																
John Henry C. Yap	Supply Manager																
	<ul style="list-style-type: none"> RESOLVED, as it hereby resolved, that the following officers and/or members of the Board of the Corporation in the manner and combination herein provided are authorized to sign, draw or issue checks of the Company, for purposes of disbursing funds for its day-to-day operation viz: <table> <tr> <td>CLASS A</td><td>Position</td></tr> <tr> <td>Dennis Uy</td><td>President and CEO</td></tr> <tr> <td>Domingo T. Uy</td><td>Chairman</td></tr> </table> <p>CLASS B</p> <table> <tr> <td>Henry Albert R. Fadullon</td><td>Chief Operating Officer</td></tr> <tr> <td>Jonarest Z. Sibog</td><td>AVP for Comptrollership</td></tr> <tr> <td>Reynaldo A. Phala</td><td>AVP for Treasury</td></tr> </table> <ol style="list-style-type: none"> That any one of the signatories in Class A shall constitute a valid transaction and shall have no limit in amount; or Combination and concurrence of any one of the signatories in Class A and any one of the signatories in Class B, which shall have no limit in amount; or In the absence of any one of the signatories in Class A, the signatures of any two of the signatories in Class B, but up to a limit of 200,000 	CLASS A	Position	Dennis Uy	President and CEO	Domingo T. Uy	Chairman	Henry Albert R. Fadullon	Chief Operating Officer	Jonarest Z. Sibog	AVP for Comptrollership	Reynaldo A. Phala	AVP for Treasury				
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Jonarest Z. Sibog	AVP for Comptrollership																
Reynaldo A. Phala	AVP for Treasury																
	<ul style="list-style-type: none"> RESOLVED, as it hereby resolved, that PHOENIX PETROLEUM PHILIPPINES, INC. be as it is hereby empowered and authorized to open and maintain current savings and/or time deposit accounts with Banco de Oro Unibank Inc, (the "BANK") AND/OR avail itself of the products and services of the Bank's Transaction Banking Group ("TBG") such as without limitation to, integrated disbursement services ("IDS"), payment collection services, payroll services, Cash Card services, electronic banking 																

	<p>services, corporate internet banking ("CIB") services, and such other existing and future products and services of TBG (collectively, the "TBG Products/Services"), and be bound in accordance with and subject to the Bank's rule and regulations, terms and conditions and/or agreement(s) to be entered into with the Bank for the use and availment of the TBG Products/Services"</p> <p>RESOLVED FURTHER, that the Corporation's Assistant Vice President for Comptrollership, acting singly to wit:</p> <table> <tr> <td>NAME</td><td>POSITION</td></tr> <tr> <td>JONAREST Z. SIBOG</td><td>AVP for Comptrollership</td></tr> </table>	NAME	POSITION	JONAREST Z. SIBOG	AVP for Comptrollership		
NAME	POSITION						
JONAREST Z. SIBOG	AVP for Comptrollership						
	<ul style="list-style-type: none"> • RESOLVED, that the Corporation be, as it is hereby, authorized to open and maintain in the name of the Corporation any type of deposits account/s ("Deposit Account") with EAST WEST BANKING CORPORATION ("EWBC") – Gil Puyat Salcedo-Village Store; 						
3-Sept-2017	<ul style="list-style-type: none"> • RESOLVED, as it hereby resolved, that P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC., be as it hereby authorized and empowered to close the company's existing accounts maintained with the following Banco de Oro (BDO); <table> <tr> <td>BRANCH</td><td>Account No.</td></tr> <tr> <td>Banco de Oro – Lizada branch</td><td>SA 0375 0222848</td></tr> <tr> <td>Banco de Oro – Lizada branch</td><td>SA 10375 0215 035</td></tr> </table> <p>RESOLVED, as it hereby resolved, that the said account be now closed.</p>	BRANCH	Account No.	Banco de Oro – Lizada branch	SA 0375 0222848	Banco de Oro – Lizada branch	SA 10375 0215 035
BRANCH	Account No.						
Banco de Oro – Lizada branch	SA 0375 0222848						
Banco de Oro – Lizada branch	SA 10375 0215 035						
5-Sept-2017	<ul style="list-style-type: none"> • RESOLVED, as it hereby resolved that P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC., (the Corporation) as it hereby authorized and empower to transact, process and claim for and in behalf of the Corporation with the (1)Bureau of Internal Revenue (BIR) the Certificate of Authorizing Registration (CAR) and Tax Clearance Certificate, for the transfer of Title Cover TCT No. T-060-2012028402 situated in Greenfield Parkway Avenue, Brgy. Malitlit, Sta.Rosa, Laguna pursuant to a Deed of Sale executed by and between Elizabeth Go Siong Tan and P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC., (2) City Assessors and/or Treasurer's Office of the Registry of Deeds (ROD) of Calamba City, Laguna for the transfer of the previous titles to the new owner's name; <p>RESOLVED FURTHER, that GARY M. BAYLEN be hereby authorized and empowered to sign, deliver, receive and receipt for and on behalf of the Corporation, any and all contracts documents and instruments required to carry out the foregoing resolution.</p>						
2-Oct-2017	<ul style="list-style-type: none"> • RESOLVED, that P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC., (the "Corporation") authorize as it hereby authorize Ms. CELESTE MARIE G. ONG, to sign, execute avail group insurance on behalf of the Corporation from ALLIANZ PNB LIFE INSURANCE, INC. 						
	<ul style="list-style-type: none"> • RESOLVED, as it is hereby resolve to authorize the Corporation to apply, transact, process and claim (1) electrical power connection (2) water connection and (3) other permits necessary with any private and government entities in connection with the constructions and business operations of the NON-FUEL RELATED BUSINESS (NFRB) sites of Phoenix Stations within the area of General Santos City; RESOLVED FURTHER, as it authorize its NFRB Business Coordinator for Mindanao area NICOLE C. CALIG-ONAN to the above powers and thereby to execute and sign in behalf of the Corporation all transactions and negotiations with the said locale government unit and other private entities in order to execute and implement the foregoing authority. 						
	<ul style="list-style-type: none"> • RESOLVED, as it hereby resolved, that P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. as it hereby authorized and empowered to apply, transact and/or renew its corporate accounts with Globe Telecom, Inc. and enter into any agreements and such other pertinent contracts pertaining to the issuance of additional line application forms and documents in connection with the said application; 						
	<ul style="list-style-type: none"> • RESOLVED, that P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC., (the "Corporation") authorize as it hereby authorizes MS. CELESTE MARIE G. ONG to sign, execute, avail group insurance on behalf of the Corporation from ALLIANZ PNB LIFE INSURANCE, INC. 						
	<ul style="list-style-type: none"> • RESOLVED, that ASIA UNITED BANK and/or any of its branches, be as it hereby 						

	<p>is designated depository bank of this Corporation and its officers employees and agents of the Corporation be and hereby are and each of them hereby is authorized to deposit any of its funds in said Bank, and said Bank is hereby authorized to pay, encash or otherwise honor and charge to this Corporation any and all checks, bills of exchange, orders or other instruments for the payment of money pr withdrawal of funds, including those which may cause overdraft, when signed, made, drawn, accepted or endorsed on behalf of or in the name of this Corporation</p>
	<ul style="list-style-type: none"> • RESOLVED, that the Corporation will apply for the following exemptions; <ol style="list-style-type: none"> 1. Exemption of Local Business pursuant to paragraph (g), Sec 133 of Local Gov't code of 1991 (RA 7160), business enterprises certified to and registered with the Board of Investment (BOI) as pioneer or non-pioneer shall be exempt from local business taxes for a period of six (6) and four (4) years, respectively, from the date of registration. 2. Exemption from payment or real property tax for machineries and equipment used in the operations of the registered project of the Company as stated in the BOI specific items and conditions. <p>RESOLVED FURTHER, the processing of the above-mentioned exemptions be outsourced to Entia Accounting Office and Carina B Entia CPA and/or Joanna A. Ando representatives of Entia Accounting office be authorized as they are hereby authorized to process and transact with the Municipal treasurer's office, Business bureau, Municipal's Assessor's Office of Consolacion, Cebu and other related government agencies.</p>
Nov 2, 2017	<ul style="list-style-type: none"> • RESOLVED, as it hereby resolved, that P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC., (the "Corporation") as it is hereby authorized and empowered to apply, transact, process and enter into a Foreshore Lease Application (FLA) and/or Miscellaneous Lease Application (MLA) with the Department of Environment and Natural Resources (DENR) and apply for other necessary permits such as building and occupancy permit with the office of The Building Officials (OBO) of Villanueva, , Clearance to Develop MLA/FLA, Permit to Construct Pier Facility, Permit to Operate Pier Facility and Registration of Pier Facility with Philippine Ports Authority (PPA) and any necessary permits with the local agencies/entities relative to its facility and development in a parcel of land situated in Zone 4, Brgy. Katipunan Villanueva, Misamis Oriental Philippines consisting of FIFTY EIGHT THOUSAND NINE HUNDRED EIGHTY FOUR (58,984) Square meters, more or less and registered under Lot No. A-2-B-2, PLS 923, covered under Tax Declaration No. M-400043 with Deed of Absolute Sale of Unregistered Land between Phoenix Petroleum Philippines Incorporated and Phividec Industrial Authority dated December 12, 2011 under the registry of Atty. Socorro Ermac Cabreros, Doc. No. 268; Page No. 54; Book No. VIV, Series of 2011. RESOLVED FURTHER, that the Corporation Terminal Superintendent, JOHNNY EVANGELISTA III, be hereby authorized and empowered to sign, execute deliver received and receipt for and in behalf of the Corporation.
	<ul style="list-style-type: none"> • RESOLVED, That the Company hereby approves and accepts the offer of banking facilities ("Banking Facilities") from United Overseas Bank Limited ("the Bank") as detailed in the Bank's Letter of offer dated ("Letter of Offer") and on the terms and conditions stated therein. • RESOLVED, that the Board of Directors hereby accept all the terms and conditions listed in "D" and "E" of the Project Approval Sheet, in connection with its application for registration for its OIL TERMINAL EXPANSION PROJECT – VILLANUEVA MISAMIS ORIENTAL.
	<ul style="list-style-type: none"> • RESOLVED, as it hereby resolve to authorize the Corporation to renew the Corporation's Business Permit for the year 2018 and the succeeding years thereafter including its Barangay Clearance, Fire Safety Inspection Certificate, Sanitary Permit, City Health, DOLE Clearance and other local permits with local government unit where the Corporation is operating its office and/or branches; RESOLVED FURTHER, as it hereby authorize GLENN B. TE ENG FO and/or JHONREY CAMPAHIOS and to further delegate its authorized representative, if any, by virtue of the issuance of a Special Power of Attorney or Board Resolution as the case may be.

DEC 1, 2017	<ul style="list-style-type: none"> • RESOLVED, as it hereby resolved, that P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC., (the "Corporation") as it is hereby authorized and empowered to apply and process the Company's application for renewal of its Permit to Operate, Bunkering Permit, Port's User's Pass and Vehicle Pass with the Philippine Ports Authority (PPA) of Batangas. • RESOLVED, as it is hereby resolved, that any of all the foregoing transactions shall be negotiated, concluded, obtained and/or contracted for, by the company's Road Transport Manger, FRANCISCO S. BALDAZO, JR., under such terms and conditions and stipulations as the said authorized signatory may deem advisable and desirable in the best interest of the Corporation. • RESOLVED FURTHER, as it is hereby resolved to authorize the company's Road Transport Scheduling Lead for Calaca Terminal, WILLIAM ERNEST CATANGHAL, to process with PPA the above mentioned application and thereby deliver from time to time in behalf of the said Corporation all documents, papers, instruments or any other related processes pertaining to the implementation of the foregoing authority.
	<ul style="list-style-type: none"> • RESOLVED, as it is hereby resolved, that P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC., (the "Corporation") as it is hereby authorized and empowered to apply, transact and process Building Permit, Occupancy and any necessary permits with the local government of Davao City relative to its facility development such construction of a Command Center Building in a parcel of land situated in Phoenix Petroleum Corporation Headquarters Bo. Pampanga, Davao City covered by TCT – 146-20100009656. RESOLVED FURTHER, that the Corporation's Corporate Affairs Manager BEETHOVEN N. SUR, be hereby authorized and empowered to sign, execute, deliver, receive and receipt for and on behalf of the Corporation, any and all contracts documents and instruments required to carry out the foregoing resolutions.
	<ul style="list-style-type: none"> • RESOLVED, as it is hereby resolved, that P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC., (the "Corporation") as it hereby authorized and empowered to enter into a Confidentiality Agreement with CNOOC GAS AND POWER GROUP CO., LTD., ("CNOOC"), a corporation incorporated and registered in China whose registered office is at Jingxin Building No.A2 Dongsanhuan North Road, Chaoyang District Beijing, China for proposed Integrated LNG Project in Batangas led by CNOOC and its affiliates, under such terms and conditions as may be in best interest of the Corporation; RESOLVED FURTHER, That the Corporation's Head for MERGER AND ACQUISITIONS and INVESTOR RELATIONS, DARYL EUNIKA B. MALOLES, be as she is hereby authorized and empowered to negotiate the terms and proposed project, as well as to sign, execute, deliver, receive and receipt for and in behalf of the Corporation any and all contracts, documents and instruments required to carry out the foregoing resolution pertaining to the said Confidentiality Agreement.
	<ul style="list-style-type: none"> • RESOLVED, as it hereby resolve to authorize the Corporation to renew the Corporation's Business Permit for the year 2018 and the succeeding years thereafter with the local government unit relative to its project such as Davao Staging Area at Davao International Airport; • RESOLVED FURTHER, as it hereby authorized CIRINO ARCENO, by virtue of the issuance of a Special Power of Attorney or Board Resolution as the case may be.
	<ul style="list-style-type: none"> • RESOLVED, as it hereby resolve to authorize the Corporation to renew the Corporation's Business Permit for the year 2018 and the succeeding years thereafter with the local government unit relative where the Corporation is operating its office and/or branches; • RESOLVED FURTHER, as it hereby authorized LORENZO GOMEZ & CO. and to further delegate its authorized representative PERLA LEGASAN, by virtue of the issuance of a Special Power of Attorney or Board Resolution as the case may be.

	<ul style="list-style-type: none"> • RESOLVED, as it is hereby resolved that the CORPORATION be authorized as it is hereby authorized to apply, burrow, avail and renew its credit accommodations with BANK OF COMMERCE (the "Bank") under Omnibus Note Line in the principal amount of PHILIPPINE PESO: ONE BILLION PESOS (Php 1,000,000,000.00), and Domestic Bills Purchase Line in the amount of PHILIPPINE PESOS: FIFTY MILLION PESOS (Php 50,000,000.00) and such other loans and credit including renewals, extensions and amendments thereof whether such loans and credit accommodations are in the nature of new, separate or additional obligations. • RESOLVED FURTHERMORE, that pursuant to Board Resolution No. 08-08, Series of 2017, the combination of the followings sets of officers; • RESOLVED FURTHER, that any of the following short names be accepted for deposit to Phoenix Accounts in addition to its complete name, Phoenix Petroleum Philippines, Inc., viz; Phoenix Petroleum Philippines Phoenix Petroleum Phoenix PNX P-h-o-e-n-i-x Petroleum Philippines Inc., P-h-o-e-n-i-x Petroleum P-h-o-e-n-i-x PPPI • RESOLVED FINALLY, that the foregoing resolutions shall remain valid and subsisting until notice in writing shall be received by the Division Head of the Bank informing og he revocation, termination or amendment of resolutions herein.
	<ul style="list-style-type: none"> • RESOLVED, as it is hereby resolved, that P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC., (the "Corporation") as it hereby authorized and empowered to negotiate, transact and deal for the purchase of a SIX THOUSAND FOUR HUNDRED SIXTEEN square meters parcel of land covered by OCT – OP – 41453 situated in Brgy. Tayud, Consolacion , Cebu registered in the name of EVA PILAPIL; RESOLVED, as it hereby authorized to sign execute and deliver an ABSOLUTE DEED OF SALE for the implementation of the foregoing authority; RESOLVED, as it is hereby resolved, that any and all the foregoing transactions shall be negotiated, concluded, obtained and/or contracted for, by the Company's Chief Operating Officer HENRY ALBERT R. FADULLON under such terms and conditions and stipulations as it said authorized signatory may deem advisable desirable in the best interest of the Corporation;
DEC 5, 2017	<ul style="list-style-type: none"> • To enter into a Joint Venture Agreement with TIPCO Asphalt Public Company, Limited and Carlito B. Castrillo for the purpose of operating, marketing, distribution of Bitumen and Bitumen related products in the Philippines, RESOLVED LIKEWISE, to invest fund approximately USD 2.5 Million consisting of about forty percent (40%) equity in the Joint Venture Company. RESOLVED FINALLY, to authorize and empower its President & Chief of Executive Officer DENNIS A. UY and/or Chief Operating Officer HENRY ALBERT FADULLON to sign, execute any or all instrument or any documents necessary to implement foregoing authority:

Jan 3, 2018	<ul style="list-style-type: none"> • RESOLVED that, the Corporation will apply for the following Exemptions: <ol style="list-style-type: none"> 1. Exemptions from Local Business pursuant to paragraph (g), Sec. 133 of the Local Government Code of 1991 (RA 7160), business enterprises certified to and registered with the Board of Investment (BOI) as pioneer or non-pioneer shall be exempt from local business taxes for the period of six (6) and four (6) years, respectively, from the date of registration. 2. Exemptions from payment or real property tax for the machineries and equipment used in the operations of the registered project of the Company as stated in the BOI specific terms and Conditions. <p>RESOLVED FURTHER, the processing of the above-mentioned exemptions be outsourced to Entia Accounting Office and that Carina B. Entia, CPA and/or Emily B. Mendoza representatives of Entia Accounting Office be authorized, as they are hereby authorized to process transact with the Municipal Treasurer's Office, Business Bureau, Municipal Assesor's Office of Calaca Batangas City and other related government agencies necessary for the exemption for and in behalf of the Company.</p>
	<ul style="list-style-type: none"> • to transact business with the Land Transportation Office (LTO), Financing Banks and other government agencies relative to its execution of Affidavit of Loss for Chattel Mortgages and its releases including lost OR/CR of the company's vehicle for Mindanao Area; • RESOLVED, as it is hereby resolved, that any of all the foregoing transactions shall be negotiated, concluded, obtained and/or contracted for, by the Company's Corporate Affairs Manager BEETHOVEN N. SUR:
	<ul style="list-style-type: none"> • RESOLVED, as it is hereby resolved, that P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. (the CORPORATION) as it is hereby authorized and empower to transact, process and claim for and in behalf of the corporation with the office of Alsons Properties Corporation for the original Copy of the Title and other relative documents over one (1) parcel of land situated at Barangay Cabantian, District, Davao City Philippines covered by TCT No. T-146-2016008498, pursuant to a Deed of Sales executed by and between Alsons Properties Corporation and P-H-O-E-N-I-X Petroleum Philippines. • RESOLVED FURTHER, that Ms. AILEEN JOY C. ADORA, be hereby authorized and empowered to sign, execute, deliver, receive and receipt, for and on behalf of the Corporation, any and all contracts, documents and instruments required to carry out the foregoing resolutions.

ANNEX B

MANAGEMENT REPORT

I. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Company has not had any disagreement with its previous and current external auditor/independent public accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

BRIEF DESCRIPTION OF THE GENERAL NATURE AND SCOPE OF THE BUSINESS OF THE REGISTRANT AND ITS SUBSIDIARIES

1. Business Description

P-H-O-E-N-I-X Petroleum Philippines, Inc. (the “Company” or “PPPI”, interchangeably) was incorporated in the Philippines on May 8, 2002 under its original name of “OILINK MINDANAO DISTRIBUTION, INC.” On 11 January 2004, the Company amended its Articles of Incorporation changing its name from Oilink Mindanao Distribution, Inc. to Davao Oil Terminal Services Corp. On August 7, 2006, the Philippine Securities and Exchange Commission approved the Amended Articles of Incorporation of the Company changing its name from Davao Oil Terminal Services Corp. to “P-H-O-E-N-I-X Petroleum Philippines, Inc.”. The Company is 41.14% owned by P-H-O-E-N-I-X Petroleum Holdings, Inc. (PPHI) and 0.81% owned by Udenna Management & Resources Corp. (UMRC), companies organized in the Philippines.

The Company is registered with the Board of Investments (BOI) since November 16, 2005 then as a New Industry Participant with New Investment in storage, marketing and distribution of petroleum products under Republic Act (RA) 8479 (Downstream Oil Industry Deregulation Act of 1998). Under its registration, the Company is required to observe certain general and specific terms and conditions stated in the provisions of the Omnibus Investment Code of 1987. Under its registration, the Company is also entitled to certain tax and non-tax incentives to include Income Tax Holiday (ITH) for five (5) years from November 16, 2005.

The Company likewise registered with the BOI in 2010 and 2012 as a new industry participant with new investments in storage, marketing and distribution of petroleum products under RA 8479 (Downstream Oil Industry Deregulation Act) for its storage tanks in various locations. Under these registrations, the Company is required to observe certain general and specific terms and

conditions stated in the provisions of the Omnibus Investments Code of 1987.

The Company's transactions relating to the BOI registered investments entitled it to certain tax and non-tax incentives. Details of the registrations are as follows:

Location of Project	Date of Registration	Income Tax Holiday Period	Income Tax Holiday Expiry
Calaca, Batangas	February 26, 2010	5 years	Feb 25, 2015
Davao Expansion	May 14, 2010	5 years	May 13, 2015
Zamboanga	November 25, 2010	5 years	Nov 24, 2015
Bacolod City	May 10, 2012	5 Years	May 09, 2017
Villanueva, Misamis Oriental (near CDO)	May 10, 2012	5 Years	May 09, 2017
Villanueva, Misamis Oriental (near CDO) Expansion	November 24, 2017	5 Years	Nov 24, 2022
Tayud, Cebu City	September 9, 2017	5 Years	Sept 9, 2022
Calapan, Mindoro	October 12, 2017	5 Years	Oct 12, 2022
Calaca, Batangas (Expansion)	December 22, 2017	5 Years	Dec 22, 2022

On July 11, 2007, the Company went public, making available twenty-five percent (25%) of its total outstanding shares. The Company thus became the first petroleum company to list in the Philippine Stock Exchange (PSE) after the enactment of the Republic Act (RA) 8479 in 1998. The aforementioned law encourages petroleum companies to be listed with the PSE.

The Company's operations consist of Trading, Terminaling and Hauling Services. Under Trading, the Company offers its refined petroleum products (including Jet A1) and lubricants to retailers and commercial/industrial customers.. The retail service stations are classified as Company-Owned, Company-Dealer-Operated (CODO) or Dealer-Owned, Dealer-Operated (DODO). The company has a total of 530 finished retail service station and a total of 8 service stations under construction as of December 31, 2017.

The Company's Terminaling and Hauling Services involves the leasing of storage space in its terminal depot, hauling and into-plane services (hauling of Jet A1 fuels to airports and refueling of aircraft) in Davao, Cagayan de Oro, General Santos City, Cotabato City, Ozamis City, Pagadian City and Zamboanga City. Since 2008, Cebu Air designated the Company as its

exclusive logistics partner in all its Mindanao operations.

Subsidiaries:

At present, the Company has Seven (7) wholly-owned subsidiaries, namely:

- **P-h-o-e-n-i-x Global Mercantile, Inc. ("PGMI")** was incorporated on July 31, 2006. It was previously engaged in the manufacture, production and creation of all kinds of motor, and all other transportation lubricants, fluids and additives of all kinds and other petroleum products purposely for motor vehicles and other transportation. PGMI temporarily ceased its operation and is currently dormant.
- **PFL Petroleum Management Inc. ("PFL or PPMI")** was incorporated on January 31, 2007 and is currently engaged in the management of the three retail service stations which are being used as training sites and stations for prospective dealers.
- **Subic Petroleum Trading and Transport Phils., Inc. (SPTT)** was registered with the SEC on February 20, 2007 and is engaged in the buying and selling, supply and distribution, importation and exportation, and the storage and delivery of all types of petroleum for industrial, marine, aviation and automotive use. It does not carry any inventory at any given time. SPTT is duly registered with Subic Bay Metropolitan Authority ("SBMA") and was issued the Certificate of Registration and Tax Exemption on 01 June 2012, which is effective until 31 May 2013 and renewable by SPTT. It is classified as a Subic Bay Freeport Enterprise for the purpose of and with permit to operate the business of engaging in the business of importation, warehousing, transshipment, export, distribution of liquor, wines and spirits, tobacco and cigarettes and general merchandise and commodities such as but not limited to groceries, canned goods and pre-paid cards; convenience store for selling and distribution of gasoline and other petroleum products and other liberalized items.
- **Phoenix LPG Philippines, Inc. (PLPI)** was incorporated last 20 June 1995 with the Securities and Exchange Commission as Petronas Energy Philippines, Inc. (PEPI), and was later renamed as Phoenix LPG Philippines, Inc. after its acquisition in accordance with the Share Purchase Agreement with the Company. It is currently engaged in the importation, distribution, marketing and retail sale of Liquefied Petroleum Gas (LPG), mainly in the Visayas and Mindanao area, with some minor operations in some areas of Luzon.

- **Duta, Inc.** was incorporated with the SEC last November 09, 1994 and currently holds its principal office in 15th Floor, Citibank Tower, Valero st., Salcedo Village, Makati City. It operates as a property holding company of PLPI and currently owns the real properties where the plants and some distribution offices of PLPI currently stand.
- **Philippine FamilyMart CVS, Inc.** was registered with the SEC last November 29, 2012 and currently maintains its principal office at Fourth Floor, Tara Building, 389 Sen. Gil J. Puyat Avenue, Makati City, Philippines. It is currently engaged in the operation and sub-franchising of convenience stores under the “FamilyMart” brand. It currently holds the exclusive Area Franchise to the “FamilyMart” brand in the Philippines and is granted the right to exclusively sub-franchise the “FamilyMart” convenience stores anywhere in the Philippines.
- **PNX Petroleum Singapore Pte. Ltd.** is the regional trading arm of the Company. It currently holds office in Singapore and is able to buy directly from the refineries in the region due to its bigger requirements. PNX Petroleum Singapore Pte. Ltd. purchases petroleum products directly from suppliers in the region via standard letters of credit issued by banks in Singapore and sell the same to the Company on an open account. Eventually it targets to sell to other buyers (local and regional) on a Letter of Credit (or other similarly secured) basis.

2. Directors and Officers

(a) The incumbent members of the Board of Directors and the executive officers of the Company are as follows:

Office	Name	Age	Citizenship
Directors			
Chairman	Domingo T. Uy	70	Filipino
Director/President and Chief Executive Officer	Dennis A. Uy	44	Filipino
Director/Vice-Chairman	Romeo B. De Guzman	68	Filipino
Director/Chief Finance Officer	Joseph John L. Ong	58	Filipino
Director	Cherylyn C. Uy	37	Filipino
Director	*Frederic C. DyBuncio	57	Filipino
Director	J.V. Emmanuel A. de Dios	52	Filipino
Director	**Stephen T. CuUnjieng	58	Filipino
Director	Carolina Inez Angela S. Reyes	56	Filipino

Independent Director	Consuelo Ynares Santiago	77	Filipino
Independent Director	Monico V. Jacob	72	Filipino
Other Executive Officers			
Chief Operating Officer	Henry Albert R. Fadullon	50	Filipino
Vice President for Corporate Affairs, Business Development and Security	Alan Raymond T. Zorrilla	48	Filipino
Vice President for Business Development for Terminal and Depot	William M. Azarcon	71	Filipino
Asst. Vice President for Engineering	Ignacio Raymund Ramos, Jr.	55	Filipino
General Manager for Pricing and Demand	Richard C. Tiansay	54	Filipino
General Manager for Retail Business	Ericson S. Inocencio	43	Filipino
General Manager for Business Development, Strategies and Portfolio Unit	Joselito G. De Jesus	62	Filipino
General Manager for Lubricants Sales and Distribution Business	Joven Jesus G. Mugar	47	Filipino
General Manager for Commercial and Industrial Business	Roy O. Jimenez	55	Filipino
Asst. Vice President for Supply	Ma. Rita A. Ros	58	Filipino
Asst. Vice President for Technical Service and Quality Product Assurance Department	Ignacio B. Romero	73	Filipino
Asst. Vice President for Treasury	Reynaldo A. Phala	51	Filipino
Asst. Vice President for Comptrollership	Jonarest Z. Sibog	37	Filipino
Asst. Vice President for Brand and Marketing	Celina I. Matias	53	Filipino
Asst. Vice President for Customer Service Unit and Corporate Communications	Debbie A. Uy-Rodolfo	38	Filipino
Asst. Vice President for Human Resources	Celeste Marie G. Ong	50	Filipino
Asst. Vice President for Information Technology	Alfredo E. Reyes	55	Filipino
Corporate Secretary/Asst. Vice President for Corporate Legal	***Socorro T. Ermac-Cabreros	53	Filipino
Asst. Corporate Secretary	Gigi Q. Fuensalida	41	Filipino
Asst. Vice President for NFRB,	Bernard C. Suiza	52	Filipino

Network Development & Capital Investments.			
Treasurer	Chryss Alfonsus V. Damuy	44	Filipino

****Frederic C. DyBuncio has been elected to the Board on May 26, 2017 in lieu of the resignation of Paul Dominguez.***

*****Stephen T. CuUnjieng has been elected to the Board on January 15, 2018 in lieu of the resignation of *** Socorro Ermac Cabrerros as Member of the Board of Directors.***

Since the last annual meeting of 2017, NO officer or director has resigned because of a disagreement with the Company on any matter relating to the Company's issuance, operations, policies or practices.

Directors

The members of the Board of Directors of the Company are elected during the annual stockholders' meeting to hold office until the next succeeding annual stockholders' meeting and until their successors have been appointed or elected and qualified. The following is the list of the incumbent members of the Board of Directors, and their business experiences during the past five (5) years:

Domingo T. Uy **Chairman**

Mr. Domingo T. Uy, Filipino, 71 years old, 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. Mr. Uy is actively involved in socio-civic programs and is a Director of the Philippine National Red Cross, Davao Chapter. He is also a Past President of the Davao City Sta. Ana Lions Club and the Kang Ha Uy Association - Davao Chapter.

Dennis A. Uy **Director, President and Chief Executive Officer**

Mr. Dennis A. Uy, Filipino, 44 years old, is the founder of the Company and has served as President and Chief Executive Officer since inception. He is the Chairman and President of Udenna Corporation, the parent company, which has businesses in the shipping, logistics, distribution, real estate, and service industries. Among the subsidiaries of Udenna Corporation are Phoenix Petroleum Holdings, Inc. (PPHI), Udenna Management & Resources Corp.

(UMRC), Chelsea Logistics Corp., Udenna Investments BV, and Udenna Trade Corporation. The subsidiaries of Phoenix Petroleum Philippines are Phoenix Global Mercantile, Inc., Subic Petroleum Trading & Transport Philippines, Inc., and PFL Petroleum Management. The subsidiaries of Udenna Management & Resources Corp. (UMRC) are Udenna Development Corporation (UDEVCO), Global Synergy Trade and Distribution Corp., Value Leases, Inc., Udenna Capital, PN-X-Udenna Insurance Brokers, Udenna Environmental Services, Udenna Energy Corporation, and F2 Logistics. Under UDEVCO are Phoenix Petroterminals & Industrial Park Corp. (PPIPC), Udenna Tower Corporation, and GoHotels Davao. The Chelsea Logistics Corp. has the shipping businesses Chelsea Shipping Corp. and Trans-Asia Shipping Lines. Mr. Uy is also Chairman of Phoenix Philippines Foundation and Udenna Foundation. He is director of shipping and logistics provider 2Go Group, Inc. through his Udenna Investments BV subsidiary KGLI-NM Holdings Inc. He also serves as independent director of Apex Mining Corp. Mr. Uy is a member of the Young Presidents Organization's Philippine chapter and the Philippine Business for Social Progress. Since November 2011, Mr. Uy has been the Honorary Consul of Kazakhstan to the Philippines. In 2016, he was appointed as the Presidential Adviser on Sports. He is a graduate of De La Salle University with a degree in Business Management.

Romeo B. De Guzman
Director, Vice-Chairman

Mr. Romeo B. De Guzman, Filipino, 68 years old, was elected Director of the Company in 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.

Atty. J.V. Emmanuel A. De Dios
Director

Atty. J.V. Emmanuel A. De Dios, Filipino, 53 years old, 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.

Joseph John L. Ong
Director, Chief Finance Officer

Mr. Joseph John L. Ong, Filipino, 59 years old, is the Chief Finance Officer of the Company. He is also a member of the Board of Directors of 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 - 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 – 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 1980-1986. He received his Bachelor of Science in Commerce from De La Salle University in 1980.

Frederic T. 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.

Cherylyn C. Uy
Director

Ms. Cherylyn Chiong-Uy, Filipino, 38 years old, is a graduate of Business and Finance from Ateneo de Davao University. Ms. Uy is one of the pioneers/incorporators of Udenna Corporation, the ultimate parent company

of Phoenix Petroleum, and which has subsidiaries engaged in the petroleum, shipping, logistics, services, and real estate businesses, among others. She is the Corporate Treasurer of Udenna Corporation. Ms. Uy is also one of the Executive Directors of Phoenix Philippines Foundation, Inc., the corporate social responsibility arm of the Company. She is the Corporate Treasurer of Udenna Management and Resources Corporation and Chelsea Shipping Corp.

Carolina Inez Angela S. Reyes
Director

Carolina Inez Angela S. Reyes, 56 years old, 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.

Stephen T. CuUnjieng
Director

Stephen T. CuUnjieng, Filipino, 58 years old, 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 Yñares-Santiago
Independent Director

Ms. Consuelo Ynares-Santiago, Filipino, 77 years old, 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 5 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.

Monico V. Jacob
Independent Director

Monico V. Jacob, Filipino, 73 years old, 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; of Philippine Life Financial, Inc., a life insurance company, and of Republic Surety and Insurance Co., a non-life insurance Company. He likewise sits as an independent director of Jollibee Foods, Inc., Century Properties, Lopez Holdings, Inc. and 2GO Shipping. He sits as Director of Asian Terminals, Inc., Philhealthcare Systems, Inc., an HMO, Philippine Women's University and IAcademy.

Directorships in Other Reporting Companies

The following are directorships held by the directors and executive officers in other reporting companies during the last five (5) years:

Name of Director	Name of Reporting Company	Position Held
Consuelo Ynares Santiago	Anchor Insurance Brokerage Corp. SMC Global Power Holdings, Inc. South Luzon Tollway Corp. Top Frontier Investment Holdings, Inc.	Independent Director
Monico V. Jacob	Jollibee Foods Corporation Century Properties Lopez Holdings, Inc. 2GO Shipping	Independent Director

Period of Directorship in the Company

<u>Name</u>	<u>Period of Service</u>	<u>Term of Office</u>
Dennis A. Uy	since incorporation to present	1 year
Domingo T. Uy	since incorporation to present	1 year
Socorro T. Ermac-Cabreros**	2006 to January 15, 2018	1 year
Romeo B. De Guzman	since 2009 to present	1 year
J.V. Emmanuel De Dios	2007 to present	1 year
Cherylyn C. Uy	2004 to 2006, 2013 to present	1 year
Joseph John L. Ong	2013 to present	1 year
Monico V. Jacob	2008 to present	1 year
Consuelo Ynares Santiago	2013 to present	1 year
Carolina Inez A. S. Reyes	2016 to present	1 year
Stephen T. CuUnjieng*	January 15, 2018 to present	1 year
Frederic C. DyBuncio	May 27, 2017 to present	1 year

**Incoming Director*

***Outgoing Director*

Executive Officers

The following is a list of other executive officers and their business experiences during the past five (5) years:

Henry Albert R. Fadullon, Filipino, 50 years of age, was appointed Chief Operating Officer of the Company on April 17, 2017. Prior to this, he served Shell Shared Services (Asia) B.V. as General Manager for its global businesses. He has over 25 years of experience in the petroleum industry, having held various roles at Pilipinas Shell Petroleum Corp., a decade of which were spent overseas with postings in Malaysia, Oman, and London. He has a wealth of experience in Retail and B2B performing a variety of frontline and functional roles leading into General Management positions. He completed his BS Industrial Management Engineering, minor in Mechanical Engineering, from De La Salle University.

Alan Raymond T. Zorrilla, Filipino, 48 years of age, is the Vice President for External Affairs, Business Development, and Security of the Company. Prior to his employment with the Company, he was Chief Legal Counsel of the Unioil Group of Companies where he headed the Legal, Human Resources, and Administrative Departments. He also served as Director for Freeport Services Corporation, a 100% subsidiary of Subic Bay Metropolitan Authority and was once a Legal Consultant of the Department of Environment and Natural Resources. Atty. Zorrilla was engaged in litigation practice with Pangilinan, Britanico, Sarmiento and Franco Law Offices before he entered corporate practice. He formerly worked as Corporate Legal Counsel of publicly-listed Fil-Estate Group of Companies in its Litigation and Labor Department. Atty. Zorrilla completed his law studies at the San Beda College of Law in 1994 and was admitted to the Philippine Bar in 1995. He also took up his masteral studies at the Ateneo Graduate School of Business. He is an Army Reservist and a concurrent Commander (Lt. Colonel) of the Philippine Coast Guard Auxiliary.

William M. Azarcon, Filipino, 71 years old, is currently the Vice President for Business Development for Terminals and Depots. Mr. Azarcon has twenty-six (26) years experience in the oil industry, covering engineering operations, retail and distribution of bulk & packed products nationwide. Mr. Azarcon used to work for Pilipinas Shell Petroleum Corporation and served as Field Engineer in Operations nationwide constructing depots & related facilities, i.e, jetties, submarine pipelines, bulk storage tanks, among others. He likewise served as Head of Operations of North Luzon and transferred to Retail Engineering as Retail Engineering Manager nationwide. He also served as RVI (Retail Visual Identity) Manager. After retiring from Shell, Mr. Azarcon engaged in business as Retail Engineering Contractor of Shell. He holds a degree in Bachelor of Science in Mechanical Engineering from Mapua.

Jonarest Z. Sibog, Filipino, 37 years old, is the Asst. Vice President for Comptrollership. She joined the company in 2006, starting her career in Procurement which she headed for seven years before moving to Finance. She is a graduate of Ateneo de Davao University with a degree in Bachelor of Science in Accountancy. She finished her Masters in Business Administration at the University of Mindanao where she also earned a few units in LLB. She is a Certified Public Accountant and is currently a Board of Director of the Association of CPAs in Commerce and Industry (ACPACI) - Davao City Chapter.

Richard C. Tiansay, Filipino, 54 years old, is the General Manager for Pricing and Demand. Mr. Tiansay has more than 22 years of experience in the oil industry covering domestic and international operations. His last position in Royal Dutch Shell is as Global SAP IT Order to Cash Team Lead in London, U.K. This after being assigned to various key managerial positions not limited in the Philippines but as well as in a number in Asia Pacific and other countries. Mr. Tiansay completed his Bachelor of Science in Mechanical Engineering degree from the University of San Carlos, Cebu City.

Roy O. Jimenez, Filipino, 55 years of age is currently the General Manager for Commercial and Industrial Business. Prior to joining the Company he was connected with Chevron Phil. Inc for almost 30 years and handled various National and District Managerial positions, as well as supervisory positions for various trades such as Retail, Commercial/Industrial, Marketing Support, Liquefied Petroleum Gas and Lubricants. He also handled regional position as a Programs Manager and have been the team lead for Philippines in various Chevron Regional projects. He was assigned as a District Manager covering various areas like North Metro Manila/North Luzon, Visayas and Mindanao. He is a licensed Mechanical Engineer and graduated in University of Santo Tomas. He has MBA units in De La Salle University and attended various Leadership and Management programs in Asian Institute of Management, as well as in-house training programs of Chevron in Asia Pacific and South Africa.

Joselito G. de Jesus, Filipino, 62 years old, is the General Manager for Business Development, Strategies and Portfolio Unit. Prior to joining the Company, Mr. de Jesus was the Assistant Vice-President for Reseller Trade of Petron Corporation. He joined the oil industry in late 1970's when became a Corporate Planning Analyst, then later on Corporate Planning Manager/Coordinator, of the Philippine National Oil Company (PNOC). Mr. de Jesus also became a Manager in the Corporate Planning Department of PNOC Shipping and Transport Corporation and at the same time, he was also an assistant to the Chairman of PNOC. In the late 90's, Mr. de Jesus transferred to Petron Corporation and stayed with said Company for almost 17 years. He is a graduate of Bachelor of Science in Business Administration Major in Marketing and Finance from the University of the Philippines and holds a Masters in Business Administration from the Ateneo Graduate School of Business.

Ericson S. Inocencio, Filipino, 43 years old, is the General Manager for Retail Business. Eric has more than 20 years of extensive experience in the petroleum industry. Prior to joining the Company, he was connected with Chevron Phils. where he held various positions primarily leading the Commercial and Industrial business as District Sales Manager for more than five(5) years and as concurrent National Fleet Cards Sales Manager. He has exposure in marketing support function in charge of developing and executed local & global process/programs which includes profitability modelling. He is a certified Mechanical Engineer from De La Salle University and attended his MBA at Ateneo Graduate School of Business.

Joven Jesus G. Muja, Filipino, 47 years of age, is the General Manager for Lubricants Sales and Distribution Business. He joined Phoenix last May 4, 2015. He brought with Him twelve and a half years of pure lubricant experience from a major petroleum company holding various positions in sales, business development and marketing handling both B2C and B2B. Within those years, he had 2 years assignment in the Asia Pacific Region doing Channel Development Specialist work.

Ignacio B. Romero, Filipino, 73 years old, is currently the Asst. Vice President for Technical Service and Quality Product Assurance Department. Mr. Romero has more than 44 years of experience in the oil industry. Before joining the Company, he held the same position in National Oil Company of Indonesia, Pilipinas Shell Corporation, and Mobil Exxon. He is a graduate of Bachelor of Science in Mechanical Engineering at Cebu Institute of Technology in 1966 and is a licensed Mechanical Engineer.

Maria Rita A. Ros, Filipino, 58 years old, is currently the Asst. Vice President for Supply. Ms. Ros has more than thirty (30) years of experience in the oil industry covering materials management, supply chain management, production planning, imports-exports, warehousing and logistics. She held various positions in Petron Corporation from 1981 up to 2011 when she handled Biofuels and Special Projects, and Supply Optimization. Ms. Ros set up a personal business before joining Phoenix Petroleum Philippines, Inc. in November 2013. She is a graduate of B.S. Chemical Engineering from the University of the Philippines, and is a licensed Chemical Engineer, and took up Basic Management at the Asian Institute of Management.

Celina I. Matias, Filipino, 53 years old, is presently the Asst. Vice President for Brand and Marketing Group of the Company. Ms. Matias has more than 25 years of expertise on strategic marketing and client servicing. She honed her skills from Ogilvy & Mather and McCann Erickson and had worked with local Ad Agency as partner. She handled over 25 local and global brands across different product categories from petroleum, telecoms, real estate, automotive, pharmaceutical and a lot more. She finished Communication Arts major in Advertising & Public Relations in Assumption College.

Debbie A. Uy-Rodolfo, Filipino, 38 years old, is presently the Asst. Vice President for Customer Service Unit and Corporate Communications of the Company. On top of her role as head of the Corporate Communications department, Debbie leads the Customer Service Unit team in achieving their targets by determining customer service trends, determining system improvements and implementing change. She graduated with a degree in Computer Science major in IT from De La Salle University, and finished her Masters in Journalism at Ateneo de Manila University.

Reynaldo A. Phala, Filipino, 51 years old, is the Asst. Vice President for Treasury. He joined the Company in 2008 as its Credit and Collection Manager. Before joining the Company, he led a progressive banking career for 17 years, which he started at UCPB. He also worked with the Department of Trade and Industry as Municipal Trade and Industry Officer for a year. He graduated from Mindanao State University-General Santos City with the degree Bachelor of Science in Civil Engineering as a consistent academic scholar and passed the licensure examinations for Civil Engineers in May 1989. He recently finished his Master in Business Administration (MBA) under the Regis Program at the Ateneo Graduate School of Business.

Celeste Marie G. Ong, Filipino, 50 years old, is currently the Asst. Vice President for Human Resources. Ms. Ong has more than 20 years of solid human resources management experience from local and multinational companies (Concrete Aggregates Inc., Van Melle Phils., Fujitsu Computer Products and Optodev, Inc.) Her expertise includes compensation management, talent acquisition, training and development, employee relations/engagement, benefits administration and HRIS. She finished A.B. Psychology from Pamantasan ng Lungsod ng Maynila and took her M.A. in Psychology at University of Santo Tomas. She completed Essilor Management Training course in Singapore & France.

Socorro T. Ermac-Cabrerros, Filipino, 53 years old, is concurrently Asst. Vice President for Corporate Legal of the Company. She is also the Corporate Secretary Phoenix Petroleum Holdings, Inc. Prior to joining the Company, she was a Legal Counsel of Philippine National Bank in Davao City. She has worked for the government such as Office of the Ombudsman for Mindanao and later as Prosecutor for the Province of Davao del Norte after engaging in the private practice of law. She finished her law degree at the Ateneo de Davao University College of Law. She was President for the Davao City Chapter of the Integrated Bar of the Philippines, Davao City Chapter from 2009-2011 and President of the Davao Lady Lawyers Association from 2000-2002.

Gigi Q. Fuensalida-Ty, Filipino, 41 years old, is presently the Asst. Corporate Secretary of the Company. Prior to her employment with the Company, she was one of the Senior Associates of the Villaraza Cruz Marcelo and

Angangco Law Office. For six (6) years, Atty. Fuensalida specialized in Civil, Commercial and Criminal Litigation wherein she developed strategies for complex litigation and actively participated in the prosecution and defense of criminal cases before the regular trial courts, quasi-judicial bodies and the appellate courts. Atty. Fuensalida holds a degree in Bachelor of Arts Major in Political Science from the Ateneo de Manila University. She further obtained her Juris Doctor degree from the same institution and graduated with honors in 2002. Atty. Fuensalida is a member of the Integrated Bar of the Philippines since 2003.

Alfredo E. Reyes, Filipino, 55 years old, is currently the Asst. Vice President for Information Technology of the Company. Mr. Reyes has been in the oil industry for the past 29 years. He worked in Pilipinas Shell Petroleum for 24 years in various management roles, regional and global, in retail and IT, his last position being Retail Lead GSAP Implementation for both Philippines and Indonesia. Prior to joining Phoenix he had a brief stint in Northgate Arinso as a Project Manager implementing HR SAP. Since joining the Company, he has overseen the SAP ERP and MSD CRM Systems which are anchoring Phoenix's aggressive sales growth with retail and commercial accounts.

Ignacio Raymund S. Ramos, Jr., Filipino, 55 years old, is the AVP for Engineering. He has more than 25 years of specialized practice in the fuel industry. He previously worked with Shell Philippines (1985 to 2003) and worked his way up to key positions like Special Projects Manager, Head Retail Construction, Retail Engineering Manager and Field Facilities Engineering Manager. He also worked in Enmar Construction Inc. (2004-2009) where his role as General Manager propelled the business in the field of construction and maintenance of bulk oil terminal facilities and equipment for major petroleum companies. Among the projects he managed from 2006-2017 were: SMART Pigging (Intelligent Inspection of Pipelines) Shell Guam Inc.; In Indonesia: Pulau Laut Terminal bulk storage & distribution and jetty facility' PT Banten Energy for the construction of Refrigerated LPG Terminal, New IBT Barge Fuel Loading facility and in Singapore the construction of Lube Oil & Grease Manufacturing Plant. He finished Civil Engineering from the University of the Philippines.

Bernard C. Suiza, Filipino, 52 years old is the Assistant Vice President for NFRB, Network Development & Capital Investments. Bernard has 30 years of experience in network planning, marketing, and operations, having worked in industries from fuel to food. He joined Phoenix in 2017, and was previously with San Miguel Foods as its Area Sales Manager for North Luzon. He was formerly marketing director of Prominex Ventures, and General Manager of Emerging Channels Inc. where he handled marketing and distribution of food and non-food products. He spent 11 years in Pilipinas Shell Petroleum Corp. in various roles in retail, finance, network planning, and non-fuels retailing. He graduated from the University of the Philippines with a degree in Business Administration, and obtained his MBA from UP in 2017.

Chryss Alfonsus V. Damuy, Filipino, 44 years old, is the Treasurer and the Vice-President for Finance of the Company. Prior to his employment with the Company, he was the Controller of Lapanday Foods Corporation and held various positions in its subsidiaries including the Fresh Asia Produce as Accounting Manager and the Mindanao Fresh Produce Services Corporation as Assistant Accounting Manager. He also worked as Chief Accountant of the Regional Educators Multi-purpose Cooperative and as its Branch Officer. Mr. Damuy started his professional career as College Instructor of the Holy Cross of Davao College where as a dean's lister, he earned his Bachelor of Science Degree in Accountancy in 1997. Mr. Damuy is a Certified Public Accountant.

Period of Service in the Company

<u>Name</u>	<u>Period of Service</u>
Henry Albert R. Fadullon	April 17, 2017 to present
Joseph John L. Ong	November 3, 2010 to present
Socorro Ermac Cabrerros	July 3 2006 to present
Jonarest Z. Sibog	March 27, 2006 to present
Reynaldo A. Phala	October 16, 2008 to present
Alan Raymond T. Zorrilla	April 1, 2009 to present
William M. Azarcon	June 1, 2009 to present
Joselito G. De Jesus	March 15, 2011 to present
Richard C. Tiansay	March 1, 2013 to present
Eric S. Inocencio	February 15, 2014 to present
Roy O. Jimenez	May 11, 2015 to present
Joven Jesus Muijar	May 4, 2015 to present
Ma. Rita A. Ros	November 1, 2013 to present
Ignacio B. Romero	2013 to present
Celeste Marie G. Ong	July 2, 2012 to present
Debbie A. Uy-Rodolfo	February 1, 2008 to present
Celina I. Matias	July 2, 2012 to present
Gigi Q. Fuensalida	2008 to present
Alfredo E. Reyes	April 6, 2011 to present
Chryss Alfonsus V. Damuy	January 13, 2008 to present
Bernard C. Suiza	August 16, 2017 to present
Ignacio Raymund Ramos, Jr.	January 16, 2018 to present

II. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

A. Comparable discussion on Material Changes in Results of Operations for the Year Ended December 31, 2017 vs. December 31, 2016.

Revenues

The Group generated total revenues of ₱45.946 billion in 2017, 50% higher than 2016's ₱30.577 billion, on the back of a 17% increase in sales volume and improved product mix in favor of higher margin products. This includes addition of LPG revenue of ₱3.4B and Pnx SG revenue to third party customers of ₱0.25B .

Sales revenues from trading and distribution of petroleum products increased by 56% from ₱29.666 billion in 2016 to ₱45.946 billion in 2016. Retail volume (station sales) increased by 9% due to growth in both station network and same store sales. The Commercial and industrial segment also increased by 15%, while aviation volume grew by 13%. Lubricants volume also grew by 49% from the prior year.

The Parent has built five hundred five (530) Phoenix retail service stations as of December 31, 2017 compared to four hundred forty-seven (505) retail stations as of the same period last year. The Parent has a number of retail stations undergoing various stages of construction which are projected to be opened within the 1st half of 2018.

The Group generated revenues of ₱0.411 billion from fuel service, storage, and others in 2017, down from ₱1.104 billion in 2016. The 63% year-on-year decline was mainly due to which includes shipping, port and real estate revenues from the spun-off subsidiaries. Moreover, results of Chelsea Shipping Corporation (CSC) and Phoenix Petroterminals and Industrial Park Corp. (PPIPC) were consolidated only from January to November 2016.

Cost and expenses

The Group recorded cost of sales and services of ₱39.144 billion as of December 2017, an increase of 56% from ₱25.124 billion in 2016. This was due to higher product costs compared to last year, reflecting increasing global oil prices. The 12% increase in volume is also a factor in the increase cost of sales.

Selling and administrative expenses increased by 23%, driven by higher depreciation for completed expansions, as well as increases in rent expense, salaries and wages, taxes and licenses, and professional fees in relation to the expansion program of the Group.

Net Income

The Group's net income for 2017 grew to ₱2.045 billion from ₱1.092 million in 2016. Growth was driven primarily by higher sales volume and margins management.

The Parent was registered with the Board of Investments on November 16, 2005 as a new industry participant with new investments in storage, marketing and distribution of petroleum products under RA 8479 (Downstream Oil Industry Regulation Act) and, as such, enjoyed an income tax holiday for five (5) years from November 16, 2005 to November 16, 2010.

The Parent Company obtained additional registration approval from the Board of Investments (BOI) under R.A. 8479 or Oil Industry Deregulation Law for its Calaca, Batangas Terminal. This entitled the Parent Company to an Income Tax Holiday (ITH) on the revenue activities from this additional storage capacity for five (5) years starting February 2010. Another BOI registration was granted to the Davao Terminal Expansion facility effective February 2010, which entitled the Parent Company another set of incentives, including the five (5) year ITH on its Davao Terminal Marketing and Storage activities.

The Parent Company was also registered with the BOI on November 25, 2010 as new industry participant with new investment in storage, marketing and distribution of petroleum products under RA 8479 (Downstream Oil Industry Deregulation Act) for its storage tanks in Talisayan, Zamboanga City. Under its registration, the Company is required to observe certain general and specific terms and conditions stated in the provisions of the Omnibus Investments Code of 1987. This expired on November 25, 2015.

The Parent Company also obtained new approvals with the BOI for its two (2) new facilities. Both the Cagayan de Oro City and the Bacolod City facilities were registered and issued certification by the BOI on May 12, 2012, entitling the Parent Company ITH for five years from registration plus other fiscal and non-fiscal incentives accorded to BOI-registered entities.

The Parent Company also obtained new approvals with the BOI for its four (4) new facilities. Expansions of Cagayan de Oro City and Calaca, Batangas facilities were registered and issued certification by the BOI on November 24, 2017 and December 22, 2017, respectively. New facilities in Tayud, Cebu and Calapan, Mindoro were likewise registered and issued certification by the BOI on September 9, 2017 and October 12, 2017, respectively, entitling the Parent Company ITH for five years from registration plus other fiscal and non-fiscal incentives accorded to BOI-registered entities. These additional ITH incentives will allow the Company to enjoy an effective income tax rate well below 30% as it continuously expands its storage and obtains further incentives from the BOI.

Financial Condition

(As of December 31, 2017 versus December 31, 2016)

Total resources of the Group as of December 31, 2017 stood at ₱45.232 billion, higher by 70% compared to the ₱26.538 billion as of December 31, 2016. This is mainly due to the acquisition of PLPI and Duta, Inc. and the increase in inventory as a result increasing demand.

Cash and cash equivalents this year decreased by 22% from ₱2.339 billion in December 31, 2016 to ₱1.831 billion as a result of increased operating, acquisition and expansion requirements.

Trade and other receivables decreased by 7% from ₱8.789 billion as of December 31, 2016 to ₱8.134 billion as of December 31, 2017, due to the intensified collection of credit sales and other receivables.

Inventories increased by 340% to ₱13.196 billion as of December 30, 2016 from ₱2.999 billion as of December 31, 2016, driven by the timing of arrival of importations. The Group targets to maintain an average of one month worth of inventory to ensure stable supply in retail stations and commercial/industrial clients. However, the actual level varies depending on the actual arrival dates of the fuel tankers.

Due from related parties increased to ₱0.518 billion as of December 2017 from ₱1.507 billion as of December 2016. The receivable balance from UDEVCO amounting to ₱50 million for the sale of PPIPC and from Chelsea Shipping Group Corp. amounting to ₱500 million for the sale of CSC were all settled.

As of December 31, 2017, the Group's property and equipment, net of accumulated depreciation, increased to ₱13.400 billion compared to ₱9.002 billion as of December 31, 2016 due to the acquisition of PEPI and Duta, Inc. as well as the completion of the new retail stations and various facility expansion of the group. This includes the appraised fair market value of the investment property of Duta and Kaparangan.

Loans and Borrowings, both current and non-current, increased by 114% from ₱13.184 billion as of December 31, 2016 to ₱28.171 billion as of December 31, 2017. The increase of ₱14.987 billion was from the acquisition of PEPI and Duta, Investment in PNX Singapore, increased inventory value and other capital expenditures of the group.

Trade and other payables increased by 36% from ₱3.333 billion as of December 31, 2016 to ₱4.545 billion as of December 31, 2017 due to longer supplier credit term.

Total Stockholders' Equity increased to ₱12.003 billion as of December 31, 2017 from ₱9.762 billion as of December 31, 2016, resulting from the earnings generated in 2017 net of cash dividend declared and paid during the period for both common shares and preferred shares. The sale of treasury shares and the employee stock

also contributed to the increase. The sale of treasury shares increased the Additional paid in capital by ₱0.367 billion while the employee stock option increased the common shares by ₱2.761 million and the additional paid in capital by ₱21.351 million.

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, 2017	December 31, 2016
Current Ratio ¹	1.23 : 1	1.17:1
Debt to Equity Ratio ²	2.77 : 1	1.72:1
Return on Equity- Common ³	19%	11%
Net Book Value per Share ⁴	8.22 : 1	6.81:1
Debt to Equity Interest-Bearing ⁵	2.35 : 1	1.35:1
Earnings per Share ⁶	1.26	0.64
Earnings per Share (net of one-time gain) ⁶	0.79	0.64

Notes:

1 - Total current assets divided by current liabilities

2 - Total liabilities divided by tangible net worth

3 - Period or Year Net income divided by average total stockholders' equity

4 - Total stockholder's equity (net of Preferred) divided by the total number of shares issued and outstanding

5 - Interest Bearing Debts divided by Total stockholder's equity (net of Preferred)

6 - Period or Year Net Income after tax divided by weighted average number of outstanding common shares

7 - Period or Year Net Income after tax (net of one-time gain) 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.

The Group's debt to equity (DE) ratio for 2017 is higher at 2.77: 1 due to increased liability used for the acquisition of PEPI and Duta, Inc, investment in PNx Singapore, capital expenditures for various expansions and increased inventory requirement.

Material Changes to the Group's Balance Sheet as of December 31, 2017 compared to December 31, 2016 (Increase/decrease of 5% or more)

22% decrease in Cash and Cash Equivalents

A result of increased operating, acquisition and expansion requirements. The Cash and cash equivalent is within the maintained minimum level to support the operating requirement of the group.

7% decrease in trade and other receivables

Due to the intensified collection of credit sales and other receivables.

340% increase in inventory

Due to the timing of arrival of importations, additional product lines, and the prices of petroleum.

67% decrease in due from a related party

Collection of the receivable balance from the sale of CSC to Chelsea Group Corp amounting to ₱500 million and from UDEVCO for the sale of PPIPC amounting to ₱50 million.

240% increase in net input vat

Due to increase in inventory purchases.

15% increase in Prepayment and Other Current Assets

Due to increase in insurance requirement, taxes and licenses, and other prepaid services.

49% increase in property, plant and equipment

Due to the acquisition of PEPI and Duta, Inc. as well as the completion of the retail stations and expansion of various facilities.

100% increase in Investment Property

Due to the acquisition and appraisal of the fair value of the investment properties of Duta Inc. and Kaparangan.

38,765% increase in Goodwill

Due to the acquisition of PEPI and Duta, Inc.

277% increase in Deferred Tax Assets

Due to the additions from the newly-acquired subsidiaries.

38% decrease in Other Non-Current Assets
Due to additions from the newly-acquired subsidiaries.

49% increase in Current Interest-bearing loans
Due to the increase in inventory requirement
36% increase in Trade Payable
Due to the extended supplier credit terms.

592% increase in Non-current Interest-bearing loans
Used for the acquisition of PEPI and Duta Inc., investment in PNX SG and various capital expenditure requirements.

100% increase in Non-current Trade and Other Payables
Due to sale of subsidiaries resulting in the deconsolidation of the related accounts of PPIPC and CSC.

97% Increase in Other Non-Current Liabilities
Increase in security deposit from new customers especially with the additions from LPG business.

30% decrease in Capital Stock
Due to the sale of treasury shares and the employee stock option plan.

7% increase in Additional Paid-in Capital
Due to the sale of treasury shares and the employee stock option plan.

37% increase in Retained Earnings
Due to earnings generated in 2017 net of the dividends paid both to common and preferred shares.

Material changes to the Group's Income Statement as of December 31, 2017 compared to December 31, 2016 (Increase/decrease of 5% or more)

56% increase in sale of goods
Due to the increase in volume, increase in fuel prices, addition of the LPG Business and sale coming from PNX SG

66% decrease in fuel service, shipping, storage income, and other revenue
There are no more charter fees, sale of real estate and port revenues after the spin-off of CSC and PPIPC.

56% increase in Cost of Sales
As a result of the increase in revenue, volume and fuel prices

39% increase in selling and administrative expenses
Driven by the Group's expansion and acquisition program that resulted in higher depreciation, rent expense, salaries and wages, taxes and licenses and professional fees.

16% decrease in Finance Costs

Most of the financing transactions were made towards the year-end as needed for the acquisitions and investments.

73% decrease in Finance Income

Due to decreased exposure to foreign denominated accounts

100% increase in Excess of Fair Value over acquisition cost

Due to the acquisition of Duta Inc. which has investment properties with higher appraisal value versus the acquisition cost inclusive of its novated advances from Petronas in favor of PPPI.

718% Increase in other income

Due to other income coming from PLPI and Duta, Inc.

Recognition of Pre-acquisition Profit

This refers to the Income of PEPI and Duta, Inc. from January to July 2017, prior to the completion of the acquisition.

29% increase in income tax

Due to expiration of certain ITH certificates net of the effect of the new approvals.

15% decrease in re-measurement of post-employment benefit obligation

Due to the sale of CSC and PPIPC.

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.

B. Comparable discussion on Material Changes in Results of Operations for the Year Ended December 31, 2016 vs. December 31, 2015.

Revenues

The Group generated total revenues of ₱30.577 billion in 2016, 2% higher than 2015's ₱30.054 billion, on the back of a 25% increase in sales volume and improved product mix in favor of higher margin products. This however, was tempered by the 19% decline in average fuel prices.

Sales revenues from trading and distribution of petroleum products increased by 4% from ₱28.621 billion in 2015 to ₱29.666 billion in 2016. Retail volume (station sales) increased by 12% due to growth in both station network and same store sales. The Commercial and industrial segment also increased by 33%, while aviation volume grew by 14%. Lubricants volume also grew by 18% from the prior year.

The Parent has built five hundred five (505) Phoenix retail service stations as of December 31, 2016 compared to four hundred forty-seven (454) retail stations as of the same period last year. The Parent has a number of retail stations undergoing various stages of construction which are projected to be opened within the 1st half of 2017.

The Group generated revenues of ₱1.104 billion from fuel service, shipping, storage, port, real estate, and others in 2016, down from ₱1.433 billion in 2015. The 23% year-on-year decline was mainly due to the ₱456 million in sale of real estate in 2015 versus none in 2016. Moreover, results of Chelsea Shipping Corporation (CSC) and Phoenix Petroterminals and Industrial Park Corp. (PPIPC) were consolidated only from January to November.

Cost and expenses

The Group recorded cost of sales and services of ₱25.124 billion as of December 2016, a decrease of 0.1% from ₱25.269 billion in 2015. This was due to lower product costs compared to last year, reflecting lower global oil prices. Prices continued its generally downward movement from the second quarter of 2015 until first quarter of 2016, which only then, started to recover.

Selling and administrative expenses increased by 23%, driven by higher depreciation for completed expansions, as well as increases in rent expense, salaries and wages, taxes and licenses, and professional fees in relation to the expansion program of the Group.

Net Income

The Group's net income for 2016 grew to ₱1.092 billion from ₱905.868 million in 2015. Growth was driven primarily by higher sales volume, higher efficiencies in trading and supply management, and higher service revenues.

The Parent was registered with the Board of Investments on November 16, 2005 as a new industry participant with new investments in storage, marketing and distribution of petroleum products under RA 8479 (Downstream Oil Industry Regulation Act) and, as such, enjoyed an income tax holiday for five (5) years from November 16, 2005 to November 16, 2010.

The Parent Company obtained additional registration approval from the Board of Investments (BOI) under R.A. 8479 or Oil Industry Deregulation Law for its Calaca, Batangas Terminal. This entitled the Parent Company to an Income Tax Holiday (ITH) on the revenue activities from this additional storage capacity for five (5) years starting February 2010. Another BOI registration was granted to the Davao Terminal Expansion facility effective February 2010, which entitled the Parent Company another set of incentives, including the five (5) year ITH on its Davao Terminal Marketing and Storage activities.

The Parent Company was also registered with the BOI on November 25, 2010 as new industry participant with new investment in storage, marketing and distribution of petroleum products under RA 8479 (Downstream Oil Industry Deregulation Act) for its storage tanks in Talisayan, Zamboanga City. Under its registration, the Company is required to observe certain general and specific terms and conditions stated in the provisions of the Omnibus Investments Code of 1987. This expired on November 25, 2015.

The Parent Company also obtained new approvals with the BOI for its two (2) new facilities. Both the Cagayan de Oro City and the Bacolod City facilities were registered and issued certification by the BOI on May 12, 2012, entitling the Parent Company ITH for five years from registration plus other fiscal and non-fiscal incentives accorded to BOI-registered entities. These additional ITH incentives will allow the Company to enjoy an effective income tax rate well below 30% as it continuously expands its storage and obtains further incentives from the BOI.

Financial Condition

(As of December 31, 2016 versus December 31, 2015)

Total resources of the Group as of December 31, 2016 stood at ₱26.538 billion, lower by 14% compared to the ₱30.926 billion as of December 31, 2015. This is mainly due to the sale of the subsidiaries, resulting in the deconsolidation of the carrying values of CSC and PPIPC.

Cash and cash equivalents this year increased by 43% from ₱1.632 billion in December 31, 2015 to ₱2.339 billion due to the net proceeds from sale of the subsidiaries and increased collections towards year-end net of payment of outstanding interest-bearing debt.

Trade and other receivables decreased by 19% from ₱10.810 billion as of December 31, 2015 to ₱8.789 billion as of December 31, 2016, due to the intensified collection of credit sales and other receivables and the deconsolidation of related receivables from the sale of the subsidiaries.

Inventories increased by 14% to ₱2.999 billion as of December 30, 2016 from ₱2.638 billion as of December 31, 2015, driven by the timing of arrival of importations. The Group targets to maintain an average of one month worth of inventory to ensure stable supply in retail stations and commercial/industrial clients. However, the actual level varies depending on the actual arrival dates of the fuel tankers.

Due from related parties increased to ₱1.507 billion as of December 2016 from ₱12.260 million as of December 2015, arising from the receivable balance from UDEVCO amounting to ₱50 million for the sale of PPIPC and from Chelsea Shipping Group Corp. amounting to ₱500 million for the sale of CSC. The change also included reclassification of accounts following the sale of the subsidiaries, CSC and PPIPC.

As of December 31, 2016, the Group's property and equipment, net of accumulated depreciation, decreased to ₱9.002 billion compared to ₱12.823 billion as of December 31, 2015 due to the sale of the subsidiaries that resulted in the deconsolidation of the related assets of CSC and PPIPC.

Loans and Borrowings, both current and non-current, decreased by 22% from ₱16.983 billion as of December 31, 2015 to ₱13.184 billion as of December 31, 2016. The decrease of ₱3.799 billion was from the settlement of loans, which include the payments of interest-bearing debt from the proceeds of the sale of subsidiaries. Also contributing to the decline was the decrease in trade payables and the deconsolidation of the related loans and borrowings of CSC and PPIPC following the sale.

Trade and other payables decreased by 2% from ₱3.578 billion as of December 31, 2015 to ₱3.333 billion as of December 31, 2016 due to longer supplier credit term.

Total Stockholders' Equity decreased to ₱9.762 billion as of December 31, 2016 from ₱10.023 billion as of December 31, 2015, resulting from the earnings generated in 2016 net of cash dividend declared and paid during the period for both common shares and preferred shares. The deconsolidation of CSC and PPIPC also contributed to the decrease.

Key Performance Indicators and Relevant Ratios

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

	December 31, 2016	December 31, 2015
Current Ratio ¹	1.71:1	1.14:1
Debt to Equity-Total ²	1.72:1	2.09:1
Return on Equity-Common ³	11%	11%
Net Book Value Per Share ⁴	6.81:1	6.89:1
Debt to Equity-Interest Bearing ⁵	1.35:1	1.69:1
Earnings Per Share-Adjusted ⁶	0.64	0.60

Notes:

1 - Total current assets divided by current liabilities

2 - Total liabilities divided by tangible net worth

3 - Period or Year Net income divided by average total stockholders' equity

4 - Total stockholder's equity (net of Preferred) divided by the total number of shares issued and outstanding

5- Interest Bearing Debts divided by Total stockholder's equity (net

of Preferred)

6 – 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.

The Group's debt to equity (DE) ratio for 2016 is lower at 1.72: 1 due to the sale of the subsidiaries resulting in the deconsolidation of the related accounts of CSC and PPIPC.

Material Changes to the Group's Balance Sheet as of December 31, 2016 compared to December 31, 2015 (Increase/decrease of 5% or more)

43% increase in Cash and Cash Equivalents

A result of the net proceeds from the sale of the subsidiaries, as well as the timing of collections and disbursements during the period offset by proceeds used to pay out interest-bearing debt. Minimum levels of cash are also maintained to support maturing obligations.

14% increase in inventory

Due to the timing of arrival of importations, additional product lines, and the prices of petroleum.

19% decrease in trade and other receivables

Due to improved collection efforts and higher customer management efficiency. Also contributing to the decline was the sale of the subsidiaries, which resulted in the deconsolidation of the trade and other receivables of CSC and PPIPC.

12,191% increase in due from a related party

Attributable to the receivable balance from the sale of CSC to Chelsea Group Corp amounting to ₱500 million and from UDEVCO for the sale of PPIPC amounting to ₱50 million. The change also included reclassification of accounts following the sale of the subsidiaries, CSC and PPIPC.

28% increase in restricted deposit

Due to the sale of subsidiaries resulting in the deconsolidation of CSC and PPIPC.

6% decrease in net input vat

Due to the sale of subsidiaries resulting in the deconsolidation of CSC and PPIPC.

30% decrease in property, plant and equipment

Due to the sale of subsidiaries resulting in the deconsolidation of CSC and PPIPC.

280% increase in Intangible Assets

Due to the acquisition of a basketball franchise as part of the Group's brand enhancement initiatives.

100% decrease in Land Held for Future Development
Due to sale of subsidiaries resulting in the deconsolidation of PPIPC.

100% decrease in Investment in a joint venture
Due to sale of subsidiaries resulting in the deconsolidation of PPIPC.

88% decrease in Goodwill
Due to sale of subsidiaries resulting in the deconsolidation of PPIPC and CSC.

100% increase in Deferred Tax Assets
Due to sale of subsidiaries resulting in the deconsolidation of related accounts of PPIPC and CSC.

43% decrease in Other Non-Current Assets
Due to sale of subsidiaries resulting in the deconsolidation of related accounts of PPIPC and CSC.

63% decrease in Non-current Interest-bearing loans
Due to the early settlement of Long-Term Debt using the proceeds from the sale of CSC and PPIPC.

100% decrease in Non-current Trade and Other Payables
Due to sale of subsidiaries resulting in the deconsolidation of the related accounts of PPIPC and CSC.

100% decrease in Deferred Tax Liability
Due to sale of subsidiaries resulting in the deconsolidation of the related accounts of PPIPC and CSC.

5% Increase in Other Non-Current Liabilities
Increase in security deposit from new customers

23% decrease in Capital Stock
Due to treasury shares acquisition amounting to ₱330.6 million

17% increase in Other Reserves
Due to the sale of the sale and subsequent deconsolidation of PPIPC and CSC.

23% increase in Retained Earnings
Due to earnings generated in 2016 net of the dividends paid both to common and preferred shares, as well as the sale and deconsolidation of PPIPC and CSC.

Material changes to the Group's Income Statement as of December 31, 2016 compared to December 31, 2015 (Increase/decrease of 5% or more)

23% decrease in fuel service, shipping, storage income, and other revenue
Due to the ₱456 million revenues from sale of real estate in 2015 versus none in 2016.

23% increase in selling and administrative expenses
Driven by the Group's expansion program that resulted in higher depreciation, rent expense, salaries and wages, taxes and licenses, and professional fees.

5% increase in Finance Costs
Increase in the number of financing transactions.

2,649% increase in Finance Income
Due to forex gains arising from US\$-denominated revenues

21% Increase in other income
Due to growth in non-fuel related business.

207% Increase on equity share in Net Loss of a joint venture.
Attributable to the equity share of PPIPC in SPI for the eleven months ending November 30, 2016.

9% decrease in income tax
Due to increase in deferred tax assets arising from unrealized and non-taxable income.

15% decrease in re-measurement of post-employment benefit obligation
Due to the sale of CSC and PPIPC.

100% decrease on the revaluation of tankers under OCI
Due to the sale of CSC and PPIPC and their deconsolidation in December 2016.

65% decrease on the tax expense on other comprehensive income
Due to the absence of revaluation of tankers under OCI following the sale of CSC.

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.

C. Comparable discussion on Material Changes in Results of Operations for the Year Ended December 31, 2015 vs. December 31, 2014.

Revenues

The Group generated total revenues of ₱ 30.054 billion in 2015 which is 13% lower than its 2014 level of ₱ 34.734 billion, primarily due to the huge decline in petroleum prices in 2015. However, this was minimized due to the higher fuels sales volume and the 102% recorded increase in revenues from fuels service, shipping, storage and other revenue.

Sales revenues from trading and distribution of petroleum products decreased by 16% from ₱34.026 billion in 2014 to ₱ 28.621 billion in 2015 resulting principally from a declining prices during the year. The effect, however was tempered by a 27% rise in fuel sales volume . Sales volume to retail stations increased by 30% due a wider distribution network, better station efficiency and growth in same store sales. The commercial/industrial and aviation segment grew by 26% as a result of more new accounts solicited during the year. The Parent Company had four hundred fifty-four (454) retail service stations as of December 31, 2015 compared to four hundred eighteen (418) retail stations as of the same period last year. The Parent Company has a number of retail stations undergoing construction and projected to be opened within the year and early next year.

The Group generated revenues of ₱ 1,434 million from its fuel services, storage, port and other income in 2015 versus ₱ 709 million in 2014, a 54% increase compared to the same period last year. This due to higher turn-over of storage services , additional revenues from third party ship charter hires and higher revenues from port operations and tug-boat services for the year.

The Group also generated ₱ 457 million revenue from sale of land in the industrial park in 2015 compared to ₱ 75 million in 2014.

Cost and expenses

The Group recorded cost of sales and services of ₱ 25.269 billion, a decline of 19% from its 2014 level of ₱ 31.144 billion primarily due to the decline in the average prices of petroleum products globally. Though fuel sales volume grew by 27%, it was insufficient to mitigate the bigger decline in global prices of petroleum products. In 2015, the average decline of Gasoil (Diesel), MOGAS (Gasoline), Kerosene (JETA1) and Fuel Oil by 43% compared to the same period of 2014.

Selling and administrative expenses increased by 25% as a result of higher variable costs and by the effect on the increase in rentals, depreciation, salaries & wages as a result of the continuous expansion of the Group's business operations.

Net Income

The Group's net income for the year 2015 was ₱ 906 million versus ₱ 616 million for 2014 or an increase of 47%. This was driven by a 27% increase in fuel sales volume combined with material contributions from subsidiaries. The company's subsidiaries - Phoenix Petroterminal and Industrial Park Corp. (PPIPC) and Chelsea Shipping Corp. (CSC) contributed a combined net income of ₱ 319 million for 2015 . PPIPC contributed ₱ 190 million in income from park operations and sale of land from its industrial park in Calaca, Batangas, while CSC contributed Php 129 million from its time chartering and tug boat operations. In 2014, PPIPC and CSC contributed a net income of ₱39 million and ₱ 95 million respectively.

Net income to sales ratio (return on sales) improved to 3% in 2015 compared to 1.88% in 2014 due to a combination of a better fuel sales mix in favour of retail, higher efficiencies and savings particularly from fuel trading and supply management operations despite dropping fuel prices and strong income from the subsidiaries.

The Parent Company was registered with the Board of Investments on November 16, 2005 as a new industry participant with new investments in storage, marketing and distribution of petroleum products under RA 8479 (Downstream Oil Industry Regulation Act) and, as such, continues to enjoy an income tax holiday for five (5) years from November 16, 2005.

The Parent Company obtain additional registration approval from the Board of Investments (BOI) under R.A. 8479 or Oil Industry Deregulation Law for its Calaca, Batangas Terminal.. This entitles the Parent Company to an Income Tax Holiday (ITH) on the revenue activities from this additional storage capacity for five (5) years starting February 2010. Another BOI registration was granted for the Davao Terminal Expansion facility effective February 2010 thus entitling the Parent Company another set of incentives including the five (5) year ITH in its Davao Terminal Marketing and Storage activities. These additional ITH incentives will allow the Company to enjoy an effective income tax rate well below 30% as it continuously expands its storage and obtains further incentives from the BOI.

The Parent Company was also registered with the BOI on November 25, 2010 as new industry participant with new investment in storage, marketing and distribution of petroleum products under RA 8479 (Downstream Oil Industry Deregulation Act) for its storage tanks in Talisayan, Zamboanga City. Under its registration, the Company is required to observe certain general and specific terms and conditions stated in the provisions of the Omnibus Investments Code of 1987.

The Parent Company received new approvals from the BOI for its two (2) new facilities. Both the Cagayan de Oro City and the Bacolod City were registered and issued certifications by the BOI last May 12, 2012. The registration entitles the Parent Company ITH for five years from registration plus other fiscal and non-fiscal incentives accorded to BOI registered entity.

Financial Condition

(As of December 31, 2015 versus December 31, 2014)

Total resources of the Group as of December 31, 2015 stood at ₱ 30.927 billion, higher by 24% compared to the ₱ 25.000 billion as of December 31, 2014. This is mainly due to increase in Property, Plant and Equipment from the continuous expansion of retail station, storage and including shipping assets. The increase in current assets, mainly Cash and the Accounts Receivable, also contributed to the total increase in assets.

Cash and cash equivalents increased by 194% from ₱ 556 million in December 31, 2014 to ₱ 1,632 million mainly due from the proceeds of the issuance of 20 million perpetual preferred shares.

Current Assets amounted to ₱ 17,039 billion as of December 31, 2015, compared ₱ 13.484 billion as of December 31, 2014. The increase in Cash and Trade and Other Receivables contributed to the increase in Current Assets.

Trade and other receivables increased by 37%, from ₱ 7.855 billion as of December 31, 2014 to ₱ 10.810 billion as of December 31, 2015, which were mainly due from receivables from various customers and suppliers. The Group continues to enhance its credit policies to minimize overdue accounts.

Inventories declined by 8.09% at ₱ 2.638 billion as of December 31, 2015 from ₱ 2.871 billion as of December 31, 2014. Inventory volume in December 31, 2015 is higher compared to December 31, 2014. However, the average unit cost of the 2015 year-end inventory is lower by 46% compared to 2014 end year. The Company maintains an average of one month worth of inventory to ensure stable supply in retail stations and commercial/industrial clients.

Due to related parties in December 31, 2015 and December 31, 2014 is ₱ 12.261 million and ₱ 10.373 million respectively. The increase of ₱ 1.887 million or 18% is due to charges made during the year.

Input taxes-net increased by 28% in December 31, 2015 is the result of accumulated input taxes on capital expenditures (for its expansion projects) and input taxes on operating expenses.

Other current assets are at ₱ 639 million and ₱ 1,032 million as of December 31, 2015 and December 31, 2014 respectively. The decrease represents prepaid rentals on leased retail service stations properties and depot sites, prepaid insurance, creditable withholding taxes and other current assets.

As of December 31, 2015, the Group's property and equipment, net of accumulated depreciation, increased to ₱ 12.843 billion compared to ₱ 10.716 billion as of December 31, 2014 due to investments in additional shipping vessels, depot

capacity in existing and new sites. In the first quarter, the Group took delivery of a brand new marine tanker for domestic use. Additional retail stations were also constructed and or under construction in Luzon, Mindanao and Visayas as part of the Company objective to further expand retail network. The Company also has ongoing storage facility expansion.

Current and non-current Loans and Borrowings, , increased by 23% from ₱ 13.842 billion as of December 31, 2014 to ₱13.843 billion as of December 31, 2015. The increase of ₱ 3.141 billion was due to borrowings to finance capital expenditures and for working capital requirements.

Trade and other payables decreased by 4%, from ₱ 3.399 billion as of December 31, 2014 to ₱ 3.260 billion as of December 31, 2015. This is mainly due to lower prices of fuels inventory.

Total Stockholders' Equity increased to ₱ 10.023 billion as of December 31, 2015 from ₱ 7.050 billion as of December 31, 2014 as a result of the ₱2 billion preferred shares issue plus the period's net income, net of the cash dividend declared and paid during the year for both common shares and preferred shares.

Key Performance Indicators and Relevant Ratios

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

	December 31, 2015	December 31, 2014
Current Ratio ¹	1.14 : 1	1.13 : 1
Debt to Equity-Total ²	2.09 : 1	2.55 : 1
Return on Equity-Common ³	12.66%	9.55%
Net Book Value Per Share ⁴	5.27	4.58
Debt to Equity-Interest Bearing ⁵	1.69 : 1	1.96 : 1
Earnings Per Share-Adjusted ⁶	0.60	0.40

Notes:

1 - Total current assets divided by current liabilities

2 - Total liabilities divided by tangible net worth

3 - Period or Year Net income divided by average total stockholders' equity

- 4 - Total stockholder's equity (net of Preferred) divided by the total number of shares issued and outstanding
- 5 - Interest Bearing Debts divided by Total stockholder's equity (net of Preferred)
- 6 - 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 Company's financial strength (Current Ratio and Debt to Equity) and the Company's ability to maximize the value of its stockholders' investment in the Company (Return on Equity, Net Book Value Per Share and Earnings Per Share). Likewise, these ratios are used to compare the Company's performance with similar companies.

The Company debt to equity (DE) ratio for 2015 is lower at 2.09: 1, interest bearing DE this year improved to 1.69 : 1, compared to 1.96 : 1 in 2014 due to issuance of preferred shares and the income generated in 2015.

The foregoing 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's (Return on Equity, Net Book Value Per Share and Earnings Per Share). Likewise these ratios are used to compare the Group's performance with its competitors and similar-sized companies.

Material Changes to the Group's Balance Sheet as of December 31, 2015 compared to December 31, 2014 (Increase/decrease of 5% or more)

193% increase in Cash and Cash Equivalents.

This is a mainly due to the proceeds of the perpetual preferred shares issued on December 18, 2015 plus the timing of general collections and disbursements during the period. Certain minimum levels of Cash are also maintained to support maturing obligations and for day-to-day operating expenses.

37.62% increase in Trade and other receivables

Primarily due to increase in advances to suppliers as a result of various shipments in transit, final price computations and advances to suppliers relating to various construction projects.

8% decrease in inventory.

A result of lower average price per unit by 46% in December 31, 2015 compared to December 31, 2014 despite higher inventory volume in the former. .

18% increase in Due from Related Parties.

Various charges and billings during the period-net.

28% increase on Value Added Tax-net.

Increase in Input VAT as a result accumulated Input Taxes on capital expenditures.

38% increase in other current assets.

As a result of decreased prepayments e.g. rental, insurance, etc. the creditable withholding taxes.

20% increase in property, plant and equipment.

Due to shipping vessel acquisitions, retail network expansion, storage expansions and other capital expenditures.

16% decrease in intangible assets is due to amortization of Software and software development costs for IT upgrades and expansion projects.

25% Land held for future development.

As a result of additional land acquired for expansion in the industrial park of PPIPC.

6,953% increase in Investment in an associate and a joint venture.

Is mainly due to the investment of PPIPC into South Pacific Inc.

8% increase in Other non-current assets.

Mainly driven by increase in rental deposits for the additional leased land for retail stations.

38% Increase in Interest-bearing loans and borrowings-Short Term

Due to reclassification of the current portion of long-term debts plus availments of trust receipts to finance inventory.

100% decline on Due to related parties.

Settlement of various advances from prior years.

5% decline in Trade and other payables-long term.

As a result of settlement of the Advances from Locators.

30% increase in deferred tax liability.

As a result of increase in the deferred tax liability for tanker vessel appraisal increments.

13% reduction on non-current liability.

Due to reduction of retirement fund payable and the unearned rent decrease.

Material changes to the Group's Income Statement as of December 31, 2015 compared to December 31, 2014 (Increase/decrease of 5% or more)

16% decrease in Sales for petroleum products.

Principally due to 43% lower average selling prices in 2015 compared to 2014 net of 27% higher petroleum sales volume in 2015.

54% increase in Fuel service, Shipping, storage income and other revenue.

Higher turn-over on service volume specifically on storage volume of the new terminal, additional revenue from time charter and tugboat revenue.

19% decrease in cost of sales.

Primarily due to decrease in average prices of petroleum products net of a 27% percent increase in fuels sales volume in 2015 versus 2014.

25% increase in Operating Expenses.

As a result of higher variable operating expenses such as rentals, depreciation, salaries & wages as a result of the continuous expansion of the Group's business operations.

22% increase in Other Income (charges) (net).

Due to net effect of higher interest from bank term loans, and Trust receipts net of interest Income and other income realized during the year.

6559% increase in income tax

Due to the increase of income not covered by its BOI incentive such as land sale, port operations and income from transactions no longer covered (expired) by BOI incentives for both fuels and shipping operations.

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.

III. EXTERNAL AUDIT FEES

(please refer to page 31 of the Information Statement - form 20-IS)

IV. Market price of and Dividends on required by Part V of Annex C, as amended

(1) Market Information

The Company's common shares were listed and traded at the Philippine Stock Exchange ("PSE") starting on July 11, 2007. The high and low sale prices of each period for years 2016 and 2017 are hereunder shown:

Year 2016

Period	Highest Close	Lowest Close
	Price	Price
First Quarter	4.43	3.40
Second Quarter	6.29	4.20
Third Quarter	6.46	5.80
Fourth Quarter	6.00	5.55

Year **2017**

Period	Highest Close	Lowest Close
	Price	Price
First Quarter	8.47	5.53
Second Quarter	11.68	8.10
Third Quarter	13.26	9.50
Fourth Quarter	13.36	10.90

As of December 31, 2017, the market capitalization of the Company, based on the closing price of Php 13.36, was approximately Php 19,125,350,779.50.

Preferred Shares

The 1st tranche preferred shares of the Company were issued on September 21, 2010 by way of private placement and/or sale under SRC Rule 10.1 (k) and (l) to qualified institutional buyers, hence, exempt from the registration requirement of the SRC. Therefore, these shares were not listed with and traded in the Exchange.

The 2nd tranche preferred (PNXP) shares of the Company were registered on November 10, 2014 and subsequently listed with the Exchange on January 8, 2015. The 2nd tranche preferred shares were issued for the purpose of redeeming the 1st tranche and thus, after the 2nd tranche issuance, there are no preferred shares issued from the 1st tranche that remain outstanding. There is no recorded public trading of these shares since these were listed.

The 3rd tranche preferred shares of the Company consisting of 20,000,000 preferred shares were registered on December 3, 2015 and listed with the Exchange on December 18, 2015. The 3rd tranche were issued under the following series:

Series 3A (PNX3A) is entitled to an Optional Redemption on the 3rd Anniversary of the Listing Date and is subject to a Step-Up Dividend Rate on the 5th anniversary of the Listing Date; and

Series 3B (PNX3B) is entitled to an Optional Redemption on the 5th anniversary of the Listing Date and is subject to a Step-Up Dividend Rate on the 7th anniversary of the Listing Date.

The high and low sale prices for each period of PNX3A and PNX3B shares for the year 2017 are hereunder shown:

PNX 3A

Period	Highest Close	Lowest Close
	Price	Price
First Quarter	108.00	104.10

Second Quarter	108.00	104.10
Third Quarter	107.20	103.00
Fourth Quarter	106.00	100.10

PNX 3B

Period	Highest Close	Lowest Close
	Price	Price
First Quarter	120.00	106.90
Second Quarter	121.00	108.00
Third Quarter	113.50	105.00
Fourth Quarter	115.00	100.00

(2) Holders

Top 20 Stockholders of Common Shares As of January 31, 2018

#	NAME OF STOCKHOLDERS		OUTSTANDING & ISSUED SHARES
1	PHOENIX PETROLEUM HOLDINGS INC.		588,945,630
2	ES CONSULTANCY GROUP, INC.		340,270,980
3	TOP DIRECT INVESTMENTS LIMITED		142,000,000
4	UDENNA CORPORATION		117,245,918
5	PCD NOMINEE CORPORATION (FILIPINO)		109,844,749
6	PCD NOMINEE CORPORATION - (NON-FILIPINO)		107,206,416
7	UDENNA MANAGEMENT & RESOURCES CORP.		11,661,195
8	JOSELITO R. RAMOS		4,812,600
9	DENNIS A. UY		3,991,811
10	UDENCO CORPORATION		1,614,787
11	DENNIS A. UY &/OR CHERYLYN C. UY		1,098,060
12	DOMINGO T. UY		645,919
13	ERIC U. LIM OR CHRISTINE YAO LIM		319,000
14	MARJORIE ANN LIM LEE OR PAULINE ANN LIM		300,000
15	EDWIN U. LIM OR GENEVIEVE LIM		300,000
16	JOSE MANUEL ROQUE QUIMSON		173,039
17	ZENAIDA CHAN UY		149,058
18	REBECCA PILAR CLARIDAD CATERIO		148,453
19	SOCORRO ERMAC CABREROS		103,316
20	ROSITA G. ARTOS		82,000

Preferred Shares

The holders of the preferred shares (2nd tranche) of the Company as of 31 January 2018 are as follows:

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES (PARTIALLY PAID)	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL	NATIONALITY
PCD NOMINEE CORPORATION (FILIPINO)	5,000,000	0	5,000,000	100.000	FILIPINO
GRAND TOTAL	5,000,000	0	5,000,000	100.000	

While the holders of the 3rd tranche preferred shares as of 31 January 2018 are as follows:

COMPANY NAME: PHOENIX PETROLEUM PHILS., INC. - PRF3A

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES (PARTIALLY PAID)	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL	NATIONALITY
PCD NOMINEE CORPORATION (FILIPINO)	12,467,900	0	12,467,900	99.743	FILIPINO
PCD NOMINEE CORPORATION (NON-FILIPINO)	19,600	0	19,600	0.157	OTHERS
ANTONIO T. CHUA	9,500	0	9,500	0.076	FILIPINO
TEDDY A. GAERLAN	1,000	0	1,000	0.008	FILIPINO
IRIS VERONICA GO LIM	2,000	0	2,000	0.016	FILIPINO
GRAND TOTAL	12,500,000		12,500,000	100.000	

COMPANY NAME: PHOENIX PETROLEUM PHILS., INC. - PRF3B

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES (PARTIALLY PAID)	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL	NATIONALITY
PCD NOMINEE CORPORATION (FILIPINO)	7,470,180	0	7,470,180	99.602	FILIPINO
PCD NOMINEE CORPORATION (NON-FILIPINO)	17,210	0	17,210	0.229	OTHERS
ANTONIO T. CHUA	5,700	0	5,700	0.076	OTHERS
KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILS. INC.	6,910	0	6,910	0.092	FILIPINO
GRAND TOTAL	7,500,000		7,500,000	100.000	

The issuance of the Offer Shares shall have no effect on the amount and percentage of the present holdings of the Company's common shareholders. Neither is there any effect of this issuance on the percentage of the Company's shares beneficially owned by foreigners.

(3) Dividends

The Company's dividend policy is to declare at least 30% of its prior year's net income as dividends, whether in stock or in cash or a combination of both, payable out of its unrestricted retained earnings subject to statutory limitations.

Each holder of a common share is entitled to such dividends as may be declared in accordance with the Company's dividend policy. The Company's current dividend policy entitles holders of common shares to receive dividends based on the recommendation of the Board of Directors. Such recommendation will consider such factors as operating expenses, implementation of business plans, and working capital.

History of Dividend Income Payment

1. Company

a. Dividends on Common Shares

Date Declared	Dividend Rate	Record Date	Payment Date	Total Amount
	Cash Dividend of ₱0.10 per share	March 30, 2017	April 27, 2017	₱136,468,719.08
March 18, 2016	Cash Dividend of ₱0.08 per share	April 05, 2016	April 29, 2016	₱114,302,178.56
March 4, 2015	Cash Dividend of ₱0.05 per share	March 18, 2015	April 16, 2015	₱71,438,861.60
January 29, 2014	Cash Dividend of ₱0.10 per share	March 17, 2014	April 11, 2014	₱142,877,723.20
January 24, 2013	30% Stock Dividend	May 15, 2013	June 10, 2013	₱329,717,232.00
	Cash Dividend of ₱0.10 per share	April 11, 2013	May 8, 2013	₱103,605,941.60

b. Cash Dividend on Preferred Shares

Since the issuance of the preferred shares of the Company on September 21, 2010 (the 1st tranche), the Company has declared quarterly dividends fixed at 11.50% per annum, calculated in respect of each share with reference to the Issue Price thereof on each dividend period. This translates to a cash dividend amounting to ₱2.875 per share per quarter. The cash dividends were paid on September 21, December 21, March 21 and June 21 of each year starting December 21, 2010 until the preferred shares were redeemed on December 20, 2013.

1 st Tranche				
Date Declared	Dividend Rate	Record Date	Payment Date	Total Amount
December 5, 2013	₱2.875 per share	N/A	December 20, 2013	₱14,375,000.00
September 5, 2013	₱2.875 per share	N/A	September 21, 2013	₱14,375,000.00
June 5, 2013	₱2.875 per share	N/A	June 21, 2013	₱14,375,000.00
Mar 5, 2013	₱2.875 per share	N/A	March 21, 2013	₱14,375,000.00
December 5, 2012	₱2.875 per share	N/A	December 21, 2012	₱14,375,000.00
September 5, 2012	₱2.875 per share	N/A	September 21, 2012	₱14,375,000.00
June 4, 2012	₱2.875 per share	N/A	June 21, 2012	₱14,375,000.00
March 05, 2012	₱2.875 per share	N/A	March 21, 2012	₱14,375,000.00
December 1, 2011	₱2.875 per share	N/A	December 21, 2011	₱14,375,000.00
August 12, 2011	₱2.875 per share	N/A	September 21, 2011	₱14,375,000.00
May 12, 2011	₱2.875 per share	N/A	June 21, 2011	₱14,375,000.00
March 11, 2011	₱2.875 per share	N/A	March 21, 2011	₱14,375,000.00
September 21, 2010	₱2.875 per share	N/A	December 21, 2010	₱14,375,000.00

On December 20, 2013, in order to redeem the 1st tranche of preferred shares, the Company issued the 2nd tranche of preferred shares with the same amount and features except for the rate, which was reduced to 8.25% per annum. The dividends are calculated on a 30/360 day basis and have a priority in the payment of dividends at the fixed rate of 8.25% per annum at the time of issuance, which translates to a cash dividend amounting to ₱2.0625 per share per quarter. These shares are also preferred in the distribution of corporate assets in the event of liquidation and dissolution of the Company.

2 nd Tranche				
Date Declared	Dividend Rate	Record Date	Payment Date	Total Amount
Nov. 6, 2017	₱2.0625 per share	Nov. 23, 2017	Dec. 20, 2017	₱10,312,500.00
Aug 3, 2017	₱2.0625 per share	Aug. 24, 2017	Sept 20, 2017	₱10,312,500.00
May 4, 2017	₱2.0625 per share	May 24, 2017	June 20, 2017	₱10,312,500.00
Feb 6, 2017	₱2.0625 per share	Feb 22, 2017	March 20, 2017	₱10,312,500.00
Nov 7, 2016	₱2.0625 per share	Nov 2016	December 2016	₱10,312,500.00
Aug 10, 2016	₱2.0625 per share	Aug 24, 2016	Sept 20, 2016	₱10,312,500.00
May 11, 2016	₱2.0625 per share	May 26, 2016	June 20, 2016	₱10,312,500.00
March 10, 2016	₱2.0625 per share	Feb 23, 2016	March 21, 2016	₱10,312,500.00

Nov 10, 2015	P2.0625 per share	November 26, 2015	Dec 20, 2015	P10,312,500.00
Aug 10, 2015	-P2.0625 per share	August 25, 2015	Sept 21, 2015	-P10,312,500.00
May 12, 2015	P2.0625 per share	May 12, 2015	June 22, 2015	P10,312,500.00
Feb 6, 2015	P2.0625 per share	February 24, 2015	March 20, 2015	P10,312,500.00
N/A	P2.0625 per share	N/A	Dec 22, 2014	P10,312,500.00
N/A	P2.0625 per share	N/A	Sept 22, 2014	P10,312,500.00
N/A	P2.0625 per share	N/A	June 20, 2014	P10,312,500.00
N/A	P2.0625 per share	N/A	March 20, 2014	P10,312,500.00

(4) Recent Sale of Unregistered Securities or Exempt Securities Including Recent Issuance of Securities Constituting an Exempt Transaction

The Company has not sold or transferred any securities that is not registered under the Code nor did it issue any additional securities in exchange for any properties, services and other securities.

V. DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE.

Corporate powers and governance of the Company is exercised by the Board of Directors which consists of eleven (11) members, two (2) of whom are independent directors. As a matter of policy and based on good corporate practice, unless a special meeting is called upon for a specific purpose, the Board regularly meets every quarter wherein which the relevant corporate issues may be raised for discussion and voted by the members of the Board.

Last March 07, 2008, during the regular meeting of the Board, the Manual of Corporate Governance which incorporated the best practices was approved and adopted to establish the principles of good corporate governance for the entire Corporation. The adoption of the new Manual of Corporate Governance replaces the old manual of corporate governance prescribed by the SEC which was then observed and followed by the Company. Moreover, the adoption of the new Manual now complies with the SEC requirement that before assuming office, a director must attend a seminar on corporate governance conducted by a duly recognized government or private institution.

Last January 30, 2008, the Company through the Corporate Secretary has submitted a document certifying the attendance of the members of the Board of Directors in all regular meetings for the year 2007 as well as the compliance to the provisions of the Manual of Corporate Governance prescribed by the SEC as adopted by the Company.

March 03, 2009 was the submission and compliance with the Certification of the Company's Compliance Officer to the extent of compliance with its Manual for

Corporate Governance.

On 05 January 2017, the Company's Corporate Secretary and Asst. Vice President for Corporate Legal issued a certificate, certifying that in the year 2016, the company has substantially complied with the provisions of its Manual of Corporate Governance and that there are no changes in the Company's Manual of Corporate Governance (please refer to Annex D).

As part of the Corporate Governance, the Group works on the early disclosures of quarterly and annual reports tot SEC and PSE.

Internal Audit Group of the Company conducts regular internal audit review to both processes, compliance to Company policies and procedures and risk analysis. Reports and recommendations submitted for board review and actions.

The Company plans on constantly improving corporate governance. The Company recognizes that corporate governance is not just a set of rules but a way of life, not just for the directors and officers of the Company but for every single employee. The Company intends to continuously re-evaluate its existing policies, implement reforms, emulate and improve on the best existing corporate practices of industry leaders in order to improve the quality of life of every employee, maximize returns to shareholders, to improve its relationship with business partners, and strengthen and widen the reach of its corporate social responsibility programs.

- VI. AS PART OF THE CORPORATE GOVERNANCE, THE COMPANY WILL PROVIDE WITHOUT CHARGE, UPON WRITTEN REQUEST TO THE CORPORATE SECRETARY OF THE COMPANY AT THE ADDRESS LISTED ON THE COVER PAGE OF THIS INFORMATION STATEMENT, A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A, INCLUDING THE FINANCIAL STATEMENTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017 HOWEVER, UPON THE DISCRETION OF THE MANAGEMENT OF THE COMPANY, A CHARGE MAY BE MADE FOR EXHIBITS REQUESTED, WHICH CHARGE SHALL BE LIMITED TO REASONABLE EXPENSES THAT MAY BE INCURRED BY THE COMPANY IN FURNISHING SUCH EXHIBITS.**
- VII. THIRD QUARTER (SEC FORM 17-Q) FINANCIAL STATEMENT FOR PERIOD ENDED September 30, 2017 (Please see attached Annex "B-1")**

10 November 2017

Securities & Exchange Commission
Secretariat Building, PICC Complex
Roxas Blvd, Metro Manila



Philippine Stock Exchange
Disclosure Department
3/F PSE Plaza, Ayala Triangle Plaza
Makati City, Metro Manila

Philippine Dealing & Exchange Corporation
37th Floor, Tower 1, The Enterprise Center
6766 Ayala Ave. corner Paseo de Roxas
Makati, 1226 Metro Manila, Philippines

Attention: Hon. Vicente Graciano P. Felizmenio, Jr.
Director, Market and Securities Regulation Department
Securities & Exchange Commission

Mr. Jose Valeriano B. Zuño III
OIC - Disclosure Department
Philippine Stock Exchange


Ms. Vina Vanessa S. Salonga
Head - Issuer Compliance and Disclosure Department
(ICDD)

Gentlemen and Madam:

We are herewith submitting the Company's third quarter report for period ended 30 September 2017 (SEC 17-Q) in compliance with the Securities Regulation Code and Revised Disclosure Rules.

Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary

COVER SHEET

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S.E.C. Registration Number

P	H	O	E	N	I	X		P	E	T	R	O	L	E	U	M			
P	H	I	L	I	P	P	I	N	E	S		I	N	C	.				

P-H-O-E-N-I-X Petroleum Philippines, Inc.

(Company's Full Name)

S	T	E	L	L	A		H	I	Z	O	N		R	E	Y	E	S		R	D.
B	O.		P	A	M	P	A	N	G	A		L	A	N	A	N	G			
D	A	V	A	O		C	I	T	Y											

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

DENNIS A. UY									
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Contact Person

(082) 235-8888									
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Company Telephone Number

1	2		3	1	
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Month Day
Fiscal Year Ending

SEC Form 17-Q
FORM TYPE

last Friday									
3 XX									

Month Day
Annual Meeting

CERTIFICATE OF PERMIT TO OFFER SECURITIES FOR SALE

Secondary License Type, if applicable

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Dept. Requiring this Doc

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings									
Domestic					Foreign				

To be accomplished by SEC Personnel Concerned

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File Number

LCU

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Document I.D.

Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q, AS AMENDED

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended: September 30, 2017
2. SEC identification number: A200207283
3. BIR Tax Identification No. 006-036-274
4. Exact name of issuer as specified in its charter **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.**
5. Province, country or other jurisdiction of incorporation or organization Davao City, Philippines.
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office: Stella Hizon Reyes Road, Bo
Pampanga, Lanang, Davao City
Postal Code: 8000
8. Issuer's telephone number, including area code: (082) 235-8888
9. Former name, former address and former fiscal year, if changed since last report: Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each class	Number of Shares Outstanding
COMMON	1,430,937,232
PREFERRED	25,000,000

Amount of Debt Outstanding as of
September 30, 2017:

Php 26,951,598,179.00

11. Are any or all of the securities listed on the Stock Exchange?

Yes ☒ No ☐

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange

12. Check whether the issuer has:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports):

Yes ☒ No ☐

(b) has been subject to such filing requirements for the past ninety (90) days:

Yes ☒ No ☐



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P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2017
(With Comparative Figures as of December 31, 2016)
(Amounts in Philippine Peso)

	<u>Notes</u>	<u>September 30, 2017</u>	<u>December 31, 2016</u>
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash and cash equivalents	6	P 4,479,464,315	P 2,338,780,526
Trade and other receivables - net	6	7,890,934,995	8,789,006,059
Inventories	7	4,112,110,369	2,998,780,146
Due from related parties	11	966,470,913	1,506,997,926
Restricted deposits		51,010,908	50,925,404
Input value-added tax - net		1,065,891,044	731,735,790
Prepayments and other current assets		<u>915,683,994</u>	<u>595,963,599</u>
Total Current Assets		<u>19,481,566,538</u>	<u>17,012,189,450</u>
NON-CURRENT ASSETS			
Property, plant and equipment - net	8	12,874,986,202	9,002,313,141
Investment properties		1,074,502,000	
Intangible assets - net	9	265,583,193	275,037,490
Goodwill - net		3,726,963,868	10,221,849
Deferred tax assets - net		98,370,643	46,191,775
Other non-current assets		<u>254,309,520</u>	<u>192,084,216</u>
Total Non-current Assets		<u>18,294,715,426</u>	<u>9,525,848,471</u>
TOTAL ASSETS		<u>P 37,776,281,964</u>	<u>P 26,538,037,921</u>
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	10	P 16,027,505,408	P 11,262,858,843
Trade and other payables		2,032,674,403	3,332,936,059
Total Current Liabilities		<u>18,060,179,811</u>	<u>14,595,794,902</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	10	8,450,000,000	1,921,565,000
Other non-current liabilities		<u>441,418,368</u>	<u>258,584,286</u>
Total Non-current Liabilities		<u>8,891,418,368</u>	<u>2,180,149,286</u>
Total Liabilities		<u>26,951,598,179</u>	<u>16,775,944,188</u>
EQUITY			
Capital stock	12	1,455,937,232	1,123,097,449
Treasury shares - at cost		(440,087,488)	
Additional paid-in capital		5,337,519,228	5,320,816,182
Revaluation reserves		(12,148,102)	(12,148,102)
Other reserves		(730,361,725)	(730,361,725)
Retained earnings		<u>5,213,824,640</u>	<u>4,060,689,929</u>
Total Equity		<u>10,824,683,785</u>	<u>9,762,093,733</u>
TOTAL LIABILITIES AND EQUITY		<u>P 37,776,281,964</u>	<u>P 26,538,037,921</u>

See Notes to Consolidated Financial Statements

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017 AND 2016
(Amounts in Philippine Pesos)

	Notes	YTD September		July to September	
		2017	2016	2017	2016
REVENUES					
Sale of goods	11	P 32,274,326,027	P 21,176,728,417	P 13,560,378,644	P 6,713,639,017
Charter fees and other charges			487,560,004		10,992,863
Fuel service and other revenues		200,309,819	152,106,336	72,909,353	32,942,893
Rent and storage income		81,755,026	87,458,916	34,470,770	34,017,302
Port revenues			108,424,648		37,808,184
Sale of real estate					
		<u>32,556,390,872</u>	<u>22,012,278,321</u>	<u>13,667,758,767</u>	<u>6,829,400,259</u>
COST AND EXPENSES					
Cost of sales and services	11	27,838,378,317	18,076,511,528	11,783,947,457	5,424,378,661
Selling and administrative expenses		<u>3,049,729,994</u>	<u>2,430,057,918</u>	<u>1,236,713,079</u>	<u>912,108,509</u>
		<u>30,888,108,311</u>	<u>20,506,569,446</u>	<u>13,020,660,536</u>	<u>6,336,487,170</u>
OTHER CHARGES (INCOME)					
Excess of fair value of net assets acquired over acquisition cost		650,515,229.00		650,515,229.00	
Finance costs		(593,121,720)	(541,834,494)	(258,914,431)	(106,384,947)
Finance income		16,683,436	3,919,126	9,168,496	1,300,546
Equity share in net loss of a joint venture					
Others		<u>47,201,082</u>	<u>12,679,069</u>	<u>47,197,837</u>	<u>1,794,266</u>
		<u>121,278,027</u>	<u>(525,236,299)</u>	<u>447,967,131</u>	<u>(103,290,135)</u>
PROFIT BEFORE TAX and PRE-ACQUISITION PROFIT		1,789,560,588	980,472,576	1,095,065,362	389,622,954
PRE-ACQUISITION PROFIT		<u>(253,764,508)</u>		<u>(253,764,508)</u>	
PROFIT BEFORE TAX		<u>1,535,796,080</u>	<u>980,472,576</u>	<u>841,300,854</u>	<u>389,622,954</u>
TAX EXPENSE		<u>99,173,884</u>	<u>76,683,052</u>	<u>14,758,676</u>	<u>51,004,208</u>
NET PROFIT		<u>1,436,622,196</u>	<u>903,789,524</u>	<u>826,542,178</u>	<u>338,618,746</u>
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment defined benefit obligation					
Revaluation of tankers					
Tax expense					
Other Comprehensive Income - net of tax					
TOTAL COMPREHENSIVE INCOME		<u>P 1,436,622,196</u>	<u>P 903,789,524</u>	<u>P 826,542,178</u>	<u>P 338,618,746</u>
Basic and Diluted Earnings per share	13	<u>P 0.92</u>	<u>P 0.54</u>		

See Notes to Consolidated Financial Statements.

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 31, 2017 and 2016
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		P 1,789,560,588	P 980,472,576
Adjustments for:			
Net increase in other reserves due to deconsolidation		-	
Depreciation and amortization	8,9	823,828,436	644,718,286
Interest expense on bank loans and other borrowings		214,624,588	689,449,160
Unrealized foreign exchange currency loss (gain) - net		43,039,873	(111,338,200)
Impairment losses on trade and other receivables		18,000,000	18,000,000
Share in net loss of an indirectly-owned joint venture		-	-
Interest income		(16,768,940)	(3,926,218)
Employee share options		5,793,979	-
Impairment losses on inventories		-	-
Excess of fair value of net assets acquired over acquisition cost		(650,515,229)	
Pre-acquisition income		238,324,765	
Loss on sale of investment in an associate		-	-
Loss on settlement of insurance claims		-	-
Operating profit before working capital changes		2,465,888,060	2,217,375,604
Decrease (increase) in trade and other receivables		1,198,236,044	1,373,196,090
Decrease (increase) in inventories		(1,050,184,073)	(465,745,290)
Increase in land held for sale and land development costs		-	(1,250,000)
Decrease (increase) in restricted deposits		-	20,284,299
Increase in input value-added tax		727,443,333	(36,648,786)
Decrease (increase) in prepayments and other current assets		(1,347,692,217)	(177,825,258)
Increase (decrease) in trade and other payables		(1,526,007,062)	(1,930,213,539)
Cash generated from (used in) operations		467,684,085	999,173,120
Cash paid for income taxes		(238,324,765)	(76,683,052)
Net Cash From (Used in) Operating Activities		<u>229,359,320</u>	<u>922,490,068</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of subsidiaries			
Acquisitions of property, plant and equipment		(2,341,375,495)	(3,127,516,698)
Advances to related parties		273,177,912	
Acquisitions of intangible assets		(13,207,997)	
Acquisition of subsidiary - PEPI, DUTA & Kaparangan		(6,738,046,064)	
Increase in other non-current assets		(8,437,913)	(10,353,476)
Interest received		16,683,436	3,926,218
Proceeds from disposal of property, plant and equipment		24,250,339	
Collections from related parties			(256,317,236)
Additional investment in an indirectly-owned joint venture			(175,000,001)
Increase in Land Held for Future Development		-	(94,626,594)
Net Cash Used in Investing Activities		<u>(8,786,955,782)</u>	<u>(3,659,887,787)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from additional interest-bearing loans and borrowings		39,139,898,101	13,349,911,262
Repayments of interest-bearing loans and borrowings		(27,523,956,782)	(10,957,026,118)
Interest paid		(552,487,034)	(480,515,241)
Acquisition of treasury shares		(109,407,705)	(218,554,434)
Payments of cash dividends		(282,390,883)	(260,484,679)
Increase (decrease) in other non-current liabilities		14,355,753	617,857,760
Proceeds from issuance of shares of stock		12,268,800	-
Repayments to related parties		-	142,000,000
Net Cash From (Used in) Financing Activities		<u>10,698,280,250</u>	<u>2,193,188,550</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,140,683,789	(544,209,169)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>2,338,780,526</u>	<u>1,631,788,201</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>P 4,479,464,315</u>	<u>P 1,087,579,032</u>

See Notes to Consolidated Financial Statements.

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(Amounts in Philippine Pesos)

Notes	<u>Capital Stock</u>									
	<u>Preferred Stock</u>	<u>Preferred Treasury Stock - At Cost</u>	<u>Common Stock</u>	<u>Common Treasury Stock - At Cost</u>	<u>Total</u>	<u>Additional Paid-in Capital</u>	<u>Revaluation Reserves</u>	<u>Other Reserves</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
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	-12,148,102	(730,361,725)	P 4,060,689,929	P 9,762,093,733
Deconsolidation of subsidiaries	-	-	-	-	-	-	-	-	-	-
Acquisition of shares during the year	-	-	-	(109,407,705)	(109,407,705)	-	-	-	-	(109,407,705)
Cash dividends	-	-	-	-	-	-	-	-	(282,390,883)	(282,390,883)
Share-based compensation	-	-	-	-	-	-	-	-	5,793,979	5,793,979
Issuance of shares - ESOP	-	-	2,160,000.00	-	P 2,160,000	P 16,703,046	-	-	(6,890,581)	11,972,465
Total comprehensive income for the year	-	-	-	-	-	-	-	-	1,436,622,196	1,436,622,196
Transfer of revaluation reserves absorbed through depreciation, net of tax	-	-	-	-	-	-	-	-	-	-
Balance at September 30, 2017	<u>P 30,000,000</u>	<u>(P 5,000,000)</u>	<u>P 1,430,937,232</u>	<u>(P 440,087,488)</u>	<u>P 1,015,849,744</u>	<u>P 5,337,519,228</u>	<u>(P 12,148,102)</u>	<u>(P 730,361,725)</u>	<u>P 5,213,824,640</u>	<u>P 10,824,683,785</u>
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 3,312,425,742	P 10,023,362,183
Deconsolidation of subsidiaries	-	-	-	-	-	-	-	-	-	-
Acquisition of shares during the year	-	-	-	(218,554,434)	(218,554,434)	-	-	-	-	(218,554,434)
Cash dividends	-	-	-	-	-	-	-	-	(260,484,679)	(260,484,679)
Share-based compensation	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	903,789,524	903,789,524
Transfer of revaluation reserves absorbed through depreciation, net of tax	-	-	-	-	-	-	32,125,296	-	(32,125,296)	-
Balance at September 31, 2016	<u>P 30,000,000</u>	<u>(P 5,000,000)</u>	<u>P 1,428,777,232</u>	<u>(P 218,554,434)</u>	<u>P 1,235,222,798</u>	<u>P 5,320,816,182</u>	<u>P 591,420,562</u>	<u>(P 622,952,239)</u>	<u>P 3,923,605,291</u>	<u>P 10,448,112,594</u>

See Notes to Consolidated Financial Statements.

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
SELECTED NOTES TO INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(Amounts in Philippine Pesos)
(UNAUDITED)

1. CORPORATE INFORMATION

1.1 Incorporation and Operations

P-H-O-E-N-I-X Petroleum Philippines, Inc. (the Parent Company) was incorporated in the Philippines on May 8, 2002 and is 43.28% owned by P-H-O-E-N-I-X Petroleum Holdings, Inc. (PPHI), a company organized in the Philippines.

The Parent Company's shares of stock are listed with the Philippine Stock Exchange (PSE). The Parent Company is engaged in trading of petroleum products on wholesale basis and operating of oil depots, storage facilities and allied services. The registered office of the Parent Company, which is also its principal place of business, is located at Stella Hizon Reyes Road, Barrio Pampanga, Davao City.

PPHI, the major stockholder of the Parent Company, was incorporated in the Philippines and was registered with the Philippine Securities and Exchange Commission (SEC) on May 31, 2006. PPHI's primary purpose is to provide management, investment and technical advice for commercial, industrial, manufacturing and other kinds of enterprises. PPHI's registered office is located at Stella Hizon Reyes Road, Barrio Pampanga, Davao City.

The ultimate parent is Udenna Corporation, which is primarily organized to purchase, acquire, take over and manage all or any part of the rights, assets, business and property; undertake and assume the liabilities of any person, firm, association, partnership, syndicate of corporation; and to engage in the distribution, selling, importation, installation of pollution control devices, units and services, and all other pollution control related products and emission test servicing. The ultimate parent company's registered office is located at Stella Hizon Reyes Road, Barrio Pampanga, Davao City.

The Parent Company has a total of 523 opened retail service stations, and a total of 8 service stations under construction and/or about to open as of September 30, 2017.

1.2 Subsidiaries, Associate, Joint Venture and their Operations

The Parent Company holds ownership interests in the following entities, which are all incorporated in the Philippines:

Subsidiaries/ Associate	Explanatory Notes	Percentage of Ownership	
		Sept. 30, 2017	December 31, 2016
P-F-L Petroleum Management, Inc. (PPMI)	(a)	100.00%	100.00%
P-H-O-E-N-I-X Global Mercantile, Inc. (PGMI)	(b)	100.00%	100.00%
Subic Petroleum Trading and Transport Phils., Inc. (SPIT)	(c)	100.00%	100.00%
Phoenix Petroterminals & Industrial Park Corp. (PPIPC)	(d)	-	-
Chelsea Shipping Corp. (CSC)	(e)	-	-

Bunkers Manila, Inc. (BMI) *	(f)	-	-
Michael Inc. (MI)*	(g)	-	-
PNX – Chelsea Shipping Corp. (PNX – Chelsea)*	(h)	-	-
Chelsea Ship Management & Marine Services Corp. (CSMMSC)*	(i)	-	-
Fortis Tugs Corporation (FTC)* Norse/Phil Marine Services Corp. (NPMSC)**	(j)	-	-
	(k)	-	-
South Pacific, Inc. (SPI)***	(l)	-	-
Phoenix LPG Philippines, Inc. -PLPI (formerly Petronas Energy Philippines, Inc. - PEPI)	(m)	100%	-
Duta, Inc.	(n)	100%	-
Kaparangan, Inc.	(o)	100%	-

**Wholly-owned subsidiaries of CSC*

***Associate of CSC*

**** Joint venture of PPIPC*

All the subsidiaries, associate and joint venture were organized and incorporated in the Philippines.

- (a) Incorporated on January 31, 2007 and is engaged in organizing, managing, administering, running and supervising the operations and marketing of various kinds of services-oriented companies such as petroleum service stations.
- (b) Incorporated on July 31, 2006 to engage in the manufacture, production and creation of all kinds of motor, and all other transportation lubricants, fluids and additives of all kinds and other petroleum products purposely for motor vehicles and other transportation. PGMI temporarily ceased its operation in 2008 and has resumed its business in October 2015 through selling of acid oil and coconut fatty acid distillates, both are by-products from manufacturing of coconut methyl ester.
- (c) Incorporated on February 20, 2007 and is engaged in buying and selling, supply and distribution, importation and exportation, storage and delivery of all types of petroleum for industrial, marine, aviation and automotive use.
- (d) Incorporated on March 7, 1996 and is engaged in real estate development and is also registered with the Housing and Land Use Regulatory Board under Executive Order No. 648 and was granted to sell parcels of land on PPIPC's project, the Phoenix Petroleum Industrial Park (the Park). PPIPC was sold to Udenna Development (Udevco) Corporation (UDEVCO) on November 24, 2016.
- (e) Incorporated in the Philippines on July 17, 2006 and started commercial operations on January 1, 2007 and is engaged in maritime trade through conveying, carrying, loading, transporting, discharging and storing of petroleum products, goods and merchandise of every kind, over waterways in the Philippines. CSC was sold to Chelsea Logistics Corp. on November 24, 2016.
- (f) Incorporated on March 7, 2000 and is established to serve the growing demand of marine fuel (bunker) of foreign vessels calling on the ports of the Philippines and hauling of marine fuel and petroleum products for major oil companies. BMI is a subsidiary of CSC, which was sold to Chelsea Logistics Corp. (CLC) on November 24, 2016.
- (g) Incorporated on December 26, 1957 and is engaged in the business of acquiring and operating floating equipment for charter or hire and for the conveyance and carriage of goods, wares, and merchandise of every description in the Philippines coastwise traffic without any fixed schedule. MI is also engaged in the trading of fuel oil. On May 6, 2008,

the SEC approved the extension of the Company's corporate life of another 50 years. MI is a subsidiary of CSC, which was sold to CLC on November 24, 2016.

- (h) Incorporated on February 2, 2011 and is engaged in the ownership and operation of vessels for domestic trade for the purpose of conveyance or carriage of petroleum products, goods, wares and merchandise of every kind and description. PNX-Chelsea is a subsidiary of CSC, which was sold to CLC on November 24, 2016.
- (i) Incorporated on March 30, 2012 and is engaged in the business of ship management and to act as agent, broker, ship Chandler or representative of foreign/domestic shipping corporations and individuals for the purpose of managing, operating, supervising, administering and developing the operation of vessels. CSMMSC is a subsidiary of CSC, which was sold to CLC last November 24, 2016.
- (j) Incorporated on April 8, 2013 and is engaged in the towage and salvage of marine vessels and other crafts including their cargoes upon seas, lakes, rivers, canals, bays, harbours, and other waterways between the various ports of the Philippines, and acquire by purchase, charter, lease or modes recognized by law of obtaining title to or use of such equipment and properties, real or personal, which may be necessary to achieve such purpose. FTC is a subsidiary of CSC, which was sold to CLC on November 24, 2016.
- (k) Incorporated on January 30, 2013 and is engaged in the business of providing technical ship services and to act as agent, broker, ship handler or representative of foreign/domestic shipping corporations and individuals for the purpose of operating, supervising, administering and developing the operation of vessels belonging to or which are or may be leased or operated by said shipping corporations and individuals, and to equip any and all kinds of ships, barges and vessels of every class and description owned by any shipping corporation. In 2015, CSC disposed all of its ownership interest in the associate.
- (l) Incorporated on March 27, 2014 and is engaged in bulk or wholesale supply and distribution of liquefied petroleum gas and other petroleum products, which also includes importation, storage, and wholesale, refilling thereof and to operate and maintain storage terminals, equipment and transport facilities to be used therein. SPI is an associate of PPIPC, which was sold to UDEVCO on November 24, 2016.
- (m) Incorporated on June 20, 1995, PLPI (formerly PEPI) is engaged in buying, selling, storing, distributing and marketing at wholesale of all kinds of goods, including but not limited to liquefied petroleum gas (LPG) and other petroleum products.
- (n) Incorporated on November 9, 1994, Duta, Inc. is engaged in the business of buying, investing, exchanging, selling securities of every kind and description, and leasing land.
- (o) Incorporated on January 21, 1994, Kaparangan is engaged in the business of buying, investing, exchanging, selling securities of every kind and description, and leasing land.

1.3 Other Corporate Information

The registered office and principal place of business of the subsidiaries, except those presented below, is located at Stella Hizon Reyes Road, Barrio Pampanga, Davao City.

SPTT	– Units 113 and 115 Subic International Hotel, Alpha Building, Rizal Highway, Subic Bay Freeport Zone, Zambales.
CSMMSC and FTC	– 26/F, Fort Legend Towers, 3rd Ave. corner 31st Street, Bonifacio Global City, Taguig City
NPMSC	– 2/F Harbor Centre II Bldg., Railroad and Delgado Sts., South Harbor, Port Area, Manila

SPI

– Puting Bato West, Calaca, Batangas

PPMI's registered office is located at Penthouse, Valero Tower, 122 Valero Street, Salcedo Village, Makati City and its principal place of business is located at 26th Floor, The Fort Legend Tower, 3rd Avenue corner 31st Street, The Fort Global City, Taguig City.

PPIPC's registered office address is at 26th Floor, The Fort Legend Tower, 3rd Avenue Corner 31st Street, The Fort Global City, Taguig City and its principal place of business is located at Km. 117, National Highway, Calaca, Batangas.

PLPI's new registered address is at Phoenix Petroleum Philippines Corporate Headquarters, Stella Hizon Reyes Road, Bo. Pampanga, Lanang, Davao City (as amended on October 2, 2017).

The registered address of Duta, Inc. is 15th Floor, Citibank Tower, Valero St., Salcedo Village, Makati City.

Kaparangan's registered address is 15th Floor, Citibank Tower, Valero St., Salcedo Village, Makati City.

1.4 Disposal of Investment of Shares of CSC and PPIPC

On November 24, 2016, the Parent Company sold its entire investments in CSC to CLC for P2,000.0 million, and in PPIPC to UDEVCO for P1,000.0 million. CLC and UDEVCO are related parties under common ownership. Business combinations and disposals that are under common ownership are accounted for under the pooling-of-interest method. The account balances of CSC and PPIPC were deconsolidated in the 2016 year-end consolidated financial statements. The difference between the considerations received and net asset values as of disposal date of CSC and PPIPC amounting to P730.4 million was recognized and presented as Other Reserves in the 2016 year-end consolidated statement of financial position.

1.5 Approval of Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements (unaudited) of the Group as of and for the nine months ended September 30, 2017 (including the comparative consolidated financial information as of December 31, 2016 and for the nine months ended September 30, 2016) were authorized for issue by the Parent Company's Board of Directors (BOD) on October __, 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these interim condensed consolidated financial statements are summarized in the succeeding pages. The policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation of Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements for the nine months ended September 30, 2017 and 2016 have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. They do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended December 31, 2016.

The preparation of interim condensed consolidated financial statements in accordance with Philippine Financial Reporting Standards (PFRS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets

and liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

These interim condensed consolidated financial statements are presented in Philippine peso, the functional and presentation currency of the Group, and all values represent absolute amounts except when otherwise indicated.

2.2 Adoption of New and Amended PFRS

(a) Effective in 2017 that are Relevant to the Group

There are new PFRS, amendments and annual improvements to existing standards effective for annual periods beginning on or after January 1, 2017. Among those new PFRS, amendments and annual improvements, presented in the succeeding pages are relevant to the Group but did not have any significant impact on the Group's financial statements.

- (i) PAS 7 (Amendments), *Statement of Cash Flows – Disclosure Initiative* (effective from January 1, 2017). The amendments are designed to improve the quality of information provided to users of financial statements about changes in an entity's debt and related cash flows (and non-cash changes). They require an entity to provide disclosures that enable users to evaluate changes in liabilities arising from financing activities. An entity applies its judgment when determining the exact form and content of the disclosures needed to satisfy this requirement. Moreover, they suggest a number of specific disclosures that may be necessary in order to satisfy the above requirement, including: (a) changes in liabilities arising from financing activities caused by changes in financing cash flows, foreign exchange rates or fair values, or obtaining or losing control of subsidiaries or other businesses; and, (b) a reconciliation of the opening and closing balances of liabilities arising from financing activities in the consolidated statement of financial position including those changes identified immediately above.
- (ii) PAS 12 (Amendments), *Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses* (effective from January 1, 2017). The focus of the amendments is to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost. The amendments provide guidance in the following areas where diversity in practice previously existed: (a) existence of a deductible temporary difference; (b) recovering an asset for more than its carrying amount; (c) probable future taxable profit against which deductible temporary differences are assessed for utilization; and, (d) combined versus separate assessment of deferred tax asset recognition for each deductible temporary difference.
- (iii) PFRS 2 (Amendments), *Share-based Payments – Classification and Measurement of Share-based Payment Transactions*. The amendments contain three changes covering the following matters: the accounting for the effects of vesting conditions on the measurement of a cash-settled share-based payment; the classification of share-based payment transactions with a net settlement feature for withholding tax obligations; and, the accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Management assessed that no significant impact in the consolidated financial statements of the Group.

(b) *Effective Subsequent to 2017 but not Adopted Early*

There are new PFRS and amendments to existing standards effective for annual periods subsequent to 2017, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's financial statements:

- (i) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will replace PAS 39 and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:
- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;
 - an expected loss model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,
 - a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

Management is currently assessing the impact of PFRS 9 (2014) on the consolidated financial statements of the Group and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

- (ii) PFRS 16, *Leases* (effective from January 1, 2019). The new standard will eventually replace PAS 17, *Leases*.

For lessees, it requires to account for leases “on-balance sheet” by recognizing a “right of use” asset and a lease liability. The lease liability is initially measured as the present value of future lease payments. For this purpose, lease payments include fixed, non-cancellable payments for lease elements, amounts due under residual value guarantees, certain types of contingent payments and amounts due during optional periods to the extent that extension is reasonably certain. In subsequent periods, the “right-of-use” asset is accounted for similarly to a purchased asset and depreciated or amortized. The lease liability is accounted for similarly to as financial liability using the effective interest method. However, the new standard provides important reliefs or exemptions for short-term leases and leases of low value assets. If these exemptions are used, the accounting is similar to operating lease accounting under PAS 17 where lease payments are recognized as expenses on a straight-line basis over the lease term or another systematic basis (if more representative of the pattern of the lessee’s benefit).

For lessors, lease accounting is similar to PAS 17’s. In particular, the distinction between finance and operating leases is retained. The definitions of each type of lease, and the supporting indicators of a finance lease, are substantially the same as PAS 17’s. The basic accounting mechanics are also similar, but with some different or more explicit guidance in few areas. These include variable payments, sub-leases, lease modifications, the treatment of initial direct costs and lessor disclosures.

Management is currently assessing the impact of this new standard in its consolidated financial statements.

- (iii) PFRS 10 (Amendments), *Consolidated Financial Statements*, and PAS 28 (Amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely). The amendments to PFRS 10 require full recognition in the investor’s financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3, *Business Combinations*, between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor’s interests in an associate or joint venture) only applies to those sale of contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.
- (iv) PFRS 15, *Revenue from Contracts with Customers* (effective from January 1, 2018). This standard will replace PAS 18, *Revenue*, and PAS 11, *Construction Contracts*, the related Interpretations on revenue recognition: IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreement for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers* and Standing Interpretations Committee 31, *Revenue – Barter Transactions Involving Advertising Services*, effective January 1, 2018. This new standard establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The core principle in the said framework is for an entity to recognize revenue to depict the transfer of promised goods or services to the

customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Management is currently assessing the impact of this standard on the Group's financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing the interim condensed consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. The judgments, estimates and assumptions applied in the interim condensed consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements as of and for the year ended December 31, 2016.

The Group performed its annual impairment test of goodwill and other intangible assets with indefinite useful life at year end and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill arising from business combination and other intangible assets is based on value-in-use calculations. The Group considers the relationship between the market capitalization of the subsidiaries and its net book value, among other factors, when reviewing for indicators of impairment. The Group's management assessed that for the nine months ended September 30, 2017 and as of December 31, 2016, goodwill arising from business combination and other intangible assets with indefinite useful life are not impaired.

4. SEGMENT INFORMATION

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services and serves different markets. The Group's trading segment is engaged in marketing, merchandising, purchasing, selling, acquiring, disposing and distribution of goods and wares such as but not limited to petroleum products (on wholesale basis), lubricants and other products. The Group is also engaged in operating of oil depots, storage facilities and provides logistics services to various entities on its Depot and Logistics Services segment. The shipping and cargo services segment is engaged in hauling of petroleum products, operation of inter-island going vessels for domestic trade, chartering in and out any such vessels and providing complete marine services, either as principal or agent ship owners, operators and managers. The Group's real estate segment is involved in real estate development, management and operations. The shipping and cargo segments were sold to Chelsea Logistics Corp. (CLC) and UDEVCO in 2016. The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

As of September 30, 2017, there have been no change from prior periods in the measurement methods used to determine operating segments and reported segment revenues, expenses and performance.

The succeeding table presents revenue and profit information regarding segments for the nine months ended September 30, 2017 and 2016 and certain asset and liability information regarding segments as at September 30, 2017 and December 31, 2016 (amounts in thousands).

	<u>Trading</u>		<u>Depot and Logistics</u>		<u>Shipping and Cargo Services</u>		<u>Real Estate</u>		<u>Total</u>	
	Sept. 30, 2017 (Unaudited)	Sept. 30, 2016 (Unaudited)	Sept. 30, 2017 (Unaudited)	Sept. 30, 2016 (Unaudited)	Sept. 30, 2017 (Unaudited)	Sept. 30, 2016 (Unaudited)	Sept. 30, 2017 (Unaudited)	Sept. 30, 2016 (Unaudited)	Sept. 30, 2017 (Unaudited)	Sept. 30, 2016 (Unaudited)
TOTAL REVENUES										
Sales to external customers	P 32,341,840	P 21,422,451	P 200,130	P 233,912	P -	P 487,560	P 14,421	P 128,095	P 32,556,391	P 22,272,018
Intersegment sales	<u>51,979</u>	<u>621,812</u>	<u>67,334</u>	<u>282,500</u>	<u>-</u>	<u>721,029</u>	<u>-</u>	<u>32,804</u>	<u>119,313</u>	<u>1,658,145</u>
Total revenues	<u>32,393,819</u>	<u>22,044,263</u>	<u>267,464</u>	<u>516,412</u>	<u>-</u>	<u>1,208,589</u>	<u>14,421</u>	<u>160,899</u>	<u>32,675,704</u>	<u>23,930,163</u>
COSTS AND OTHER OPERATING EXPENSES										
Cost of sales and services excluding depreciation and amortization	30,588,765	20,663,134	183,000	127,020	-	1,010,105	13,749	92,362	30,785,514	21,892,621
Depreciation and amortization	<u>211,670</u>	<u>279,727</u>	<u>363,174</u>	<u>83,343</u>	<u>-</u>	<u>213,778</u>	<u>0</u>	<u>31,669</u>	<u>574,844</u>	<u>608,517</u>
	<u>30,800,435</u>	<u>20,942,861</u>	<u>546,174</u>	<u>210,363</u>	<u>-</u>	<u>1,223,883</u>	<u>13,750</u>	<u>124,031</u>	<u>31,360,359</u>	<u>22,501,138</u>
SEGMENT OPERATING PROFIT (LOSS)	<u>P 1,593,384</u>	<u>P 1,101,402</u>	<u>P (278,710)</u>	<u>P 306,049</u>	<u>P -</u>	<u>P (15,294)</u>	<u>P 671</u>	<u>P 36,868</u>	<u>P 1,351,345</u>	<u>P 1,429,025</u>
	<u>Trading</u>		<u>Depot and Logistics</u>		<u>Shipping and Cargo Services</u>		<u>Real Estate</u>		<u>Total</u>	
	Sept. 30, 2017 (Unaudited)	December 31, 2016 (Audited)	Sept. 30, 2017 (Unaudited)	December 31, 2016 (Audited)	Sept. 30, 2017 (Unaudited)	December 31, 2016 (Audited)	Sept. 30, 2017 (Unaudited)	December 31, 2016 (Audited)	Sept. 30, 2017 (Unaudited)	December 31, 2016 (Audited)
ASSETS AND LIABILITIES										
Segment assets	P 32,779,181	P 26,341,954	P 3,530,754	P 315,121	P -	P -	P -	P -	P 36,309,935	P 26,657,074
Segment liabilities	26,954,497	16,702,349	706,151	195,875	-	-	-	-	27,660,648	16,898,224

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its interim condensed consolidated financial statement (in thousands).

	Sept. 30, 2017 <u>(Unaudited)</u>	Sept. 30, 2016 <u>(Unaudited)</u>
Revenues		
Total segment revenues	P 32,675,704	P 23,930,163
Elimination of intersegment revenues	(119,313)	(1,658,145)
Revenues as reported in profit or loss	<u>P 32,556,391</u>	<u>P 22,272,018</u>
Profit or loss		
Segment operating profit	P 1,315,345	P 1,429,025
Other unallocated income	650,515	
Other unallocated expense	()	()
Operating profit as reported in profit or loss	1,965,860	1,429,025
Finance costs	(593,122)	(541,834)
Finance income	<u>63,884</u>	<u>16,598</u>
Profit before tax as reported in profit or loss	<u>P 1,436,622</u>	<u>P 903,789</u>
	September 30, 2017 <u>(Unaudited)</u>	December 31, 2016 <u>(Audited)</u>
Assets		
Segment assets	P 36,309,935	P 26,610,882
Deferred tax asset – net		46,192
Elimination of intercompany accounts	(3,530,754)	(119,036)
Total assets reported in the consolidated statement of financial position	<u>P 32,779,181</u>	<u>P 26,538,038</u>
Liabilities		
Segment liabilities	P 27,660,648	P 16,898,224
Deferred tax liabilities - net	-	-
Elimination of intercompany accounts	(706,151)	(122,280)
Total liabilities as reported in the consolidated statement of financial position	<u>P 26,954,497</u>	<u>P 16,775,944</u>

5. CATEGORIES, FAIR VALUE MEASUREMENTS AND DISCLOSURES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and liabilities presented in the consolidated statements of financial position are presented below.

	September 30, 2017 (Unaudited)		December 31, 2016 (Audited)	
	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	P 4,479,464,315	P 4,479,464,315	P 2,338,780,526	P 2,338,780,526
Trade and other receivables-net*	7,872,302,215	7,872,302,215	8,039,947,280	8,039,947,280
Due from related parties	966,470,913	966,470,913	1,506,997,926	1,506,997,926
Restricted deposits	51,010,908	51,010,908	50,925,404	50,925,404
Refundable rental deposits	<u>149,570,892</u>	<u>149,570,892</u>	<u>140,817,250</u>	<u>140,817,250</u>
	P 13,518,819,243	P 13,518,819,243	P 12,077,468,386	P 12,077,468,386
Financial Liabilities				
Financial liabilities at amortized cost:				
Interest-bearing loans and borrowings	P 24,477,505,409	P 24,477,505,409	P 13,184,423,843	P 13,184,423,843
Trade and other payables**	2,020,130,656	2,020,130,656	3,152,398,546	3,152,398,546
Security deposits	<u>268,642,919</u>	<u>268,642,919</u>	<u>219,790,571</u>	<u>219,790,571</u>
	P 26,766,278,985	P 26,766,278,985	P 16,556,612,960	P 16,556,612,960

* Excludes certain advances to suppliers and advances subject to liquidation

** Excludes tax-related payable

5.2 Fair Value Hierarchy

The Group uses the following hierarchy level in determining the fair values that will be disclosed for its financial instruments.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

5.3 Valuation Methods and Assumptions

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale. The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model. Management regularly assesses a range of reasonably possible alternatives for the significant unobservable inputs and determines their impact on the total fair value.

5.4 Fair Value Hierarchy of Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the interim condensed consolidated statements of financial position but for which fair value is disclosed.

September 30, 2017 (Unaudited)				
	Level 1	Level 2	Level 3	Total
Financial Assets				
<i>Loans and receivables:</i>				
Cash and cash equivalents	P 4,479,464,315	P -	P -	P 4,479,464,315
Trade and other receivables - net	-	-	7,872,302,215	7,872,302,215
Due from related parties	-	-	966,470,913	966,470,913
Restricted deposits	51,010,908	-	-	51,010,908
Refundable rental deposits	-	-	149,570,892	149,570,892
	<u>P 4,530,475,223</u>	<u>P -</u>	<u>P 8,988,344,020</u>	<u>P 13,518,819,243</u>
Financial Liabilities				
<i>Financial liabilities at amortized cost:</i>				
Interest-bearing loans and borrowings	P -	P -	P 24,477,505,409	P 24,477,505,409
Trade and other payables	-	-	2,020,130,656	2,020,130,656
Security deposits	-	-	268,642,919	268,642,919
	<u>P -</u>	<u>P -</u>	<u>P 26,766,278,985</u>	<u>P 26,766,278,985</u>
December 31, 2016 (Audited)				
	Level 1	Level 2	Level 3	Total
Financial Assets				
<i>Loans and receivables:</i>				
Cash and cash equivalents	P 2,338,780,526	P -	P -	P 2,338,780,526
Trade and other receivables - net	-	-	8,039,947,280	8,039,947,280
Due from related parties	-	-	1,506,997,926	1,506,997,926
Restricted deposits	50,925,404	-	-	50,925,404
Refundable rental deposits	-	-	140,817,250	140,817,250
	<u>P 2,389,705,930</u>	<u>P -</u>	<u>P 9,687,762,456</u>	<u>P 12,077,468,386</u>
Financial Liabilities				
<i>Financial liabilities at amortized cost:</i>				
Interest-bearing loans and borrowings	P -	P -	P 13,184,423,843	P 13,184,423,843
Trade and other payables	-	-	3,152,398,546	3,152,398,546
Security deposits	-	-	219,790,571	219,790,571
	<u>P -</u>	<u>P -</u>	<u>P 16,556,612,960</u>	<u>P 16,556,612,960</u>

For financial assets with fair value included in Level 1, management considers that the carrying amount of this short-term financial instrument approximates their fair values.

6. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarized in Note 5. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated with its Parent Company, in close cooperation with the BOD, and focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets.

The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below and in the succeeding pages.

6.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk and interest rate risk which result from both its operating, investing and financing activities.

(a) Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise from the Group's sales to a certain customer and, fuel and tanker importations, which are primarily denominated in U.S. dollars (US\$). The liability covering the fuel importation is covered by letter of credits (LCs) which is subsequently closed to Philippine peso trusts receipts (TRs). Further, the Group has several U.S. dollar loans from certain banks, which were used to finance its capital expenditures. The Group also holds U.S. dollar-denominated cash and cash equivalents.

To mitigate the Group's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

Foreign currency-denominated financial assets and financial liabilities, translated into Philippine pesos at the closing rate follow:

	September 30, 2017 <u>(Unaudited)</u>	December 31, 2016 <u>(Audited)</u>
Financial assets	P 116,597,270	P 5,678,959,607
Financial liabilities	(<u>615,675,816</u>)	(<u>350,848,259</u>)
Net exposure	(P <u>499,078,546</u>)	P <u>5,328,111,348</u>

The following table illustrates the sensitivity of the Group's profit before tax with respect to changes in Philippine peso against U.S. dollar exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous nine (9) and twelve (12) months, respectively, at a 99% confidence level.

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Reasonably possible change in rate	18.261%	12.93%
Effect in profit before tax	P 91,135,049	P 688,924,797
Effect in equity after tax	63,794,535	482,247,358

Exposures to foreign exchange rates vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

(b) Interest Rate Risk

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. Long term borrowings are therefore usually made at fixed rates. As of September 30, 2017 and December 31, 2016, the Group is exposed to changes in market interest rates through its cash and cash equivalents and certain interest-bearing loans and borrowings which are subject to variable interest rates. All other financial assets and financial liabilities have fixed rates.

Cash in banks are tested on a reasonably possible change of +/- 0.43% and +/-0.54% as of September 30, 2017 and December 31, 2016, respectively. Banks loans subject to variable interest rates are tested on a reasonably possible change of +/-0.38% and +/-0.32% for Philippine peso and +/-0.48% and +/-0.25% for U.S. dollar as of September 30, 2017 and December 31, 2016, respectively. These percentages have been determined based on the average market volatility of interest rates, using standard deviation, in previous nine (9) and twelve (12) months estimated at 99.00% level of confidence. The sensitivity analysis is based on the Group's financial instruments held at the end of each reporting period, with effect estimated from the beginning of the year. All other variables are held constant.

The changes in percentages would affect profit or loss before tax by +/-P111.3 million and +/-P45.0 million for the six months ended September 30, 2017 and for the year ended December 31, 2016, respectively, and equity after tax by +/-P77.9 million and +/-P31.5 million the nine months ended September 30, 2017 and for the year ended December 31, 2016, respectively.

(c) Other Price Risk

The Group's market price risk arises from its purchases of fuels. It manages its risk arising from changes in market prices by monitoring the daily movement of the market price of fuels and to some extent, using forward and other similar contracts to manage the fluctuation of the fuel price.

6.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments arising from granting of loans and selling goods and services to customers including related parties; and placing deposits with banks.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the consolidated statements of financial position or in the detailed analysis provided in the notes to the consolidated financial statements, as follows.

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Cash and cash equivalents	P 4,479,464,315	P 2,338,780,526
Trade and other receivables – net*	7,872,302,215	8,039,947,280
Due from related parties	966,470,913	1,506,997,926
Restricted deposits	51,010,908	50,925,404
Refundable rental deposits	<u>149,570,892</u>	<u>140,817,250</u>
	<u>P13,518,819,243</u>	<u>P12,077,468,386</u>

**excluding certain advances to suppliers and advances subject to liquidation*

The Group's management considers that all the above financial assets that are not impaired or past due for each reporting dates are of good credit quality.

None of the financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents as described below.

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

(b) Trade and Other Receivables and Due from Related Parties

In respect of trade and other receivables and due from related parties, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

The Group has a Credit Committee which approves credit lines given to its customers. The Group's Credit Risk Management Unit (formerly Credit and Collection Department), which regularly reports to the Credit Committee, continuously monitors customers' performance and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

Some of the unimpaired trade and other receivables are past due at the end of the reporting date. The age of financial assets past due but not impaired is presented below.

	September 30, 2017 <u>(Unaudited)</u>	December 31, 2016 <u>(Audited)</u>
Not more than one month	P 405,639,374	P 2,337,949,143
More than one month but not more than two months	80,243,061	57,804,099
More than two months but not more than six months	166,014,165	83,468,815
More than six months but not more than one year	203,179,187	902,428,898
More than one year	<u>304,934,122</u>	<u>5,249,731,017</u>
	<u>P 1,160,009,909</u>	<u>P 8,631,381,972</u>

In respect of due from a related party, the Group has assessed that these advances are collectible and the credit risk exposure is considered to be low.

6.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

The Group maintains cash and cash equivalents to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

This compares to the maturity of the Group's financial liabilities as of September 30, 2017 (Unaudited) as presented below.

	<u>Current</u>		<u>Non-current</u>
	<u>Within 6 months</u>	<u>6 to 12 months</u>	<u>1 to 5 years</u>
Interest-bearing loans and borrowings	P15,780,505,409	P 247,000,000	P 8,450,000,000
Trade and other payables (excluding tax-related payables)	2,020,130,656		
Security deposits	-	-	268,642,919
	<u>P17,800,636,065</u>	<u>P 247,000,000</u>	<u>P 8,718,642,919</u>

As of December 31, 2016 (Audited), the Group's financial liabilities have contractual maturities which are summarized as follows:

	<u>Current</u>		<u>Non-current</u>
	<u>Within 6 months</u>	<u>6 to 12 months</u>	<u>1 to 5 years</u>
Interest-bearing loans and borrowings	P 10,386,388,575	P 2,826,900,125	P 2,528,962,920
Trade and other payables (excluding tax-related payables)	3,152,398,546	-	-
Security deposits	-	-	219,790,571
	<u>P 13,538,787,121</u>	<u>P 2,826,900,125</u>	<u>P 2,748,753,491</u>

7. INVENTORIES

Inventories which are stated at cost, which is lower than its net realizable value, are broken down as follows:

	<u>September 30, 2017 (Unaudited)</u>	<u>December 31, 2016 (Audited)</u>
Fuels	P3,625,464,282	P2,662,777,903
Lubricants	388,474,253	335,929,379
LPG	97,269,760	-
Others	<u>902,074</u>	<u>72,864</u>
	<u>P 4,112,110,369</u>	<u>P 2,998,780,146</u>

Under the terms of agreements covering the liabilities under trust receipts, inventories with carrying amount of P3,625.4 million and P2,223.9 million as of September 30, 2017 and December 31, 2016, respectively, have been released to the Group in trust for by the bank. The Group is accountable to the bank for the trusted inventories or their sales proceeds.

There was no inventory write-down in all of the periods presented.

8. PROPERTY, PLANT AND EQUIPMENT

The reconciliation of the carrying amounts of property, plant and equipment is shown below.

	Note	<u>September 30,</u>		December 31,
		<u>2017</u>	<u>2016</u>	<u>2016</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance at beginning of period		P 9,002,313,141	P 12,843,003,318	P 12,843,003,318
Disposals due to deconsolidation				(5,051,865,080)
Additions		4,447,518,256	3,046,584,374	2,217,622,320
Transfers to intangible assets	8			16,423,389
Disposals – net				(2,434,359)
Reclassifications/adjustments				(3,180,191)
Depreciation and amortization		<u>(574,845,195)</u>	<u>(608,516,836)</u>	<u>(984,409,478)</u>
Balance at end of the period		<u>P 12,874,986,202</u>	<u>P 15,281,070,856</u>	<u>P 9,002,313,141</u>

9. INTANGIBLE ASSETS

The reconciliation of the carrying amounts of intangible assets is shown below.

	Note	<u>September 30,</u>		December 31,
		<u>2017</u>	<u>2016</u>	<u>2016</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance at beginning of period		P 275,037,490	P 72,384,461	P 72,384,461
Additions		13,307,997	193,786,863	203,908,603
Transfer from property, plant and equipment	7	-		16,423,389
Amortization expense for the period		<u>(22,662,294)</u>	<u>(8,244,304)</u>	<u>(17,678,963)</u>
Balance at end of the period		<u>P 265,583,193</u>	<u>P 257,937,020</u>	<u>P 275,037,490</u>

10. INTEREST-BEARING LOANS AND BORROWINGS

Interest-bearing loans and borrowings are broken down as follow:

	<u>September 30,</u> <u>2017</u> <u>(Unaudited)</u>	December 31, 2016 <u>(Audited)</u>
Current:		
Liabilities under LC and TR	P 4,706,717,727	P 2,163,936,859
Term loans	10,206,960,052	7,989,944,730
Liabilities under short-term commercial papers	1,113,827,629	1,107,711,982
Obligations under finance lease	<u>-</u>	<u>1,265,272</u>
	<u>16,027,505,408</u>	<u>11,262,858,843</u>
Non-current:		
Term loans	<u>8,450,000,000</u>	<u>1,921,565,000</u>
	<u>P24,477,505,408</u>	<u>P13,184,423,843</u>

10.1 Liabilities under Letters of Credits and Trust Receipts

The Group avails of LC and TR lines with local banks to finance its purchases of inventories. These short-term trust receipts bear interests based on prevailing market interest rates at an average of 3.00% and 4.04% per annum as of September 30, 2017 and December 31, 2016, respectively.

10.2 Borrowings and Repayments

During the period, the Group obtained various term loans with banks in the total amount of P9,763.8 million with outstanding balance as of September 30, 2017 of P9,485.8 million. The loans bear interest ranging from 3.20% to 4.25% and are repayable in various dates until December 31, 2017. As of September 30, 2017, repayments of other term loans amounting to P 1,178.5 million were made in line with previously disclosed repayment terms.

11. RELATED PARTY TRANSACTIONS

The Group's related parties include the ultimate Parent Company, PPHI, stockholders, the Group's key management personnel, entities under common ownership by the ultimate parent Company and others as described in the succeeding pages.

The summary of the Group's transactions with its related parties for the periods ended September 30, 2017 and December 31, 2016 and the related outstanding balances as of September 30, 2017 and December 31, 2016 is presented below.

Related Party Category*	Amount of Transactions		Outstanding Balance	
	Sept. 30, 2017 (Unaudited)	December 31, 2016 (Audited)	Sept. 30, 2017 (Unaudited)	December 31 2016 (Audited)
Other related parties under common ownership				
Sale of subsidiaries	P -	P -	P 500,000,000	P 550,000,000
Sale of goods*	103,230,562	22,168,571	107,504,189	157,624,601
Purchases of services*	668,813,118	4,566,971	38,829,222	457,557,815
Advances to suppliers*	-	(24,800)	-	-
Management fees	-	-	86,598,808	88,737,836
Rentals	70,497,544	73,702,144	45,269,175	3,104,344
Due from related parties*	13,834,791	1,887,086	961,964,007	1,506,977,926
Due to related parties	-	-	-	-
Donations	-	100,000	-	-
Udenna Corporation				
Advances to suppliers	-	378,294,800	438,294,800	438,294,800
Rentals	4,736,649	7,654,678	-	621,000
Associate				
Technical ship Services	-	-	-	-
Key management personnel				
Salaries and employee benefits	49,059,672	63,672,434	-	-

**As a result of the deconsolidation of PPIPC and CSC (see Note 1.4), these formerly wholly-owned subsidiaries fall under related party under common ownership in 2016.*

11.1 Sale of Goods

The Group sells products to certain related parties under common ownership. Goods are sold on the basis of the price lists in force with non-related parties. The outstanding receivables from related parties are unsecured, do not bear any interest and collectible in cash on demand. No impairment loss was recognized for the nine months ended September 30, 2017 and 2016 based on management's assessment.

11.2 Purchases of Goods and Services

The Group purchased goods and services from related parties on the basis of price lists in force with non-related parties. The outstanding balances are unsecured, non-interest bearing, payable on demand and normally settled in cash.

In addition, the Group advances certain amount to certain related parties for the purchase of services. The amount is credited upon the performance of the contractual obligation by the related parties. Management has assessed that there are no impairment losses required to be recognized on the advances to suppliers as of the nine months ended September 30, 2017 and 2016.

11.3 Due from Related Parties

The Group grants and obtains unsecured advances to and from related parties under common ownership for working capital requirements and other purposes. Due from Related Parties (excluding advances to PPIPC) are either receivable in cash or paid through offsetting, unsecured non-interest-bearing liabilities and are expected to be paid within one year.

11.4 Disposal and Acquisition of Subsidiaries

There are no disposals of subsidiaries for the nine months ended September 30, 2017.

However, on November 24, 2016, the Parent Company disposed its equity share in CSC to CLC, and in PPIPC to UDEVCO. Total consideration of the sale of subsidiaries amounted to P3,000.0 million, in which a total of P500.0 million is still receivable from CLC.

The Parent Company acquired Petronas Energy Philippines, Inc. (PEPI), Duta Inc. And Kapangan, Incorporated last August 15, 2017. PEPI is now renamed Phoenix LPG Philippines, Inc.

12. EQUITY

12.1 Capital Stock

Capital stock consists of:

	Shares			Amount		
	For the nine months ended September 30, (Unaudited)	For the year ended December 31, 2016 (Audited)		For the nine months ended September 30, (Unaudited)	For the year ended December 31, 2016 (Audited)	
	2017	2016		2017	2016	
Preferred – cumulative, nonvoting, non-participating, non-convertible into common shares - P1 par value						
Authorized:	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>P 50,000,000</u>	<u>P 50,000,000</u>	<u>P 50,000,000</u>
Issued:						
Balance at beginning of period	30,000,000	30,000,000	30,000,000	P 30,000,000	P 30,000,000	P 30,000,000
Issuance during the period	-	-	-	-	-	-
Balance at end of period	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Treasury shares	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Issued and outstanding	<u>25,000,000</u>	<u>25,000,000</u>	<u>5,000,000</u>	<u>P 25,000,000</u>	<u>P 25,000,000</u>	<u>P 25,000,000</u>
Common – P1 par value						
Authorized:	<u>2,500,000,000</u>	<u>2,500,000,000</u>	<u>2,500,000,000</u>	<u>P 2,500,000,000</u>	<u>P 2,500,000,000</u>	<u>P 2,500,000,000</u>
Issued:						
Balance at beginning of period	1,374,383,932	1,428,777,232	1,428,777,232	P 1,098,097,449	P 1,428,777,232	P 1,428,777,232
Employee Stock Option	2,160,000			2,160,000		
Treasury shares	(15,800,100)	(35,215,600)	(54,393,300)	(109,407,705)	(218,554,434)	(330,679,783)
Balance at end of period	<u>1,360,743,832</u>	<u>1,393,561,632</u>	<u>1,374,383,932</u>	<u>P 990,849,744</u>	<u>P 1,210,222,978</u>	<u>P 1,098,097,449</u>
				<u>P 1,015,849,744</u>	<u>P 1,235,222,978</u>	<u>P 1,123,097,449</u>

12.2 Employee Stock Options

There were neither employee stock options granted nor vested for the nine months ended September 30, 2016. However, a total of 3,976,357 shares are vesting on July 1, 2017. A total of 5.79 million was recognized as share-based compensation for the nine months ended September 30, 2017 while there were no share-based compensation recognized for the nine months ended September 30, 2016.

12.3 Cash Dividends

The details of the Parent Company's cash dividend declarations, both for preferred and common shares, for the nine months ended September 30 (unaudited) are as follows:

	<u>2017</u>	<u>2016</u>
Common shares	P 136,208,383	P 114,302,179
Preferred shares	<u>146,182,500</u>	<u>146,182,500</u>
	<u>P 282,390,883</u>	<u>P 260,484,679</u>

Of the total amount of dividends declared, dividend payments for preferred shares amounted to P146, 182, 500 for both of the nine months ended September 30, 2017 and 2016.

12.4 Other Interim Disclosures

The Group's management is not aware of the following or is not applicable to the Group's interim operations:

- Unusual items that materially affect the Group's interim condensed consolidated assets, liabilities, equity, net income or cash flows because of their size, nature or incidents;
- Issuances of equity securities;
- Material changes in contingent liabilities or contingent assets since the last annual balance sheet date;
- Existence of material contingencies and other events of transactions that are material to an understanding of the current interim period;
- Events that will trigger direct or contingent material financial obligations to the Group;
- Material off-balance sheet transactions, arrangements, obligations (direct or contingent) and other relationships of the Group;
- Significant elements of income or loss that did not arise from the Group's continuing operations;
- Material events subsequent to end of the reporting period that have not been reflected in this report;
- Material changes in the composition of the Group, including business combination, acquisition or disposal of subsidiaries, restructurings and discontinuing operations; and,
- Any seasonal aspect that had a material effect on the consolidated financial condition or results of operation.

13. EARNINGS PER SHARE

EPS were computed as follows:

	For the three months ended September 30, (Unaudited)		For the year ended December 31, 2016 (Audited)
	2017	2016	
a) Net profit pertaining to common shares	P 1,290,439,696	P 757,607,024	P 902,592,062
b) Net profit attributable to common shares and potential common shares	1,290,439,696	757,607,024	902,592,062
c) Weighted average number of outstanding common shares	1,398,209,098	1,413,584,738	1,410,964,421
d) Weighted average number of outstanding common and potential common shares	1,398,209,098	1,413,584,738	1,414,736,438
Basic EPS (a/c)	<u>P 0.92</u>	<u>P 0.54</u>	<u>P 0.64</u>
Diluted EPS (b/d)	<u>P 0.92</u>	<u>P 0.54</u>	<u>P 0.64</u>

The potential dilutive common shares totalling 3,772,017 shares in relation to the unexercised share warrants were considered in the computation of diluted EPS for all the periods presented.

14. COMMITMENTS AND CONTINGENCIES

As of September 30, 2017 and December 31, 2016, the Group has commitments of more than P1,500.0 and P2,800.0 million, respectively, for expansion on petroleum retail network, depot, terminaling and logistics facilities, information technology infrastructure and other major expansions or acquisitions related to its business development. The Group has a network of 523 and 505 operating retail service stations as of September 30, 2017 and December 31, 2016, respectively. An additional of 8 and 16 retail service stations are under various stages of completion as of September 30, 2017 and December 31, 2016, respectively.

The Group plans to expand further its petroleum retail service stations and carry out its investments in its subsidiaries to put up depot and terminaling facilities in strategic locations and complete its chain of logistical support to strengthen its foothold in the industry.

As of September 30, 2017 and December 31, 2016, the Parent Company has unused credit facilities amounting to P11,956.3 million and P10,660.0 million, respectively.

There are commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Group which are not reflected in the accompanying interim condensed consolidated financial statements. Management of the Group is of the opinion, that losses, if any, from these items will not have any material effect on its interim condensed consolidated financial statements.

In addition, there are no material off-balance sheet transactions, arrangements, obligations and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

15. EVENTS AFTER THE REPORTING PERIOD

There are no material events that occurred subsequent to the interim period that is required to be recorded or disclosed in these interim condensed consolidated financial statements.

16. SEASONAL FLUCTUATIONS

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Group.

Item II - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Comparable discussion on Material Changes in Results of Operations for the Nine Months Ended September 30, 2017 vs. September 30, 2016.

Revenues

The Group generated total revenues of ₱32.274 billion as of September 30, 2017 which was 48% higher than 2016's ₱22.012 billion. This is primarily due to the 19% increase in the total volume sold compared to the same period of last year, inclusive of the newly-acquired LPG business.

Sales revenues from trading and distribution of petroleum products increased by 52% from ₱21.177 billion in 2016 to ₱32.274 billion in 2017, of which ₱2.249 billion is from the LPG business. This is brought by the increase in volume and fuel prices and acquisition of the LPG unit.

The increase in revenue came from the completed five hundred twenty-three (523) Phoenix retail service stations as of September 30, 2017 and additional one hundred ninety-seven (197) new direct accounts into its growing commercial business portfolio.

The Group generated revenues of ₱0.282 billion from fuel services, storage and others in 2017, versus ₱0.84 billion in 2016. The revenue from fuel services, storage and others in 2016 included shipping, port and real estate from the spun off subsidiaries Chelsea Shipping Corporation (CSC) and Phoenix Petroterminals and Industrial Park Corp. (PPIPC).

Cost and expenses

The Group recorded cost of sales and services of ₱27.838 billion as of September 30, 2017, an increase of 54% from ₱18.076 billion in 2016. This is due to higher product costs compared to last year, reflecting global oil price movements as well as the additional costs from the LPG unit.

Selling and administrative expenses increased by 26%, driven by higher rent expenses, depreciation, salaries and wages and other operating expenses in relation to the expansion and acquisition programs of the Group.

Net Income

The Group's net income for the nine months period of 2017 grew by 87% to ₱1,690.38 million from ₱903.78 million in the same period of 2016, inclusive of the pre-acquisition cost net income after tax from the newly-acquired companies, Phoenix LPG Philippines Inc. (PLPI, formerly Petronas Energy Philippines, Inc. (PEPI)), Duta, Inc. and Kaparangan, Inc. The 2016 net income after tax is inclusive of the profit from the spun-off subsidiaries, PPIPC and CSC.

The group recognized a one-time gain related to the excess of fair value of net assets in the acquisition of Duta and Kaparangan amounting to ₱650.52 million.

The newly-acquired LPG business Phoenix LPG Philippines, Inc. had a pre-acquisition income net income before tax of ₱253.76 million.

Financial Condition

(As of September 30, 2017 versus December 31, 2016)

Total resources of the Group as of September 30, 2017 stood at ₱37.776 billion, higher by 42% compared to the ₱26.538 billion as of December 31, 2016. This is mainly due to acquisition of the LPG business, PLPI, particularly on the increases in Property, Plant, and Equipment, Investment properties and Goodwill.

Cash and cash equivalents this quarter increased by 92% from ₱2.339 billion in December 31, 2016 to ₱4.479 billion as of September 30, 2017 due to timing of collection and payments.

Trade and other receivables decreased by 10% from ₱8.789 billion as of December 31, 2016 to ₱7.890 billion as of September 30, 2017, as a result of tighter credit controls and a more efficient collection process.

Inventories increased by 37% to ₱4.112 billion as of September 30, 2017 from ₱2.999 billion as of December 31, 2016, driven by the timing of arrival of imports and increase in fuel prices. The Group targets to maintain an average of one month worth of inventory to ensure stable supply in retail stations and commercial/industrial clients. However, the actual level varies depending on the actual arrival dates of the fuel tankers.

As of September 30, 2017, the Group's property and equipment, net of accumulated depreciation, increased to ₱12.895 billion compared to ₱9.002 billion as of December 31, 2016 due to the acquisition of PLPI and the expansion program of the company's facilities.

Goodwill increased to ₱3.716 billion from only ₱0.010 billion in 2016 as a result of the acquisition of PLPI (formerly, PEPI).

Interest-bearing Loans and Borrowings, both current and non-current, increased by 86% from ₱13.184 billion as of December 31, 2016 to ₱24.477 billion as of September 30, 2017. The increase of ₱11.293 billion was from the new loans and trust receipts availed during the period inclusive of the long-term loan availed and used to acquire PLPI (formerly PEPI), Duta, and Kaparangan.

Trade and other payables decreased by 39% from ₱3.333 billion as of December 31, 2016 to ₱2.032 billion as of September 30, 2017 due to on-time settlement of the obligations and trust receipts availed, classified as Interest-bearing loans.

Total Stockholders' Equity increased to ₱10.824 billion as of September 30, 2017 from ₱9.762 billion as of December 31, 2016, resulting from the earnings generated during the quarter net of cash dividend declared and paid during the period both for common and preferred shares and the treasury shares movement.

Key Performance Indicators and Relevant Ratios

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

	Sept. 30, 2017	Dec. 31, 2016
Current Ratio ¹	1.08:1	1.17:1
Debt to Equity Ratio ²	2.49:1	1.72:1
Return on Equity- Common ³	29%*	11%**
Net Book Value per Share ⁴	7.93:1	7.08:1
Debt to Equity Interest-Bearing ⁵	1.26:1	1.35:1
Earnings per Share ⁶	0.92*	0.64**
Earnings per Share ⁷	1.17**	0.64**

Notes:

1 - Total current assets divided by current liabilities

2 - Total liabilities divided by tangible net worth

3 - Period or Year Net income divided by average total stockholders' equity

4 - Total stockholder's equity (net of Preferred) divided by the total number of shares issued and outstanding

5 - Interest Bearing Debts divided by Total stockholder's equity (net of Preferred)

6 - Period or Year Net income after tax divided by weighted average number of outstanding common shares

7 - Rolling One Year Net income after tax divided by weighted average number of outstanding common shares

* One (1) quarter figure

** One (1) year figure

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 Changes to the Group's Balance Sheet as of September 30, 2017 compared to December 31, 2016 (Increase/decrease of 5% or more)

92% increase in Cash and Cash Equivalents

Due to collection timing of Accounts Receivables

10% decrease in Trade Receivables

Due to collection timing of Accounts Receivables

37% in Inventory

Due to timing of vessel arrivals

36% decrease in Due to Related Party

A result of partial settlement of related party receivables

46% increase in Input Vat - Net

A result of excess VAT from purchases compared to the pass on VAT on sales coming from the increase in inventories and other material purchases

54% increase in Prepayment and other non-current assets

Due to increase in prepaid rentals, insurance, advertising and down payments of certain future purchases and services as well as the additions from the newly-acquired LPG business

43% increase in property, plant and equipment

Due to retail network expansion, storage facility expansion, equipment, vehicles acquisitions and other capital expenditures like the recently opened Tayud, Cebu Terminal and on-going construction of General Santos Terminal. This is also due to the acquisition of the LPG business.

42% increase in Current Interest-bearing loans

Due the reclassification of certain long-term loans which are due for payment this year and new short term loans and trust receipts availed within the period in relation to the increase in inventories resulting from higher fuel prices.

39% decrease in Trade and Other Payables

Due to on-time settlement of the obligations and trust receipts availed, classified as Interest-bearing loans

340% increase in Non-current Interest-bearing loans

Due to the new long-term loans availed within the period to finance the expansion and to acquire the LPG business.

37% increase in Non-current other non-current liabilities

Due to increase in security and equipment deposits, inclusive of the LPG business

10% decrease in Capital Stock

Due to treasury shares acquisition amounting to ₱109.4 million

Material changes to the Group's Income Statement as of September 30, 2017 compared to September 30, 2016 (Increase/decrease of 5% or more)

52% increase in Sale of Goods

Due to the increase in fuel prices and 19% growth of the sales volume with the inclusion of the LPG business

66% decrease in fuel service, shipping, storage income, and other revenue

There are no more shipping and other revenue coming from the spun-off former subsidiaries CSC and PPIPC.

54% increase in Cost of Sales

This mirrors the increase in the sale of goods, reflecting the price movements in the world market during the past nine months of 2017 which is higher compared to the same period in 2016. This also includes a total of **₱1,857.3 million cost of sales of the LPG business.**

26% increase in selling and administrative expenses

Driven by higher depreciation for completed expansions, rent expense, freight and delivery expenses, rebates, salaries and wages, taxes and licenses, repairs and maintenance, service fees, advertising and promotions in relation to the expansion program of the Group as well as the additions coming from the LPG business

9% increase in Finance Costs

The finance costs from the former subsidiaries in 2016, CSC and PPIPC, caused this huge improvement but the new loans for the acquisition of PEPI and the required working capital due to the increasing in fuel prices and volume, caused the increase.

285% increase in Finance Income

Due to the recognition of interest on certain receivables

123% Decrease in other income/charges

Due to the one-time gain recognized for the excess of fair value over acquired assets of Duta and Kaparangan

29% increase in income tax

Resulting from the expiration of Income Tax Holidays for terminals and depots, in particular the Bacolod and Cagayan De Oro terminals.

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.

PART II – OTHER INFORMATION

1. The Parent Company held its annual stockholders' meeting last March 15, 2017 at the Phoenix Petroleum Corporate Headquarters, Lanang, Davao City, Philippines.

2. The Board of Directors approved the declaration of cash dividend of ₱0.10 per share as disclosed last March 15, 2017, with record date of March 30, 2017 and payment date of April 27, 2017.

The company also declared the following cash dividends to preferred stockholders:

- 8.25% to preferred stockholders (2nd tranche) with record date of February 22, 2017 and payment date of March 20, 2017.
- 7.4278% dividend to preferred stockholders (3rd tranche PN3A) with record date February 22, 2017 and payment date of March 20, 2016.
- 8.1078% dividend for preferred stockholders (3rd tranche PN3B) with record date February 22, 2017 and payment date of March 20, 2017.
- 8.25% to preferred stockholders (2nd tranche) with record date of May 24, 2017 and payment date of June 20, 2017.
- 7.4278% dividend to preferred stockholders (3rd tranche PN3A) with record date May 23, 2017 and payment date of June 19, 2017.
- 8.1078% dividend for preferred stockholders (3rd tranche PN3B) with record date May 23, 2017 and payment date of June 19, 2017.
- 8.25% dividend to preferred stockholders (2nd tranche) with record date August 24, 2017 and payment date of September 20, 2017.
- 7.427% dividend to preferred stockholders (3rd tranche PN3A) with record date August 24, 2017 and payment date of September 18, 2017.
- 8.1078% dividend to preferred stockholders (3rd tranche PN3A) with record date August 23, 2017 and payment date of September 18, 2017.

3. As of September 30, 2017, there are no known trends or demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result, in increasing or decreasing the Group's liquidity in any material way. The Group does not anticipate having any cash flow or liquidity issues. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

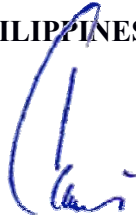
5. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Parent Company with unconsolidated entities or other persons created during the reporting period.
6. There are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of the Parent Company.
7. There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Parent Company.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.**

By:



DENNIS A. UY

President and Chief Executive Officer



JOSEPH JOHN L. ONG

Chief Finance Officer



JONARES Z. SIBOG

AVP-Controller

10 January 2017

Hon. Justina F. Callangan
Director, Corporate Governance Department
Securities and Exchange Commission
SEC Bldg., Mandaluyong City

Dear Dir. Callangan:

Pursuant to SEC Memorandum Circular No. 1, Series of 2014, we would like to inform the Commission of the Summary of Attendance of the Company's Directors for the term 2017-2018 as follows:

Board	Name	Date of Election	No. of Meetings Held During the Year	No. of Meetings Attended	%
Chairman	Domingo T. Uy	15 Mar 2017	4	4	100%
Member/President	Dennis A. Uy	15 Mar 2017	4	4	100%
Member/COO	Romeo B. De Guzman	15 Mar 2017	4	4	100%
Member/CFO	Joseph John L. Ong	15 Mar 2017	4	4	100%
Member	Cherylyn C. Uy	15 Mar 2017	4	3	75%
Member/Corp. Sec	Socorro Ermac Cabreros	15 Mar 2017	4	4	100%
Member	Carolina Inez Angela S. Reyes	15 Mar 2017	4	3	75%
Member	Paul G. Dominguez*	15 Mar 2017	4	1	25%
Member	Frederic C. DyBuncio**	27 May 2017	4	3	75%
Member	J.V. Emmanuel A. De Dios	15 Mar 2017	4	3	75%
Independent Dir.	Consuelo Ynares Santiago	15 Mar 2017	4	4	100%
Independent Dir.	Monico V. Jacob	15 Mar 2017	4	3	75%

*resigned on 26 May 2017

**elected on 27 May 2017

Very truly yours,


Socorro Ermac Cabreros
Corporate Secretary

Conforme: DENNIS A. UY
President

Republic of the Philippines)
City of Davao)
X-----X

CERTIFICATE

I, **SOCORRO ERMAC CABREROS**, of legal age and with office address at Stella Hizon Reyes Road, Bo. Pampanga, Davao City, after being sworn to in accordance with law, depose and state that:


1. I am the incumbent Acting Compliance Officer/Associated Person of **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.** (the "Company"), a corporation duly organized and existing in accordance with the laws of the Republic of the Philippines, with office address at Stella Hizon Reyes Road, Bo. Pampanga, Davao City;
2. In 2017, the Company substantially adopted all the provisions of the Manual on Corporate Governance (Model Corporation), as prescribed by SEC Memorandum Circular No. 2, Series of 2002;
3. During the same year, the Company deviated from the following provisions of said Manual for the reasons stated below:

Provision(s) of the Manual	Explanation
New Corporate Governance Rules and Principles	Filed in compliance to SEC Memo Cir. No. 19, Series of 2016 and Circular No. 8, Series of 2017. This supersedes the Corporation's Revised Corporate Governance Manual adopted last 28 Jan 2011 and as amended on 31 Jul 2014.

4. I am issuing this Certificate in Compliance with the requirement if the Securities and Exchange Commission on the annual reporting on the Company's compliance with the Manual of Corporate Governance.

IN WITNESS WHEREOF, I have signed this Certificate on JAN 10 2018 at Davao City, Philippines.


SOCORRO ERMAC CABREROS
Acting Compliance Officer/Associated Person

Countersigned by: 
DENNIS A. UY
President

SUBSCRIBED AND SWORN TO before me on JAN 10 2018 in Davao City, Philippines. Affiant has confirmed her identity by presenting her competent evidence of identity which is her Driver's License with No. N 17-83-002964, issued on February 02, 2015 in Davao City, Philippines containing her photo and signature and that she further attests that the same is true and correct.

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ATTY. KENNETH L. DABI
Notary Public for Davao City
Expires on December 31, 2018
Serial No. 2017-0055-2018
PTR No. 6867637; 01-04-18; D.C.
IBP No. 1030195; 12-09-16; D.C. (for 2017)
Roll of Attorneys No. 47866
Km. 7 Lanang, Davao City
IBP No. for 2018 on process