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

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
FEB 07 2019
MARKET REGULATION
BY ________ 3:15pm

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, 2019, 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 21, 2019**

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

Title of Each Class	Number of Shares
Common Shares, Php1.00 par value	1,403,304,232
Preferred Shares, Php 1.00 par value	20,000,000

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, 1,403,304,232 Common Shares
    20,000,000 Preferred Shares

NOTICE AND AGENDA

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

Friday, March 15, 2019, 2:00 PM
Phoenix Petroleum Corporate Headquarters
Stella Hizon Reyes Rd. Bo. Pampanga,
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, 2018
4. Report of the President and Chief Executive Officer
5. Approval of the 2017 Audited Financial Statements and 2017 Annual Report
6. Approval of Corporate Actions:

    A. Proposed Authority for the Corporation or any of its subsidiaries to enter into a Joint Venture Agreement or cooperation with China National Offshore Oil Corporation (CNOOC) to operate and establish various LNG related trade and services under the LNG Integrated Hub Project which includes the operation of an LNG import terminal and gas-fired power plant;

        a. Proposed Authority to form and organize a new corporation, a wholly-owned subsidiary of the Company to manage the Corporation's LNG interest in the LNG Integrated Hub Project;

        b. Proposed Authority to invest corporate funds in the initial amount of Php250,000,000.00 for the LNG Integrated Hub Project which shall include the formation of a new corporation.

    B. Ratification of the Company's corporate actions:
        a. increase investments in the following wholly-owned subsidiaries:

Name of Subsidiary	Amount of Investment
Subic Petroleum Trading and Transport Inc. (SPTT)	Php 55,800,000.00
Phoenix Global Mercantile, Inc. (PGMI)	22,500,000.00
P-F-L Petroleum Management, Inc.	429,625,000.00
TOTAL	**Php 507,925,000.00**

b. investment of corporate funds through acquisition of shares in Action.Able, Inc. and think.able, Limited.

c. formation and organization of a new wholly-owned subsidiary in Singapore, **PNX Energy International Holdings, Pte. Ltd. (PEIH)**, to manage the Company's international investments, including expansion of related business activities and operation in the Asia Pacific Region, and the Company's initial investment of USD10,000 intended for PEIH's initial operations.

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 2018 until 31 January 2019
8. Election of the Members of the Board of Directors
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

All stockholders as of **14 February 2019** 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, 2019**
Time : **2:00 p.m**.
Place : **Phoenix Petroleum Corporate Headquarters**
Stella Hizon Reyes Rd.
Davao City

Mailing Address: **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.**
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 21, 2019.**

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.

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 2019**, the total number of shares outstanding and entitled to vote on all corporate matters to be acted upon during the Annual Meeting are 1,403,304,232 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, 2019**.

(c) Voting Rights and Trust

In the matters to be voted upon in the Annual Meeting, stockholders of record as of **February 14, 2019** 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, 2019.**

(1) Security Ownership of Certain Record and Beneficial Owners

As of **January 31, 2019**, 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	41.97%

	Majority Shareholder				
Common	ES Consultancy 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	24.25%
Common	Top Direct Investments Limited	Record Owner is the direct beneficial owner	Filipino	142,000,000	10.12%
Common	Udenna Corporation Stella Hizon Reyes Road, Bo. Pampanga, Lanang, Davao City Shareholder	Record Owner is the direct beneficial owner	Filipino	117,245,918	8.35%
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	138,605,668	9.87%
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	223,221,490	15.90%

As of **January 31, 2019**, 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, 2019**, 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	4,858,811 direct beneficial owner	Filipino	0.35%
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	1,325,746 direct beneficial owner	Filipino	0.09%
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	596,836 direct beneficial owner	Filipino	0.04%
Common	Consuelo Ynares Santiago Santiago Cruz & Associates	1	Filipino	0.00%

	Law Office Unit 1702 East Tower PSE Center, Pasig City	direct beneficial owner		
Common	Monico V. Jacob 7th flr Philippine First Bldg, 6764 Ayala Ave., Makati City	1 direct beneficial owner	Filipino	0.00%
Common	Frederic C. DyBuncio	1 direct beneficial owner	Filipino	0.00 %
Common	Carolina Inez Angela S. Reyes 135 F. Manalo St., Brgy. Kabayanan, San Juan	1 direct beneficial owner	Filipino	0.00 %
Common	Stephen T. CuUnjieng	1 direct beneficial owner	Filipino	0.00 %

Senior Management

Common	Socorro T. Ermac Cabreros 223 V. Mapa St., Davao City	153,316 direct beneficial owner	Filipino	0.01%
Common	Reynaldo A. Phala Block 5 Lot 20 Pioneers Village	24,830 direct beneficial owner	Filipino	0.00%

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 Spouse	-	25,000	0.13%
Preferred	**Consuelo Ynares Santiago** Santiago Cruz & Associates Law Office Unit 1702 East Tower PSE Center, Pasig City	-	10,000 direct beneficial owner	10,000	0.05%
Preferred	**Joseph John L. Ong*** 80 Pola Bay, Southbay Gardens, Paranaque City	-	30,000 direct beneficial owner	30,000	0.15%

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

The other executive officers of the Company, Alan Raymond T. Zorrilla – SVP 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 CME; Richard Tiansay-General Manager for Supply & 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, General Manager for Shared Services and Joven Jesus G. Mujar-General Manager for Lubricant Sales and Distribution Business own common shares in scripless form through the Company's Employees Stock Option Plan (ESOP) as of October 31, 2018 as follows:

Names	No. of Shares
Alan Raymond T. Zorrilla	178,000
Ericson S. Inocencio	100,000
Joselito G. De Jesus	112,000
William M. Azarcon	132,000
Ma. Rita A. Ros	114,000
Richard R. Tiansay	124,000
Roy O. Jimenez	96,000
Ma. Celina I. Matias	100,000
Celeste Marie G. Ong	75,000
Jonarest Z. Sibog	57,000
Debbie Uy-Rodolfo	60,000
Joven Jesus G. Mujar	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 ELEVEN MILLION ONE HUNDRED NINETY-SIX THOUSAND THREE HUNDRED EIGHTY-ONE (11,196,381) 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	72	Filipino
Director/President and Chief Executive Officer	Dennis A. Uy	45	Filipino
Director/Vice-Chairman	Romeo B. De Guzman	69	Filipino
Director/Treasurer and Head of Corporate Finance	Joseph John L. Ong	59	Filipino
Director	Cherylyn C. Uy	39	Filipino
Director	Frederic C. DyBuncio	58	Filipino
Director	J.V. Emmanuel A. de Dios	54	Filipino
Director	Stephen T. CuUnjieng	59	Filipino
Independent Director	Carolina Inez Angela S. Reyes	57	Filipino

Independent Director	Consuelo Ynares Santiago	79	Filipino
Director	Monico V. Jacob	73	Filipino
Corporate Secretary/Vice President for Corporate Legal	Socorro T. Ermac Cabreros	54	Filipino
Other Executive Officers			
Chief Operating Officer	Henry Albert R. Fadullon	51	Filipino
Chief Finance Officer	Ma. Concepcion de Claro	61	Filipino
Senior Vice President for Corporate Affairs, Business Development and Security	Alan Raymond T. Zorrilla	49	Filipino
General Manager for Shared Services	Debbie U. Rodolfo	39	Filipino
Vice President for Business Development for Terminals and Depot	William M. Azarcon	72	Filipino
Asst. Vice President for Engineering	Ignacio Raymund Ramos, Jr.	56	Filipino
General Manager for Supply, Pricing and Demand	Richard C. Tiansay	55	Filipino
General Manager for Retail Sales	Ericson S. Inocencio	44	Filipino
General Manager for Business Development, Strategies and Portfolio	Joselito G. De Jesus	63	Filipino
General Manager for Lubricants Sales and Distribution Business	Joven Jesus G. Mujar	48	Filipino
General Manager for Commercial and Industrial Business	Roy O. Jimenez	56	Filipino
General Manager for Joint Ventures	Joriz B. Tenebro	40	Filipino
Asst.Vice President for CME	Ma. Rita A. Ros	59	Filipino
Asst. Vice President for Treasury	Reynaldo A. Phala	52	Filipino
Asst. Vice President for Comptrollership	Jonarest Z. Sibog	38	Filipino
Asst. Vice President for Brand and Marketing	Celina I. Matias	54	Filipino
Asst. Vice President for Human Resources	Celeste Marie G. Ong	51	Filipino
Asst. Vice President for Retail Operations and NFRB, Network Development & Capital Investments	Arnel G. Alban	51	Filipino
Asst. Vice President for Technical Services and QAPD	Jaime T. Diago, Jr.	63	Filipino
Asst. Corporate Secretary	Gigi Q. Fuensalida-Ty	42	Filipino

Since the last Stockholder's Meeting, 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, 72 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, 45 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, 69 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. Jose Victor Emmanuel A. De Dios
Director

Atty. J.V. Emmanuel A. De Dios, Filipino, 54 years old, was elected 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.
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Joseph John L. Ong
Director, Treasurer

Mr. Joseph John L. Ong, Filipino, 59 years old, is the Treasurer 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, Filipino, 58 years old, 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, 39 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*
Independent Director

Carolina Inez Angela S. Reyes, Filipino, 57 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, 59 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, 79 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
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

Name	Period of Service	Term of Office
Dennis A. Uy	since incorporation to present	1 year
Domingo T. Uy	since incorporation to present	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

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	Independent Director

	Holdings, Inc. South Luzon Tollway Corp. Top Frontier Investment Holdings, Inc.	
Carolina Inez A. S. Reyes	La Tondeña Distillers, Inc. Coca-Cola Export Corporation Jollibee Foods Corporation	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 21, 2019.

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, 51 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.

Ma. Concepcion F. De Claro, Filipino, 61 years of age, holds a Bachelor of Science degree in Commerce, Major in Accounting from the Colegio de San Juan de Letran. She has been the Company's Chief Financial Officer since March 2018. She was Director of Alsons Prime Investment Corporation and Alsons Power Holdings Corporation and the Vice-President and Chief Operating officer of Alsons Corporation. She also served as the Director of Limay Energen Corporation and Manila North Harbour Port, Inc. Ms. de Claro also worked with Petron Corporation for several years. She was a Consultant for M&A Projects and a member of the Board of Trustees of Petron Corporation Employees Retirement Fund. She also served as Petron's Vice President for Corporate Planning & Services, Controller for the company and its subsidiaries, and held various positions in Corporate Planning. In addition, Ms. De Claro also served as a Director of New Ventures

Realty Corporation, Las Lucas Development Corporation, Petron Marketing Corporation and Petron Freeport Corporation.

Alan Raymond T. Zorrilla, Filipino, 49 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, 72 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, 54 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, 38 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, 55 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, 56 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, 63 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, 44 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. Mujar, Filipino, 48 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.

Maria Rita A. Ros, Filipino, 59 years old, is the Asst. Vice President for CME. 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, 54 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, 39 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, 52 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, 51 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-Ty, Filipino, 42 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.

Ignacio Raymund S. Ramos, Jr., Filipino, 56 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.

Arnel G. Alban, Filipino, 51 years old, has been recently appointed as the Asst. Vice President for Network Development, Non-Fuels Retailing Business and Capital Investment, while concurrently handling the position the Asst. Vice President for Retail Operations. He joined Phoenix in April 2018, moving from Total (Philippines) Corporation as Asst. Vice President for Retail Development and Compliance. He has a solid 25 years experience in the oil industry, starting out as a Business Counselor (or Retail Territory Manager) in 1993 at Caltex (Philippines), Inc. where he stayed for 5 years. In 1998, he moved to Total where he stayed for 20 years, moving in various Sales positions, including a stint as AVP for Retail Development and Compliance. Arnel is a licensed Civil Engineer and graduated from the University of the Philippines.

Jaime T Diago Jr., Filipino, 63 years old, joined Phoenix Petroleum in September 2018 as AVP Technical Service and QAPD. Prior to joining the company, he was connected with

Pilipinas Shell where he served for 32 years holding the following key roles: Fuels Product Quality (PQ) Lead (PH & HK), Fuels PQ Manager (MEA), Fuels Technical Manager, Head Trading & Economics, Marketing Sales Manager, Commercial Development Manager and Lubricants Assistant Supply. Prior to his employment with Pilipinas Shell, Jaime also had six years with Mobil Philippines where he served as Marketing Representative and Technical Service Engineer. He finished BSME (Cum Laude) from Silliman University and placed 4th in the board exam for mechanical engineers.

Joriz Tenebro, Filipino, 40 years old, is the General Manager for Joint Ventures. Prior to joining Phoenix in November 2018, he has 15 years of combined business and commercial finance experience with Shell in retail, trading, upstream and integrated gas covering Asia Pacific, Middle East, and Europe. Role includes retail territory management; reporting, planning and economics; finance management; M&A and New Business Development; and internal audit. He was based in Davao, Manila and a combined 10 years in Singapore and Dubai. Prior to joining Shell, he spent a total of 3 years as P&G distributor Finance Manager and PwC Finance Auditor. Most of his key development trainings were in Shell Headquarter in Netherlands and INSEAD France. He graduated as cum laude in Ateneo de Davao University.

Period of Service in the Company

Name	**Period of Service**
Henry Albert R. Fadullon	April 17, 2017 to present
Ma. Concepcion F. De Claro	May 1, 2018 to present
Joseph John L. Ong	November 3, 2010 to present
Socorro Ermac Cabreros	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
Richard C. Tiansay	March 1, 2013 to present
Ericson S. Inocencio	February 15, 2014 to present
Roy O. Jimenez	May 11, 2015 to present
Joven Jesus Mujar	May 4, 2015 to present
Ma. Rita A. Ros	November 1, 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	June 1, 2008 to present
Ignacio Raymund Ramos, Jr.	January 16, 2018 to present
Arnel G. Ablan	April 16, 2018 to present
Jaime T. Diago, Jr.	September 3, 2018 to present
Joriz B. Tenebro	November 5, 2018 to present

Nominations of Directors and Independent Directors for the term 2019-2020

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 2019 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. Henry Albert R. Fadullon
6. Cherylyn C. Uy
7. Carolina Inez A. S. Reyes (Independent Director)
8. Consuelo Ynares-Santiago (Independent Director)
9. Monico V. Jacob
10. Frederic C. DyBuncio
11. Stephen T. CuUnjieng

1. They have no transaction, affiliations or relations with the Issuer/Corporation
2. Their current business activities are different from the current business activities of the Corporation. Thus, their credentials add diversity in the business backgrounds of the Board of Directors
3. They have and will maintain independent judgment and views with the Board of Directors
4. Except for the 1 share each, they do not own any shares in the Corporation
5. Prior to initially being elected as Directors of the Company, they have not, at any time, rendered any service to the Company.
6. They possess none of the disqualifications of an Independent Director.

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 Ms.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: Justice Consuelo Ynares Santiago (Chairman), Carolina Inez Angela S .Reyes, 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. Todate, 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 significant 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:

2015	2016	2017	2018	**TOTAL**
70,723,717.38	75,198,160.90	68,093,074.22	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, 2017 and 2018 is as follows:

	2017	2018
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		-
Collections		
Balance at end of year		-
CISC (formerly PPIPC)		
Additions		

Reclassification	(496,816,099)	
Balance at end of year	**-**	**-**
CSC Group Inc.		
Additions	951,417	
Reclassifications	(500,000,000)	(951,417)
Balance at end of year	**951,417**	**0**
PPFI		
Balance beginning of the year	13,256,329	**20,239,982**
Additions	10,748,633	
Collections	(3,764,980)	(20,181,865)
Balance at end of year	**20,239,982**	**58,117,80**
PAPI		
Balance beginning of the year		**5,241,249**
Additions		
Collections		
Balance at end of year	**-**	**5,241,249**
TOTAL		
Balance beginning of the year	1,506,977,925	518,913,926
Additions	211,697,447	5,241,249
Collections/Reclassifications	(1,199,761,452)	(518,855,810)

Balance at end of year	**518,913,926**	**5,299,365**

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:

	2017	**2018**
Salaries	59,621,546	117,509,743
Honoraria and Allowances	15,072,788	50,361,318
13th Month and Bonuses	5,488,660	9,792,478
SSS, PHIC, HDMF and Others	268,512	1,895,874
	80,451,506	**179,559,413**

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 two (2) 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, 2019		
Name	**Principal Position**	**Salaries (in ₱)**	**Bonuses / 13th Month / Other Income (in ₱)**	**Total (in ₱)**
Dennis A. Uy	President and Chief Executive Officer	48,898	4,074	52,972

Henry Albert R. Fadullon	Chief Operating Officer			
Ma. Concepcion F. De Claro	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		80,363	6,697	87,060

Compensation of Executive Officers and Directors (in thousand Pesos)				
		Year ending December 31, 2018		
Name	**Principal Position**	**Salaries (in ₱)**	**Bonuses / 13th Month / Other Income (in ₱)**	**Total (in ₱)**
Dennis A. Uy	President and Chief Executive Officer	**44,453**	**3,704**	**48,157**
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		**73,057**	**6,088**	**79,145**

Compensation of Executive Officers and Directors (in thousand Pesos)				
		Year ending December 31, 2017		
Name	**Principal Position**	**Salaries (in ₱)**	**Bonuses / 13th Month / Other Income (in ₱)**	**Total (in ₱)**
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**

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

Item 7. Independent Public Accountants

The financial statements of the Company were audited by Punongbayan & Araullo for the years ended December 31, 2018, 2017, 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 2018 is Mr. Ramilito Nañola. The last of the Company's Financial Statement that Mr. Nañola certified was the Company's 2016 and 2017 Financial Statements.

<u>Audit Fees</u>

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	2016	2017	2018
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			
Punongbayan and Araullo	Audit of FS for the year 2015 - Parent and Subsidiaries	**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**	**3,460.80**
Punongbayan and Araullo	Audit of FS for the year 2018 - Parent and Subsidiaries			**1,904.17**
Sub-total		**4,247.02**	**4,648.00**	**5,364.97**
Tax Advisory Services				
Sycip, Gorres and Velayo	Tax Consultancy	155.07	120.18	120
Sub-total		**155.07**	**120.18**	**120**
All Other Fees				
Entia Accounting Office	Professional Fee for BOI Registration of Depot Facilities	187.5	1,526.63	2,885.8
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**	**2,885.80**
GRAND TOTAL		**4,589.59**	**11,852.56**	**8,370.77**

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: Carolina Inez Angela S. Reyes (Independent Director) as Chairman, Consuela Ynares Santiago, Domingo T. Uy 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 January 31, 2019, a total of 4,720,800 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:	1,318,000
Other Executive Officers	1,104,000
All qualified employees	2,298,800
TOTAL	4,720,800

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 SEC FORM 17-Q (3rd quarter Report) Financial Statement for Period ended September 30, 2018 is attached herein as **Annex "C";**

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no transactions to be taken up by the Company with respect to any transaction involving mergers, consolidations, acquisitions, and similar matters.

Item 13. Acquisition or Disposition of Property

Acquisition of 74.9% share in Action.Able, Inc. and think.able, Limited.

For ratification is the Company's acquisition of 74.9% share of Action.Able, Inc. (AA) from Wildlemon, Inc. and 74.9% of think.able, Limited (TA), from Seawood Prime Limited.

Action.Able, Inc. is a three year old digital payment platform which enables and facilitates financial transactions between a merchant, who avails and uses the service, and his customers, who uses the platform to purchase, buy, or pay all kinds of prepaid loads, bills, and money remittances through a single Point of Sale device. Think.able, Limited on the other hand is the entity that owns and holds the trademarks and copyrights used by Action.Able, Inc. in its operations and devices, including the trademark for "Pos!ble.net", the more popular name for which the devices are known.

The acquisition of Pos!ble.net, through AA and TA, shall support the business operations of the

Company aside from synergies on its retail network development for its various fuel and petroleum products, as well as its subsidiaries and affiliates, such as Philippine FamilyMart CVS, Inc. and Phoenix LPG Philippines, Inc.

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 2018
2. Report of the President and Chief Executive Officer
3. Approval of the 2018 Audited Financial Statements and 2018 Annual Report
4. Corporate Actions:

    A. Proposed Authority for the Corporation or any of its subsidiaries to enter into a Joint Venture Agreement or cooperation with China National Offshore Oil Corporation (CNOOC) to operate and establish various LNG related trade and services under the LNG Integrated Hub Project which includes the operation of an LNG import terminal and gas-fired power plant;

    a. Proposed Authority to form and organize a new corporation, a wholly-owned subsidiary of the Company to manage the Corporation's LNG interest in the LNG Integrated Hub Project;

    b. Proposed Authority to invest corporate funds in the initial amount of Php250,000,000.00 for the LNG Integrated Hub Project which shall include the formation of a new corporation.

    B. Ratification of the Company's corporate actions:

    a. increase investments in the following wholly-owned subsidiaries:

Name of Subsidiary	Amount of Investment
Subic Petroleum Trading and Transport Inc. (SPTT)	Php 55,800,000.00
Phoenix Global Mercantile, Inc. (PGMI)	22,500,000.00
P-F-L Petroleum Management, Inc. (PPMI)	429,625,000.00

TOTAL	**Php 507,925,000.00**

b. investment of corporate funds through acquisition of shares in Action.Able, Inc. and think.able, Limited.

c. formation and organization of a new wholly-owned subsidiary in Singapore, **PNX Energy International Holdings, Pte. Ltd. (PEIH)**, to manage the Company's international investments, including expansion of related business activities and operation in the Asia Pacific Region, and the Company's initial investment of USD10,000 intended for PEIH's initial operations.

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 2018 until 31 January 2019 as set forth in **Annex "A."**

6. Election of the Members of the Board of Directors

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 2018 Financial Statements and Annual Report, the approval Minutes of the Minutes of the previous year's Annual Stockholders' Meeting, and the items of Corporate action mentioned above, there are no other items that was discussed and approved by the Stockholders in the 2018 Annual Stockholders' Meeting.

Below was the agenda of the 2018 Annual Stockholders' Meeting held in the Company's Corporate Headquarters in Davao City.

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

PHOENIX Fuels Life

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
      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

1.

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), Duta Inc. (Duta) and Kaparangan Inc. (Kaparangan)
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

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

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

There are no proposed amendment to the Articles of Incorporation or By-Laws of the Corporation that will be submitted to the stockholders for approval.

Item 18. Other Proposed Action

Authority for the Company or any if of its subsidiaries to enter into a Joint Venture with China National Offshore Oil Corporation (CNOOC), establishment of a new Corporation to manage the Company's interest in the said Joint Venture and to invest an initial amount of Php 250,000,000.00 for the Project.

For Stockholders' approval is the proposed authority of the Company or any of its current or future subsidiaries to enter into a Joint Venture Agreement or Cooperation with CNOOC for the establishment and operation of various Liquified Natural Gas (LNG) related trade and services under the LNG Integrated Hub Project which includes the operation of an LNG import terminal and gas-fired power plant.

In line with the objectives stated above, for stockholders' approval is the proposed authority to form and organize a new corporation, a wholly-owned subsidiary of the Company to manage the Corporation's LNG interest in the LNG Integrated Hub Project. Also, the proposed authority to invest corporate funds in the initial amount of Php 250,000,000.00 for the LNG Integrated Hub Project which includes the formation of the new corporation stated above.

CNOOC is the largest offshore oil and gas company in China and also one of the largest independent oil and gas exploration and production companies in the world. CNOOC has the breadth of expertise and experience in the industry. It has over 7,000 employees globally and assets close to US$25 billion. In China, it has built nine LNG receiving terminals, 5,043km of long distance pipeline networks, and six natural gas fired power plants. It also has stakes in major LNG projects in Australia with partners such as Chevron, Shell, BP, and Mitsui.

In the proposed Joint Venture, the Company's to be established wholly owned subsidiary shall acquire 40% of the shares in Tanglawan Philippine LNG Inc., the entity granted by the Department of Energy the "Notice to Proceed" for the construction of an LNG Integrated Hub here in the Philippines. The subsidiary also intends to acquire 60% share in the property holding company for the LNG Integrated Hub, Liwanag Philippine Property Management, Inc. In addition the Company also intends to acquire a share when the Joint Venture establishes a LNG Powered Power Plant.

The Joint Venture Project marks the Company's foray into the LNG sector. Liquified Natural Gas (LNG) is the cleaner and more environmentally friendly alternative to other sources of fuel such as coal, diesel or industrial fuel oil used by conventional power plants. This LNG facility will help support the demand for clean, low-cost, and environment-friendly energy source in the Philippines, and contribute to the sustainable development of the Philippine economy.

Increase investments in the Company's wholly-owned subsidiaries, Subic Petroleum Trading and Transport, Inc. (SPTT), Phoenix Global Mercantile, Inc. (PGMI) and P-F-L Petroleum Management, inc. (PPMI).

For ratification is the Company's additional investment in its wholly-owned subsidiaries as follows:

Name of Subsidiary	Amount of Investment
Subic Petroleum Trading and Transport Inc. (SPTT)	Php 55,800,000.00
Phoenix Global Mercantile, Inc. (PGMI)	22,500,000.00
P-F-L Petroleum Management, Inc. (PPMI)	429,625,000.00
TOTAL	**Php 507,925,000.00**

Subic Petroleum Trading and Transport Phils., Inc. (SPTT) incorporated on February 20, 2007 and is a wholly owned subsidiary of PPPI. It is engaged in the buying and selling, supply and distribution, import and export, storage and delivery of all types of petroleum for industrial, marine, aviation and automotive use. Its primary function to date is to service the aviation fuel importation of PPPI for Cebu Pacific which makes use of the SBMA Freeport to avail of tax incentives.

SPTT imports fuel via Letter of Credit utilizing the shared credit facilities of PPPI with some of its banks. Due to the capital deficiencies on SPTT's balance sheet, banks increase the interest cost or cause the temporary unavailability of the credit facility to SPTT. The additional investment shall be utilized to correct the capital deficiencies thus reducing interest costs and increase the availability of credit facilities.

Phoenix Global Mercantile Inc. (PGMI) was incorporated on July 31, 2006 and is a wholly-owned subsidiary of PPPI. It is engaged in the sale and distribution of all kinds of transportation lubricants, fluids and additives of all kinds and other petroleum products purposely for motor vehicles and other transportation.

The additional investment shall be utilized to correct capital deficiencies and to support the expansion of its distribution network.

PFL Petroleum Management Inc. (PPMI) was incorporated in January 31, 2007 and is a wholly-owned subsidiary of PPPI. Its primary purpose is to engage in and carry on the business of organizing, managing, administering, running and supervising the operations and marketing of various kinds of services-oriented companies such as petroleum service stations, hauling companies and such other companies desirous of strengthening and establishing their operation processes, except management of funds, securities and portfolio and similar assets of managed utilities.

The additional investment shall be utilized to correct capital deficiencies and to support the expansion and establishment of additional stations under its management.

Formation of a wholly-owned subsidiary, PNX Energy International Holdings, Pte. Ltd. (PEIH)

For ratification is the establishment and organization of a new wholly-owned subsidiary in Singapore, PNX Energy International Holdings, Pte. Ltd., to manage, the Company's international investments, including expansion of related business activities and operation and the Company's initial investment of USD 10,000.00.

The Company is currently exploring investments in regional markets such as Vietnam, Indonesia, Myanmar, Thailand and Australia. As the company expands regionally, it requires an appropriate corporate structure to ensure tax efficiency, a stable and fair legal environment, world class infrastructure, and access to high quality international skills, thus the need to establish PEIH.

Singapore was the preferred location because of the following advantages:

a. Excellent financial and IT infrastructure and pro-business environment
b. Major international air and sea hub
c. Flexible tax regime and designed to support business
d. Transparent and fair legal system and various dispute resolution channels
e. No thin capitalization rules

Other than holding shares in other foreign subsidiaries and generating passive investment income, PEIH may also carry out commercial activities, such as conducting supply chain activities.

The initial investment of USD 10,000.00 shall be used to establish PEIH and to shoulder the initial administrative and operational expenses of the company.

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, 2018
4. Report of the President and Chief Executive Officer
5. Approval of the 2018 Audited Financial Statements and 2018 Annual Report
6. Corporate Actions:

    A. Proposed Authority for the Corporation or any of its subsidiaries to enter into a Joint Venture Agreement or cooperation with China National Offshore Oil Corporation (CNOOC) to operate and establish various LNG related trade and services under the LNG Integrated Hub Project which includes the operation of an LNG import terminal and gas-fired power plant;

        a. Proposed Authority to form and organize a new corporation, a wholly-owned subsidiary of the Company to manage the Corporation's LNG interest in the LNG Integrated Hub Project;

        b. Proposed Authority to invest corporate funds in the initial amount of Php250,000,000.00 for the LNG Integrated Hub Project which shall include the formation of a new corporation.

    B. Ratification of the Company's corporate actions:
        a. increase investments in the following wholly-owned subsidiaries:

Name of Subsidiary	**Amount of Investment**
Subic Petroleum Trading and Transport Inc. (SPTT)	Php 55,800,000.00
Phoenix Global Mercantile, Inc. (PGMI)	22,500,000.00

P-F-L Petroleum Management, Inc. (PPMI)	429,625,000.00
TOTAL	**Php 507,925,000.00**

b. investment of corporate funds through acquisition of shares in Action.Able, Inc. and think.able, Limited.

c. formation and organization of a new wholly-owned subsidiary in Singapore, **PNX Energy International Holdings, Pte. Ltd. (PEIH)**, to manage the Company's international investments, including expansion of related business activities and operation in the Asia Pacific Region, and the Company's initial investment of USD10,000 intended for PEIH's initial operations.

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 2018 until 31 January 2019
8. Election of the Members of the Board of Directors
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

(signature page follows)

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 **7 February 2019.**

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, 2018 to January 30, 2019
5 Feb 2018	• **RESOLVED** that the Board of Directors authorized and empower, the Corporation 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,** To authorize, designates and appoints the Corporation's Corporate Secretary and VP for Corporate Legal, **SOCORRO ERMAC-CABREROS** and/or Network Planner Manager **FIDEL ALOBA** , and/or Handling Counsel **Atty. INNOCENCIO DELA CERNA, JR of the LAW FIRM OF DELA CERNA & ASSOCIATES LAW OFFICE** to appear and represent the Respondents Phoenix Petroleum Philippines, Inc. during the Judicial Dispute Resolution (JDR) before Regional Trial Court Branch 17, CEBU CITY, for the purposes of commencing and responding to any actions necessary for the protection of its rights with regards to Civil Case No. R-CEB-18-00429-CV entitled **"Sps: Ricardo Alba & Emilie R. Alba, Sps. Jules Alexander Y. Yu & Reggie Ong vs PPPI & et.,al"**
	• **RESOLVED,** as it hereby resolved **P-H-O-E-N-I-X Petroleum Philippines Inc.,** as it hereby authorized and empowered to apply, transact and process for Environmental Compliance Certificate (ECC) with Department of Environment and Natural Resources (DENR) and other necessary permits with local agencies/entities relative to the operations of Aviation Staging Facilities; **RESOLVED FURTHER**, the Corporation authorized **Terminal Manager Ariston Curayag**, to sign, execute, deliver, receive and receipt for and in behalf of the Corporation.
5-March-2018	• **RESOLVED**, as it is hereby resolved that **P-H-O-E-N-I-X Petroleum Philippines Inc.,** as it authorized and to enter exchange transactions including Spot, Forwards (Deliverable and Non-Deliverable) and FX swaps, Interest Rate Swap with Phil. National Bank. • **RESOLVED FURTHER**, to sign and execute deliver all transactions defined in the foregoing paragraph, singly or by the sole or singular account, all other transactions namely, to sign execute , and deliver any and all documents for and on behalf of the Corporation, the Loan Agreements, and all notices, certifications, instruments, deeds and other documents and to perform such further acts, in order to effectuate the foregoing matters can be completed, negotiated and delivered.
	• **RESOLVED,** that **SUMITOMO MITSUI BANKING CORPORATION – MANILA BRANCH** ("BANK") is hereby designated as the depository of the moneys and funds of the Corporation, for such purpose an account or accounts in any type and currency (the "ACCOUNT") in the name of the Corporation to be opened and maintained with the Bank, in accordance with such terms and conditions as may be prescribed by the Bank (including without limitations the Master Terms and Conditions for Bank Accounts), as may be amended from time to time by the Bank.
5-March-2018	• To transact, process and claim for and in behalf of the Corporation with the (1) City Assessor's and/or Treasurers Office for the property tax clearance and certificates relative to the transfer of the title cover in Katipunan Villanueva, Province of Misamis Oriental pursuant to a Deed of Sale executed by and between Power Synthetic Rubber Manufacturing Corporation and **P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC**. (2) the Office of Registry of Deeds for the transfer of previous titles to the new owner; CHERRY PACQUIAO authorized and empowered to sign, deliver, receive and receipt for and in behalf of the Corporation;
	• To enter, negotiate and transact with registered owners for the lease over a parcel/s of land situated in Brgy. Mactan City of Lapu-Lapu, Cebu Island of Mactan and Registry of Deeds for LAPU-LAPU City, for purpose of establishing gasoline station facility; empower its General Manager for Retail Business **ERICSON S. INOCENCIO**;
3-April 2018	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC**. Be hereby authorized and empowered to transact and enter into a Charter Agreement with PNX-Chelsea Shipping Corp. Over vessel "M/T Chelsea Denise II" for a period of SIX (6) years**; RESOLVED** and hereby authorized JOHN HENRY YAP Company's

	Supply Manager to any all foregoing transaction shall be negotiate concluded, obtained and/or contracted.
5-April-2018	• **RESOLVED**, as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC**. authorized and empowered to apply and request for the CAR STICKER registration of the Company's Service Vehicle with Park Terraces which vehicle is particularly described as: Make/Type: Toyota/Van Series: Alphard 3.5L WP Plate #: DTU 11 OR #: 000020111316642 CR#: 12053920-4
3-May-2018	• **RESOLVED,** that PHOENIX be, as it is hereby authorized to participate in the bidding of **SUPPLY and DELIVERY of DND-Wide Petroleum, Oil & Lubricant (POL)** for Calendar 2018, that if awarded the tender shall enter into a contract with the **DEPARTMENT OF NATIONAL DEFENSE**; Therewith hereby appoint any one of the our officers **HENRY ALBER FADULLON (CHIEF OPERATION OFFICER), ROY O. JIMENEZ (GEN. MANAGER FOR COMMERCIAL & INDUSTRIAL BUSINESS), ERICSON S. INOCENCIO (GEN. MANAGER FOR RETAIL BUSINESS) RICHARD TIANSAY (GEN. MANAGER FOR PRICING AND DEMAND)**, acting as duly authorized and designated representative of **P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC.**
4-May-2018	• **RESOLVED**, as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC**. To enter into Contract of Lease over property situated in Quezon City or the housing accommodations under such terms and conditions which may be the best interest of the Corporation; RESOLVED Further, that the Corporate Legal Manager ATTY. ROSALIO ROQUE II to negotiate the terms of the said Contract, as well as to sign, execute deliver, receive and receipt in behalf of the Corporation;
	• **RESOLVED**, that the Corporation appoints and authorizes, as it hereby appoints the following officers MARIA RITA A. ROS AVP for Supply and JOHN HENRY C. YAP Manager for Supply; the authorized representatives/signatories in the application of business registration, import permits & clearances, online application and all other permits and licenses with various government units; to sign execute and deliver any and all documents in the name of the Corporation in connection therewith or the like including signing of the relevant documents; **RESOLVED FURTHER**, to sign negotiate and transact with DENR in connection with **Chemical Control Order (CCO)**, Registration, Importation Clearance, **Pre Importation Notification (PMPIN**) all pertinent legal documents;
	• The payment of cash dividends for the following preferred shares for the second quarter of 2018 are as follows: 2nd Tranche: Shares / Record Date / Payment Date / Interest Rate per annum -- PNXP / May 24, 2018 / June 20, 2018 / 8.25% 3rd Tranche: PNX3A / May 22, 2018 / June 18, 2018 / 7.427% PNX3B / May 22, 2018 / June 18, 2018 / 8.1078% 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.
	• **RESOLVED**, as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC**. As it hereby authorized and empowered to apply for an Income Tax Holiday Entitlement with Board of Investment (BOI) for the year 2017; **RESOLVED FURTHER**, to pursuant to the foregoing transaction, the Company Designates its Comptroller to be the authorized signatory **JONAREST Z. SIBOG;**
	• To apply, transact, process and claim (1) Tax Declaration (2) Business Permit (3) Light and Water connection/account and (4) other permits necessary with any private and government entities including Lessor's Permit for the business operation of **PHOENIX FUELS LIFE** Stations in area of Cebu, Bohol, Negros and Panay: **RESOLVED FURTHER**, authorize the following Retail Territory Managers: QUEENIE ANN GRACE B. VIERNES, ANGEL ANDOY, MERCEDITA A. OPLADO, ARIANNE T. FAJARDO, CHARNEL M. MACATIAG;

	• That the Corporation be authorized as it is hereby authorized; A. Corporate Authority Deal with Phil. Bank of Communication i. Avail of Loans/credit facilities; ii. Enter into any contract or agreement for the purchase or sale of any currency iii. Deal in financial derivatives transactions including but not limited to forward contracts, swaps, options and the like, both in local and foreign currency covering currency interest rate and credit risks with bank; Up to principal amount of Php 830,000,000.00
21- May-2018	• To apply, transact, process and claim for electrical power connection and/or reconnection with **VISAYAN ELECTRIC COMPANY (VECO)** and other permits necessary with any private and government entities including Lessor's Permit for the business operation of **PHOENIX FUELS LIFE** in the Island of Cebu; To authorized its Retail Territory Manager for Cebu QUEENIE VIERNES and ANGEL C. ANDOY;
25-May-2018	• To apply, transact, process and claim for electrical power connection and/or reconnection with **METROPOLITAN CEBU WATER DISTRICT (MCWD)** and other permits necessary with any private and government entities including Lessor's Permit for the business operation of **PHOENIX FUELS LIFE** in the Island of Cebu; To authorized its Retail Territory Manager for Cebu QUEENIE VIERNES and ANGEL C. ANDOY;
	• To apply, transact, process and claim for electrical power connection and/or reconnection with **MACTA ELECTRIC COMPANY (MECO)** and other permits necessary with any private and government entities including Lessor's Permit for the business operation of **PHOENIX FUELS LIFE** in the Island of Cebu; To authorized its Retail Territory Manager for Cebu QUEENIE VIERNES and ANGEL C. ANDOY;
	• To authorized the purchase of Pos!ble.net, a digital platform used for retail transactions through the acquisition of up to 75% of shareholdings in Action.Able, Inc. ("AA") and Think.Able, Limited ("TA"), owners of digital platform; RESOLVED LIKEWISE, to authorized management to appoint Sycip, Gorres, Velayo and Co. ("SGV") and Ponferrada and Ty ("P&T") to provide accounting and IT, and legal due diligence services, respectively, for Project Unite; RESOLVED FURTHER, authorize COO Henry Albert R. Fadullon or Corporate Legal Manager, to sign, execute, deliver any and all documents necessary and further to implement the foregoing powers as herein granted and approved;
4-June-2018	• To transact, process claim for and in behalf of the corporation with (1) Bureau of Internal Revenue (BIR) the Certificate of Authorizing Registration (CAR) of a parcel of land situated at Brgy. Cabantian, Buhangin District, Davao ity, Philippines covered by TCT T-146-2017016131, pursuant to a Deed of Sale executed between P-H-O-E-N-I-X Petroleum Philippines, Inc. and Alsons Properties (2) Registry of Deeds (ROD) for the transfer of the previous title to the owner's name; and clearance from any government agency as may further required. That **TERESITA MANZO** be hereby authorized and empowered to sign, execute, deliver, receive and receipt for and on behalf of the Corporation;
	• **RESOLVED**, that the Corporation will apply for the following Exemptions: Exemption from payment of 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; **RESOLVED FURTHER, 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 authorized to process and transact with Municipal Assessor's Office of Tayud, Consolacion, Cebu City;
	• **RESOLVED**, that the Corporation hereby authorized and empowered to negotiate, transact and enter into contract with **PETREDEC INTERNATIONL PTE. Ltd** as its guarantor and **PHOENIX LPG PHILIPPINES, INC.** an associated company of the guarantor, relative to the purchasing , selling , transporting, trading of **Liquefied Petroleum Gas (LPG)** under reasonable terms and conditions as the proper officer would deem in the best interest of the Corporation; **RESOLVED FURTHER**, that the Corporation hereby authorizes its COO **HENRY ALBERT F. FADULLON to** negotiate, sign, execute, deliver, receive and receipt any and all documents and papers, including but not limited to the Registration Agreement, Lease Agreement and such Conveyance.
	• **RESOLVED**, as it is hereby resolve that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC.** be as it is hereby authorized and empower negotiate and obtain with LAND BANK of the PHILIPPINES (LBP) for the availment of an up to Seven (7) Year Term Loan in the

amount of Php 5,000,000,000.00;

RESOLVED FURTHER, **P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC.** be as it is hereby authorized and empowered to negotiate and obtain with LAND BANK OF THE PHILIPPINES,(LBP) renewal with increase of its short term loan line in the amount of Php 2,000,000,000.00

RESOLVED FURTHER, **P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC.** be as it hereby authorized and empowered to negotiate and obtain with LAND BANK of the PHILIPPINES (LBP) renewal with increase of its DP/DA/OA/LC/TR Line in the amount of Php 1,500,000,000.00

RESOLVED FURTHER, that the Corporation is authorized to negotiate for the renewal without change of its Domestic Bills Purchase (DBPL) in the amount of Php 50,000,000.00 and the renewal with increase of its Stand-by Letter of Credit (SBLC) Line in the principal amount of $ 30,000,000.00 Dollars or its peso equivalent;

- **RESOLVED,** as it is hereby resolved for purposes of facilitating the importation operations and such other related and significant business activities, the Company hereby approves and authorizes the opening and establishment of the various credit accommodations or facilities, 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;

- **RESOLVED,** as it is hereby resolved, that the following officers and/or member of the Board of the Corporation in the manner of combination herein provided are authorized effective 04 June 2018 to sign, draw or issue checks of the Company for the disbursing funds for its day-to-day operation;

- **RESOLVED,** that PHOENIX be, as it is hereby authorized to participate in the bidding of **SUPPLY and DELIVERY of ENGINE LUBRICATING OIL TO SPUG POWER PLANTS AND BARGES** for Calendar 2018, that if awarded the tender shall enter into a contract with the **NATIONAL POWER CORPORATION**; Therewith hereby appoints any of one of our Officers **HENRY ALBERT FADULLON and/or ROY O. JIMENEZ**, acting as duly authorized and designated representative of **P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC.**

- **RESOLVED,** as it is hereby resolved, that the corporation be as it is hereby authorized and empowered to apply, transact, claim, and demand for refund the company's account with **DAVAO LIGHT POWER CORPORATION (DLPC);**

- **RESOLVED,** by the Board of Directors of the Corporation, in connection with the establishment of accounts of the Corporation with the BDO Unibank, Inc.;

1. the Corporation be, as it is hereby authorized to apply for and obtain with the Bank the following accommodation/s:

Facilities	Sublimit	Aggregate Principal Amount
Omnibus Line		Php 2,000,000,000.00
Domestic Letter Credit/Trust Receipt Line	Php 2,000,000,000.00	
Import Letter Credit/Trust Receipt Line	Php 2,000,000,000.00	
Credit Line	Php 2,000,000,000.00	
Standby Letter of Credit	Php 55,000,000.00	
Domestic Bills Purchased Line	Php 150,000,000.00	

As well as the temporary excesses or permanent increase thereon as may be approved by the said bank from time to time, under such terms and conditions as the Bank may require;

- **RESOLVED,** that **STANDARD CHARTERED BANK – MANILA BRANCH** (the "Bank") is hereby designated as the depository bank of the Corporation, whereupon savings, current, investment management, trust and other accounts may be opened and maintained, to which funds of the Corporation may be deposited and against which withdrawals, fund transfers, debits and credits may be made, and the bank is hereby authorized to accept, pay, encash, or otherwise honor and charge against this Corporation any and all checks notes, drafts, bills of exchange, acceptances, orders or funds transfer/debits, and to effect any instructions relating to the operation, administration and management of the accounts when signed, drawn, accepted or endorsed on behalf of or the name of this Corporation;

- **RESOLVED,** to close the company's existing accounts maintained with **BANCO De ORO BRANCH** the following accounts.

Branch: Account No.

- Banco de Oro – Lizada Branch SA No. 003758005081

	• Banco de Oro – Lizada Branch SA No. 003750002976
13- June2018	• **RESOLVED,** that TIONGCO SIAO BELLO & ASSOCITATES and/or any of its Lawyers, be authorized to represent the Corporation before the MUNICIPAL TRIAL in CITIES of DASMARINAS CITY (MTCC) in Criminal Case No. 18-0355 entitled ***"PEOPLE OF THE PHILIPPINES V EDWIN SALUMBRE Y REYAL"*** for the sole purpose of release and turning over of the faw fuel truck with engine no. PNX52667213 and MV File No. 1301-0000732863 registered to PHOENIX PETROLEUM PHILS. INC., involved in the said case;
03-Aug-2018	• To authorize the Corporation to apply, transact, process and claim the Corporation's regulatory permits and such other related and significant business activities but not limited to tree cutting activities, permit to operate application and Environmental Compliance Certificate with local government unit where the corporation operating its office and/or branches; **RESOLVED FURTHER** that the Corporation's VisMin Terminal Superintendent/OIC **Crispin Subido and/or Marvin Jericho M. Maralit,** whose specimen signatures, is hereby authorized and empowered to transact business and represent the Corporation before duly constituted authorities, and to sign, execute, deliver and receive, any and all contracts, documents and instruments required or necessary to carry out foregoing resolution for and behalf of the Corporation;
	• The payment of cash dividends for the following preferred shares for the third quarter of 2018 as follows: 2nd Tranche: Shares / Record Date / Payment Date / Interest Rate per annum --- PNXP / August 24, 2018 / September 20, 2018 / 8.25% 3rd Tranche: PNX3A / August 22, 2018 / September 18, 2018 / 7.427% PNX3B / August 22, 2018 / September 18, 2018 / 8.1078% • 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.
23-Aug-2018	• **RESOLVED, as** it hereby resolved, that the Corporation be as it is hereby authorized and empowered to offer, sell and issue and re issue in scrip less form, Philippine Peso Dominated Commercial Paper (CP) in the aggregate principal amount of up to Ten Billion Pesos (Php 10,000,000,000.00) (the "Commercial Paper"), which shall be issuable and re-issuable (in full o in part) and offered for sale and distribution within the Republic of the Philippines within a period of three years reckoned from the date of the relevant permit to sell; XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX **RESOLVED FURTHER,** that the Corporation, be as it is hereby authorized and empowered to file and register the Commercial Papers with **Securities Exchange Commission (SEC) RESOLVED FURTHER,** that the Corporation, be as it is hereby authorized and empowered to list each issuance (and re-issuance) of the Commercial Papers with the **Philippine Dealing and Exchange Corporation (PDEx)**
3-Sept-2018	• **RESOLVED,** to authorize the Corporation to open and maintain Peso / Dollar / Acceptable Third Currencies Savings / Current / Time Deposit Account(s) with UNIONBANK OF THE PHILIPPINES (the "Bank") and to make deposits, placements and/or Investment or trust and to avail of cash management facilities and other products / services of the Bank as may be appropriate for the Corporation to effectively manage its collection and disbursements therein and in connection therewith;
1-Oct-2018	• **Resolved, as it is hereby that P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC. ("Corporation")** as it hereby authorized and empowered the infusion of additional capital in following wholly-owned subsidiaries: Name of Subsidiary / Amount of Investment Subic Petroleum Trading and Transport Inc. (SPTT) / Php 55,800,000.00 Phoenix Global Mercantile, Inc. (PGMI) / 22,500,000.00 PFL Petroleum Management, Inc. (PPMI) / 429,625,000.00 --- TOTAL / Php 507,925,000.00

5-Nov-2018	• **RESOLVED, that P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC. (the "Corporation")** as it hereby authorized and empowered to represent, file its Answer/Explanation, Position Paper with Department of Environment and Natural Resources-EMB-Regional Center XII for the Corporation's Service Station located at Quezon Boulevard, Brgy. Poblacion Kidapawan City, North Cotabato; **RESOLVED FURTHER,** that any (1) one of the Corporation's VISMIN Retail Engineering/Sales Officer, are hereby authorized and empowered to represent the Corporation before duly constituted authorities, and to attend a Technical Conference, sign, execute, deliver and receive any and all contracts, agreements, documents and instruments required or necessary to carry out the forgoing resolution for and behalf of the Corporation;
5-Nov-2018	• **RESOLVED,** that the Corporation be, as it hereby authorized to process and submit all prescribed documentary requirements necessary for the release of its shipments in the Subic Bay Freeport Zone ("SBFZ"),including the payment of all taxes, fees and charges in all its shipments;
5-Dec-2018	• **RESOLVED,** that the Corporation be, as it is hereby authorized to file its Answer/Explanation, Position paper, motions, and/or such other pleadings as the Corporation's Legal Counsel and/or Recruitment Specialist may deem appropriate in the case entitled 'Jonathan Rodriguez vs PPPI' that is pending before Department of Labor and Employment ('DOLE') National Labor Relations Commission, Regional Arbitration Branch No. IV Calamba City, and docketed as NLRC Case No. RAB IV-10-01836-18-B ("Subject Case") and to file such action/s before any court tribunal or agency intertwined, interconnected or interrelated with the Subject Case;
	• RESOLVED, as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC. (** the Corporation) as it is hereby authorized and empowered to offer its services to and contract with SM PRIME HOLDINGS, INC ("SM"); RESOLVED FURTHER that in order to implement the above purpose, the Board hereby authorizes the Corporation's General Manger for Commercial Sales and Industrial Business, to sign execute and deliver the pertinent service agreements and other pertinent documents which may be necessary under the premises for and in behalf of the Corporation;
	• RESOLVED as it hereby resolved that the Board hereby ratifies the authorization of the following officers of the Corporation viz, Name — Position Dennis A. Uy — President and Chief Executive Officer Ma. Concepcion F. De Claro — Chief Finance Officer To sign execute documents Subscription Contract/Agreement of the Corporation; To Subscribed or invest to negotiate such subscription upon such consideration, terms and conditions as in its discretion is for the best interest of the Corporation;
	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC. (** the Corporation) be as it hereby authorized and empowered to apply and process the Company's application for renewal of its Permits and Accreditation to any Government Agency; **RESOLVED** as it hereby resolved, that any of all foregoing transactions shall be negotiated, concluded obtained and/or contracted for , by the company's RoadTransport Manager Francisco Baldazo Jr. under such terms and conditions and stipulations as the said authorized signatory may deem advisable and desirable in best interest of the Corporation; XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX **RESOLVED FURTHER,** as it hereby resolved to authorize the Company's Road Transport Scheduling Lead for Calaca Terminal JANSSEN D. ENRIQUEZ to process Permit & Accreditation to any government agency the above-mentioned applications thereby to deliver from time to time in behalf o f the said Corporation all documents, papers, instruments or any other related processes pertaining to implementation of the foregoing authority;

	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC.** be authorized to: 1. Deposit funds with Maybank Philippines Inc. (the Bank) 2. Apply for negotiate, and obtain loans and other forms of recommendation including the renewal, extension and/or increase thereof of credit facilities / accommodation and/or grant of additional facilities in the form of Temporary Excess or Temporary Facility in such amount (s) and under such terms and conditions as may be mutually agreed upon, and to secure and guarantee the payment of the aforesaid loans or credit facilities / accommodation by means of mortgage, pledge, assignment or any other form of encumbrance upon and all properties or assets of the corporation of whatever kind of nature real or personal as may be sufficient necessary or required for the purpose; 3. Enter into derivative transactions with Maybank Philippines Inc. including but not limited to financial and investment products funding mechanisms, foreign exchange (FX) transactions forward contracts, interest rate swaps, cross currency swaps or any combination of these transactions;
	• **RESOLVED**, as it is hereby resolved, that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC,** hereby declares and approves the payment of cash dividends for the following preferred shares for the fourth quarter of 2018 as follows: 2nd Tranche: Shares Record Date Payment Date Interest Rate Per Annum --- PNXP November 23, 2018 December 20, 2018 8.25% 3rd Tranche: PNX3A November 21, 2018 December 18, 2018 7.427% PNX3B November 21, 2018 December 18, 2018 8.1078%
7-Jan-2019	• **RESOLVED,** as it hereby resolved, that the Board hereby ratifies the authorization of any (1) one the following officers of the Corporation, viz; **Name:** **Domingo T. Uy Chairman** **Beethoven N. Sur Corporate Affairs Manager** To sign and execute documents for the acquisition of the vehicles of the Corporation, more particularly described as follows; Make: FAW Series : Tiger V Body Type : Mini Dump Plate No. : Engine No. : YC4D130-33-D36Y5H20046 Chasis No. : LFNG7LCA3HAM26876
3-Jan- 2019	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILLIPPINES INC.,** be as it hereby, authorized and empowered to enter into and execute a contract with Society for Worldwide Interbank Financial Telecommunication (SWIFT) as the Company's messaging service provider for financial messages, such as letters of credit, payment and securities transactions between member banks under such terms and conditions as may be in the best interest of the Corporation;
	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC. (** the Corporation) be as it hereby authorized and empowered to apply and process the Company's application for renewal of its Permits and Accreditation to any Government Agency; **RESOLVED** as it hereby resolved, that any of all foregoing transactions shall be negotiated, concluded obtained and/or contracted for , by the company's Road Transport Manager Francisco Baldazo Jr. under such terms and conditions and stipulations as the said authorized signatory may deem advisable and desirable in best interest of the Corporation; XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX • **RESOLVED FURTHER,** as it hereby resolved to authorize the **ROAD TRANSPORT ENGINEERING HEAD, EUGENIO NELLO Z. LIM,JR**. to process Permit & Accreditation to any government agency the above-mentioned applications thereby to deliver from time to time in behalf o f the said Corporation all documents, papers, instruments or any other related processes pertaining to implementation of the foregoing authority.

	• **RESOLVED,** as it hereby resolve to authorize the Corporation to apply, transact and process business permit for the year **2019** and the succeeding years, thereafter for its DEPOT in Combodia St. Bredco Port. Phoenix Petroleum Depot Bacolod City with the local government units and/or private entities in the said area; **RESOLVED FURTHER,** as it hereby authorized the **RICO T. URETA** to the above powers.
	• **RESOLVED,** as it is hereby resolved, that the Corporation, through its Representatives identified hereunder, shall transact with BDO UNIBANK, INC., including its trust department, and/or any of its branches subsidiaries, or affiliates, including but not limited to BDO Capital & Investment Corporation and BDO Leasing and Finance, Inc. (collectively BDO) to obtain loan facilities and other credit accommodations, as well as their products and services;
	• **RESOLVED,** to authorize the Corporation to borrow, apply for, negotiate and/or secure a loan and/or other credit accommodations and facilities from the Unionbank in the principal aggregate amount of PESOS: TWO BILLION FIVE HUNDRED MILLION AND 00/100 (2,500,000,000.00)or its FOREIGN CURRENCY EQUIVALENT (for credit facility in multi-currencies.)
	• **RESOLVED,** to authorize the Corporation to enter to Foreign Exchange (FX) transactions such as but not limited to FX forwards, and FX currency swaps, among others, with UNIONBANK OF THE PHILIPPINES (the Bank), shall require the signature of the Corporation officers, to sign execute and deliver any and all documents relative thereto;
	• **RESOLVED**, that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.** be, as it is hereby, authorized to open and maintain in the name of the Corporation any type of deposit account/s (“Deposit Account”) with East West Bank (EWBC) LEVISTE BRANCH.

"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 41.97% owned by P-H-O-E-N-I-X Petroleum Holdings, Inc. (PPHI) and 0.83% 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	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 Orienta (near CDO	May 10, 2012	5 Years	May 09, 2017
Villanueva Misamis Orienta (near CDO Expansioi	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'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 Eight (8) 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 is 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.** was registered in Singapore and started operations sometime in October 2017. It 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. It also takes orders and sells to other local and regional buyers.

- **PNX Energy International Holdings Pte. Ltd.,** registered in Singapore in 2018, PEIH was established to manage the Company's international investments, as the Company explores possible investments in different regional markets such as Vietnam, Indonesia, Myanmar, Thailand and Australia.

The Company also has majority investments in Five (5) subsidiaries, namely:

- **Action.Able, Inc.,** registered in 2015, the Company owns 74.9% of the subsidiary. Action.Able is a three year old digital payment platform which enables and facilitates financial transactions between a merchant who avails and uses the service, and his customers who uses the platform to purchase, buy or pay all kinds of prepaid loads bills, and money remittances through a single Point of Sale device.

- **think.able, Limited,** registered in Hong Kong in 2014, The Company owns 74.9% of the subsidiary. think.able is the company that owns and holds the trademarks and copyrights used by Action.Able, Inc. in its operations and devices, including the trademark for "Pos!ble.net" the more popular name for which the devices and the service is known.

- **Galaxi Petroleum Fuel, Inc.**, a joint venture with its previous owners, Galaxi Petroleum is a company that owns and operates a number of Petroleum Service Stations in different parts of the country.

- **Phoenix Souther Petroleum, Corp.**, another joint venture, PSPC intends to operate Petroleum Service Stations in areas within Southern Luzon under the Company's name and brand.

- **PT Phoenix Petroleum Indonesia**, is a company established in joint venture, to serve as an avenue for the Company to explore business opportunities in different parts of Indonesia.

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	72	Filipino
Director/President and Chief Executive Officer	Dennis A. Uy	45	Filipino
Director/Vice-Chairman	Romeo B. De Guzman	69	Filipino
Director/Treasurer and Head of Corporate Finance	Joseph John L. Ong	59	Filipino
Director	Cherylyn C. Uy	39	Filipino
Director	Frederic C. DyBuncio	58	Filipino
Director	J.V. Emmanuel A. de Dios	54	Filipino
Director	Stephen T. CuUnjieng	59	Filipino
Independent Director	Carolina Inez Angela S. Reyes	57	Filipino
Independent Director	Consuelo Ynares Santiago	79	Filipino
Director	Monico V. Jacob	73	Filipino
Corporate Secretary/Vice President for Corporate Legal	Socorro T. Ermac Cabreros	54	Filipino
			Other Executive Officers
Chief Operating Officer	Henry Albert R. Fadullon	51	Filipino
Chief Finance Officer	Ma. Concepcion de Claro	61	Filipino
Senior Vice President for Corporate Affairs, Business Development and Security	Alan Raymond T. Zorrilla	49	Filipino
General Manager for Shared Services	Debbie U. Rodolfo	39	Filipino
Vice President for Business Development for Terminals and Depot	William M. Azarcon	72	Filipino
Asst. Vice President for Engineering	Ignacio Raymund Ramos, Jr.	56	Filipino
General Manager for Supply, Pricing and Demand	Richard C. Tiansay	55	Filipino

General Manager for Retail Sales	Ericson S. Inocencio	44	Filipino
General Manager for Business Development, Strategies and Portfolio	Joselito G. De Jesus	63	Filipino
General Manager for Lubricants Sales and Distribution Business	Joven Jesus G. Mujar	48	Filipino
General Manager for Commercial and Industrial Business	Roy O. Jimenez	56	Filipino
General Manager for Joint Ventures	Joriz B. Tenebro	40	Filipino
Asst.Vice President for CME	Ma. Rita A. Ros	59	Filipino
Asst. Vice President for Treasury	Reynaldo A. Phala	52	Filipino
Asst. Vice President for Comptrollership	Jonarest Z. Sibog	38	Filipino
Asst. Vice President for Brand and Marketing	Celina I. Matias	54	Filipino
Asst. Vice President for Human Resources	Celeste Marie G. Ong	51	Filipino
Asst. Vice President for Retail Operations and NFRB, Network Development & Capital Investments	Arnel G. Ablan	51	Filipino
Asst. Vice President for Technical Services and QAPD	Jaime T. Diago, Jr.	63	Filipino
Asst. Corporate Secretary	Gigi Q. Fuensalida-Ty	42	Filipino

Since the last annual meeting of 2018, 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, 72 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
<u>Director, President and Chief Executive Officer</u>

Mr. Dennis A. Uy, Filipino, 45 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
<u>Director, Vice-Chairman</u>

Mr. Romeo B. De Guzman, Filipino, 69 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, 54 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, Treasurer

Mr. Joseph John L. Ong, Filipino, 59 years old, is the Treasurer 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 C. DyBuncio
Director

Mr. Frederic C. DyBuncio, Filipino, 58 years old 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, 39 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
Independent Director

Carolina Inez Angela S. Reyes, Filipino, 57 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, 59 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, 79 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
Director

Monico V. Jacob, Filipino, 73 years old, has been 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
Carolina Inez A. S. Reyes	Reyes Barbecue	Independent Director

Period of Directorship in the Company

Name	Period of Service	Term of Office
Dennis A. Uy	since incorporation to present	1 year
Domingo T. Uy	since incorporation to present	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

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, 51 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.

Ma. Concepcion F. De Claro, Filipino, 61 years of age, holds a Bachelor of Science degree in Commerce, Major in Accounting from the Colegio de San Juan de Letran. She has been the Company's Chief Financial Officer since March 2018. She was Director of Alsons Prime Investment Corporation and Alsons Power Holdings Corporation and the Vice-President and Chief Operating officer of Alsons Corporation. She also served as the Director of Limay Energen Corporation and Manila North Harbour Port, Inc. Ms. de Claro also worked with Petron Corporation for several years. She was a Consultant for M&A Projects and a member of the Board of Trustees of Petron Corporation Employees Retirement Fund. She also served as Petron's Vice President for Corporate Planning & Services, Controller for the company and its subsidiaries, and held various positions in Corporate Planning. In addition, Ms. De Claro also served as a Director of New Ventures Realty Corporation, Las Lucas Development Corporation, Petron Marketing Corporation and Petron Freeport Corporation.

Alan Raymond T. Zorrilla, Filipino, 49 years of age, is the Senior 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, 72 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, 54 years old, is concurrently the 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, 38 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, 55 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, 56 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, 63 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, 44 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. Mujar, Filipino, 48 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.

Maria Rita A. Ros, Filipino, 59 years old, is the the Asst. Vice President for CME. 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, 54 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, 39 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, 52 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, 51 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-Ty, Filipino, 42 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.

Ignacio Raymund S. Ramos, Jr., Filipino, 56 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.

Arnel G. Alban, Filipino, 51 years old, has been recently appointed as the Asst. Vice President for Network Development, Non-Fuels Retailing Business and Capital Investment, while concurrently handling the position the Asst. Vice President for Retail Operations. He joined Phoenix in April 2018, moving from Total (Philippines) Corporation as Asst. Vice President for Retail Development and Compliance. He has a solid 25 years experience in the oil industry, starting out as a Business Counselor (or Retail Territory Manager) in 1993 at Caltex (Philippines), Inc. where he stayed for 5 years. In 1998, he moved to Total where he stayed for 20 years, moving in various Sales positions, including a stint as AVP for Retail Development and Compliance. Arnel is a licensed Civil Engineer and graduated from the University of the Philippines.

Jaime T Diago Jr., Filipino, 63 years old, joined Phoenix Petroleum in September 2018 as AVP Technical Service and QAPD. Prior to joining the company, he was connected with Pilipinas Shell where he served for 32 years holding the following key roles: Fuels Product Quality (PQ) Lead (PH & HK), Fuels PQ Manager (MEA), Fuels Technical Manager, Head Trading & Economics, Marketing Sales Manager, Commercial Development Manager and Lubricants Assistant Supply. Prior to his employment with Pilipinas Shell, Jaime also had six years with Mobil Philippines where he served as Marketing

Representative and Technical Service Engineer. He finished BSME from Silliman University and placed 4th in the board exam for mechanical engineers.

Joriz Tenebro, Filipino, 40 years old, is the General Manager for Joint Ventures. Prior to joining Phoenix in November 2018, he has 15 years of combined business and commercial finance experience with Shell in retail, trading, upstream and integrated gas covering Asia Pacific, Middle East, and Europe. Role includes retail territory management; reporting, planning and economics; finance management; M&A and New Business Development; and internal audit. He was based in Davao, Manila and a combined 10 years in Singapore and Dubai. Prior to joining Shell, he spent a total of 3 years as P&G distributor Finance Manager and PwC Finance Auditor. Most of his key development trainings were in Shell Headquarter in Netherlands and INSEAD France. He graduated as cum laude in Ateneo de Davao University.

Period of Service in the Company

Name	**Period of Service**
Henry Albert R. Fadullon	April 17, 2017 to present
Ma. Concepcion F. De Claro	May 1, 2018 to present
Joseph John L. Ong	November 3, 2010 to present
Socorro Ermac Cabreros	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
Richard C. Tiansay	March 1, 2013 to present
Ericson S. Inocencio	February 15, 2014 to present
Roy O. Jimenez	May 11, 2015 to present
Joven Jesus Mujar	May 4, 2015 to present
Ma. Rita A. Ros	November 1, 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	June 1, 2008 to present
Ignacio Raymund Ramos, Jr.	January 16, 2018 to present
Arnel G. Ablan	April 16, 2018 to present
Jaime T. Diago, Jr.	September 3, 2018 to present
Joriz B. Tenebro	November 5, 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 Nine Months Ended September 30, 2018 vs. September 30, 2017.

Revenues, Cost of Sales and Gross Margins

The Group's Revenues during the first nine months of 2018 grew to ₱64.963 billion, almost double the ₱32.566 billion generated during the same period in 2017. This was due to the combined effect of the 51% growth in total volume sold in the same period (2018: 2,022 million liters vs. 2017: 1,346 million liters), the 39% increase in the price of benchmark (Brent) crude (2018: US$72.129/ bbl vs. US$51.838/ bbl) and the implementation of the new excise tax rates on the sale of domestic petroleum products. This was augmented by the ₱0.634 million sales contributed by Philippine FamilyMart CVS, Inc. (PFM).

The 687 million liters incremental sales volume was mainly attributable to the 522 million liters sold by Pnx Singapore. In addition, volume sold by both the parent company and Phoenix LPG Philippines, Inc. rose by 11% and 23% or 165 million liters and 24 million liters, respectively, during the comparative period.

Similarly, Cost of Sales and Services increased by 110%, from ₱27.838 billion in 2017 to ₱58.545 billion in 2018, as a result of the volume growth, aggravated by the higher product costs reflecting the global oil price movements, as well as the imposition of excise taxes on petroleum products starting in January 1, 2018.

Consequently, Gross Margin rose by 36% or ₱1.700 billion. With the volume contribution of Pnx SG Gross Margin Rate, however, decreased to 10% from the 14% registered in 2017 mainly because of the slimmer margins generally realized by international oil trading companies.

Operating Expenses, Non-operating Expenses, Recurring Income

Meanwhile, Selling and Administrative Expenses of ₱4.161 billion, up by 36% versus the ₱3.050 billion incurred in 2017, primarily because of the cost outlay of the new businesses.

On the other hand, Other Net Non-operating Charges of ₱0.852 billion was 61% greater than the ₱0.529 billion incurred in 2017, mainly due to the rise in borrowing rates as well additional debt service for the acquisition of the new businesses.

Despite the increases in both operating and non-operating expenses, recurring income of ₱1.405 billion, rose by 23% from first nine months 2017 level of ₱1.139 billion. [CFC1]

Non-recurring Transactions and Net Income

Meanwhile, the company recorded non-recurring transactions, principally as a result of the acquisition of the companies, ₱0.002 billion negative adjustment in 2018 versus the ₱0.397 billion positive adjustment in 2017.

Considering these adjustments, as well as the the ₱0.046 million translation adjustment related to Pnx SG, total Comprehensive Income stood at ₱1.364 billion, 5% lower than the ₱1.437 billion reported in 2017.

Financial Condition
(As of September 30, 2018 versus December 31, 2017)

Total resources of the Group as of September 30, 2018 stood at ₱48.802 billion, a 9.7% growth compared to the ₱44.471 billion level as of December 31, 2017. This was mainly due to the increases in Property, Plant, and Equipment, and Goodwill, the latter of which was incurred in relation to the acquisition of Philippine FamilyMart CVS, Inc.

As a result of the doubling of revenues, Cash and Cash Equivalents as well Trade and Other Receivables rose by 31.3% (from ₱1.832 billion in December 31, 2017 to ₱2.405 billion as of September 30, 2018), and 75.8% (from ₱7.509 billion as of December 31, 2017 to ₱13.203 billion as of September 30, 2018), respectively.

Inventories declined by 37.6% to ₱8.088 billion as of September 30, 2018, from ₱12.970 billion as of December 31, 2017. The build-up in December 2017 was brought about by the confluence of the following factors: to address the new businesses such us LPG with the purchase of PEPI, operation of Pnx SG and the volume requirements of the new accounts, higher price of imported petroleum products as a result of movement of prices in the international market, and the decrease in the demand for IFO by the power companies.

As of September 30, 2018, the Group's Property and Equipment, net of accumulated depreciation, increased to ₱16.304 billion versus the ₱13.401 billion as of December 31, 2017 (by 21.7%), representing the assets of the newly acquired subsidiaries as well as the continuing expansion program of the group.

Interest-bearing Loans and Borrowings, both current and non-current, was up by 4.1% from ₱28.171 billion as of December 31, 2017 to ₱29.336 billion as of September 30, 2018. The increment of ₱1.165 billion was from the availment of new loans during the quarter to finance various capital expenditures as well as working capital requirements of the new subsidiaries.

Trade and Other Payables increased by 60.6% from ₱3.833 billion as of December 31, 2017 to ₱6.159 billion as of September 30, 2018 due to the additional trade transactions of the new subsidiaries.

Total Stockholders' Equity increased to ₱12.657 billion as of September 30, 2018 from ₱11.952 billion as of December 31, 2017, (by 5.9%) resulting from the earnings generated during the period. This was partly offset by the declaration of cash dividends for both common and preferred shares. In addition, new stocks were issued in relation to the Company's Employee Stock Option Plan (ESOP).

Key Performance Indicators and Relevant Ratios

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

	September 30, 2018	December 31, 2017
Current Ratio[1]	1.37:1	1.22:1
Debt to Equity Ratio[2]	2.86:1	2.72:1
Net Book Value per Share[3]	8.96:1	8.33:1
Debt to Equity Interest-Bearing[4]	2.32:1	2.36:1
Earnings per Share[5]	0.34*	1.16**

Notes:
1 - Total current assets divided by current liabilities
2 - Total liabilities divided by tangible net worth
3 - Total stockholder's equity (net of Preferred) divided by the total number of shares issued and outstanding
4 - Interest Bearing Debts divided by Total stockholder's equity (net of Preferred)
5 - Period or Year Net income after tax divided by weighted average number of outstanding common shares
* Three (3) quarters 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 (5% or more) Changes to the Group's Balance Sheet as of September 30, 2018 vs. December 31, 2017

31.3% increase in Cash and Cash Equivalents
Increased cash inflow due to the 100% increase in revenue compared to the previous period.

75.8% increase in Trade Receivables
A result of the 100 % increase in revenue this period compared to the previous period.

37.6% decrease in Inventory
This is the normal minimum inventory requirement given the current growth in revenue.

99.3% decrease in Due from related parties
Settlement of the remaining P500 million balance of CSC spin-off

45.6% decrease in Net Input VAT
In relation to the normalized inventory movement.

93.8% increase in Prepayments and other current assets
Due to the renewal of insurances of all the assets, prepaid rentals advertising and other services and acquisitions which will cover the entire year evenly.

21.7% increase in PPE
Due to new additional expansions, new acquisitions, retail and depot facilities.

5.5% increase in intangible assets
Additions from a newly acquired subsidiary – PFM related to the franchise fee paid to use Family Mart brand.

13.0% increase in Goodwill
Due to the acquisition of PFM, Think Able and Action Able.

93.3% increase in Other Non-current Assets
Due to the acquisition of PFM and additional rental deposits for the new leases intended for network expansions.

24.6% decrease in Current Interest-bearing loans
Due to the reduced trust receipts related to the normalized inventory requirement.

60.7% decrease in Trade and Other payables
Due to the increased trade transaction of the new subsidiaries.

52.0% decrease in Income Tax payable
Creditable Withholding Tax was offset against the income tax due.

46.5% increase in Non-current Interest-bearing loans

Due the availment of certain long-term loans within the year

29.7% increase in Non-current liabilities

Due the increase security deposits from customers of PPPI and PLPI.

766.7% increase in Accumulated Translation Adjustments

Due to increased assets of the foreign currency denominated subsidiary, Pnx Singapore.

Material (5% or more)changes to the Group's Income Statement as of September 30, 2018 vs. September 30, 2017

100% increase in Sale of Goods

Due to the revenues coming from the new subsidiaries namely; PLPI, Duta Group, PFM and Pnx SG, coupled with, higher fuel prices (by 39[JZS2] %) and additional volume sold relative to last year (by 50%). The parent company recorded an 11% improvement on its volume sold this year.

30% increase in fuel service, shipping, storage income, rental income and other revenue

This is due to the revenues from the newly acquired subsidiary – PFM.

110% increase in Cost of Sales and Services

This mirrors the increase in the sale of goods, reflecting the price movements in the world market during the first nine months of 2018 which is higher compared to the same period in 2017. The increase in excise taxes to petroleum products also contributed to the increment.

36% increase in selling and administrative expenses

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

57% increase in Finance Costs

A substantial portion represents interest from the P6B loan used to acquire Petronas during the last quarter of 2017.

23% increase in Finance Income and Others

These pertain to the reversal of certain bad debts, which were collected in 2018, and expenses accrued in the prior years which would no longer be paid.

100% decrease in One-time gain in excess of fair value over net assets acquired

The 2017 one time-gain was related to the acquisition of Petronas Energy Philippines, Inc. from which a one-time gain of P651 million was recognized. No similar transaction was recorded in 2018 yet.

14% decrease in Income Tax Expense
Effect of new ITH approved for PPPI late last year.

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, 2017 vs. December 31, 2016.

Revenues

The Group generated total revenues of ₱46.326 billion in 2017, 52% higher than 2016's ₱30.577 billion, on the back of a 17% increase in sales volume and fuel prices. This includes addition of LPG revenue of ₱3.4 billion and Pnx SG revenue to third party customers of ₱ 250 million . The group reported ₱44.426 billion net of the pre-acquisition revenues, 45% higher than 2016.

Sales revenues from trading and distribution of petroleum products increased by 56% from ₱29.472 billion in 2016 to ₱45.879 billion in 2017. **Excluding the LPG's pre-operating revenue, net increase is 49% amounting to ₱44.051 billion**. 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 ₱ 375 million from fuel service, storage, and others in 2017, down from ₱1.104 billion in 2016. The 66% year-on-year decline was mainly because 2016 includes shipping, port and real estate revenues from the spun-off subsidiaries. Excluding the revenue from CSC and PPIPC in 2016, fuel services, storage and other revenue increased by 6%.

Cost and expenses

The Group recorded cost of sales and services of ₱39.298 billion as of December 2017, an increase of 56% from ₱25.124 billion in 2016. Net of the pre-acquisition cost of sales of the LPG business, the group reported ₱37.909 billion, a net increase of 51%. This was due to higher product costs compared to last year, reflecting increasing global oil prices. The 17% increase in volume is also a factor in the increase cost of sales.

Selling and administrative expenses increased by 32%, driven by higher operating expenses for completed expansions, expected growth impact and newly acquired subsidiaries.

Net Income

The Group's net income for 2017 grew to ₱1.792 billion from ₱1.092 billion in 2016. This includes one-time gain coming from the excess of fair value over acquisition cost of the newly - acquired subsidiary, Duta,Inc amounting to ₱ 650 million and the pre-acquisition profit of PLPI and Duta, Inc. amounting to ₱ 279 million. Excluding non-recurring income, core business net income grew by 30% to ₱1.421 billion, driven primarily by 17% increase in sales volume and additions from the new business, particularly LPG.

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 ₱44.471 billion, higher by 68% compared to the ₱26.538 billion as of December 31, 2016. This is mainly due to the acquisition of PLPI and Duta, Inc., higher fuel prices and increase in inventory.

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 15% from ₱8.789 billion as of December 31, 2016 to ₱7.510 billion as of December 31, 2017, due to the intensified collection of credit sales and other receivables.

Inventories increased to ₱12.970 billion as of December 30, 2016 from ₱2.999 billion as of December 31, 2016. The increase is brought about by the confluence of the following factors: 1) to address requirements of new businesses, such as LPG with the purchase of PEPI, the operation of Singapore Trading and serving volume of new accounts; 2) higher price of imported petroleum products, mainly because of the increase in crude prices and 3) the continued decrease in demand for IFO by the power sectors also contributed to the higher inventory levels.

Due from related parties decreased to ₱518 million 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 was settled and reclassification of the non-trade receivable from Chelsea Shipping Group Corp. amounting to ₱500 million.

As of December 31, 2017, the Group's property and equipment, net of accumulated depreciation, increased to ₱13.401 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.

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 20% from ₱3.333 billion as of December 31, 2016 to ₱3.863 billion as of December 31, 2017 due to longer supplier credit term.

Total Stockholders' Equity increased to ₱11.952 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 ₱367 million 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]	1.22 : 1	1.17:1
Debt to Equity Ratio[2]	2.72 : 1	1.72:1
Return on Equity [3]	17%	11%
Net Book Value per Share[4]	6.60 : 1	5.08:1
Debt to Equity Interest-Bearing[5]	2.36 : 1	1.35:1
Earnings per Share[6]	1.16	0.64
Earnings per Share (net of one-time gain)[6]	0.89	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 2.72: 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.

15% decrease in trade and other receivables
Due to the intensified collection of credit sales and other receivables.

333% increase in inventory
The increase is brought about by the confluence of the following factors: 1) to address requirements of new businesses, such as LPG with the purchase of PEPI, the operation of Singapore Trading and serving volume of new accounts; 2) higher price of imported petroleum products, mainly because of the increase in crude prices and 3) the continued decrease in demand for IFO by the power sectors also contributed to the higher inventory levels.

66% decrease in due from a related party
Collection of the receivable balance from UDEVCO for the sale of PPIPC amounting to ₱50 million and reclassification of the ₱500 million to Non-Trade receivable for the CLC for the sale of CSC.

141% increase in net input vat
Due to increase in inventory purchases.

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.

38,941% increase in Goodwill
Due to the acquisition of PEPI and Duta, Inc.

402% increase in Deferred Tax Assets
Due to the additions from the newly-acquired subsidiaries.

39% 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

20% increase in Trade Payable
Due to the extended supplier credit terms.

492% 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.

93% Increase in Other Non-Current Liabilities
Increase in security deposit from new customers especially with the additions from LPG business.

30% increase 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.

36% 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)

49% 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.

51% increase in Cost of Sales
As a result of the increase in revenue, volume and fuel prices

32% 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 latter part of the year to fund acquisitions and investments. Moreover, a material portion of the 2016 finance cost were from the spun-off subsidiaries.

73% decrease in Finance Income
The decrease is on account of the depreciation of foreign exchange at year-end which resulted in lower forex gain.

100% decrease in Equity share in Net Loss of a Joint venture
The joint venture was part of the spun-off subsidiary in 2016.

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 or PPPI.

640% Increase in other income
Due to other income coming from PLPI and Duta, Inc. related to reversals of previously recognized impairments and allowances.

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.

19% increase in income tax
Due to additions from the newly-acquired subsidiaries, expiration of certain ITH certificates net of the effect of the new approvals.

8% decrease in re-measurement of post-employment benefit obligation
Due to the sale of CSC and PPIPC net of the increase from PLPI.

100% increase in Translation adjustment
This comes from the forex translation of PNX SG to Philippines Peso.

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, 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.

III. EXTERNAL AUDIT FEES

(please refer to pages 33-34 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 **2018**

Period	Highest Close Price	Lowest Close Price
First Quarter	13.80	11.10
Second Quarter	12.80	11.74
Third Quarter	12.20	10.50
Fourth Quarter	11.30	10.50

Year **2017**

Period	Highest Close Price	Lowest Close 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 February 6, 2018, the Company's closing share price is at Php 11.00, with a market capitalization of approximately Php 15,436,346,552.00.

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 redeemed last December 20, 2018 at Php 100.00 per share or a total of Five Hundred Million Pesos (Php500,000,000.00). These PNXP shares shall form part of the preferred treasury shares of the company.

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 2018 are hereunder shown:

Series 3A (PNX3A)

Period	Highest Close Price	Lowest Close Price
First Quarter	105.70	102.00
Second Quarter	104.80	100.10
Third Quarter	104.00	99.50
Fourth Quarter	103.20	99.00

Series 3B (PNX 3B)

Period	Highest Close Price	Lowest Close Price
First Quarter	114.00	108.50
Second Quarter	111.00	106.00
Third Quarter	112.00	103.00
Fourth Quarter	109.90	101.20

(1) **Holders**

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

#	NAME OF STOCKHOLDERS	OWNERSHIP (in %)	OUTSTANDING & ISSUED SHARES
1	PHOENIX PETROLEUM HOLDINGS INC.	41.97	588,945,630
2	ES CONSULTANCY GROUP, INC.	24.25	340,270,980
3	TOP DIRECT INVESTMENTS LIMITED	10.12	142,000,000
4	UDENNA CORPORATION	8.35	117,245,918
5	PCD NOMINEE CORPORATION (FILIPINO)	7.6729	138,605,668
6	PCD NOMINEE CORPORATION - (NON-FILIPINO)	7.4889	223,221,490
7	UDENNA MANAGEMENT & RESOURCES CORP.	0.83	11,661,195
8	JOSELITO R. RAMOS	0.34	4,812,600
9	DENNIS A. UY	0.28	3,991,811
10	UDENCO CORPORATION	0.12	1,614,787
11	DENNIS A. UY &/OR CHERYLYN C. UY	0.08	1,098,060
12	DOMINGO T. UY	0.05	645,919
13	ERIC U. LIM OR CHRISTINE YAO LIM	0.02	319,000
14	MARJORIE ANN LIM LEE OR PAULINE ANN LIM	0.02	300,000
15	EDWIN U. LIM OR GENEVIEVE LIM	0.02	300,000
16	JOSE MANUEL ROQUE QUIMSON	0.01	173,039
17	ZENAIDA CHAN UY	0.01	149,058
18	REBECCA PILAR CLARIDAD CATERIO	0.01	148,453
19	SOCORRO ERMAC CABREROS	0.007	103,316
20	IGNACIA S. BRAGA IV	0.005	71,019

Preferred Shares

The holders of the preferred shares (3rd tranche) of the Company as of 31 January 2019 are as follows:

PNXPNX3A (Series A):

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES (PARTIALLY PAID)	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL	NATIONALITY
PCD NOMINEE CORPORATION (FILIPINO)	7,468,410	0	7,468,410	99.579	FILIPINO
PCD NOMINEE CORPORATION (NON-FILIPINO)	18,980	0	18,980	0.253	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	

PNX3B (Series B)

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES (PARTIALLY PAID)	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL	NATIONALITY
PCD NOMINEE CORPORATION (FILIPINO)	7,468,410	0	7,468,410	99.579	FILIPINO
PCD NOMINEE CORPORATION (NON-FILIPINO)	18,980	0	18,980	0.253	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.

(2) **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
January 25, 2018	Cash Dividend of ₱0.15 per share	Apr 2, 2018	April 26, 2018	₱207,954,037.36
January 25, 2017	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	March 17, 2014	April 11, 2014	₱142,877,723.20

	share			
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.

1st 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.

The 2nd tranche preferred (PNXP) shares of the Company were redeemed last December 20, 2018 at Php 100.00 per share or a total of Five Hundred Million Pesos (Php500,000,000.00). These PNXP shares shall form part of the preferred treasury shares of the company.

2nd Tranche				
Date Declared	Dividend Rate	Record Date	Payment Date	Total Amount
Nov. 7, 2018	₱2.0625 per share	Nov. 23, 2018	Dec. 20, 2018	₱10,312,500.00
Aug 6, 2018	₱2.0625 per share	Aug 24, 2018	Sept 20, 2018	₱10,312,500.00
May 7, 2018	₱2.0625 per share	May 24, 2018	June 20, 2018	₱10,312,500.00
Feb, 2018	₱2.0625 per share	Feb 22, 2018	March 20, 2018	₱10,312,500.00
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	Dec. 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	₱2.0625 per share	Nov. 26, 2015	Dec 20, 2015	₱10,312,500.00
Aug 10, 2015	₱2.0625 per share	Aug. 25, 2015	Sept 21, 2015	₱10,312,500.00
May 12, 2015	₱2.0625 per share	May 12, 2015	June 22, 2015	₱10,312,500.00
Feb 6, 2015	₱2.0625 per share	Feb. 24, 2015	March 20, 2015	₱10,312,500.00
N/A	₱2.0625 per share	N/A	Dec 22, 2014	₱10,312,500.00
N/A	₱2.0625 per share	N/A	Sept 22, 2014	₱10,312,500.00
N/A	₱2.0625 per share	N/A	June 20, 2014	₱10,312,500.00
N/A	₱2.0625 per share	N/A	March 20, 2014	₱10,312,500.00

(3) **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.

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, 2018 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. ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2018 (Please see attached **Annex "C"**)

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

PHOENIX
Fuels Life

08 November 2018

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

Ms. Janet Encarnacion
Head - Disclosure Department
Philippine Stock Exchange

Ms. Ms. Paula Beatrice A. Bueno
OIC - Issuer Compliance and Disclosure Department (ICDD)

Sir and Mesdames:

We are herewith submitting the Company's Third Quarter Report for period ended 30 September 2018 (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

HEAD OFFICE: Phoenix Bulk Depot, Lanang, Davao City 8000, Philippines
Trunkline: +63 (82) 235-8888
Fax: +63 (82) 233-0168

MANILA OFFICE: 25/F Fort Legend Towers, 3rd Avenue corner 31st St., Fort Bonifacio Global City, Taguig City 1634, Philippines
Trunkline: +632-403-4013
Fax: +632-403-4009

CEBU OFFICE: Phoenix Maguikay Gasoline Station, M.C. Briones St., National Highway, Maguikay, Mandaue City, Cebu 6014, Philippines
Tel. No.: +63 (32) 236-8168 / 236-8198

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
Contact Person

(082) 235-8888
Company Telephone Number

1 2	3 1	**SEC FORM 17-Q**	3	**last Friday** XX
Month	Day	FORM TYPE	Month	Day
Fiscal Year Ending			Annual Meeting	

CERTIFICATE OF PERMIT TO OFFER SECURITIES FOR SALE
Secondary License Type, if applicable

Dept. Requiring this Doc

Amended Articles Number/Section

Total Amount of Borrowings

69		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

Remarks = pls. use black ink for scanning purposes

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:	30 September 2018
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	1,409,304,232.00
PREFERRED	25,000,000.00

Amount of Debt Outstanding as of 30 September 2018: Php 36,144,893,625.00

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 Common Shares Preferred Shares

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 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2018
(With Comparative Figures as of December 31, 2017)
(Amounts in Philippine Pesos)

	Notes	September 30, 2018	Dec. 31, 2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	P 2,405,214,654	P 1,831,542,441
Trade and other receivables - net	7	13,203,183,369	7,509,198,377
Inventories - net	8	8,088,357,586	12,969,947,045
Due from related parties	27	3,572,124	518,004,898
Restricted deposits	9	52,280,997	51,281,559
Input value-added tax - net		963,743,002	1,773,091,281
Prepayments and other current assets	10	1,126,951,023	581,435,883
Total Current Assets		25,843,302,755	25,234,501,484
NON-CURRENT ASSETS			
Property, plant and equipment - net	11	16,304,398,907	13,400,687,345
Investment in Joint Venture		75,550,200	-
Investment properties	15	1,114,255,223	1,114,780,281
Intangible assets - net	12	290,039,494	274,931,452
Goodwill - net	14	4,507,859,894	3,990,666,606
Deferred tax assets - net	26	235,002,162	231,866,237
Other non-current assets	16	431,977,753	223,467,068
Total Non-current Assets		22,959,083,633	19,236,398,989
TOTAL ASSETS		P 48,802,386,388	P 44,470,900,473
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	17	P 12,671,697,408	P 16,796,874,145
Trade and other payables	19	6,154,598,053	3,832,668,620
Income tax payable		8,300,877	17,301,439
Total Current Liabilities		18,834,596,338	20,646,844,204
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	17	16,664,782,265	11,374,559,853
Other non-current liabilities	20	645,515,022	497,806,312
Total Non-current Liabilities		17,310,297,287	11,872,366,165
Total Liabilities		36,144,893,625	32,519,210,369
EQUITY	28		
Capital stock		1,459,186,232	1,456,538,232
Treasury shares - at cost		(279,500,000)	-
Additional paid-in capital		5,729,780,006	5,709,303,309
Revaluation reserves		(2,306,048)	(2,306,049)
Other reserves		(732,561,564)	(730,361,725)
Accumulated translation adjustment		40,438,340	(6,065,195)
Retained earnings		6,444,187,889	5,524,581,532
Minority Interest		(1,732,092)	-
Total Equity		12,657,492,763	11,951,690,104
TOTAL LIABILITIES AND EQUITY		P 48,802,386,388	P 44,470,900,473

See Notes to Consolidated Financial Statements.

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018 and 2017 (UNAUDITED)
(Amounts in Philippine Pesos)

		YTD September		3rd Quarter (July - September)	
	Notes	2018	2017	2018	2017
REVENUES					
Sale of goods	27	P 64,595,464,614	P 32,274,326,027	P 24,549,798,136	13,560,378,644
Fuel service and other revenues	2	291,258,526	200,309,819	121,211,763	72,909,353
Rent and storage income	15, 31	76,587,930	81,755,026	44,148,990	34,470,770
		64,963,311,069	32,556,390,872	24,715,158,888	13,667,758,767
COST AND EXPENSES					
Cost of sales and services	21	58,545,178,249	27,838,378,317	22,732,034,047	11,783,947,457
Selling and administrative expenses	22	4,161,403,493	3,049,729,994	1,426,935,019	1,236,713,079
		62,706,581,742	30,888,108,311	24,158,969,066	13,020,660,536
OTHER CHARGES (INCOME)					
Finance costs	23	930,359,495	593,121,720	270,790,887	258,914,431
Finance income	23	(57,825,454)	(16,683,436)	(19,275,882)	(9,168,496)
Others - net	15	(20,851,240)	(47,201,082)	(9,303,546)	(47,197,837)
		851,682,801	529,237,202	242,211,459	202,548,098
RECURRING OPERATING INCOME		1,405,046,526	1,139,045,359	313,978,363	444,550,133
Excess of fair value of net assets acquired over acquisition cost	1		650,515,229		650,515,229
PRE-ACQUISITION PROFIT		(2,174,620)	(253,764,508)	(2,174,620)	(253,764,508)
PROFIT BEFORE TAX		1,402,871,906	1,535,796,080	311,803,743	841,300,854
TAX EXPENSE	26	84,934,958	99,173,884	(36,335,627)	14,758,676
NET PROFIT		P 1,317,936,948	P 1,436,622,196	P 350,313,990	P 826,542,178
OTHER COMPREHENSIVE INCOME (LOSS)					
Item that will be reclassified subsequently to profit or loss					
Translation adjustment related to a foreign subsidiary	2	46,503,535	-	7,290,000	-
Other Comprehensive Income - net of tax		46,503,535	-	7,290,000	-
TOTAL COMPREHENSIVE INCOME		P 1,364,440,483	P 1,436,622,196	P 357,603,990	P 826,542,178
Basic and Diluted Earnings per share	29	P 0.34	P 0.92		

See Notes to Consolidated Financial Statements.

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2018 AND 2017
(Amounts in Philippine Pesos)

		Capital Stock												
	Notes	Preferred Stock	Preferred Treasury Stock - At Cost	Common Stock	Common Treasury Stock - At Cost	Total	Additional Paid-in Capital	Revaluation Reserves	Other Reserves	Accumulated Translation Adjustment	Retained Earnings	Total Equity Attributable to the Shareholders of Parent Company	Non Controlling Interest	TOTAL
Balance at January 1, 2018		30,000,000	(5,000,000)	1,431,538,232	-	1,456,538,232	5,709,303,309	(2,306,049)	(730,361,725)	(6,065,195)	5,524,581,532	11,951,690,104	-	11,951,690,104
Sale of treasury shares		-	-											-
Stock Options Exercised				2,648,000		2,648,000	20,476,697				(840,390)	22,284,307		22,284,307
Cash dividends			-								(360,913,235)	(360,913,235)		(360,913,235)
Acquisition of shares during the year			-		(279,500,000)	(25,000,000)	(254,500,000)					(279,500,000)		(279,500,000)
Issuance of shares during the year			-										(1,732,092)	(1,732,092)
OCI of new subsidiary			-						(2,199,839)			(2,199,839)		(2,199,839)
Translation adjustments during the year			-							46,503,535	(83,080,501)	(36,576,966)		(36,576,966)
Total comprehensive income			-								1,364,440,483	1,364,440,483		1,364,440,483
for the year			-											-
														-
Balance at September 30, 2018		P 30,000,000	(P 5,000,000)	P 1,434,186,232	(P 279,500,000)	P 1,434,186,232	P 5,475,280,006	(P 2,306,049)	(P 732,561,564)	P 40,438,340	P 6,444,187,889	P 12,659,224,854	(P 1,732,092)	P 12,657,492,762
						(25,000,000.00)								
Balance at January 1, 2017		P 30,000,000	(P 5,000,000)	P 1,428,777,232	(P 330,679,783)	P 1,123,097,449	P 5,320,816,182	(P 12,148,102)	(P 730,361,725)	-	P 4,060,689,929	P 9,762,093,733		
Sale of treasury shares	28	-	-	-		-		-	-	-	-	-		
Cash dividends	28	-	-	-	-	-	-	-	-	-	(282,390,883)	(282,390,883)		
Acquisition of shares during the year	28	-	-	-	(109,407,705)	(109,407,705)	-	-	-	-	-	(109,407,705)		
Issuance of shares during the year	28	-	-	2,160,000	-	2,160,000	16,703,046	-	-	-	(6,890,581)	11,972,465		
Share-based compensation	24	-	-	-	-	-	-	-	-	-	5,793,979	5,793,979		
Translation adjustments during the year	2	-	-	-	-	-	-	-	-	-	-	-		
Total comprehensive income														
for the year		-	-	-	-	-	-		-	-	1,436,622,196	1,436,622,196		
Balance at September 30, 2017		P 30,000,000	(P 5,000,000)	P 1,430,937,232	(P 440,087,488)	P 1,015,849,744	P 5,337,519,228	(P 12,148,102)	(P 730,361,725)	-	P 5,213,824,640	P 10,824,683,785		

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017 (AUDITED)
(Amounts in Philippine Pesos)

	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		P 1,405,046,526	P 1,789,560,588
Adjustments for:			
Depreciation and amortization	22	838,427,400	823,828,436
Interest expense on bank loans and other borrowings	23	889,956,692	214,624,588
Excess of fair value of net assets acquired over acquisition cost	1	-	(650,515,229)
Impairment losses on trade and other receivables	23	64,233,948	18,000,000
Gain on reversal of impairment losses on investment properties	15	-	
Interest income	23	(16,169,360)	(16,768,940)
Pre-acquisition income			238,324,765
Share based benefit expense	24	7,243,666	5,793,979
Gain on disposal of property, plant and equipment		-	
Translation adjustment	1	-	
Unrealized foreign exchange currency loss (gain) - net		64,723,209	43,039,873
Gain on reversal of allowance for inventory obsolescence	8	-	-
Impairment losses on non-financial assets		-	-
Operating profit before working capital changes		3,253,462,082	2,465,888,060
Decrease (increase) in trade and other receivables		(5,758,218,940)	1,198,236,044
Decrease (increase) in inventories		4,816,866,250	(1,050,184,073)
Decrease (increase) in restricted deposits		-	
Decrease in input value-added tax - net		809,348,279	727,443,333
Decrease (increase) in prepayments and other current assets		(546,514,578)	(1,347,692,217)
Increase (decrease) in trade and other payables		2,344,779,764	(1,526,007,062)
Cash generated from (used in) operations		4,919,722,856	467,684,085
Cash paid for income taxes		(75,592,861)	(238,324,765)
Net Cash From (Used in) Operating Activities		4,844,129,995	229,359,320
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries	1	(843,030,591)	(6,738,046,064)
Acquisitions of property, plant and equipment	11	(3,436,637,343)	(2,341,375,495)
Collections from related parties	27	-	
Advances to related parties	27	514,432,774	273,177,912
Acquisitions of intangible assets	12	-	(13,207,997)
Increase in other non-current assets		(208,510,685)	(8,437,913)
Translation of financial statements of a foreign subsidiary		(36,576,966)	
Interest received		16,169,360	16,683,436
Increase in Finance Lease Liability		-	
Proceeds from disposal of property, plant and equipment		1,820,769	24,250,339
Additional investment in an indirectly-owned joint venture	13	(75,550,200)	-
Net Cash Used in Investing Activities		(4,067,882,882)	(8,786,955,782)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of interest-bearing loans and borrowings		(57,991,729,802)	
Proceeds from additional interest-bearing loans and borrowings		58,266,818,784	39,139,898,101
Proceeds from sale of treasury shares	28	-	(27,523,956,782)
Stock Options		(5,436,057)	
Interest paid		-	(552,487,034)
Payments of cash dividends	28	(360,913,235)	(282,390,883)
Acquisition of treasury shares	28	(279,500,000)	(109,407,705)
Increase (decrease) in other non-current liabilities		147,708,711	14,355,753
Increase/decrease in APIC		20,476,697	12,268,800
Proceeds from issuance of shares of stock	28	-	
Repayments to related parties		-	
Net Cash From (Used in) Financing Activities		(202,574,902)	10,698,280,250
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		573,672,212	2,140,683,788
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,831,542,441	2,338,780,526
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 2,405,214,653	P 4,479,464,314

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, 2018 AND 2017
(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 41.81% 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 presently engaged in trading of petroleum products on wholesale and retail basis and operating of gas stations, 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 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 **558** opened retail service stations, and a total of thirty service stations under construction as of September 30, 2018.

1.2 Subsidiaries, Associate, Joint Venture and their Operations

As of September 30, the Parent Company holds ownership interests in the following entities, which are all incorporated in the Philippines, except for PNX Petroleum Singapore Pte. Ltd., which is incorporated and domiciled in Singapore as well as Think Able which is incorporated and domiciled in Hongkong.

Subsidiaries/ Associate/Joint Venture	Explanatory Notes	Percentage of Ownership	
		2018	2017
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. (SPTT)	(c)	**100.00%**	100.00%
PNX Petroleum Singapore Pte. Ltd. (PNX SG)	(d)	**100.00%**	100.00%
Phoenix LPG Philippines, Inc. (PLPI)	(e)	**100.00%**	100.00%
Duta, Inc. (Duta)	(f)	**100.00%**	100.00%
Kaparangan, Inc. (Kaparangan) [2]	(g)	**100.00%**	100.00%
Philippine Family Mart CVS, Inc. (PFM)	(h)	**100.00%**	-
Phoenix Asphalt Philippines, Inc.(PAPI) [4]	(i)	**40.00%**	-
Action Able[1]	(j)	**74.90%**	
Think Able[1]	(k)	**74.90%**	

Notes:

1 New subsidiaries

2 Wholly-owned subsidiary of Duta

3 Duta and Kaparangan, collectively known as Duta Group

4 New Joint Venture

(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 started commercial in 2007 and temporarily ceased its operation in 2008 but 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 October 30, 2012 and started operations in October 2017. It 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. It also sells to other local and regional buyers.

(e) Incorporated on June 20, 1995 to engage in the 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. It is formerly known as Petronas Energy Philippines, Inc.

(f) Incorporated on November 9, 1994 to engage in the business of buying, investing, exchanging, selling securities of every kind and description and leasing land.

(g) Incorporated on January 21, 1994 to engage in the business of buying, investing, exchanging, selling securities of every kind and description and leasing land.

(h) Incorporated on November 29, 2012 and is domiciled in the Republic of the Philippines. The Company was incorporated to engage in the business of operating convenience stores (CVS) under the trademark "FamilyMart" either by direct operation and/or by franchise system in the Philippines and to conduct business activities related to and in support to the aforesaid CVS platforms including importation and export, advertisement and promotion, and in general, to exercise and perform any and all powers necessary, incidental, or convenient to the business.

(i) Incorporated on March 23, 2018 to engage in the business of selling, importation, marketing, manufacturing and storage of bitumen related products.

(j) Incorporated on May 2015 to engage in the business of selling, leasing or distributing electronic devices to distributors, merchants or retailers for the purpose of digital marketing and/or ecommerce; to engage in the business of providing an outline digital network for the purpose of digital marketing and/or e-commerce accessible through electronic devices.

(k) Hong Kong based Company that handles the trademark of Action.Able Inc.

1.3 Other Corporate Information

The registered office and principal place of business of the existing subsidiaries, except those presented in 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
PNX SG	–	350 Orchard Road, #17-05/06 Shaw House, Singapore
Duta	–	15th Floor, Citibank Tower, Valero St., Salcedo Village, Makati City
Kaparangan	–	15th Floor, Citibank Tower, Valero St., Salcedo Village, Makati City
PAPI	–	25th Floor, Fort Legend Tower, 3rd Avenue corner 31st Street, The Fort Global City, Taguig City
Action Able	–	2nd Floor Crown Center 148 Jupiter St. Corner N. Garcia St. Bel-Air Village Makati City
Think Able Limited	–	RM 1902 Wilson House 19-27 Wyndham Central Hong Kong

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.

1.3 Approval of Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements (unaudited) of the Group as of and for the six months ended Sept. 30, 2018 (including the comparative consolidated financial information as of December 31, 2017 and for the nine months ended September 30, 2017) were authorized for issue by the Parent Company's Board of Directors (BOD) on November 8, 2018.

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. *Basis of Preparation of Interim Condensed Consolidated Financial Statements*

These interim condensed consolidated financial statements for the six months ended September 30, 2018 and 2017 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, 2017.

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.

2.1 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 39and 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, 2017.

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 six months ended September 30, 2018 and as of December 31, 2017, goodwill arising from business combination and other intangible assets with indefinite useful life are not impaired.

4. SEGMENT INFORMATION

(a) 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 Group's real estate segment is involved in real estate development, management and operations. 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, 2018, 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 present revenue and profit information regarding segments for the nine months ended September 30, 2018 and 2017 and certain asset and liability information regarding segments as at September 30, 2018 and December 31, 2017 (amounts in thousands).

	Trading		Depot and Logistics		Real Estate		Total	
	Sept. 30, 2018 (Unaudited)	Sept. 30, 2017 (Unaudited)	**Sept. 30, 2018 (Unaudited)**	Sept. 30, 2017 (Unaudited)	**Sept. 30, 2018 (Unaudited)**	Sept. 30, 2017 (Unaudited)	**Sept. 30, 2018 (Unaudited)**	Sept. 30, 2017 (Unaudited)
TOTAL REVENUES								
Sales to external customers	**P 64,494,111**	P 32,341,840	**P 367,846**	P 200,130	**P 1,354**	P 14,421	**P 64,963,311**	P 32,556,391
Intersegment sales	**35,109**	51,979	**409,160**	67,334	**12,260**	-	**456,629**	119,313
Total revenues	**64,629,220**	32,393,819	**777,006**	267,464	**13,714**	14,421	**65,419,940**	32,675,704
COSTS AND OTHER OPERATING EXPENSES								
Cost of sales and services excluding depreciation and amortization	**62,203,656**	30,588,765	**118,181**	183,000	**2,945**	13,749	**62,324,782**	30,785,514
Depreciation and amortization	**601,627**	211,670	**236,800**	363,174	**-**		**838,427**	574,844
	65,805,283	30,800,435	**354,981**	546,174	**2,945**	13,749	**63,163,209**	31,360,359
SEGMENT OPERATING PROFIT (LOSS)	**P 1,823,937**	P 1,593,384	**P 422,205**	P (278,710)	**P 10,769**	P 671	**P 2,256,731**	P 1,351,345

	Trading		Depot and Logistics		Real Estate		Total	
	Sept. 30, 2018 (Unaudited)	December 31, 2017 (Audited)	**Sept. 30, 2018 (Unaudited)**	December 31, 2017 (Audited)	**Sept. 30, 2018 (Unaudited)**	December 31, 2017 (Audited)	**Sept. 30, 2018 (Unaudited)**	December 31, 2017 (Audited)
ASSETS AND LIABILITIES								
Segment assets	**P 48,154,738**	P 47,968,156	**P 6,758,691**	P 493,812	**P 412,646**	P 411,922	**P 55,561,077**	P 48,873,890
Segment liabilities	**36,144,894**	33,730,458	**1,351,738**	363,152	**318,121**	324,150	**37,814,753**	34,417,760

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, 2018 (Unaudited)	Sept. 30, 2017 (Unaudited)
Revenues		
Total segment revenues	**P 65,419,940**	P 32,675,704
Elimination of intersegment revenues	**(456,629)**	(119,313)
Revenues as reported in profit or loss	**P 64,963,311**	P 32,556,391
Profit or loss		
Segment operating profit	**P 2,256,729**	P 1,315,345
Other unallocated income		650,615
Other unallocated expense	**( )**	( )
Operating profit as reported in profit or loss	**2,256,729**	1,965,860
Finance costs	**(930,360)**	(593,122)
Finance income	**78,677**	63,884
Profit before tax as reported in profit or loss	**P 1,405,046**	P 1,436,622

	Sept. 30, 2018 (Unaudited)	December 31, 2017 (Audited)
Assets		
Segment assets	**P 55,326,075**	P 48,642,024
Deferred tax asset – net	**235,002**	231,866
Elimination of intercompany accounts	**(6,758,691)**	(4,402,990)
Total assets reported in the consolidated statement of financial position	**P 48,802,386**	P 44,470,900
Liabilities		
Segment liabilities	**P 37,814,753**	P 34,417,760
Deferred tax liabilities - net	**-**	-
Elimination of intercompany accounts	**(1,669,859)**	(1,898,550)
Total liabilities as reported in the consolidated statement of financial position	**P 36,144,894**	P 32,519,210

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.

	Sept. 30, 2018 (Unaudited)		December 31, 2017 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	**P 2,405,214,654**	**P 2,405,214,654**	P 1,831,542,441	P 1,831,542,441
Trade and other receivables-net*	**10,933,833,045**	**10,933,833,045**	6,843,698,948	6,843,698,948
Due from related parties	**3,572,104**	**3,572,104**	518,004,898	518,004,898
Restricted deposits	**52,280,997**	**52,280,997**	51,281,559	51,281,559
Refundable rental deposits	**246,621,152**	**246,621,152**	182,480,300	182,480,300
	P 13,641,521,972	**P 13,641,521,972**	P 9,427,008,146	P 9,427,008,146
Financial Liabilities				
Financial liabilities at amortized cost:				
Interest-bearing loans and borrowings	**P 29,336,479,673**	**P 29,336,479,673**	P 28,171,433,998	P 28,171,433,998
Trade and other payables**	**6,125,134,053**	**6,125,134,053**	3,730,046,488	3,730,046,488
Cash Bond Deposits	**52,246,724**	**52,246,724**	33,492,002	33,492,002
Customers' Cylinder Deposits	**358,653,667**	**358,653,667**	196,380,513	196,380,513
Security deposits	**264,681,544**	**264,681,544**	245,488,541	245,488,541
	P 36,137,195,661	**P 36,137,195,661**	P 32,376,841,542	P 32,376,841,542

* *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, 2018 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	P2,405,214,654	P -	P -	P 2,405,214,654
Trade and other receivables - net	-	-	10,933,833,405	10,933,833,405
Due from related parties	-	-	3,572,104	3,572,104
Restricted deposits	-	-	52,280,997	52, 280,997
Refundable rental deposits	-	-	246,621,152	246,621,152
	P2,405,214,654	**P -**	**P11,236,307,318**	**P 13,641,521,972**
Financial Liabilities				
Financial liabilities at amortized cost:				
Interest-bearing loans and borrowings	P -	P -	P 29,336,479,673	P 29,336,479,673
Trade and other payables	-	-	6,125,134,053	6,125,134,053
Cash Bond Deposits			52,246,124	52,246,124
Customers' Cylinder Deposits			358,653,667	358,653,667
Security deposits	-	-	264,681,544	264,681,544
	P -	**P -**	**P 36,137,195,661**	**P 36,137,195,661**

	December 31, 2017 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	P 1,831,542,441	P -	P -	P 1,831,542,441
Trade and other receivables - net	-	-	6,843,698,948	6,843,698,948
Due from related parties	-	-	518,004,898	518,004,898
Restricted deposits	51,281,559	-	-	51,281,559
Refundable rental deposits	-	-	182,480,300	182,480,300
	P1,882,824,000	P -	P 7,544,184,146	P 9,427,008,146
Financial Liabilities				
Financial liabilities at amortized cost:				
Interest-bearing loans and borrowings	P -	P -	P 28,171,433,998	P 28,171,433,998
Trade and other payables	-	-	3,730,046,488	3,730,046,488
Cash Bond Deposits			33,492,002	33,492,002
Customers' Cylinder Deposits			196,380,513	196,380,513
Security deposits	-	-	245,488,541	245,488,541
	P -	P -	P32,376,841,542	P 32,376,841,542

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:

	Sept. 30, 2018	
	U.S. Dollar	**Singapore Dollar**
Financial assets	**P 5,512,714,686**	**P** 855,421
Financial liabilities	**(4,599,084,078)**	( )
Net exposure	**P 963,630,609**	**P 855,421**

	December 31, 2017	
	U.S. Dollar	Singapore Dollar
Financial assets	**P 1,260,407,888**	**P 317,739**
Financial liabilities	**(1,566,782,434)**	**-**
Net exposure	**(P 306,374,546)**	**P 317,739**

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 9 and 12 months, respectively, at a 99% confidence level.

	Sept. 30, 2018	
	(U.S. Dollar)	(Singapore Dollar)
Reasonably possible change in rate	**8.99%**	**5.64%**
Effect in profit before tax	**P 86,591,422**	**P 48,207**
Effect in equity after tax	**60,613,955**	**33,745**

	December 31, 2017	
	(U.S. Dollar)	(Singapore Dollar)
Reasonably possible change in rate	10.77%	16.88%
Effect in profit before tax	P (32,996,539)	P 53,635
Effect in equity after tax	(23,097,577)	37,544

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 December 31, 2016 and 2015, 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 +/- 0.25% and +/-0.47% as of Sept. 30, 2018 and December 31, 2017, respectively. Banks loans subject to variable interest rates are tested on a reasonably possible change of +/-0.11% and +/-0.30% for Philippine peso and +/- 0.13% and +/-0.25% for U.S. dollar as of Sept. 30, 2018 and December 31, 2017, respectively. These percentages have been determined based on the average market volatility of interest rates, using standard deviation, in previous three and 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 +/-P39.5 million and +/-P94.5 million for the nine months ended Sept. 30, 2018 and for the year ended December 31, 2017, respectively, and equity after tax by +/-P27.7 million and +/-P66.2 million the nine months ended Sept. 30, 2018 and for the year ended December 31, 2017, 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, 2018 (Unaudited)	December 31, 2017 (Audited)
Cash and cash equivalents	**P 2,405,214,654**	P 1,831,542,441
Trade and other receivables – net*	**10,933,833,045**	6,843,698,948
Due from related parties	**3,572,124**	518,004,898
Restricted deposits	**52,280,997**	51,281,559
Refundable rental deposits	**246,621,152**	182,480,300
	P13,641,521,972	P9,427,008,146

**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, 2018 (Unaudited)	December 31, 2017 (Audited)
Not more than one month	**P 646,673,072**	P 577,035,340
More than one month but not more than two months	**170,404,977**	681,732,537
More than two months but not more than six months	**519,434,527**	1,475,835,606
More than six months but not more than one year	**131,065,909**	579,628,183
More than one year	**49,980,602**	455,810,155
	P 1,517,559,087	P 3,770,041,821

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 Sept. 30, 2018 (Unaudited) as presented below.

	Current		Non-current	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Interest-bearing loans and borrowings	P 12,086,697,408	P 585,000,000	P 13,331,825,812	P 3,332,956,453
Trade and other payables (excluding tax-related payables)	4,864,387,211	1,214,890,660	45,856,182	
Security deposits	-	-	-	264,681,544
Customers' cylinder deposits	-	-	-	358,653,667
Cash bond	-	-	-	52,246,724
	P 16,951,084,619	**P 1,799,890,660**	**P 13,377,681,994**	**P 4,008,538,388**

As of December 31, 2017 (Audited), the Group's financial liabilities have contractual maturities which are summarized as follows:

	Current		Non-current	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Interest-bearing loans and borrowings	P 17,093,687,980	P 770,678,974	P 9,934,502,651	P 2,318,636,250
Trade and other payables (excluding tax-related payables)	3,730,046,488	-	-	-
Security deposits	-	-	245,488,541	-
Customers' cylinder deposits	-	-	-	196,380,513
Cash bond	-	-	-	33,492,002
	P 20,823,734,468	**P 770,678,974**	**P 10,179,991,192**	**P 2,548,508,765**

7. INVENTORIES

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

	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
At cost:		
Fuels	**P 7,419,051,873**	P 12,571,587,151
LPG	**224,495,345**	124,305,656
Others	**77,588,849**	2,185,536
		12,698,078,343
At net realizable value – Lubricants	**367,221,519**	271,868,702
	P 8,088,357,586	P 12,969,947,045

Under the terms of agreements covering the liabilities under trust receipts, inventories with carrying amount of **P2,088** million and P5,139 million as of Sept. 30, 2018 and December 31, 2017, 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 were 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.

	Sept. 30,		December 31,
	2018	2017	2017
Balance at beginning of period	**P 13,400,687,345**	9,002,313,141	P 9,002,313,141
Business combination -net	**321,905,372**		2,046,988,345
Additions	**3,387,546,575**		3,195,335,770
Transfers		4,447,518,256	-
Disposals – net	**(1,820,769)**		(23,697,376)
Reclassifications/adjustments			(-)
Depreciation and amortization	**(803,919,616)**	(574,845,195)	(820,252,535)
Balance at end of the period	**P 16,304,398,907**	**P 12,874,986,202**	P 13,400,687,345

9. INTANGIBLE ASSETS

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

	Note	**September 30,**		December 31,
		2018	2017	2017
		(Unaudited)	(Unaudited)	(Audited)
Balance at beginning of period		**P 274,931,452**	P 275,037,490	P 275,037,490
Additions		**49,090,768**	13,307,997	30,021,932
Transfer from property, plant and equipment	7	**-**		-
Amortization expense for the period		**(33,982,726)**	(22,662,294)	(30,127,970)
Balance at end of the period		**P 290,039,494**	P 265,583,193	P 274,931,452

10. INTEREST-BEARING LOANS AND BORROWINGS

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

	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
Current:		
Liabilities under LC and TR	**P 2,088,636,632**	P 5,139,141,223
Term loans	**10,583,060,766**	11,657,732,922
Liabilities under short-term commercial papers	**-**	-
Obligations under finance lease	**-**	-
	12,671,697,408	16,796,874,145
Non-current –		
Term loans	**16,664,782,265**	11,374,559,853
	P 29,336,479,673	P28,171,433,99

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 4.703% and 3.97% per annum as of September 30, 2018 and December 31, 2017, respectively.

10.2 Borrowings and Repayments

During the period, the Group obtained various term loans with banks in the total amount of **P58,267** million with outstanding balance as of Sept. 30, 2018 of **P15,583** million. The loans bear interest ranging from 4.00% to 5.00% and is repayable in various dates until July 4, 2025.

As of Sept. 30, 2018, repayments of other term loans amounting to P**57,992** 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, 2018 and 2017 and the related outstanding balances as of September, 2018 and December 31, 2017 is presented below.

	Amount of Transactions		**Outstanding Balance**	
Related Party Category*	**Sept. 30, 2018 (Unaudited)**	Sept. 30, 2017 (Unaudited)	**Sept. 30, 2018 (Unaudited)**	December 31 2017 (Audited)
Other related parties under common ownership				
Sale of subsidiaries	P **-**	P -	**P**	P 500,000,000
Sale of goods*	**316,538,256**	103,230,562		955,539,554
Purchases of services*	**2,132,601,754**	668,813,118		20,995,548
Advances to suppliers*	**-**	-	-	-
Management fees	**-**	-		86,598,808
Rentals	**43,085,930**	70,497,544	**-**	2,740,627
Due from related parties*	-	13,834,791	3,572,124	518,004,898
Due to related parties	**-**	-	**-**	-
Donations	**30,000,000**	-	**-**	-
Udenna Corporation				
Advances to suppliers	**-**	-		424,838,624
Rentals	**7,603,900**	4,736,649		710,545
Associate				
Technical ship Services	-	-	**-**	-
Key management personnel				
Salaries and employee benefits	**121,520,446**	49,059672	-	-

******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 Sept. 30, 2018 and 2017 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 Sept. 30, 2018 and 2017.

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

On May 2018, the Parent Company acquired Action. Able Inc. and Think.Able Limited.

There are no disposal of subsidiaries for the months ended September 30, 2018.

On January 11, 2018, the Parent Company has signed a deed of absolute sale and concluded the acquisition of the 100.00% shares in Philippine FamilyMart CVS, Inc. (PFM) from its shareholders, namely: SIAL CVS Retailers, Inc., FamilyMart Co. Ltd. and ITOCHU Corporation. PFM is engaged in operating convenience stores under the trademark "Family Mart".

A new exclusive Area Franchise Agreement of the Family Mart branch of convenience store in the Philippines was granted to Philippine FamilyMart CVS, Inc. under the management of the Parent Company. The transaction was approved by the Philippine Competition Commission (PCC) sometime in January 2018.

On January 16, 2018, the Parent Company has entered into a JV agreement with TIPCO Asphalt Public Company Limited (TIPCO Asphalt) and Mr. Carlito B. Castrillo to set-up and incorporate a JV company – PhilAsphalt (Dev't) Corporation (PhilAsphalt). The JV company is registered for the purpose of operating, marketing and distribution of bitumen and bitumen-related products in the Philippines. The authorized share capital of PhilAsphalt will be P275.0 million divided into 275.0 million shares with par value of P1 per share. Both the Parent Company and TIPCO Asphalt's percentage of shareholding will be 40% each and 20.00% for Mr. Castrillo.

12. EQUITY

12.1 Capital Stock

Capital stock consists of:

	Shares			Amount		
	For the nine months ended Sept. 30, (Unaudited)		For the year ended December 31, 2017	For the nine months ended Sept. 30, (Unaudited)		For the year ended December 31, 2017
	2018	2017	(Audited)	**2018**	2017	(Audited)
Preferred – cumulative, nonvoting, non-participating, non-convertible into common shares - P1 par value						
Authorized:	**50,000,000**	50,000,000	50,000,000	**P 50,000,000**	P 50,000,000	P 50,000,000
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	**25,000,000**	25,000,000	5,000,000	**P 25,000,000**	P 25,000,000	P 25,000,000
Common – P1 par value						
Authorized:	**2,500,000,000**	2,500,000,000	2,500,000,000	**P2,500,000,000**	P2,500,000,000	P 2,500,000,000
Issued:						
Balance at beginning of period	1,431,538,232	1,374,383,932	1,428,777,232	**P1,431,538,232**	P1,098,097,449	P 1,428,777,232
Issuance during the period	2,648,000			2,648,000		
Treasury shares	**(25,000,000)**	(70,193,400)	(2,761,000)	**(25,000,000)**	**(** 109,407,705)	(2,761,000)
Balance at end of period	**1,409,186,232**	1,358,584,232	1,431,538,232	**P 1,409,186,232**	P 988,689,744	P 1,431,538,232
				P 1,434,186,232	P1,013,689,744	P 1,456,538,232

12.2 Employee Stock Options

On January 24, 2013, the BOD of the Parent Company approved the ESOP. Under the ESOP program, the Parent Company will allocate up to a total of 5.00% of its issued and outstanding common shares to be granted to eligible employees. Share options benefit expense included as part of Salaries and employee benefits under Selling and Administrative Expenses in the September 30, 2018 consolidated statement of comprehensive income amounted to P7.24 million, while the corresponding credit to Retained Earnings of the same amount is presented under the Equity section of the September 30, 2018 consolidated statement of financial position. In 2015 and 2014, there are no stock options granted yet to the employees; hence, there are no share option benefits expense recognized for those years.

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:

	2018	2017
Common shares	**P 214,730,735**	P 136,208,383
Preferred shares	**146,182,500**	146,182,500
	P 360,913,235	P 184,935,883

Of the total amount of dividends declared, dividend payments for preferred shares amounted to P 146,182,500 for both of the nine months ended September 30, 2018 and 2017.

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.

12.5 EARNINGS PER SHARE

EPS were computed as follows:

	For the nine months ended September 30, (Unaudited) 2018	2017	For the year ended December 31, 2017 (Audited)
a) Net profit pertaining to common shares	**P 1,171,754,448**	P 1,290,439,696	P 1,596,939,154
b) Net profit attributable to common shares and potential common shares	1,171,754,448	1,290,439,696	1,791,849,154
c) Weighted average number of outstanding common shares	1,430,799,235	1,398,209,098	1,372,487,454
d) Weighted average number of outstanding common and potential common shares	1,430,799,235	1,398,209,098	1,377,270,489
Basic EPS (a/c)	P 0.34	P 0.92.	P 1.16
Diluted EPS (b/d)	P 0.34	P 0.92.	P 1.16

13. COMMITMENTS AND CONTINGENCIES

As of September 30, 2018 and December 31, 2017, the Group has commitments of more than P2,000 and P2,000.0 million, respectively, for expansion on petroleum retail network, depot, terminalling and logistics facilities, information technology infrastructure and other major expansions related to its business development. The Group has a network of **550** and 530 opened retail service stations as of September 30, 2018 and December 31, 2017, respectively. An additional of 10 and 8 retail service stations are under various stages of completion as of September 30, 2018 and December 31, 2017, 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 terminalling facilities in strategic locations and complete its chain of logistical support to strengthen its foothold in the industry.

As of September 30, 2018 and December 31, 2017, the Parent Company has unused LCs amounting to **P12,723** million and P8,652.3 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.

14. 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.

15. 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, 2018 vs. September 30, 2017.

Revenues, Cost of Sales and Gross Margins

The Group's Revenues during the first nine months of 2018 grew to ₱64.963 billion, almost double the ₱32.566 billion generated during the same period in 2017. This was due to the combined effect of the 51% growth in total volume sold in the same period (2018: 2,022 million liters vs. 2017: 1,346 million liters), the 39% increase in the price of benchmark (Brent) crude (2018: US$72.129/ bbl vs. US$51.838/ bbl) and the implementation of the new excise tax rates on the sale of domestic petroleum products. This was augmented by the ₱0.634 million sales contributed by Philippine Family Mart CVS, Inc. (PFM).

The 687 million liters incremental sales volume was mainly attributable to the 522 million liters sold by Pnx Singapore. In addition, volume sold by both the parent company and Phoenix LPG Philippines, Inc. rose by 11% and 23% or 165 million liters and 24 million liters, respectively, during the comparative period.

Similarly, Cost of Sales and Services increased by 110%, from ₱27.838 billion in 2017 to ₱58.545 billion in 2018, as a result of the volume growth, aggravated by the higher product costs reflecting the global oil price movements, as well as the imposition of excise taxes on petroleum products starting in January 1, 2018.

Consequently, Gross Margin rose by 36% or ₱1.700 billion. With the volume contribution of Pnx SG Gross Margin Rate, however, decreased to 10% from the 14% registered in 2017 mainly because of the slimmer margins generally realized by international oil trading companies.

Operating Expenses, Non-operating Expenses, Recurring Income

Meanwhile, Selling and Administrative Expenses of ₱4.161 billion, up by 36% versus the ₱3.050 billion incurred in 2017, primarily because of the cost outlay of the new businesses.

On the other hand, Other Net Non-operating Charges of ₱0.852 billion was 61% greater than the ₱0.529 billion incurred in 2017, mainly due to the rise in borrowing rates as well additional debt service for the acquisition of the new businesses.

Despite the increases in both operating and non-operating expenses, recurring income of ₱1.405 billion, rose by 23% from first nine months 2017 level of ₱1.139 billion.

Non-recurring Transactions and Net Income

Meanwhile, the company recorded non-recurring transactions, principally as a result of the acquisition of the companies, ₱0.002 billion negative adjustment in 2018 versus the ₱0.397 billion positive adjustment in 2017.

Considering these adjustments, as well as the the ₱0.046 million translation adjustment related to Pnx SG, total Comprehensive Income stood at ₱1.364 billion, 5% lower than the ₱1.437 billion reported in 2017.

Financial Condition
(As of September 30, 2018 versus December 31, 2017)

Total resources of the Group as of September 30, 2018 stood at ₱48.802 billion, a 9.7% growth compared to the ₱44.471 billion level as of December 31, 2017. This was mainly due to the increases in Property, Plant, and Equipment, and Goodwill, the latter of which was incurred in relation to the acquisition of Philippine Family Mart CVS, Inc.

As a result of the doubling of revenues, Cash and Cash Equivalents as well Trade and Other Receivables rose by 31.3% (from ₱1.832 billion in December 31, 2017 to ₱2.405 billion as of September 30, 2018), and 75.8% (from ₱7.509 billion as of December 31, 2017 to ₱13.203 billion as of September 30, 2018), respectively.

Inventories declined by 37.6% to ₱8.088 billion as of September 30, 2018, from ₱12.970 billion as of December 31, 2017. The build-up in December 2017 was brought about by the confluence of the following factors: to address the new businesses such us LPG with the purchase of PEPI, operation of Pnx SG and the volume requirements of the new accounts, higher price of imported petroleum products as a result of movement of prices in the international market, and the decrease in the demand for IFO by the power companies.

As of September 30, 2018, the Group's Property and Equipment, net of accumulated depreciation, increased to ₱16.304 billion versus the ₱13.401 billion as of December 31, 2017 (by 21.7%), representing the assets of the newly acquired subsidiaries as well as the continuing expansion program of the group.

Interest-bearing Loans and Borrowings, both current and non-current, was up by 4.1% from ₱28.171 billion as of December 31, 2017 to ₱29.336 billion as of September 30, 2018. The increment of ₱1.165 billion was from the availment of new loans during the quarter to finance various capital expenditures as well as working capital requirements of the new subsidiaries.

Trade and Other Payables increased by 60.6% from ₱3.833 billion as of December 31, 2017 to ₱6.159 billion as of September 30, 2018 due to the additional trade transactions of the new subsidiaries.

Total Stockholders' Equity increased to ₱12.657 billion as of September 30, 2018 from ₱11.952 billion as of December 31, 2017, (by 5.9%) resulting from the earnings generated during the period. This was partly offset by the declaration of cash dividends for both common and preferred shares. In addition, new stocks were issued in relation to the Company's Employee Stock Option Plan (ESOP).

Key Performance Indicators and Relevant Ratios

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

	September 30, 2018	December 31, 2017
Current Ratio[1]	1.37:1	1.22:1
Debt to Equity Ratio[2]	2.86:1	2.72:1
Net Book Value per Share[3]	8.96:1	8.33:1
Debt to Equity Interest-Bearing[4]	2.32:1	2.36:1
Earnings per Share[5]	0.34*	1.16**

Notes:
1 - Total current assets divided by current liabilities
2 - Total liabilities divided by tangible net worth
3 - Total stockholder's equity (net of Preferred) divided by the total number of shares issued and outstanding
4 - Interest Bearing Debts divided by Total stockholder's equity (net of Preferred)
5 - Period or Year Net income after tax divided by weighted average number of outstanding common shares
* Three (3) quarters 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 (5% or more) Changes to the Group's Balance Sheet as of September 30, 2018 vs. December 31, 2017

31.3% increase in Cash and Cash Equivalents
Increased cash inflow due to the 100% increase in revenue compared to the previous period.

75.8% increase in Trade Receivables
A result of the 100 % increase in revenue this period compared to the previous period.

37.6% decrease in Inventory
This is the normal minimum inventory requirement given the current growth in revenue.

99.3% decrease in Due from related parties
Settlement of the remaining P500 million balance of CSC spin-off

45.6% decrease in Net Input VAT
In relation to the normalized inventory movement.

93.8% increase in Prepayments and other current assets
Due to the renewal of insurances of all the assets, prepaid rentals advertising and other services and acquisitions which will cover the entire year evenly.

21.7% increase in PPE
Due to new additional expansions, new acquisitions, retail and depot facilities.

5.5% increase in intangible assets
Additions from a newly acquired subsidiary – PFM related to the franchise fee paid to use Family Mart brand.

13.0% increase in Goodwill
Due to the acquisition of PFM, Think Able and Action Able.

93.3% increase in Other Non-current Assets
Due to the acquisition of PFM and additional rental deposits for the new leases intended for network expansions.

24.6% decrease in Current Interest-bearing loans
Due to the reduced trust receipts related to the normalized inventory requirement.

60.7% decrease in Trade and Other payables
Due to the increased trade transaction of the new subsidiaries.

52.0% decrease in Income Tax payable
Creditable Withholding Tax was offset against the income tax due.

46.5% increase in Non-current Interest-bearing loans
Due the availment of certain long-term loans within the year

29.7% increase in Non-current liabilities
Due the increase security deposits from customers of PPPI and PLPI.

766.7% increase in Accumulated Translation Adjustments
Due to increased assets of the foreign currency denominated subsidiary, Pnx Singapore.

Material (5% or more)changes to the Group's Income Statement as of September 30, 2018 vs. September 30, 2017

100% increase in Sale of Goods
Due to the revenues coming from the new subsidiaries namely; PLPI, Duta Group, PFM and Pnx SG, coupled with, higher fuel prices (by 39%) and additional volume sold relative to last year (by 50%). The parent company recorded an 11% improvement on its volume sold this year.

30% increase in fuel service, shipping, storage income, rental income and other revenue
This is due to the revenues from the newly acquired subsidiary – PFM.

110% increase in Cost of Sales and Services
This mirrors the increase in the sale of goods, reflecting the price movements in the world market during the first nine months of 2018 which is higher compared to the same period in 2017. The increase in excise taxes to petroleum products also contributed to the increment.

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

57% increase in Finance Costs
A substantial portion represents interest from the P6B loan used to acquire Petronas during the last quarter of 2017.

23% increase in Finance Income and Others
These pertain to the reversal of certain bad debts, which were collected in 2018, and expenses accrued in the prior years which would no longer be paid.

100% decrease in One-time gain in excess of fair value over net assets acquired
The 2017 one time-gain was related to the acquisition of Petronas Energy Philippines, Inc. from which a one-time gain of P651 million was recognized. No similar transaction was recorded in 2018 yet.

14% decrease in Income Tax Expense
Effect of new ITH approved for PPPI late last year.

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, 2018 at the Phoenix Petroleum Corporate Headquarters, Lanang, Davao City, Philippines.

2. The Board of Directors approved the declaration of cash dividend of ₱0.15 per share as disclosed last March 15, 2018, with record date of April 2, 2018 and payment date of April 26, 2018.

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

   - 8.25% to preferred stockholders (2nd tranche) with record date of February 22, 2018 and payment date of March 20, 2018.

   - 7.427% dividend to preferred stockholders (3rd tranche PNX3A) with record date February 21, 2018 and payment date of March 19, 2018.
   - 8.1078% dividend for preferred stockholders (3rd tranche PNX3B) with record date February 21, 2018 and payment date of March 19, 2018.

   - 8.25% to preferred stockholders (2nd tranche) with record date of May 24, 2018 and payment date of June 20, 2018.

   - 7.427% dividend to preferred stockholders (3rd tranche PNX3A) with record date May 22, 2018 and payment date of June 18, 2018.

   - 8.1078% dividend for preferred stockholders (3rd tranche PNX3B) with record date August 22, 2018 and payment date of September 18, 2018.
   - 8.25% to preferred stockholders (2nd tranche) with record date of August 24, 2018 and payment date of September 20, 2018.

   - 7.427% dividend to preferred stockholders (3rd tranche PNX3A) with record date August 22, 2018 and payment date of September 18, 2018.

3. As of September 30, 2018, 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.

4. 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.

5. 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.

6. 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

MA. CONCEPCION DE CLARO
Chief Finance Officer

JONAREST Z. SIBOG
Controller