



PHOENIX



**PHOENIX:
GOING
PLACES**

2019 ANNUAL REPORT

PHOENIX PETROLEUM PHILIPPINES, INC.



ABOUT THE COVER

In 2019, we saw the growth of Phoenix both as a brand and a company that charted new territories, within the Philippines as well as beyond—in ASEAN, the larger Asia Pacific region, and well-poised to conquer the world. Everywhere Phoenix goes, it brings with it the strengths of its entrepreneurial spirit, technical expertise, customer orientation, and most importantly—the heart to continuously be an indispensable partner in the journey of everyone whose life we touch.

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OUR VISION

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



OUR CORE VALUES

OUR MISSION

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

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

We provide maximum returns to our shareholders and investors.

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

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

TEAMWORK



We value relationships. We achieve goals through collaborative efforts.

EXCELLENCE



We aim to be the best in everything we do.

SERVICE



We value all our stakeholders, and provide unrivaled customer experience.

STEWARDSHIP



We nurture our resources responsibly.

INTEGRITY



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

INNOVATION



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



ABOUT PHOENIX

We are the fastest-growing and leading independent oil company in the Philippines. From our humble beginnings in Davao, we have grown to be a national brand, driven by our clear vision, entrepreneurial spirit, and aspiration to be an indispensable partner of our customers and people. We are the first oil company to be publicly listed on the Philippine Stock Exchange in July 2007 after the oil industry was deregulated in 1998.

01



OUR PRODUCTS AND SERVICES

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

TRADING AND DISTRIBUTION

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

TERMINALING AND HAULING SERVICES

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

CONVENIENCE STORE RETAILING

- Ownership and management of the FamilyMart franchise in the Philippines

ASPHALT

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

DIGITAL TRANSACTIONS

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



PHOENIX

FINANCIAL HIGHLIGHTS

INCOME STATEMENT DATA

(in PhP millions, unless otherwise stated)	2015	2016	2017*	2018	2019
REVENUES	30,054	30,577	44,543	88,611	97,823
COST OF SALES, SERVICES AND EXPENSES	25,269	29,484	43,022	85,844	96,329
NET PROFIT-TOTAL	906	1,092	1,521	2,767	1,495
NON-RECURRING INCOME/EXPENSES	-	-	-	-	-
EXCESS OF FAIR VALUE OVER ACQUISITION COST	-	-	(650)	(658)	(72)
PRE-ACQUISITION INCOME	-	-	-	-	-
NET INCOME-EXCLUDING NON-RECURRING INCOME	906	1,092	871	2,109	1,423
PROVISION FOR PREFERRED DIVIDENDS	46	195	195	320	639
EBITDA	2,882	1,092	2,923	5,238	6,226

BALANCE SHEET DATA

(in PhP millions, unless otherwise stated)	2015	2016	2017*	2018	2019
CURRENT ASSET	17,040	17,012	24,906	37,260	42,357
NON-CURRENT ASSET	13,887	9,526	19,267	27,401	44,600
TOTAL ASSETS	30,927	30,927	44,173	64,660	86,957
CURRENT LIABILITIES	15,001	14,596	20,385	33,844	50,499
TOTAL LIABILITIES	20,903	16,776	32,489	48,687	65,035
STOCKHOLDERS' EQUITY	10,023	9,762	11,952	15,974	21,923

FINANCIAL RATIOS

	2015	2016	2017*	2018	2019
CURRENT RATIO ¹	1.1 : 1	1.2 : 1	1.2 : 1	1.1 : 1	0.8 : 1
DEBT TO EQUITY ²	2.1 : 1	1.7 : 1	2.7 : 1	3 : 1	3 : 1
RETURN ON EQUITY ³	10.61%	11.04%	14.01%	19.82%	7.89%
RETURN ON ASSETS ⁴	4.13%	4.61%	4.58%	6.17%	2.54%
RETURN ON SALES	3.01%	3.57%	3.42%	3.12%	1.53%
NET BOOK VALUE PER SHARE ⁵	5.27	5.08	6.60	8.55	9.36
EARNING PER SHARE-(ADJUSTED) ⁶	0.60	0.64	0.97	1.72	0.61
RETURN OF EQUITY-COMMON ⁷	12.7%	12.7%	15.4%	40.7%	17.8%

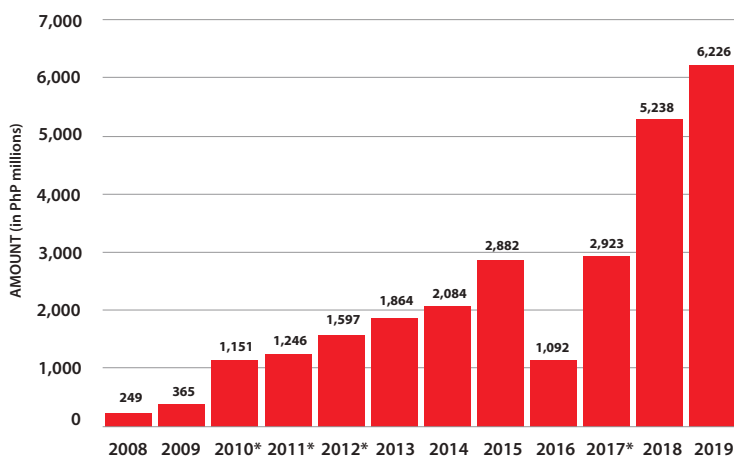
STOCK INFORMATION

(in PhP millions, except per share)	2015	2016	2017*	2018	2019
WEIGHTED AVERAGE NO. OF SHARES-ADJUSTED OF STOCK DIVIDENDS	1,428.78	1,410.96	1,372.49	1,426.59	1,405.61
NUMBER OF SHARES ISSUED	1,428.78	1,428.78	1,431.54	1,403.30	1,406.20
TOTAL NUMBER OF SHARES OUTSTANDING-YEAREND	1,428.78	1,428.78	1,431.54	1,403.30	1,406.20
MARKET CAPITALIZATION (YEAREND)	5,215.04	8,058.30	18,610.00	15,071.49	16,790.08
STOCK PRICE-CLOSING (YEAREND)	3.65	5.64	13.00	10.74	11.94
TREASURY STOCK-SHARES	-	54	-	-	-

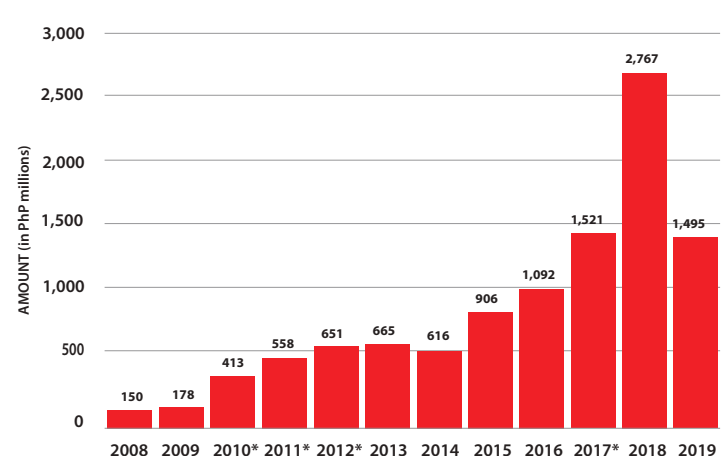
Notes:

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

EBITDA



NET PROFIT



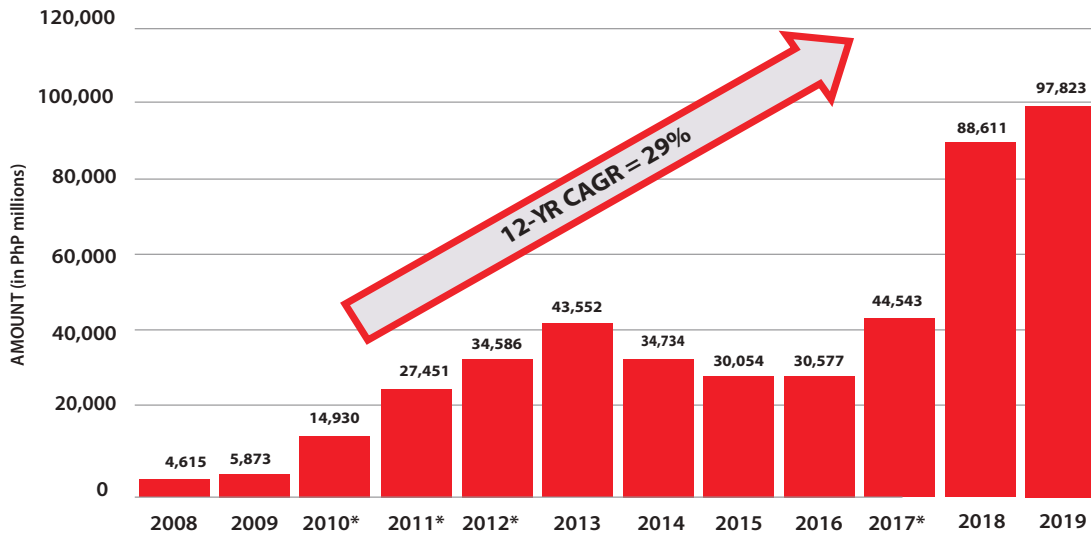
2018 and 2017 included non-recurring fair value gains on investment property amounting to PhP 624.9 million and PhP 650.2 million, respectively.

This will at least ease the decline in net income between 2018 and 2019.

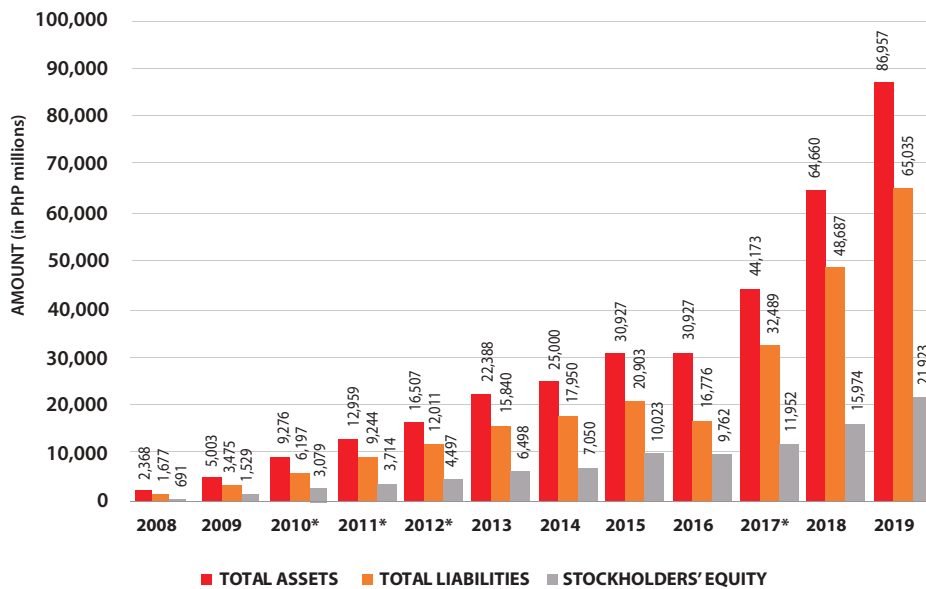
*Re-stated figures

FINANCIAL HIGHLIGHTS

REVENUES

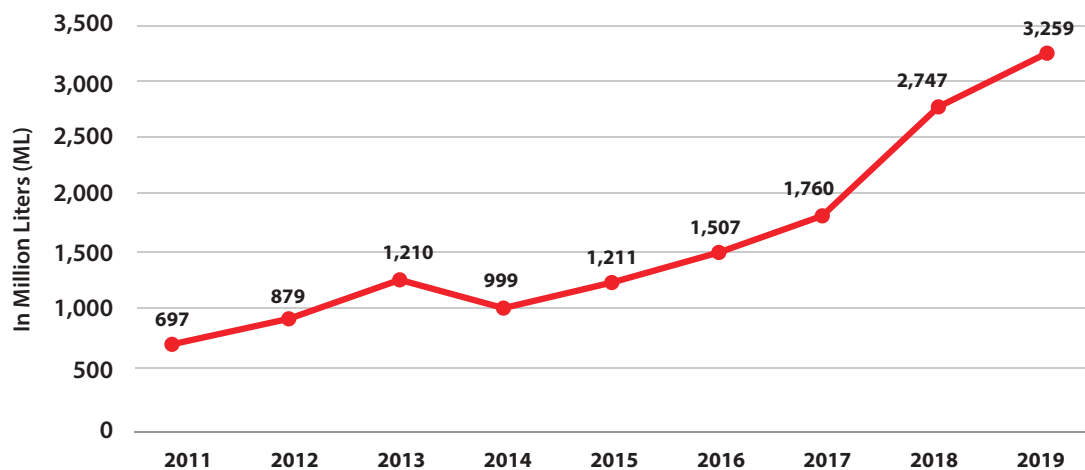


TOTAL ASSETS, TOTAL LIABILITIES, AND STOCKHOLDERS' EQUITY



*Re-stated figures

VOLUME SALES

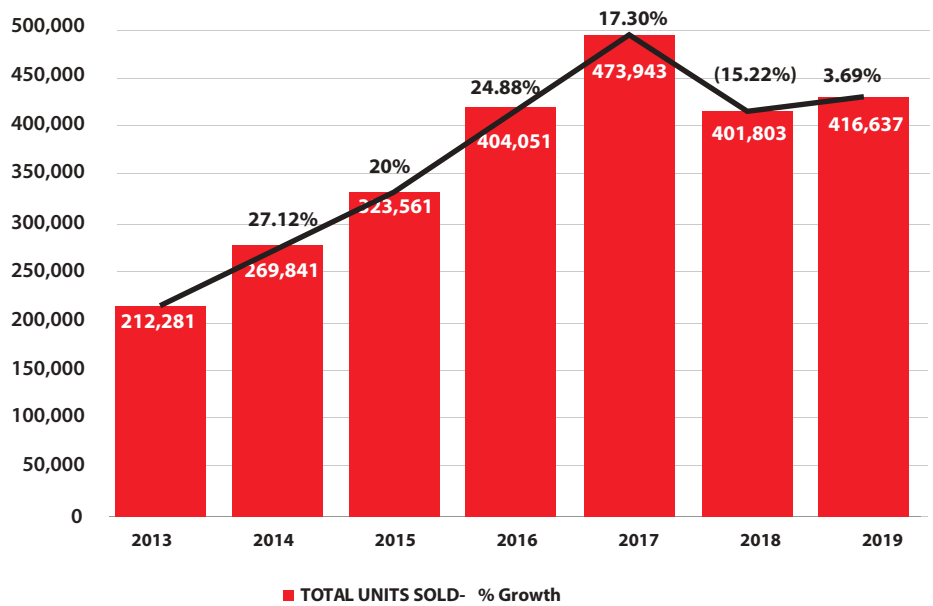


INDUSTRY HIGHLIGHTS

CAR SALES

The auto industry posted a record year as sales exceeded targets.

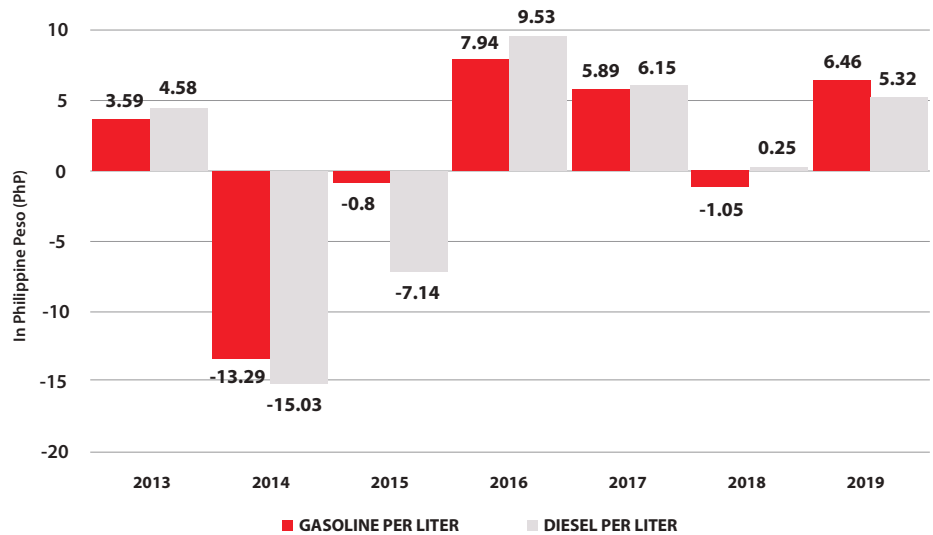
Sources:
Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI), Association of Vehicle Importer and Distributors (AVID), Truck Manufacturers Association (TMA), autoIndustriya.com



OIL PRICES

Total net price adjustments increased for both gasoline and diesel fuels with the implementation of TRAIN 2.

Source: Department of Energy



RETAIL PRICES

In Metro Manila (Peso/Liter)

Source: Department of Energy

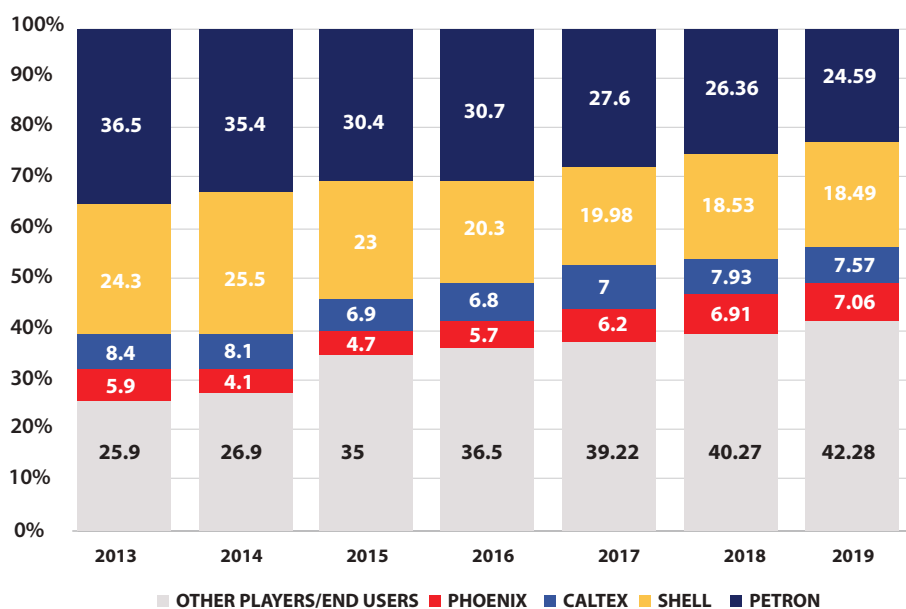
PRODUCTS	AS OF 2013, DEC 31		AS OF 2014, DEC.16		AS OF 2015, DEC 29		AS OF 2016, DEC 27		AS OF 2017, DEC 19		AS OF 2018, DEC 28		AS OF 2019, DEC 27	
	PRICE RANGE	COMMON PRICE	PRICE RANGE	COMMON PRICE	PRICE RANGE	COMMON PRICE	PRICE RANGE	COMMON PRICE	PRICE RANGE	COMMON PRICE	PRICE RANGE	COMMON PRICE	PRICE RANGE	COMMON PRICE
Diesel	42.20-47.05	45.25	29.20-32.55	31.40	20.55-23.95	21.85	28.25-30.10	30.10	32.15-37.23	36.35	35.20-39.54	36.75	39.05-45.60	44.00
Gasoline (RON95)	50.00-56.35	55.5	37.85-43.95	42.00	33.20-40.65	39.90	36.90-47.90	46.30	43.05-52.95	47.85	41.05-51.72	49.15	45.40-56.60	53.89
LPG, P/11-kg cylinders	850.00-967.00		570.00-711.00		470.00-680.00		425.00-650.00		550.00-777.00		531.00-715.00		569.75-797.75	

INDUSTRY HIGHLIGHTS

MARKET SHARE

Independent oil companies continue to widen their market share, with Phoenix consistently increasing its market share as well over the past few years.

Source: Department of Energy

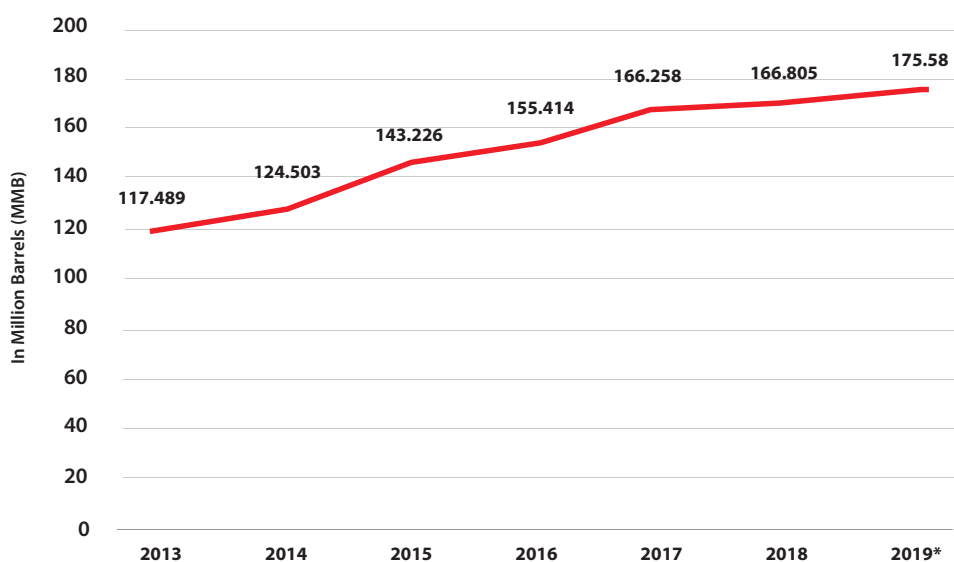


PETROLEUM PRODUCT DEMAND

Demand for petroleum products continues to rise. In the first half of 2019, average daily requirement of petroleum increased to 485.0 MB compared with the previous year's 464.0 MB.

Source: Department of Energy

*Annualized estimate based on 2019 first half data



NEW TAX REFORM LAW IN EFFECT

President Rodrigo Duterte signed into law the Tax Reform for Acceleration and Inclusion (TRAIN) on December 19, 2017. The tax reform, which took effect at the start of 2018, is expected to generate almost PhP 150 billion in revenues, which will be used for infrastructure and social services.

New excise tax rates for fuel	2018	2019	2020
DIESEL	PhP 2.50/liter	PhP 4.50/liter	PhP 6.00/liter
LPG	PhP 1/kg	PhP 2/kg	PhP 3/kg
GASOLINE	PhP 7.00/liter	PhP 9.00/liter	PhP 10.00/liter

MESSAGE FROM THE CHAIRMAN



DOMINGO T. UY
CHAIRMAN

The year 2019 saw Phoenix further advance its reputation not just as the leading independent oil player in the Philippines but as a full-fledged part of the mythical top three market leaders, long held by familiar and seemingly insurmountable brands.

Our achievement of being the third place in terms of Brand Used Most Often (BUMO) in 2018 was bolstered this year by a third place position as well in terms of brand awareness, affirming not only the effectiveness of our relentless marketing efforts but of our commitment to provide only high-quality products and services—what we consider as credible alternatives that offer value in exceeding the expectations of our customers.

These small but sure steps trace the same journey we have had with the dynamic expansion of our company, not just within the country but across the Asia Pacific region. As the cover of our annual report illustrates,

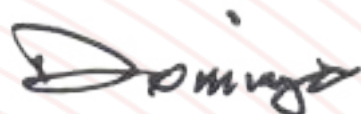
"We are breaking into new markets, establishing operations in new territories, and helping improve more lives"

Phoenix is going places in its quest to showcase the world-class products and brand of service that we Filipinos are capable of.

We are breaking into new markets, establishing operations in new territories, and helping improve lives—no longer that of Filipinos alone, but of discerning consumers everywhere.

All of these would not have been possible without the talent and expertise of our employees, partners, suppliers, and other stakeholders. As always, we are grateful for your continued support and trust in our vision.

Mabuhay tayong lahat!



Domingo

MESSAGE FROM THE PRESIDENT



DENNIS A. UY
PRESIDENT & CEO

It was a generally challenging 2019 on the social, economic, and political fronts, but one that still presented an abundance of opportunities for growth and expansion for Phoenix.

We lived through challenges that came in an environment where flaring geopolitical conflict in the Middle East threatened supply security, while economic headwinds likewise caused tension in the global fuel market.

Locally, the country's gross domestic product (GDP) grew at 5.9%, a slight dip from the previous year, but with prospects for the economy remaining rosy from the point of view of global creditors and investors, and our country's credit ratings retaining their positive outlooks and forecasts.

Despite the implementation of the second round of increase in the excise tax rates of petroleum products under the Tax Reform for Acceleration and Inclusion (TRAIN) law at the start of the year, the average price of petroleum products was lower,

"Phoenix is relentless in becoming an even more formidable force that will continue to disrupt the industry"

given the 8.7% drop in the price of Dubai crude average—the benchmark crude of Asian refineries—from USD 63.15 per barrel to USD 69.13.

Meanwhile, our country's demand for petroleum products continued its uptrend, at an estimated 175.58 million barrels (MMB).

With the backdrop of these economic and industry volatilities, Phoenix as a dynamic organization has remained poised to rise and succeed with resilience, especially as our move towards energy transition gains momentum. Our 2019 was memorably marked with expansions into new markets abroad, while maintaining an increasingly stronger hold on the local market.

The shift in the domestic petroleum market share continues as independents take up a larger chunk with an increase of 2.46%. The uptrend is proportional to our brand's performance as Phoenix's share increases to 7.06% from last year's 6.91%. Despite challenges, we managed to grow domestic volume by 11% year-on-year, due mainly to retail and LPG segments.

Exciting business developments, among many others, raised Phoenix's revenues in 2019 to PhP 97.82 billion, more than 10% higher compared to PhP 88.61 billion

in 2018 and thereby setting a new record high for the company. This was largely attained by a total volume sold of 3.26 billion liters, close to 20% higher than the 2.72 billion liters the previous year.

Meanwhile, operating income reached PhP 4.5 billion in 2019, higher by 12% from previous year. Net income, however, was lower at PhP 1.49 billion with cost of sales and services increasing by more than 10% to PhP 86.81 billion as sales volume grew. As we prioritize long-term returns and maintain the sustainability of our business model, we have been pre-investing for a stronger future underpinned by financial discipline and cost leadership.

Of the 579 million liters increase in sales volume in 2019, 56% was contributed by our foreign-based subsidiaries in Singapore and Vietnam. This affirms the success of our strategic geographical expansion in Asia Pacific, while still maintaining strong domestic operations that accounted for the remaining 44%.

With the strong growth potential in our overseas investments, adding to our regional presence with PNX Petroleum Singapore is a new venture, Phoenix Gas Vietnam, a bid to bring our increasing interest in liquefied petroleum gas (LPG) beyond the borders of our country. Based

MESSAGE FROM THE PRESIDENT



in Ho Chi Minh City, this investment affirms our desire to develop our LPG portfolio and further expand our brand in the Asia-Pacific region.

Complementing its fuels desk, PNX Petroleum Singapore ventured into LPG trading and reached new shores with a landmark LPG offtake agreement with Hengyi Industries International. The Brunei refinery of our partner has been producing LPG with output that has allowed us to supply equity barrels in the Philippines and Vietnam, and trade in new territories, such as Sri Lanka and Bangladesh. We are now a strong player in regional LPG trade.

In the domestic front, as the consumer-driven economy of the Philippines maintains growth, our thrust to reposition our business and establish a stronger foothold in the consumer retailing space has been further reinforced.

We ended 2019 having opened 655 stations nationwide, while fuel retailing volume was up by 23%. In our Commercial and Industrial (C&I) sector, business declined by 3% at the end of 2019. On the other hand, Aviation volume closed with a 24% increase on the back of new customer wins in the airline sector, as well as general aviation, which cut across the entire jet fuel supply chain—including storage and into-plane services, which enhances the business unit's overall profitability profile.

LPG volume was also higher by 25% year-on-year, with the Luzon market largely accelerating growth through added retail outlets. Luzon's expanded network of SUPER Hubs, which have been established in more residential communities, along with extensive conversion campaigns, grew volume by 57%. The Visayas-Mindanao area, which comprised 86% of volume, maintained a double-digit increase.

FamilyMart's own network expanded and ended the year at 72 stores, continuing to carve out new paths for growth led by its relentless pivot to food, along with the rollout of its third-generation

MESSAGE FROM THE PRESIDENT

store concept that strengthened the authentic Japanese experience for everyday Filipinos. The launch of its signature Coffee Creations, exclusively blended by famed Japanese coffee brand UCC, increased sales of the beverage exponentially, while the opening of our biggest store in the country, FamilyMart Udenna Tower, BGC, emphasized our positioning as a convenience food retailing brand.

Our push for consumer retailing is part of a bigger agenda meant to strategically complement the rest of our enterprise. Towards the end of the year, we forged a partnership with US-based company Mesa Natural Gas Solutions, LLC, a manufacturer, distributor, and operator of generator sets that run on wellhead gas, liquefied natural gas, compressed natural gas, and propane-rich LPG. The agreement allows us to support the Philippines' thrust to diversify our energy sources, while strengthening our investment in gas. In the long term, such investments in gas will create more impact as we transition from conventional to cleaner energy.

Though uncertainties may be on the horizon for 2020, we remain focused on creating higher value and scaling operations in order to attain continued growth, along with increased financial discipline, cost leadership, and superior returns. We are setting our vision on cultivating long-term investments that will ultimately reinforce business sustainability.

We also need to protect the continued trust of our clients and partners, which have enabled us to tap new markets while strengthening our existing valued relationships—adding volume, extending contracts, or offering new allied services where possible. Last but not the least is the continued and even increasing patronage of our retail customers and consumers, as we further strengthen our brand's positioning in the market from a contender to a serious big player.

Phoenix is relentless in becoming an even more formidable force that will continue to disrupt the industry, while further integrating our positive impact in the lives of more individuals.

Thank you for your unrelenting support and we look forward to being with you on the journey toward progress for all.



Dennis

MESSAGE FROM THE COO



**HENRY ALBERT
R. FADULLON**
CHIEF OPERATING OFFICER

The year 2019 was characterized by significant local and overseas events that sent mixed signals to the market. The second tranche of the Tax Reform for Acceleration and Inclusion (TRAIN) Act, which levied taxes on petroleum products, took effect at the start of the year against the backdrop of a looming trade war between China and the United States. Meanwhile, geopolitical tensions in the Middle East continued to hound the markets throughout the year. Tighter environmental standards for fuels going into shipping due to the International Maritime Organization (IMO) Low Sulphur Regulation or IMO 2020 also formed a major cost component to import products, which pushed premiums higher than the previous year.

The volatility caused by these events prevailed throughout 2019 and along with competitive pressures from smaller independent players, they weighed on our ability to fully pass on immediately our costs at the pump. The financial

"Your company enters the new year with confidence in the knowledge that we have the right strategy and priorities, and more importantly, a motivated and energized workforce committed to take on the challenges of 2020"

market was also under pressure and this manifested in higher cost of financing. We countered by driving down our cost base, leveraging on efficiencies brought about by synergies created across the group.

That being said, we continue to be bullish on our company's growth prospects as demonstrated by our continued double-digit growth, particularly in our key business areas of Retail, Gas, and B2B. We are confident that we have the right strategy and will continue to press on this going forward.

BUILDING A STRONG AND REPUTABLE BRAND

We continued to invest in our brand, our offerings, and most importantly, our most valuable asset – our people. At Phoenix, not only do we believe in building our company and its businesses but more importantly, the brand and the organization behind it – making them an intimate and constant part of the lives of every Filipino.

In 2019, your company was recognized as the Marketing Company of the Year at the prestigious Agora Awards of the Philippine Marketing Association – considered to be the pinnacle of

marketing awards in the Philippines. This recognition puts us in the league of some of the best local and multinational consumer brands in the country.

We also won in the Stevie Awards, an international award-winning body that recognizes creativity and excellence in marketing campaigns, for our Phoenix Fuels with PULSE Technology campaign. Receiving such sought-after accolades are truly inspiring, as these are recognitions many of us never dreamed of when your company started 17 years ago – when it was dismissed by many and often described as the fledgling brand.

However, the one truly humbling and most rewarding recognition is one that comes from the real judge – you, the customer.

Your company is proud to claim that as of 2019, we have cemented our position as the number three brand in terms of customer loyalty. In an independent survey of 1,000 respondents, we have taken the third spot, more than doubling our lead over the number four player in terms of Brand Used Most Often (BUMO), a term in research meant to describe a customer's loyalty to the brand.

MESSAGE FROM THE COO

Indeed, what was once dismissed as a mere independent player is now arguably in the league of the incumbent majors, punching above its weight – ready to challenge and offer itself as the preferred and credible alternative that offers exceptional quality at great value.

That said, we are not resting on our laurels. As our founder would always remind us, we must continue to be Humble, Hungry, Hardworking, Honest, and most importantly, Holy. These are the values that form the culture we would like to continue building in our organization, the very same set of behaviors that got us to where we are today.

We have rolled out a program that helps us identify and develop high-performing team members as future leaders of our organization. We are collaborating with Enderun College and leading names in the academe to develop leadership programs that will prepare our next set of leaders for the challenges of the future, molding them on the same culture and values our company stands for.

We also renew and reiterate our unequivocal commitment to safety as an important priority for our business. It is our responsibility to ensure no harm to people, whether they be our stakeholders in the communities we

operate in or, much more, our very own people on the ground. We are endeavoring to ensure that we create only safe and secure spaces that uphold the highest standards of health and safety at work.

BUILDING A CREDIBLE AND PREFERRED FRANCHISE

In Retail, with its superior margins and bankable volumes, we continue to re-image our sites, giving them a new and modern look to be a step ahead of competition. To date, we have refurbished 275 sites as part of a three-year program we started in 2018. We have also opened more than thrice the usual number of sites we open in a year. Moreover, the average volume turnover per site increased by 4.5%, demonstrating that not only are we gaining volume but improving the quality of our sites as well. The strength of our product and the delivery experience onsite are driving more customers into our forecourts.

In Convenience Retail, we have rolled out our third-generation store format signaling the resurgence of the FamilyMart brand. Retracing its roots back to Japan, we opened our first and biggest store at our very own Udenna Tower showcasing authentic Japanese offerings like onigiri, ramen, and yakiniku bowls, all prepared fresh in-store. It also boasts of a generous food wall where freshly made

MESSAGE FROM THE COO

Japanese bento boxes are offered as part of our ready-to-eat line of grab-and-go offers. Our blockbuster coffee line in partnership with UCC, Coffee Creations, is also available along with other unique offers like a Beer Room and full-function private meeting rooms.

This full-option concept store showcases the best the brand has to offer and is meant to highlight the personality and lifestyle format the brand will project moving forward, as we are encouraged by the reception we received from its launch. Store average daily sales and gross profit registered four to five times higher and 25% more than the system-wide average, respectively.

A second store carrying the same format was launched just in the start of 2020 and – however smaller in size – registered even stronger store results. We are therefore confident that our strategy of pivot to food for the FamilyMart brand is the right way to go and we are now accelerating our expansion of the business.

These cornerstone retail formats will form the backbone of our strategic push into more consumer-facing businesses in 2020 as we transition Phoenix into a multi-faceted consumer brand that holistically serves the needs of customers.

Shifting to our Gas businesses, we kicked off the year with a big marketing campaign with well-known celebrity Sarah Geronimo as our brand endorser for the Phoenix SUPER LPG brand. On the back of this campaign, we grew our marketing footprint in Luzon by 23%, while maintaining our substantial market share in the Visayas and Mindanao. Collectively, we have grown the volume of our LPG business in the Philippines to more than twice the size compared to when we bought it two years ago.

We also started full marketing operations in Vietnam in March of 2019, our first overseas venture selling LPG carrying the Phoenix brand. Volumes sold in this market as of December 2019 are three times higher than when we acquired the business in March of the same year. This first overseas marketing venture presents us an exciting opportunity and we see a lot of runways for growth in one of the fastest, more dynamic economies in Southeast Asia.

Finally, we have extended our trading footprint in Singapore by opening an LPG trading desk. In the middle of 2019, we signed a partnership with Hengyi Industries – a refinery player from China based in Brunei – for the exclusive rights to market 100% of their LPG streams. This LPG supply position complements our marketing businesses in Philippines

MESSAGE FROM THE COO

and Vietnam, establishing Phoenix as a fully integrated player in LPG and a serious player in regional trade in Asia.

Our Aviation business likewise grew 24% last year on the back of new customer wins. In addition to Cebu Pacific, which we proudly serve in 19 airports across the country, we now also serve the national flag carrier Philippine Airlines and most recently, another renowned budget carrier, AirAsia.

Our B2B business encountered some challenges in 2019 and ended the year with a 3% decline. It still remains a main pillar of our franchise and will play a critical part of our future growth strategy as we pivot to more gas in the future.

BEING BEST IN CLASS AND DRIVING OPERATIONAL EXCELLENCE

Our aim is to be the most competitive player in the industry, and a strong and resilient franchise requires us to be nimble and efficient. Thus, we have developed partnerships with counterparties in supply chain, distribution, and manufacturing to drive costs down and improve efficiencies. In FamilyMart, we partnered with Worklink – a fully owned subsidiary of Chelsea Logistics – to do our warehousing and logistics. We are able to save cost by leveraging on their existing scale, infrastructure, and

expertise, simplifying our business and enabling us to focus on store expansion and operations in order to position ourselves better for growth.

In lubricants, we shifted our model from manufacturing and tolling in-house to having the products manufactured and blended overseas by an established and reputable brand. We were able to simplify our business, cut cost, and position ourselves for regional growth with better quality products. We have done the same for our hauling fleet, partnering with a counterparty with even better capabilities and expertise than our company, allowing us, in turn, to double our fleet capacity through better fleet utilization – again, unlocking value for us. We will continue to be alert for these opportunities to create more value for our business.

SHAPING THE ENERGY FUTURE

We believe that gas is going to be the critical energy source as the country transitions from conventional fuels to more renewables, hence our big push into LPG and later, into liquefied natural gas (LNG). Leveraging on our dominant B2B business, we aim to offer gas as an alternative to diesel and fuel oil, while LPG or LNG can be a viable alternative for business sectors of hotels, resorts, mining operations, manufacturing, and power generation.

MESSAGE FROM THE COO

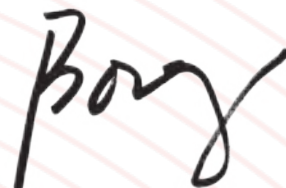
A landmark deal in 2019 is a partnership with MESA Energy Solutions, a proprietary developer of innovative gas-run generator sets that can be utilized for adaptive power generation solutions for B2B applications in remote locations and underserved communities across our archipelago. This paves the way for gas to be a more permanent and integrated power solution for our country in the coming years. This partnership is the first step in our transition and journey towards increased involvement in gas.

Finally, on the role of technology, we acknowledge the importance of digitalization and its power in improving our operations. We have embarked on a digital transformation and we are currently transforming our processes and procedures to make best use of the benefits that modern technology has to offer. We envision a future where technology enables us to connect and have a more engaging relationship with customers and partners. This, in turn, will allow us to make more informed business decisions and marketing strategies to keep the loyalty of existing customers as well as win patronage from new ones in the future.

As 2019 went to a close, we reflected on the outcomes of the opportunities we have taken and the challenges we faced that have served to make us stronger as a business and as an organization.

Your company enters the new year with confidence in the knowledge that we have the right strategy and priorities, and more importantly, a motivated and energized workforce committed to take on the challenges of 2020.

Thank you and we look forward to working side by side with you on this exciting journey.



GOING PLACES: REACHING NEW HEIGHTS AND BREAKING NEW MARKETS

02





OPERATIONAL HIGHLIGHTS

The year 2019 was marked not just by the continued growth of Phoenix in its core business of fuels and oil, but by expanding the brand to stand for a portfolio of related products and services that all seek to serve one goal—to provide more credible alternatives for the Filipino consumer, without sacrificing quality and excellent service. Phoenix is increasingly becoming a trusted brand with a reputation for reliability and the ability to delight its customers.

OPERATIONAL HIGHLIGHTS



PHOENIX PETROLEUM



THE RISE OF A WELL-LOVED AND RESPECTED BRAND

At the heart of Phoenix's unrelenting efforts in improving its business is not only the desire to develop better products and services, but to provide more value for consumers as a credible alternative even to the most well-established brands in the market.

In 2019, nowhere was this more evident than in the continuous rise of Phoenix as a strong contender in the industry. In a brand health study on fuels the previous year, the company was in the fourth spot in terms of top-of-mind awareness as an independent player just behind the top three leading oil and petroleum companies.



SHELL
TECHNOLOGY



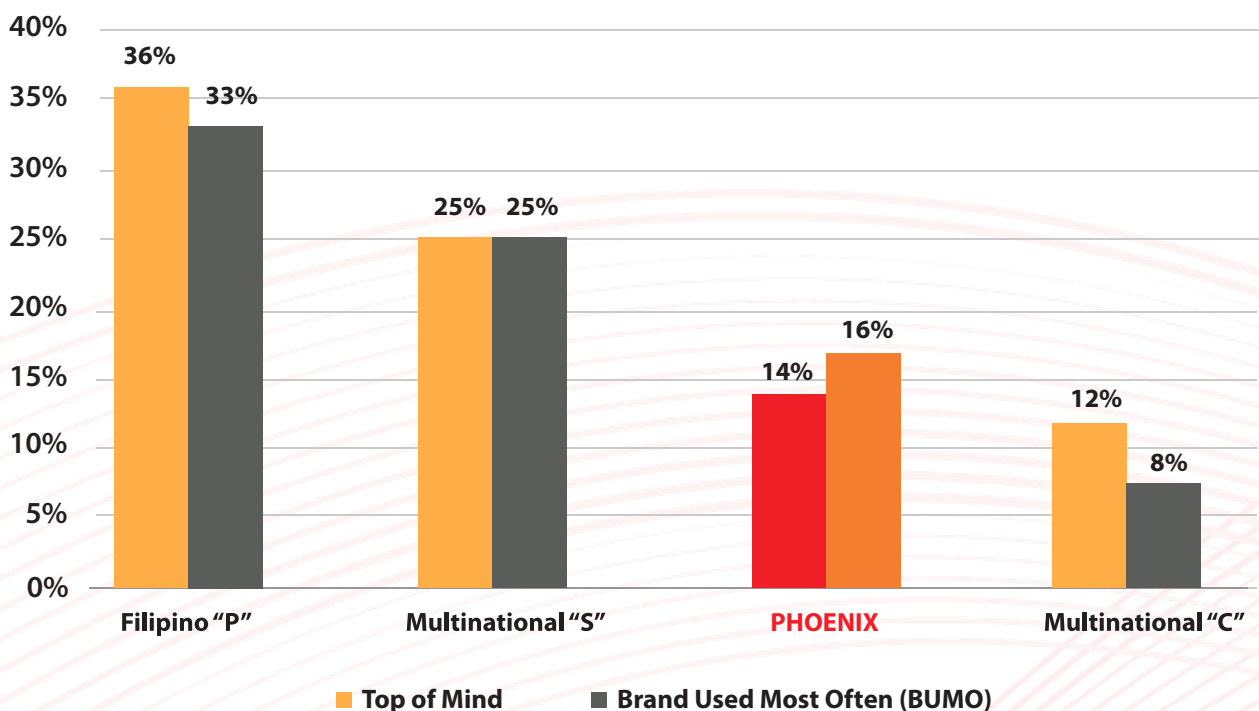
OPERATIONAL HIGHLIGHTS

Slowly but surely, Phoenix has now solidified its position in the top three not only in terms of awareness but as the brand used most often (BUMO).

The success story of Phoenix continues as it has edged out tough foreign competition and secured its own position in the market, effectively changing the game that has long been in status quo with the top three brands in the Philippines.

Phoenix was able to achieve all these thanks in large part to innovative marketing programs and promotions that truly brought the brand closer to the hearts of Filipino consumers—making it part and parcel of their daily lives. In 2019, a customizable fleet card program for small and medium enterprises (SMEs) was rolled out with the goal of helping entrepreneurs grow their business through cost-efficient transport. The program utilizes modern technology to enable members to receive smart alerts and monthly detailed transaction reports, as well as an online portal for monitoring and management of fuel expenses. Additionally, members have access to a free towing service, flexible fuel

2019 INDEPENDENT BRAND HEALTH STUDY ON FUELS



OPERATIONAL HIGHLIGHTS

payment terms and options, and exclusive trainings to further position their business for success.

Similar technology-based consumer innovations include the Pinoy Tsuper Card (PTC), a loyalty reward card for public utility drivers; along with its variation dubbed PTC–Grab, developed exclusively for drivers of the popular transport vehicle network (TVN) app. The Phoenix RCBC Bankard Mastercard, a co-branded credit card that offers pulse-racing lifestyle rewards for next-generation motorists, was also launched.

During Independence Day, Phoenix launched the “May Kapangalang Bayani” promo lauding modern-day Filipino heroes. Motorists whose first, middle or last name matched a list of selected Philippine heroes were given discounts on fuel purchases at participating Phoenix gas stations. This marketing strategy was among the innovations lauded at the 40th Agora Awards where the company won Marketing Company of the Year. Keeping its finger on the pulse of



today’s emerging generation of motorists, Phoenix engages with the desires, aspirations, and inclinations of the youth through sponsorships and promos such as free tickets to the Syzygy Music Festival Manila 2019.

3RD

TOP OF MIND
Awareness

3RD

BRAND USED
MOST OFTEN

OPERATIONAL HIGHLIGHTS



(From L-R) PNB Capital and Investment Corp. Deal Officer Otto S. Schulte, Phoenix AVP for Treasury Reynaldo Phala, Phoenix COO Henry Albert Fadullon, and PNB Capital and Investment Corp. President and CEO Gerry Valenciano received the Best Debt Deal of the Year for Phoenix and PNB's PhP 10-Billion Short-Term Commercial Papers transaction from Asian Banking and Finance Publisher and Charlton Media Group Editor-in-Chief Timothy Charlton during the Asian Banking and Finance Awards 2019 in Singapore.

SUSTAINING RAPID EXPANSION AND GROWING WITH STAKEHOLDERS

With the goal of Phoenix to move forward as a more agile company set for rapid expansion, it undertook a three-year PhP 10-billion Commercial Paper Program with PNB Capital and Investment Corp. to raise capital. In December, PhP 3 billion worth of short-term commercial papers (STCP) were listed with the Philippine Dealing and Exchange Corp. (PDEX), the third series of the program. It is a simple, ingenious strategy to efficiently and cost-effectively meet the company's working capital requirements. The proceeds of the listed STCP is projected to finance the importation and sale of Phoenix's petroleum products.

Attesting to the success of this move by the company, the commercial paper program received the Best Debt Deal for the Philippines during the 2019 Asian Banking and Finance Corporate and Investment Banking Awards in July.

OPERATIONAL HIGHLIGHTS

A willingness to adapt to an ever-changing and competitive environment has also allowed Phoenix to grow beyond what its founders have ever imagined. It has steadily evolved with its consumers' shifting lifestyles as well as changes in the fuel market. In October, the company's listing of PhP 7 billion in preferred shares was three times oversubscribed.

Looking back, Phoenix's initial public offering in July 2007 was 15 times oversubscribed, enabling its rapid expansion from its humble beginnings in Davao City to the rest of the Philippines, and now, to the rest of the region and the world. Phoenix has opened 655 stations nationwide and has branched out to businesses dealing in LPG; asphalt; terminaling, hauling, and into-plane services; car repair and maintenance; and convenience store retailing. It has also widened its presence overseas through subsidiaries in Singapore and Vietnam—PNX Petroleum Singapore Pte. Ltd. and Phoenix Gas Vietnam LLC.



By the end of 2019, Phoenix has opened 655 stations nationwide.

The Udenna Tower, the new headquarters of Phoenix and other affiliates under the Udenna Group, rises in the world-class business district of Bonifacio Global City in Taguig.



OPERATIONAL HIGHLIGHTS

NEW HOME, NEW SYNERGIES

Symbolic of greater heights that Phoenix is attaining both as a company and a brand is its move into the newly built Udenna Tower—not only bringing its various business units together but also joining its affiliates and sister companies within the Udenna Group of Companies.

The move is vital in creating physical and operational efficiencies, allowing continuous and enhanced synergy with each other. Strategically located at the corner of Rizal Drive and 4th Avenue in the Bonifacio South District of premier financial district Bonifacio Global City in Taguig, it is also the first office tower development of the Udenna Group, and serves as the world-class address of the conglomerate.

It rises at 24 floors, 15 of which are dedicated for office spaces. Eight of these will be occupied by companies in the Udenna Group while the rest will be leased out to other firms. The building covers a total of 14,703 square meters (sqm) of gross floor area and 13,600 sqm of leasable area. It includes two basement parking levels and features seven passenger elevators and one service elevator.

The building was designed for utmost efficiency, security, and convenience befitting the dynamic daily operations of Phoenix and the Udenna Group. It is monitored by a network of 27 closed-circuit television (CCTV) cameras, six video recorders, and six monitors. It utilizes a variable refrigerant flow (VRF) air conditioning system as well as a fire detection and alarm system, with 100% backup power and a total of 45,000 gallons of water in underground and elevated tank facilities.

OPERATIONAL HIGHLIGHTS

CUSTOMER FIRST ALWAYS

Phoenix successfully mounted its second National Convention (NatCon) at the end of the year, as a way to celebrate and recognize the achievements of its stakeholders throughout 2019. The two-day event also served as a learning session where attendees gained knowledge from talks, workshops, exhibits, and performances to enable them to live out the NatCon theme: “Para sa Customer, Only the Best.”

As a clear commitment to institutionalize such customer-first orientation in its business operations, Phoenix officially unveiled and introduced to its business partners the Customer Experience Department—a specialized and dedicated team in the company that will focus on ensuring only the most positive impact on consumers and external clients.

A series of Customer Experience assessments and workshops was further conducted by the various business units of Phoenix such as the fuels and LPG groups, as well as FamilyMart and Posible; including internal teams such as the brand and marketing group (BMG), corporate communications, customer operations, operational excellence, road transport, IT, and engineering.

The workshops aimed to introduce the concept of customer experience and its framework, and what this means for each business unit in order to be able to assess gaps and identify all touchpoints to develop a customer journey improvement plan.



Phoenix COO Henry Albert Fadullon (2nd from right) awarded the lucky winner of an MG ZS car during the Phoenix X Factor Night of the Phoenix National Convention 2019, which celebrated and recognized the achievements of Phoenix stakeholders for the year.

OPERATIONAL HIGHLIGHTS



Phoenix President and CEO Dennis A. Uy led company executives in toasting to the exemplary performance of its sales force and business partners at the 2019 National Convention.

COMMITMENT TO QUALITY AND EXCELLENCE

Further proof of Phoenix's strong orientation and drive toward excellence in all that the company does, two International Organization for Standardization (ISO) certifications were attained in 2019: the ISO 9001:2015 for Quality Management System and ISO 14001:2015 for Environmental Management System.

The important achievements were awarded to Phoenix by world-leading certification body Bureau Veritas Certification Holdings SAS-UK. In January 2018, a series of audits and management reviews were carried out by Bureau Veritas Philippines starting in Phoenix's terminals and depots in Calaca, Davao, Villanueva, Calapan, Cebu, Bacolod, Dumaguít, and Zamboanga. Support functions and business units based in the previous Phoenix offices in Metro Manila and the headquarters in Davao City were also assessed.

The certification affirms the company's commitment to customer satisfaction, high quality of service, environmental stewardship, compliance, and continuous improvement of its operations.

OPERATIONAL HIGHLIGHTS



RETAIL BUSINESS

WIDENING OUR REACH AND SERVING MORE MOTORISTS

With the company's goal to bring value-for-money alternatives to more and more Filipino motorists, 30 new stations were opened within the first half of 2019 alone. By September, four new fuel stations in Muntinlupa and Las Piñas were simultaneously unveiled, effectively penetrating the upscale market in the south of Metro Manila. This historic event marked the 650th

Phoenix fuel station in the country and the start of a series of further network expansion efforts in this key urban area.

Retail built and completed a record number of new-to-industry sites, a historic feat that allows the brand to establish presence in new territories.

Phoenix forged new strategic partnerships into the retail network.

OPERATIONAL HIGHLIGHTS

It implemented a clustering program and territory assignments that further expanded the company's reach, especially in previously untapped areas. This enabled Phoenix to increase its fuel retailing volume by 23% compared to 2018.

Further enhancing customer experience, Phoenix also upgraded the look of over 80% of its stations under Project Bright so that its outlets nationwide reflect the new visual manifestation, featuring a sleek, modern design. Phoenix's new fuel stations have also been equipped with a full suite of offers from convenience stores, restaurants and food outlets, and car care services, providing car owners and motorists more of their daily and incidental needs on the road.

Retail personnel and functional teams also went through a series of rigorous coaching and mentoring sessions throughout the year in order to

improve and ensure a positive overall customer experience at Phoenix retail stations. A satisfaction rating of above 80% in Phoenix's 2019 Mystery Motorist program was achieved, representing a 7% improvement in customer satisfaction from the previous year.



655

RETAIL STATIONS
Opened nationwide

23%

RETAIL VOLUME
Increase

OPERATIONAL HIGHLIGHTS



COMMERCIAL AND INDUSTRIAL BUSINESS

AN INDISPENSABLE PARTNER FOR A SUCCESSFUL ENTERPRISE

The year 2019 saw Phoenix solidify its role as a reliable and highly competent business partner in serving the various needs of its customers, especially their stringent fuel requirements.

Despite challenging market conditions such as increased volatility in prices, IFO (International Fuel Oil) premium increase, supply challenges, and the implementation of the new IMO (International Maritime Organization) 2020 regulation, which drove volume lower by 3% year-on-year, the company remained steadfast in its commitment

to address the evolving needs of its customers.

With over 500 customers nationwide, we continue to add new accounts from various industries located all over the country. Significant accounts solicited were from the fishing industry in General Santos City and Zamboanga, capitalizing on the new Phoenix import facility in General Santos City, and its close relationships with fishing organizations in the Zamboanga Peninsula.

In addition, owing to the group's foundational strategy of valuing customer relationships and ensuring competitive

OPERATIONAL HIGHLIGHTS

pricing with quality products and services, Phoenix was able to renew supply contracts with key accounts in the power, commercial, road transport, mining, and manufacturing industries.

With the newly launched Phoenix Fleet Card in March 2019, focusing on SME accounts, 87 new fleet accounts were solicited. Majority of these fleet accounts were previously served by the majors. With this new fleet card, the commercial team improved its overall portfolio, penetrating key accounts with combined fleet and bulk fuel requirements.

In terms of operational success and excellence in technical services, a number of milestones were achieved, such as the delivery of Phoenix's first IMO 2020-compliant bunker fuel to its shipping customers.

For exemplifying operational and business excellence, Phoenix has

defended its position as the top player in the mining and fishing industries, supplying as much as 70% of their fuel requirements.

In 2019, the team completed 39 in-house technical seminars and one industry seminar across the country. The team was also recognized as a Gold Sponsor at the National Mining Convention and was also awarded by Aboitiz Power as its Top Outstanding Vendor in 2019 for the Oil Business Unit.



OPERATIONAL HIGHLIGHTS

LUBRICANTS

A SMOOTHER RIDE TO GROWTH

As Phoenix strives to provide the best value services and unrivalled motoring experience with its comprehensive high-standard product line of lubricants, the lubricants high street and retail volume in 2019 grew by 8% as Phoenix opened new stations, served more commercial accounts, introduced new products, and strengthened its distributor network—improving capabilities of its existing outlets while increasing the reach of mapped stores and product distribution at the store level, growing the business exponentially.

As the Philippines' lubricants market undergoes rapid growth, Phoenix's lubricants business continues to attract new distributors.

Phoenix appointed 12 new distributors for high street and industrial accounts with the majority of the new distributors coming from the existing performing retail station dealers.



OPERATIONAL HIGHLIGHTS



With a goal of a more responsive approach for the needs of its customers and partners, 47 independent workshops were delivered as a part of its Independent Workshop (IWS) program, which aims to maintain brand awareness and strong presence of Phoenix lube products in the market.

Another volume-generating initiative, the Ka-Phoenix Outlet Program, was also launched in September, aiming to offer additional business to its big accounts and partner retail trade outlets. A total of 106 ka-Phoenix Outlets (KPOs) were converted.

Massive efforts to make business opportunities bigger and better for its partners exemplify the values that set Phoenix apart from its competitors. These efforts also make Phoenix lube products more accessible to consumers, truly making them an indispensable partner in their daily journeys. Mid to high-tier Phoenix lubricants, both for automotive and two-wheeled vehicles as well as specialties, have been made available at All Home branches in the country starting with 12 stores in Luzon. This partnership also opened the opportunity for Phoenix lubes to join in the sales caravan of Toyota Motors Philippines Corp. (TMPC) where special discounts are extended to the company's employees.

OPERATIONAL HIGHLIGHTS

AVIATION

SPREADING WINGS IN AVIATION

Phoenix continues its aggressive growth in the aviation fuel sector as it marks its 15th anniversary with Cebu Pacific, its longest commercial client, signing a supply contract and further extending a valued partnership.

The year 2019 also saw Phoenix winning its first fuel supply contract with another major airline. With this new partner, Phoenix supplies fuel for the Francisco Bangoy International Airport in Davao City, providing a monthly supply of Jet A-1 fuel for the new aviation partner.

New accounts in general aviation acquired by the company allowed us to further expand services to more airports such as the Zamboanga International Airport. Phoenix also started into-plane (ITP) services in



OPERATIONAL HIGHLIGHTS



two new airports in its network in Mactan and San Jose, Mindoro. The growth of both organic and new accounts allowed Phoenix to grow its Aviation Business by 24% compared to the previous year-outpacing the industry growth by almost double.

In tune with its pace as the fastest-growing leading independent oil company in the country, Phoenix opened its first airside depot at the Davao International Airport in July 2019. Phoenix's efforts to strengthen its network led to the opening of two more new airside facilities in Visayas and Mindanao. Phoenix airside depots were opened at the Bacolod-Silay Airport and at the General Santos International Airport—the first ones to be built and operated in the said airports.

Equipped with 80,000 liter-storage tanks for Jet A-1 fuel, each facility has enabled Phoenix to provide streamlined services to a relentlessly growing network of aviation clients. The company also started an in-house quality assurance (QA) and operational excellence team to improve its systems to better serve its partners and customers in the aviation industry.

With the combined gains in both customer portfolio and capability via its new facilities and systems, Phoenix Aviation is poised to reach greater heights in the coming years.

OPERATIONAL HIGHLIGHTS

CME

POWERING MORE POSSIBILITIES

In 2019, Phoenix began maximizing the potentials of its coco methyl ester (CME) manufacturing plant in Cagayan de Oro. Initially meant for internal use when it was inaugurated in 2013, Phoenix has evolved the CME plant into a full business unit—extending its offering to external partners in the local and regional markets and adding value to the profitability of the company.



OPERATIONAL HIGHLIGHTS



The business has been serving the requirements of other players in North Mindanao and has also started the export of CME byproducts. Penetrating the regional market, Phoenix has also begun exporting crude glycerin, a CME byproduct, in partnership with PNX Petroleum Singapore Pte Ltd.

In line with its pursuit to be a globally established energy company, Phoenix CME is eyeing to take on more customers in the oil industry and expand opportunities in the local and global CME markets in 2020.

OPERATIONAL HIGHLIGHTS



PHOENIX LPG PHILIPPINES INC.



A VITAL FUEL ALTERNATIVE IN THE COUNTRY'S ENERGY FUTURE

In its second full year of operation, Phoenix's liquefied petroleum gas (LPG) business grew by 25%, thanks to a fresh marketing campaign, complemented by an aggressive distribution campaign in Luzon, while nurturing its established network and customer base in Visayas and Mindanao. The latter was supported by robust plant terminal and operations, with an increase in cylinder production compared to the previous year.

In early 2019, Phoenix SUPER LPG launched the 'Sarap Pala Magluto' campaign and introduced its brand ambassador, Popstar Royalty

OPERATIONAL HIGHLIGHTS



Phoenix proudly presented a new safe, sigurado, and simple kitchen partner for Filipino families with Phoenix SUPER LPG.

Sarah Geronimo. With a multi-faceted show business personality carrying the brand, Phoenix SUPER LPG proceeded to gain ground in both awareness and usage through marketing initiatives such as a nationwide televised launch on ABS-CBN Channel 2's highest rating Sunday noontime variety show, ASAP. After the launch event, the campaign was sustained by multimedia efforts that highlighted the safe, sigurado, simple benefits of the brand.

Under the new Phoenix SUPER LPG brand, the business was able to normalize the operations of 85 LPG dealers, around 290 SUPER Hubs, as well as Dealer Exclusive Partners (DEP). These include Phoenix and Galaxi retail stations, and new retail partners such as Grainsmart.

Contributing to the growing network of Phoenix SUPER LPG outlets is its new franchise business model, a perfect livelihood opportunity for enterprising Filipinos with limited investment budget. The proposition proved lucrative with 11 signings after its launch.

OPERATIONAL HIGHLIGHTS



Entrepreneurs Jennes and Marlon Gampon (front, center) are the owners of the very first Phoenix SUPER LPG store franchise in Antipolo City, Rizal. Aside from offering Phoenix LPG products for households and small businesses, the store also carries Phoenix lubricants and provides Possible bills payment service.

The business also snagged several key accounts in the hotel, restaurant, and catering (HORECA) industry.

Accessibility to consumers was enhanced with the introduction of Phoenix SUPER Hubs, a stand-alone, community-focused store for pickup and delivery of products, as well as installation and handling assistance. The #SUPER (#78737) customer hotline and the www.phoenixfuels.ph/lpg microsite were also launched to cater to Phoenix LPG patrons all over the Philippines who can now inquire and order LPG products for delivery in the convenience of their homes using their phone or computer.

On the heels of Phoenix SUPER LPG's successful unveiling in late 2018,

the brand continued with relentless marketing and consumer engagement activities, implementing nationwide "Barangay Home Cook Pa More!" caravans.

In an exclusive collaboration with popular messaging app Viber, Phoenix SUPER LPG brought the joys of cooking to digital conversations as it launched a unique line of #SarahSUPERStickers. Downloading the Viber sticker pack automatically enters the user into the exclusive Phoenix SUPER LPG Viber community of fellow foodies where special treats, recipes, and kitchen hacks can be found.

Maximizing the star power of its endorser, Phoenix SUPER LPG made it into Sarah

Singer-actress Sarah Geronimo continues to be the face of Phoenix SUPER LPG and its "Sarap Pala Magluto" campaign.





OPERATIONAL HIGHLIGHTS



Phoenix Petroleum president and CEO Dennis Uy shook hands with Mesa Natural Gas Solutions LLC president and CEO Scott Gromer after signing the memorandum of agreement between the two companies.

Geronimo's box office hit "Unforgettable" through product intrusion.

Aiming to provide a cleaner and more affordable fuel alternative for road vehicles, Phoenix partnered with Hong Kong-based Clean Vehicle Solutions Limited (CLEVA) in the auto LPG conversion of over 200 fuel-powered vehicles operating all over Iloilo City and nearby provinces under GDR Taxi, which boasts one of the biggest fleets in the region.

Phoenix Pilipinas Gas and Power Inc., a wholly owned subsidiary of Phoenix Petroleum, also entered into an agreement with Mesa Natural Gas Solutions LLC based in Wyoming in

the United States for the procurement of specialized generator sets that can run on various gas variants such as raw wellhead gas, liquefied natural gas (LNG), compressed natural gas (CNG), as well as propane-rich LPG, which is largely seen as a transition fuel as LNG sources are continuously being developed. These compact, mobile, and customizable generators will allow for more adaptive, flexible, and responsive energy solutions for Filipinos across the country.



OPERATIONAL HIGHLIGHTS



PNX PETROLEUM SINGAPORE PTE. LTD.



WIDENING REACH AND INCREASING CAPACITY

In a strategic move to strengthen its network and further expand its liquefied petroleum gas (LPG) business, Phoenix subsidiary PNX Petroleum Singapore Pte. Ltd. entered into a partnership with Singapore-based Hengyi Industries International Pte. Ltd. (HYII) for a landmark LPG venture in Brunei.

The agreement allows Phoenix to offtake LPG from Hengyi's Brunei refinery production, utilizing the former's first pressurized LPG

OPERATIONAL HIGHLIGHTS



The first successful shipment of PNX Petroleum Singapore's LPG offtake investment in Brunei, sailed toward Phoenix's LPG terminals in Iligan and Cebu.

carrier, dubbed the PNX Conqueror. The carrier, with a capacity of 2.5 kilotons (kt), works in tandem with a long-term charter vessel of Phoenix sister company Chelsea Logistics and Infrastructure Holdings Corp. with 4.6 kt capacity.

OPERATIONAL HIGHLIGHTS



PHOENIX GAS VIETNAM LLC



BREAKING NEW GROUND AND STRENGTHENING TIES

A great milestone in Phoenix's expansion in the Asia Pacific region in 2019 is the company's acquisition of 75 percent of Origin LPG Vietnam LLC, one of the country's major liquefied petroleum gas (LPG) firms, giving birth to Phoenix Gas Vietnam LLC.

Based in Ho Chi Minh City, with presence in Central and South Vietnam, Phoenix Gas Vietnam is involved in LPG trading, storage, warehousing, port and LPG tank servicing, as well as other services such as repair and maintenance of LPG supply systems, and LPG transportation.

OPERATIONAL HIGHLIGHTS



Phoenix president and CEO Dennis Uy and family, along with Phoenix executives joined Phoenix Gas Vietnam distributors on a three-day partner event to strengthen its business network in the country.

The development is in line with Phoenix's vision of growing the LPG market and bringing the benefits of the alternative fuel to more markets, strengthening its position as an important component not just of the Philippines' energy future, but that of the entire region.

Phoenix Gas Vietnam held a series of partner events to establish and strengthen relationships with its local network of 68 distributors and other stakeholders. The company recognized its top five LPG distributors in the country, and also took the opportunity to introduce local business partners to key executives and counterparts in Phoenix's parent company, Udenna Corporation.

OPERATIONAL HIGHLIGHTS



PHILIPPINE FAMILYMART CVS, INC.



THE EVERYDAY AUTHENTIC JAPANESE EXPERIENCE FOR FILIPINOS

Setting itself apart within the tight and competitive consumer retail market, FamilyMart continues with its vision of “convenience food retailing” in a quick-service restaurant (QSR) setting that offers not just daily needs but most importantly, hearty and filling meals that are freshly prepared and in appetizingly varied flavors.

FamilyMart’s pivot to food seeks to provide an authentic experience with the flavors and culture of Japan at price points that enable Filipinos to enjoy them as part of their everyday life. Urbanites, city dwellers, and the office

OPERATIONAL HIGHLIGHTS



(L-R) Celebrity and actress Sarah Lahbati, Phoenix President and CEO Dennis Uy, Phoenix Board of Director Cherylyn Uy, Ambassador of Japan to the Philippines Koji Haneda, Executive Officer of International Business Division-Japan FamilyMart Fuminobu Oda, Phoenix COO Henry Albert Fadullon, and Philippine FamilyMart GM Bernie Suiza attended the inauguration of the largest FamilyMart branch in the Philippines.

workforce are the main market segments that benefit from FamilyMart's value-for-money offerings. Bridging the gap with the local palate are newly introduced fusion food including pakbet, caldereta, and pork sisig donburi rice toppings.

A big step in making FamilyMart a part of the daily habit of Pinoys is the launch of Coffee Creations, a partnership with renowned Japanese coffee company UCC. Available in hot and cold variations, the exclusive blend creates a trademark flavor that has made FamilyMart the newest favorite destination for a satisfying yet affordable caffeine fix. In fact, the new coffee line has helped increase FamilyMart's coffee sales by 10 times.

Fittingly, the biggest FamilyMart store in the Philippines was unveiled at the Udenna Tower in November, which serves as the ultimate showcase of all the best that the chain has to offer. The 400-square-meter branch boasts of spacious dine-in sitting areas as well as other amenities such as function rooms, a co-working space, a zen garden, and a walk-in chiller

OPERATIONAL HIGHLIGHTS



FamilyMart redefined the convenience retail segment with a pivot to freshly prepared and value-for-money food offerings.

that stocks local and imported beers and liquor. Customers in the area need not dine in a specialty restaurant just to get a taste of iconic Japanese cuisine such as ramen, katsudon, and gyudon with FamilyMart's own authentic offerings. Even Onigiri, a Japanese rice-wrap innovation that provides a quick but satisfying bite for meals on the go, is also available in this store.

Part of bringing the FamilyMart brand closer to the hearts of basketball-loving Filipinos is teaming up with hospitality management and business administration school Enderun Colleges, a sister company in the Udenna

Group of Companies. The team joined the Philippine Basketball Association Developmental League (PBA D-League) and debuted in the minor league's 2019 Aspirants Cup.

The FamilyMart-Enderun duo is the second basketball team of Phoenix, after the Phoenix PULSE Fuel Masters currently playing in the PBA—attesting not only to the commitment of the company to provide quality products and services to Filipinos, but to continuously delight them and be part of their aspirations as well.



FamilyMart



OPERATIONAL HIGHLIGHTS



POSIBLE.NET



MAKING LIFE EASIER THROUGH DIGITAL TRANSACTIONS

The Posible.net digital platform continues to be poised as an enabler of modern lifestyle solutions for Filipinos nationwide. Through its network of mobile POS devices, more people can easily avail of financial transactions such as bills payment, money remittance, purchase of prepaid load, and withdrawing cash in the convenience of their neighborhood.

Not only does Posible make life easier for customers, it also offers additional livelihood for small to medium entrepreneurs. From the

OPERATIONAL HIGHLIGHTS



ubiquitous sari-sari store, to bakeries, Internet cafes, and laundry shops—any enterprise can earn additional income by becoming a Posible operator, while catering to the needs of unbanked and underbanked Filipinos.

More features and services, such as buying tickets, mobile app pins, and even microinsurance will be made possible soon on the Posible platform. Posible devices are also equipped with a printer, magnetic stripe reader, as well as a QR code reader, making it adaptive to developments in digital financial transactions.

In 2019, Posible expanded brand awareness and product usage through marketing initiatives such as an exclusive sponsorship of the “Juan For All, All For Juan” segment on popular noontime television program Eat Bulaga! on GMA Channel 7. By strengthening its affinity with the market of ordinary Filipinos, it widens its reach and encourages them to enjoy the conveniences and benefits of a truly digital lifestyle.

OPERATIONAL HIGHLIGHTS

PHOENIX ASPHALT PHILIPPINES, INC.



PAVING THE WAY

After breaking ground in 2018, construction of the Phoenix Asphalt Philippines, Inc. plant was in full swing the following year; the first phase of which was finished in December of 2019. The new infrastructure located in the Calaca Industrial Seaport in Batangas serves as a storage facility, and in the future, will also be utilized as a manufacturing plant. It is, additionally, a physical manifestation of Phoenix's new venture as it aims to further contribute to society by providing support in the construction of world-class roads, highways, airport runways, among other projects.

OPERATIONAL HIGHLIGHTS



With the purpose to educate and orient, Phoenix Asphalt convened with contractors and relevant government agencies who may be interested in developing asphalt mixes and studies that suit their future undertakings. The team also did cold mix testing at Manila expressways to further ensure product quality and performance in preparation for the official launch. Phoenix Asphalt presently offers Penetration Grade 60/70, and will eventually carry a varying range of high-quality products, including Polymer Modified Bitumen (PMB), Penetration Grade 40/50, Cationic Rapid Setting Type 1, Cationic Rapid Setting Type 2, Cationic Slow Setting Type 1h, Catatonic Rapid Setting Type 1p, and Catatonic Rapid Setting Type 2p.

OPERATIONAL HIGHLIGHTS



AUTOWORX PLUS



MORE VALUE-ADDING SERVICES TO FILIPINO MOTORISTS

To further extend excellent service which adds value to its market of motorists, Phoenix opened the first branch of Autoworx Plus at the Phoenix gas station in Muntinlupa City in February. Autoworx Plus is a one-stop automotive facility that caters to light to medium repair and maintenance needs.

This new undertaking was established in partnership with Michelin Tires, Denso, Motolite Battery, Bendix, Tire Asia, and Alabang Parts Center in order to provide high-quality car parts and accessories.

OPERATIONAL HIGHLIGHTS



Autoworx Plus opened its inaugural branch at Phoenix West Service Road station attended by (standing from left to right) Autoworx Plus Business Development Manager Chiqui Bagano, Phoenix Petroleum General Manager for Lubricants Joven Jesus Mujar, Autoworx Plus Operator Les Mañalac, Phoenix Petroleum Assistant Vice President for Brand and Marketing Celina Matias, FamilyMart General Manager Bernard Suiza, and FamilyMart Chief Finance Officer Magtanggol Bawal, with the crew and staff of Autoworx Plus and FamilyMart.

This ensures that clients can expect only top-tier products to be used in repairing and reconditioning their vehicles. The service facility also has dedicated, expert service technicians trained at the Don Bosco Technical Institute.

For customer's convenience and as an avenue to promote Phoenix Petroleum's other prime products and services, the Autoworx station is equipped with its own FamilyMart. Clients can even pay their bills or buy load through the Possible digital payment device located at the FamilyMart counter.

By the end of the year, two more Autoworx Plus branches were established to serve more motorists in the metro; one along Timog Avenue in Quezon City, and another along Naga Road in Las Piñas.

WORLD-CLASS EXCELLENCE AND STELLAR BUSINESS PERFORMANCE

03





AWARDS & RECOGNITION

The year 2019 was a banner year for Phoenix in terms of being recognized for its excellence in various aspects of its business and operations, not just in the Philippines but also abroad. Indeed, Phoenix is going places and is well on track in its continuous ascent as a world-class brand and an esteemed organization among its peers.

AWARDS AND RECOGNITION

EFFECTIVE AND IMPACTFUL MARKETING

Phoenix as a brand has exhibited a keen understanding of its market, effectively engaging consumers and stakeholders in its quest to be an indispensable partner in all the lives it touches. The communications and marketing campaigns for major product launches in 2019 such as Phoenix SUPER LPG's "Sarap Pala Magluto" and Phoenix PULSE Technology fuel additive won for Phoenix the top plum of Marketing Company of the Year at the 40th Agora Awards.

Organized by the Philippine Marketing Association, the Agora Awards is considered the most prestigious marketing distinction in the Philippines, which aims to give recognition to Filipino marketing excellence "with an emphasis on ingenuity, versatility, and innovation."



(OPPOSITE PAGE) The Phoenix team celebrated its win as Marketing Company of the Year at the 40th Agora Awards led by President and CEO Dennis A. Uy (ABOVE).



The Phoenix PULSE Technology launch likewise won a Silver Stevie Award for New Product Launch at the 16th International Business Awards, the world’s premier business awards and is considered as the “Oscars” of the business industry. Phoenix was among the 23 Filipino companies who won the elusive Stevies from the 4,000 nominations the competition received from 74 countries in 2019.

The fuel campaign further received an Award of Excellence in Communication Management–Marketing, Advertising and Brand Communications category from the International Association of Business Communicators (IABC)–Philippines at the 17th edition of its annual recognition program, the Philippine Quill Awards. Phoenix’s effectiveness in utilizing today’s digital platforms was further evidenced by an Award of Merit for the social media campaign “Winning Hearts for an Underdog Team” by Evident Communications for the Phoenix PULSE Fuel Masters.

Meanwhile, the nationwide launch of Phoenix SUPER LPG’s “Sarap Pala Magluto” campaign brought additional recognition to the company with a Bronze Award in the multimedia category of the Media Specialists Association of the Philippines’ (MSAP) ICE Awards 2019 through a

AWARDS AND RECOGNITION



(ABOVE) Phoenix's brand and marketing, and corporate communications groups at the 17th Philippine Quill Awards.
(OPPOSITE PAGE) Phoenix's award-winning booth at the Franchise Asia Philippines 2019 event.

nomination submitted by agency Havas Media Ortega. ICE—which stands for Innovation, Creativity, and Effectiveness—is MSAP's official award program that recognizes exemplary works of MSAP members in media thinking and communication.

MEANINGFUL CONSUMER ENGAGEMENTS AND ACTIVATIONS

Another highly respected marketing industry organization, the Philippine Association of National Advertisers (PANA), feted Phoenix's "Bida ang Tsuper Caravan" initiative with a Bronze Award for Customer Empowerment as well as a Gold Award for the People's Choice for Customer Empowerment. The campaign was shortlisted among 74 other nominations. It also garnered the highest number of online votes,

besting 11 other campaigns. The "Bida ang Tsuper Caravan" is an awareness and engagement campaign for potential Phoenix Tsuper Club (PTC) members—a loyalty card that gives exclusive discounts, privileges, and recognition for public utility vehicle (PUV) drivers in the country.

Phoenix brands and products have made a consistent show at the Franchise Asia Philippines event, and for 2019, the company received the Best Booth Design award, for the seventh time, for its Phoenix World Booths under the non-food (54-square-meter area) category. The innovative design effectively showcased the portfolio of Phoenix brands through mock-ups of a Phoenix fuel retail station, a Phoenix SUPER LPG hub, a FamilyMart store, an Autoworx Plus shop, and a Possible payment center. The Possible

AWARDS AND RECOGNITION

booth was further awarded with the Best Booth Design under the non-food (18 sqm area) category.

Franchise Asia Philippines is dubbed as the region's biggest four-in-one franchise show, presenting more than 500 homegrown and international brands in the food, retail, and service industries. The annual event is organized by the Philippine Franchise Association, the pioneer and biggest franchise organization in the country.

INDUSTRY LEADERSHIP AND GOOD CORPORATE GOVERNANCE

Phoenix founder, president, and chief executive officer Dennis Uy continued to emerge as a respected business leader being the concurrent chairman and president of parent company Udenna Corporation, with numerous recognitions from some of the most highly reputable award-giving bodies in the region—an affirmation of his admirable entrepreneurial story of growing a homegrown business into the diversified conglomerate that it is today.



AWARDS AND RECOGNITION



(ABOVE) Udenna Corporation Chairman and President Dennis Uy received the ASEAN Entrepreneurial Excellence Award from EY ASEAN regional managing partner Nam Soon Liew during the EY Singapore's Entrepreneur of the Year Awards Gala Night. (OPPOSITE PAGE) Uy's ACES and Entrepreneurial Excellence Award trophies.

He received the much-coveted ASEAN Entrepreneurial Excellence Award from one of the world's most prestigious business awards programs, the Ernst & Young's Entrepreneur of the Year—Singapore. Winners were selected according to their entrepreneurial spirit, strategic direction, community impact, and personal integrity. Uy's outstanding profile as a disruptor and industry game changer, not just in the Philippines but in the ASEAN region, earned him the coveted title.

Uy was also named as one of the Outstanding Leaders in Asia at the 6th Asia Corporate Excellence & Sustainability (ACES) Awards—one of only four Filipino leaders recognized by the organization in 2019 and one among the eleven Filipino awardees since 2016.

Presented to exceptional leaders who have demonstrated sound leadership and successfully applied it to spearhead growth and prominence for the company, Uy was cited for continuously seeking "innovation and progress, taking advantage of niches in the market, and turning them into opportunities for growth, working quickly and efficiently to stay way ahead of the competition."

Under Uy's helm, Phoenix and its subsidiaries continued to exhibit exemplary performance and attain new heights in business. Less than two years since it began operations, PNX Petroleum Singapore was recognized as one of the island nation's fastest-growing small and medium enterprises (SMEs) at the SME100 Awards organized by Business Media International (BMI). In a pool of 50 SMEs, it is the only company from the Philippines to be recognized.

Phoenix's issuance of PhP 10-billion short-term commercial papers (STCP) with Philippine National Bank (PNB) Capital and Investment Corp. also won the Best Debt Deal of the Year at the Asian Banking and Finance Awards 2019 in Singapore.

AWARDS AND RECOGNITION

The commercial papers—the company’s biggest issuance yet—was a landmark transaction as it became the first commercial papers issuance under the new rule of the Securities Regulation Code Implementing Rules and Regulations.

The transaction also received overwhelming bids in its initial series, demonstrating Phoenix’s strong investor confidence. PNB Capital served as the sole issue manager for the commercial papers program and lead underwriter and sole bookrunner for the initial series. The Asian Banking and Finance Awards is an annual awards program that honors banks with outstanding retail and wholesale banking innovations, and outstanding corporate and investment banking deals and achievements.



GOING THE EXTRA MILE

04





SUSTAINABILITY

Acknowledging that Phoenix can do more for the country besides contributing to the economy, its vision of being a partner in the journey of the lives it touches does not just end with its shareholders, investors, employees, and customers. Primarily through the Phoenix Philippines Foundation, Inc., Phoenix has been making efforts toward creating and ensuring positive, sustainable impact on communities as it transitions its corporate social responsibility (CSR) initiatives to environmental, social, and governance (ESG) projects that affect long-term gains across prioritized social causes. This way, Phoenix does not only progress and reach greater heights as a company, but also as a responsible, ethical, and empowering member of society.

SUSTAINABILITY

EQUIPPING THE FUTURE GENERATION

As part of the annual Brigada Eskwela program of the Department of Education (DepEd), Phoenix helps gear up schools and create learning environments that are more conducive in educating Filipino students. In 2019, Phoenix employees came in with donations of paint, brushes, and cleaning materials to rehabilitate fences, classrooms, chairs, and tables in 15 adopted public schools around the country.

It is the company's belief that educators are partners in assuring that young individuals are equipped to make the best use of opportunities that lie ahead of them. Since 2007, Phoenix has supported 18 teachers from adopted schools and 11 Alternative Learning System (ALS) instructors at the Phoenix Livelihood Training Center, providing them an honorarium for their service in educating schoolchildren as potential leaders of the future.



*((ABOVE) Phoenix volunteers during International Coastal Cleanup Day.
((OPPOSITE PAGE) One of Phoenix's medical missions*



With its livelihood programs, Phoenix also offer adults better opportunities to make a living by holding classes on welding, electrical installation, computer servicing, beauty culture and hairstyling, high school literacy, and Sunday school education.

PUTTING PEOPLE IN TOP CONDITION

Programs in health and wellness are crucial for Filipinos to be more productive and resilient against debilitating diseases. The foundation helps enhance Filipinos' access to basic healthcare through medical and dental missions in underserved areas throughout the country. In 2019, the foundation conducted seven medical mission initiatives benefiting a total of 2,857 patients. Phoenix employees also participated in the company's annual bloodletting drive, which collected a total of 1,887 bags of blood.

REFUELING HOPE

Natural disasters have adversely impacted numerous communities, provinces, and regions across the country—causing disruption to families, as well as businesses. Helping fellow countrymen get back on their feet is an important aspect of nation-building. Hence, in 2019, Phoenix reached out to earthquake victims in Makilala, North Cotabato and in Matanao, Davao del Sur with essential relief goods, temporary shelter, and other necessities in order to restore the normalcy of daily living at the earliest possible time. Bringing joy to schoolchildren at Christmas is also one of the projects Phoenix volunteers take on annually, recognizing the value of creating optimism during the most important season of the year. During Christmas 2019, 18 gift-giving activities were held across the nation and have helped put a smile on the faces of 20,209 children since the project began in 2007.

SUSTAINABILITY



Phoenix, Phoenix Petroleum's adopted Philippine eagle.

PROTECTING OUR NATURAL HOME

One of the company's greatest concerns in its ESG agenda is its thrust for environmental preservation, championing initiatives that help secure a sustainable future. More than ever, Filipinos are called to act in a more socially responsible manner not just in daily life, but in business operations.

In 2019, Phoenix's continuous reforestation initiatives saw 15,700 more trees take root in the countryside areas of Aklan, Batangas, Butuan, Davao, Misamis Oriental, General Santos, and Zamboanga. This brings the total number of trees planted through Phoenix's efforts to 65,200 since 2009.

The amount of trash that ends up in the oceans has become increasingly alarming as well. To help address this issue and

to help protect marine ecosystems from further pollution, the company conducted 13 coastal clean-up drives in various seaside communities in the country.

In 2012, Phoenix adopted a male Philippine eagle at the Philippine Eagle Foundation (PEF) in Davao, providing for his care, as well as the maintenance of the breeding facility and support for PEF's overall eagle conservation research and campaign. Named Phoenix, the bird was paired with a female eagle Marikit in hopes of mating and increasing the population of their kind.

In February 2019, PEF implemented new pairings to further improve the chances of producing a fertile egg. Phoenix was introduced to a new female partner, Mayumi, and the pairing seems promising as the quest to help produce more Philippine eagles continues.

SUSTAINABILITY

BOOSTING A NEW BREED OF ATHLETES

Phoenix's sports programs aim to inspire young athletes to be proactive in their passion for athletics, as well as to provide them with the necessary training and resources to achieve this. The star players and coaches of the Phoenix PULSE Fuel Masters imparted valuable knowledge and skills at the special, one-day Phoenix PULSE Fuel Masters Basketball Camp. A hundred rookies aged 10 to 12 from adopted schools in Davao City learned proper footwork, ball handling, shooting, passing, defense, and shooting from the PBA pros.

Pinoy Hoops, a more comprehensive basketball training program, was also held in Subic, Zambales where a total of 216 young basketball players, forming eighteen teams with 12 players each, participated in a week-long tournament-style competition that honed their skills on the actual court. Well-loved Phoenix PULSE Fuel Masters also came to inspire their young fans and promote the value of sports.

The company also carried on with its staunch support of Filipino national excellence in sports, beginning with a platinum sponsorship at the 30th Southeast Asian Games held in the country in November to December. As the official fuel and convenience store partner of the sports event, Phoenix and FamilyMart played a big role providing both local athletes and foreign contingents with products and services

that made them feel at home and at their best.

With the upcoming 2020 Olympics, Phoenix's Siklab Atleta Pilipinas Sports Foundation is relentless in its support to promising Filipino athletes. It extended a PhP 2-million sponsorship for Filipina weightlifting sensation and Olympic gold medalist Hidilyn Diaz for her training.

Phoenix's continued sponsorship of the Giti-Formula V1 Challenge, a home-grown single-seater racing series, has elevated the local racing scene to world-class potential thanks to the innovative Phoenix Young Drivers' Program—the feeder competition that provides young, aspiring Filipino car racers the opportunity to be the next circuit superstar.



Phoenix PULSE Fuel Masters shared skills on the court with young basketball players.

SUSTAINABILITY

CELEBRATING THE COMMON PINOY

The Pinoy Tsuper Hero is an advocacy program of Phoenix that seeks to champion driving as a noble profession especially in the public sector. It recognizes drivers who exemplify discipline and safety on the road, help protect the environment, and make a positive impact on society. The program is in cooperation with ABS-CBN Lingkod Kapamilya Foundation and Bayan Academy.

On the fourth year of Pinoy Tsuper Hero, a tourist van driver and operator from Bohol City bagged the top honor among 12,000 applicants from across the country, who went through screening, deliberations, and interviews. Augusto “Gus” Pascual was deemed a role model not just among drivers, but also among enterprising

Filipinos who aim to make a decent and respectable living. Coming in at second and third places were Joseph Membrillo and Eusebio Fabia, both from Tacloban City. Pascual received PhP 100,000 in cash, PhP 1 million worth of insurance, a new Mitsubishi FB vehicle, and PhP 50,000 worth of Phoenix fuels and lubricant products, among other prizes.

A native of Tagbilaran City, Pascual has been in the tour transport industry as part of Bohol Island Tour Operators and Drivers Multipurpose Cooperative for seven years. He started out mainly driving tourists around in Bohol’s tourist destinations, until he became the cooperative’s general manager in 2017. He was more focused on office work but still drove for former clients who came to value his personal brand of service and specifically asked for him.



Augusto Pascual was deemed the Pinoy Tsuper Hero of 2019

SUSTAINABILITY |

 EDUCATION	25 BRIGADA ESKWELA OPERATIONS TO PREPARE SCHOOL FACILITIES FOR THE OPENING OF CLASSES	4 LIVELIHOOD PROGRAMS	10 BOOK DONATION DRIVES
 ENVIRONMENT	13 COASTAL CLEAN-UP OPERATIONS	15,700 SEEDLINGS PLANTED	
 HEALTH AND SAFETY	1,887 BLOOD BAGS COLLECTED AND DONATED	7 MEDICAL AND DENTAL MISSIONS	
 OUTREACH	4,736 KIDS HELPED THROUGH COMMUNITY OUTREACH PROJECTS IN ADOPTED SCHOOLS		

**KEEPING
PASSION FOR
THE GAME
ALIVE**

05





PHOENIX PULSE FUEL MASTERS

The Phoenix PULSE Fuel Masters pushed themselves to the limit throughout 2019 in the country's premier basketball league, the Philippine Basketball Association (PBA)—achieving new heights in team performance and sports excellence. As a dynamic, passionate, and dedicated group of professional athletes, they also continued to play their important off-court roles—that of inspiration to Filipino youth and basketball-loving audiences.

PHOENIX PULSE FUEL MASTERS

PBA SEASON 45 HIGHLIGHTS 2019



JANUARY

Jason Perkins inked a three-year contract extension, solidifying his commitment to the team. The same extension was rewarded to Matthew Wright a year before.

FEBRUARY

The Phoenix PULSE Fuel Masters start the Philippine campaign on a franchise best and longest winning streak of five straight wins, opening the conference with a 5-0 slate.

MARCH

The team beat the defending champions San Miguel Beermen in Panabo, Davao to clinch the overall number one position after the eliminations—its best-ever finish with a record of 9-2. The team goes into the playoffs with a twice-to-beat advantage.



APRIL

Phoenix demolishes the Alaska Aces in the quarterfinal game, 91-76 to qualify for the semi-final stage for the

first time once again in franchise history. In addition, Jason Perkins scores a career-high of 31 points in this game.

Unfortunately, the Fuel Masters bowed to the San Miguel Beermen in the semis, losing 4-1 in a best of seven series. The team, however, gained a lot of experience in its first semi-final run.

The team also held its second Phoenix Pinoy Hoops tournament in Olongapo City as part of their continuing commitment to develop the grassroots through basketball clinics and tournaments.

AUGUST

The team visited the Benigno Aquino Elementary School in Quezon City to conduct a basketball clinic for its public school students. The kids were given a

PHOENIX PULSE

FUEL MASTERS

chance to learn basic basketball skills from their favorite Fuel Masters.

The 17th Philippine Quill Awards recognized a key communications program of the Phoenix PULSE Fuel Masters dubbed “Winning Hearts for an Underdog Team” developed by its social media partner, Evident Communications.

OCTOBER

The team signed ex-National Basketball Association (NBA) veteran guard Alonzo Gee, replacing Eugene Phelps for the remainder of the conference. Gee played in the NBA for eight years, most notably with the Cleveland Cavaliers from 2010 to 2014.

NOVEMBER

Phoenix mainstay RJ Jazul reached a league milestone of playing 300 consecutive games in his career, joining an elite group of players with the

same feat such as Mark Barroca and LA Tenorio.

Team veterans Doug Kramer and Willie Wilson played their final game in the PBA league in a rousing double overtime victory against Blackwater Elite. Kramer has played 12 years, while Wilson lasted 15 years in the league.



DECEMBER

Jason Perkins won gold in the 3x3 basketball event in the 30th South East Asian Games in Manila. Perkins teamed up with Moala Tautuaa, Chris Newsome, and CJ Perez to go undefeated in the short tournament.

Likewise, Phoenix franchise player Matthew Wright won gold in the men’s basketball tournament, beating eventual silver medalist Thailand in the finals.

Phoenix associate head coach Topex Robinson was selected as an assistant coach in the forthcoming Gilas National Basketball team as they vie for a slot in the 2023 FIBA World Cup. The Gilas pool started their campaign in a series of games in February 2020.

The Fuel Masters ended the year and celebrated the holidays through several outreach programs benefiting less fortunate and underserved communities. They participated in gift-giving activities at Bajac-bajac Elementary School in Olongapo City, and visited cancer patients at the Philippine Children’s Medical Center led by Calvin Abueva.

BOARD OF DIRECTORS



MONICO V. JACOB
DIRECTOR

MINORU TAKEDA
INDEPENDENT
DIRECTOR

**ATTY. J.V. EMMANUEL
A. DE DIOS**
DIRECTOR

**STEPHEN T.
CUUNJIENG**
DIRECTOR

DENNIS A. UY
DIRECTOR, PRESIDENT,
AND CEO

CHERYLYN C. UY
DIRECTOR

BOARD OF DIRECTORS |

NICASIO I. ALCANTARA
INDEPENDENT
DIRECTOR

**FREDERIC C.
DYBUNCIO**
DIRECTOR

**CONSUELO
YNARES-SANTIAGO**
INDEPENDENT
DIRECTOR

**ROMEO B.
DE GUZMAN**
DIRECTOR

DOMINGO T. UY
CHAIRMAN

BOARD OF DIRECTORS



DOMINGO T. UY

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



DENNIS A. UY

Mr. Uy is the founder of the Company and has served as its President and Chief Executive Officer (CEO) since inception. He is also the founder and concurrent Chairman and CEO of Udenna Corporation, Phoenix's parent company, with a diverse business portfolio that includes interests in petroleum retail and distribution, shipping and logistics, real estate development, infrastructure, education, and leisure and gaming.

He is the Chairman of Chelsea Logistics Holdings Corporation, a dominant player in the shipping and logistics industry, and Chairman of 2GO Group Inc., the country's largest logistics provider. He is also the Chairman of Udenna Land, which develops and manages real estate projects such as Clark Global City, Calaca Industrial Seaport Park, Udenna Tower and the soon-to-be-launched The Emerald in Mactan, Cebu. He is also the Chairman and President of Udenna Infrastructure Corporation, Chairman of PH Travel and Leisure Holdings Corporation, and Chairman of Enderun Colleges Inc.

He is Chairman and CEO of Dito Telecommunity Corporation, the Philippines' third major telco, granted a Certificate of Public Convenience and Necessity (CPCN) by the National Telecommunications Commission (NTC) on July 8, 2019. He is Chairman, President, and CEO of Dito CME Holdings Corporation, Udenna's foray into the media and entertainment space.

He is the Chairman of Phoenix Philippines Foundation, Udenna Foundation, Siklab Atleta Pilipinas Sports Foundation and LIFE Fund. He serves as Director of Alphaland Corporation and Vice-Chairman of Atok-Big Wedge Co., Inc. He was appointed Presidential Adviser on Sports in 2016 and Honorary Consul of Kazakhstan to the Philippines since 2011. Mr. Uy is a graduate of De La Salle University with a degree in Business Management.

BOARD OF DIRECTORS



ROMEO B. DE GUZMAN

Mr. De Guzman has been a Director of the Company since 2009. He was previously Chief Operating Officer, Vice Chairman and Senior Strategic Adviser 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 served as Vice President for External Affairs for Asia Pacific, and a member of the Board of Directors up to December 2006. He held various management and executive positions in the said institution. 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 degrees in Marketing Management and Master of Business Administration from San Sebastian College–Manila.



CHERYLYN C. UY

Ms. Uy is one of the pioneers and incorporators of Udenna Corporation, the parent company of Phoenix, which has businesses in petroleum retail and distribution, shipping and logistics, real estate development, infrastructure, education, and leisure and gaming.

She is the Corporate Treasurer of Udenna Corporation and Chelsea Logistics Holdings Corporation. She is President of Udenna Foundation and Executive Director of Phoenix Philippines Foundation Inc. She is a graduate of Business and Finance from Ateneo de Davao University.




J.V. EMMANUEL A. DE DIOS

Atty. J.V. Emmanuel A. De Dios was elected Independent Director of the Company on February 15, 2007 and regular Director on March 7, 2008. He is the Chief Executive Officer of GE Philippines, and prior to that was President and Chief Executive Officer 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 Philippine National Oil Company (PNOC) 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.

BOARD OF DIRECTORS

STEPHEN T. CUUNJIENG

A portrait of Stephen T. Cuunjieng, a middle-aged man with dark hair, wearing a dark suit, white shirt, and a patterned tie. He is smiling slightly and looking directly at the camera.

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

FREDERIC C. DYBUNCIO

A portrait of Frederic C. Dybuncio, a middle-aged man with dark hair, wearing a dark suit, white shirt, and a red tie. He is smiling slightly and looking directly at the camera.

Mr. DyBuncio was elected as a Director of the Company on May 27, 2017. He is the President of SM Investments Corporation. He is a Director of Atlas Consolidated Mining and Development Corporation, Premium Leisure Corporation, 2GO Group Inc., and Pacific Online Systems Corporation. Prior to holding those posts, 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 in Business Management degree from the Asian Institute of Management.

BOARD OF DIRECTORS

MONICO V. JACOB

Mr. Jacob has been Independent Director of the Company since March 7, 2008 and was elected a regular Director in 2019. He is President and Chief Executive Officer of the STI Education Systems Holdings Inc., a publicly listed company; of STI Education Services Group Inc.; and of West Negros University. He is also the Chairman of Philplans First Inc., a pre-need company; and of Philippine Life Financial Inc., a life insurance company. He likewise sits as an independent director of Jollibee Foods Inc., Lopez Holdings Inc., and 2GO Shipping. He sits as Director of Asian Terminals Inc., Philhealthcare Systems Inc. and iAcademy.

CONSULEO YNARES-SANTIAGO

Ms. Santiago is a retired Justice of the Philippine Supreme Court. She 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 and the power generation unit of San Miguel Corporation; South Luzon Tollway Corporation; and Top Frontier Investment Holdings Inc.

She is the Chairperson of the 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. After five years of legal practice, she decided to enter the Judiciary and spent 36 years of her career as Municipal Judge, Metropolitan Trial Court judge, Regional Trial Court judge, and Associate Justice of the Court of Appeals, before becoming an Associate Justice of the highest court of the country, the Supreme Court.

During this time, she became the Chairperson of the Supreme Court's 3rd Division and also joined various committees in the same capacity, among them: the Justice on Wheels Program, the Foreign Travel Committee, and the House of Representative Electoral Tribunal. She was also a member of the Presidential Electoral Tribunal, as well as a consultant of the Judicial and Bar Council. She was a bar examiner of Labor Law and Social Legislation during the 1996 Bar Examination, and of Taxation Law in the 1998 Bar Examination.

BOARD OF DIRECTORS

NICASIO I. ALCANTARA

Mr. Alcantara is the Chairman and President of ACR Mining Corporation and Chairman of Conal Corporation. He currently serves as the Chairman of the Corporate Governance Committee of BDO Private Bank Inc. and is a member of the bank's Audit Committee and Related Party Transactions Committee. He is currently a Director of Alsons Corporation, Alsons Development and Investment Corporation, and several other prestigious corporations. Prior to this, he also held the position of Chairman and President in various corporations, namely: Petron Corporation, Alsons Consolidated Resource Inc., Iligan Cement Corporation, Alsons Cement Corporation, Northern Mindanao Power Corporation, Refractories Corporation of the Philippines and Alsons Insurance Brokers Corporation. He was also the Chairman of Alsons Prime Investments Corporation.

Mr. Alcantara holds a Master in Business Administration degree from Sta. Clara University, California, and a Bachelor of Science degree in Business Administration from Ateneo de Manila University.

MINORU TAKEDA

Mr. Takeda, Japanese, is the Chairman of aNew Energy, an advisory company for renewables and liquified natural gas (LNG); as well as Senior Advisor of GLX LNG, and LNG trading platform company). He is also a Director of Oxalis Chemicals KK and Senior Advisor of Uyeno Kosan KK.

He was with ExxonMobil for 22 years and with Royal Dutch Shell group for 14 years. He was the Chairman of the Board of Showa Shell KK, Country Chairman of Shell Group of Companies in Japan, and General Manager of Shell Upstream International in charge of the ASEAN and India LNG market development. For Mobil Oil Corporation, in addition to holding key positions in Japan, he was Director of Mobil Oil New Zealand and has experience in Global HQ Downstream Corporate Planning. He also spent over four years in Deloitte as Partner of Deloitte Tohmatsu Consulting, and served as Chief Executive Officer of Deloitte Tohmatsu Corporate Finance. He holds Bachelor of Science and Master of Science degrees from Keio University and a Master of Science degree from the Massachusetts Institute of Technology (MIT) Sloan School of Management. He was a visiting researcher at Harvard University, Energy and Environmental Policy Center.

EXECUTIVE COMMITTEE



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T. ZORRILLA**
SENIOR VICE PRESIDENT



DENNIS A. UY
PRESIDENT AND
CHIEF EXECUTIVE
OFFICER



**HENRY ALBERT
R. FADULLON**
CHIEF OPERATING
OFFICER



**MA. CONCEPCION
F. DE CLARO**
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CHARLIE R. VALERIO
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ROY O. JIMENEZ
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Distribution Business

RICHARD C. TIANSAY
General Manager for
Pricing and Demand,
Supply, and Terminal
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JOSELITO G. DE JESUS
General Manager for
Business Development,
Strategies, and Portfolio Unit

MARIA RITA A. ROS
General Manager
for CME

MANAGEMENT TEAM



JORIZ B. TENEBRO
General Manager for
Joint Ventures

LESTER C. KHAN
General Manager for
Aviation Business

MAGTANGGOL C. BAWAL
General Manager for
Shared Services

ELMER A. BAGUIORO
General Manager for
LPG Trading



STEFANO ANGELOCOLA
Managing Director for
PNX Petroleum
Singapore

ARNEL G. ALBAN
Asst. Vice President for
Retail Operations, Network
Development, Non-Fuel Retailing
Business, and Capital Investment

**IGNACIO RAYMUND
S. RAMOS, JR.**
Asst. Vice President for
Engineering

JAIME T. DIAGO, JR.
Asst. Vice President
for Technical
Services and QAPD

MANAGEMENT TEAM



EVELYN T. GERODIAS
General Manager
for PLPI Visayas and
Mindanao

**JULGIN ANTHONY
G. VILLANUEVA**
General Manager
for PLPI Luzon

BERNARD C. SUIZA
General Manager for
Philippine FamilyMart

**JOHN JOSEPH
GABRIEL C. PUZON**
Posible.net President
and CEO



MA. CELINA I. MATIAS
Asst. Vice President for
Brand and Marketing

CELESTE MARIE G. ONG
Asst. Vice President for
Human Resources

JONAREST Z. SIBOG
Asst. Vice President
for Comptrollership

REYNALDO A. PHALA
Asst. Vice President
for Treasury and Credit
Risk Management Unit

CORPORATE GOVERNANCE

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

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

DECLARATION OF CORPORATE PRINCIPLES

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

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

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

CORPORATE GOVERNANCE RULES AND PRINCIPLES

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

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

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

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

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

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

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

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

PRINCIPLE 2: ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

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

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

CORPORATE GOVERNANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRINCIPLE 3: ESTABLISHING BOARD COMMITTEES

Board Committees are set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns. Each committee shall have its respective Committee Charter.

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

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

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

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

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

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

PRINCIPLE 4: FOSTERING COMMITMENT

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

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

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

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

CORPORATE GOVERNANCE

PRINCIPLE 5: REINFORCING BOARD INDEPENDENCE

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

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

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

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

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

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

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

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

PRINCIPLE 6: ASSESSING BOARD PERFORMANCE

The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

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

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

PRINCIPLE 7: STRENGTHENING BOARD ETHICS

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

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

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

PRINCIPLE 8: ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES

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

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

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

CORPORATE GOVERNANCE

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

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

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

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

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

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

The Corporation shall establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

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

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

9.3 There shall be a disclosure on the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee should be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.

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

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

10.1 The Board should have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. Companies should adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.

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

The Corporation shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

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

CORPORATE GOVERNANCE

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

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

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

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

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

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

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

PRINCIPLE 13: CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS

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

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

13.2 The Board shall encourage active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.

13.3 The Board shall encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting should be available on the Corporation's website within five business days from the end of the meeting.

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

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

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

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

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

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

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

CORPORATE GOVERNANCE

PRINCIPLE 15: ENCOURAGING EMPLOYEES' PARTICIPATION

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

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

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

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

PRINCIPLE 16: ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Corporation shall be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

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

EFFECTIVITY

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

FINANCIAL STATEMENTS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2019 and 2018, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Signed this 28th day of February 2020:

Sgd.

DOMINGO T. UY

Chairman of the Board

Sgd.

DENNIS A. UY

Chief Executive Officer

Sgd.

MA. CONCEPCION DE CLARO

Chief Finance Officer



REPORT OF INDEPENDENT AUDITORS

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

OPINION

We have audited the consolidated financial statements of P-H-O-E-N-I-X Petroleum Philippines, Inc. and subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three years in the period ended December 31, 2019, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2019 in accordance with Philippine Financial Reporting Standards (PFRS).

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

(A) REVENUE RECOGNITION

Description of the Matter

The Group's revenue is primarily generated from the sale of goods [fuels, liquefied petroleum gas (LPG), lubricants and other petroleum products], which is recognized as the goods are delivered. The Group's total revenue for the year ended December 31, 2019 amounted to P97,823.1 million, of which, P96,501.7 million or 98.6% pertains to sale of goods.

The Group focuses on revenue as a key performance measure, which could create an incentive for management to overstate revenues, particularly from sale of goods. In our view, revenue recognition is a key audit matter due to its significance to profit and high volume of revenue transactions. Relative to this, we consider that there is a higher risk associated with revenue occurrence and appropriate recognition of sales in the correct accounting period.

The Group's revenue recognition policy and disaggregation of revenues are disclosed in Notes 2 and 23, respectively, to the consolidated financial statements.

FINANCIAL STATEMENTS

How the Matter was Addressed in the Audit

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

- Updating our understanding of the Group's revenue recognition policy and procedures;
- Assessing the design effectiveness and testing the operating effectiveness of internal controls related to revenue recognition process;
- Reviewing the existing contracts with customers and evaluating the appropriateness of the Group's revenue recognition policies and application in accordance with PFRS 15, Revenue from Contracts with Customers;
- Performing sales cut-off procedures immediately before and after the year-end by testing the sales invoices to evidence of delivery to ensure that revenue was recognized in the correct period;
- Confirming trade receivables, on a sample basis, as of the end of the reporting period.
- Performing detailed transaction testing by agreeing sample revenue items to supporting documents, including sales invoices, contracts and third party correspondence; and,
- Performing substantive analytical review procedures over revenues such as, but not limited to, yearly and monthly analyses of revenues, verifying validity of the underlying data used in the analyses, and following up variances from our expectations.

(B) EXISTENCE AND MEASUREMENT OF INVENTORIES

Description of the Matter

As of December 31, 2019, the Group held P11,679.6 million of inventories, which is 13.4% of the total assets of the Group. Given the size of the inventory balance relative to the total assets of the Group, and the estimates and judgments involved in this account, the measurement of inventory required our significant audit attention. As disclosed in Note 2, inventories are held at the lower of cost and net realizable value using the moving average method. As of year-end, the measurement of inventory is reviewed by the management and the cost of inventory is reduced where inventory is forecast to be sold below cost. The breakdown of inventory as of December 31, 2019 is disclosed in Note 8 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to existence and measurement of inventories included, among others, the following:

- Assessing the design effectiveness and testing the operating effectiveness of internal controls related to measurement of inventory;
- Observing inventory counts and performing test of quantities;
- Performing test of purchases and test on the moving average cost calculation; and,
- Testing the net realizable values of sample inventory items to recent selling prices.

(C) BUSINESS COMBINATION

Description of the Matter

As disclosed in Note 1 to the consolidated financial statements, in 2019, the Group completed the acquisition of Phoenix Gas Vietnam Limited Liability Company (PGV LLC), formerly known as Origin LPG (Vietnam) Limited Liability Company for a total consideration of P682.8 million. The Group has determined this business combination as acquisition of business for which the purchase price is to be allocated between the identifiable assets and liabilities at their respective fair values.

The management has determined Goodwill amounting to P213.6 million for the acquisition of PGV LLC. The accounting for this business acquisition is complex due to the significant judgments and estimates that are required to determine the values of the consideration transferred and the identification and measurement of the fair value of the assets acquired and liabilities assumed. We, therefore, consider the business acquisition to be a key audit matter due to the significance of the amount involved and the complexity of the accounting requirements.

The Group's disclosure on policies on business combinations is presented in Note 2 to the consolidated financial statements.

How the Matter was Addressed in the Audit

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

- Reviewing the executed share purchase agreement;
- Involving our own valuation specialist to assist in evaluating the appropriateness of the valuation methods and relevant assumptions used;
- Examining supporting document of the cash consideration given;

FINANCIAL STATEMENTS

- Reviewing the appropriateness and reasonableness of valuations prepared by independent appraisers on certain properties; in addition, assessing the competencies, objectivity and capabilities of the appraisers;
- Testing the reasonableness of the fair values of the assets acquired and liabilities assumed as at the acquisition date;
- Recalculating the difference between the net assets acquired and considerations given; and,
- Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgments.

(D) IMPAIRMENT OF GOODWILL

Description of the Matter

The Group has recognized goodwill amounting to P4,632.4 million as of December 31, 2019. Under Philippine Accounting Standard 36, Impairment of Assets, the Group is required to annually test the amount of its goodwill for impairment. The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of management process in assessing the recoverability of goodwill. In addition, the assumptions used in determining the cash-generating units (CGUS) where the goodwill is allocated and estimating the recoverable amount involves significant judgment. The recoverable amount of the CGUS has been computed using discounted cash flows method. This valuation method uses several key assumptions, including estimated of future sales volume and prices, operating costs, terminal value, growth rates and discount rate.

The Group's disclosures about Goodwill and the policy are included in Notes 15 and 2, respectively.

How the Matter was Addressed in the Audit

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

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

(E) ADOPTION OF PHILIPPINE FINANCIAL REPORTING STANDARD (PFRS) 16, LEASES

Description of the Matter

Effective January 1, 2019, the Group adopted PFRS 16, which replaced PAS 17, Leases, and its related interpretations. The adoption of this new standard, which primarily affected the Group's accounting for leases as a lessee by recognizing "right-of-use" assets and lease liabilities "on-balance sheet", is considered significant due to the complexities of the accounting requirements and the significant judgments required in determining assumptions to be used in applying the standard.

Further, the recognition of right-of-use assets and lease liabilities, which are particularly covered by the provisions of PFRS 16, amounted to P1,142.7 million and P1,250.2 million, respectively as at December 31, 2019 is considered significant in amount relative to the Group's total assets and total liabilities.

The impact of the adoption of PFRS 16, and the related changes in accounting policies and bases of judgments and estimates, are disclosed in Notes 2 and 3 to the consolidated financial statements, while the carrying amounts of right-of-use assets and lease liabilities as of December 31, 2019, including the new disclosure requirements of PFRS 16, are disclosed in Note 12 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to the adoption of PFRS 16 included, among others, the following:

- Understanding the policies and procedures applied by the Group in identifying leases that qualify under PFRS 16, and leases that qualify under the recognition exemptions on short-term leases and low-value leases, as well as compliance therewith;
- Assessing the completeness of the lease contracts and verifying the accuracy of the lease information provided, considering the reconciliation of the Group's operating lease commitments;
- Evaluating the appropriateness of adjustments as a result of the adoption of PFRS 16 on the recognition and measurement of right-of-use assets and lease liabilities and determining the adequacy of related financial statement disclosures, including changes in accounting policies and bases of judgments and estimates; and,

FINANCIAL STATEMENTS

- Evaluating the reasonableness of the inputs and assumptions used by the management in determining the lease term and incremental borrowing rate used, such as but not limited to, renewal and termination options, contractual terms of the lease, nature and quality of security, if any, and the economic environment in which the transaction occurs.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, which are expected to be made available to us after the date of the auditors' report, for the year ended December 31, 2019, but does not include the consolidated financial statements and our auditors' report thereon.

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

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

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

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

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

FINANCIAL STATEMENTS

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

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


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

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

The engagement partner on the audits resulting in this independent auditors' report is Ramilito L. Nañola.

PUNONGBAYAN & ARAULLO

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By: RAMILITO L. NAÑOLA

Partner

CPA Reg. No. 0090741

TIN 109-228-427

PTR No. 8116551, January 2, 2020, Makati City

SEC Group A Accreditation

Partner - No. 0395-AR-4 (until Sept. 16, 2022)

Firm - No. 0002-FR-5 (until Mar. 26, 2021)

BIR AN 08-002511-19-2018 (until Jan. 25, 2021)

Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

February 28, 2020

FINANCIAL STATEMENTS

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2019 AND 2018 (AMOUNTS IN PHILIPPINE PESO)

	Notes	2019	2018 (As Restated - see Note 2)
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash and cash equivalents	6	P 9,810,770,115	P 7,889,708,807
Trade and other receivables - net	7	15,973,133,966	15,030,714,704
Inventories	8	11,679,616,905	11,135,494,286
Due from related parties - net	29	1,986,811	937,904,172
Restricted deposits	9	54,462,326	52,719,265
Input value-added tax - net		2,905,878,621	1,517,537,410
Prepayments and other current assets	10	1,931,536,398	695,698,779
Total Current Assets		<u>42,357,385,142</u>	<u>37,259,777,423</u>
NON-CURRENT ASSETS			
Property, plant and equipment - net	11	27,378,864,900	18,715,994,505
Right-of-use assets - net	12	1,142,726,144	-
Investment properties	16	1,908,972,835	1,739,021,205
Intangible assets - net	13	310,277,916	328,054,350
Investments in joint ventures	14	1,432,709,636	455,436,370
Goodwill - net	15	4,632,397,418	4,418,842,831
Deferred tax assets - net	28	155,781,031	147,484,516
Other non-current assets	17	7,638,262,244	1,595,667,530
Total Non-current Assets		<u>44,599,992,124</u>	<u>27,400,501,307</u>
TOTAL ASSETS		P 86,957,377,266	P 64,660,278,730
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	18	P 38,143,058,891	P 26,309,487,284
Trade and other payables	20	11,841,661,093	7,434,839,252
Derivative financial liabilities	21	311,019,650	-
Lease liabilities	12	153,360,799	-
Income tax payable		49,872,393	99,380,682
Total Current Liabilities		<u>50,498,972,826</u>	<u>33,843,707,218</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	18	11,753,129,172	13,590,520,166
Lease liabilities	12	1,096,852,276	-
Deferred tax liabilities - net	28	748,398,599	631,776,224
Other non-current liabilities	22	937,269,144	620,602,265
Total Non-current Liabilities		<u>14,535,649,191</u>	<u>14,842,898,655</u>
Total Liabilities		<u>65,034,622,017</u>	<u>48,686,605,873</u>
EQUITY			
Equity attributable to parent company	30		
Capital stock		1,119,904,232	1,112,004,232
Additional paid-in capital		12,042,788,045	7,233,692,486
Revaluation reserves		806,868,975	852,438,822
Retained earnings		7,876,463,627	6,812,482,236
		<u>21,846,024,879</u>	<u>16,010,617,776</u>
Non-controlling interests		76,730,370	(36,944,919)
Total Equity		<u>21,922,755,249</u>	<u>15,973,672,857</u>
TOTAL LIABILITIES AND EQUITY		P 86,957,377,266	P 64,660,278,730

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

FINANCIAL STATEMENTS

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017 (AMOUNTS IN PHILIPPINE PESO)

	Notes	2019	2018	2017
REVENUES				
Sale of goods	23	P 96,501,653,189	P 87,672,722,663	P 44,148,952,252
Fuel service and other revenues	23, 33	1,205,744,987	824,182,312	301,402,792
Rent income	16, 33	115,711,069	113,863,129	92,626,832
		<u>97,823,109,245</u>	<u>88,610,768,104</u>	<u>44,542,981,876</u>
COST AND EXPENSES				
Cost of sales and services	23	86,811,287,081	78,838,964,820	38,345,104,529
Selling and administrative expenses	24	6,518,065,904	5,741,750,297	4,207,027,951
		<u>93,329,352,985</u>	<u>84,580,715,117</u>	<u>42,552,132,480</u>
OTHER CHARGES (INCOME)				
Finance costs	25	2,838,294,987	1,449,247,671	804,707,861
Finance income	25	(86,595,790)	(73,374,342)	(56,313,476)
Fair value gains on investment properties	16	(71,569,675)	(624,941,000)	-
Equity share in net income of joint ventures	14	(16,510,018)	(7,342,245)	-
Excess of fair value of net assets acquired over acquisition cost	1	-	-	(650,182,327)
Others - net	7	(12,100,025)	(87,267,127)	(36,852,747)
		<u>2,651,519,479</u>	<u>656,322,957</u>	<u>61,359,311</u>
PROFIT BEFORE TAX		1,842,236,781	3,373,730,030	1,929,490,085
TAX EXPENSE	28	347,659,233	606,588,321	408,067,238
NET PROFIT		P 1,494,577,548	P 2,767,141,709	P 1,521,422,847
NET PROFIT ATTRIBUTABLE TO:				
Parent company		P 1,537,339,096	P 2,776,255,552	P 1,521,422,847
Non-controlling interests		(42,761,548)	(9,113,843)	-
		<u>P 1,494,577,548</u>	<u>P 2,767,141,709</u>	<u>P 1,521,422,847</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently to profit or loss				
Translation adjustment related to a foreign subsidiary	2	(P 69,712,613)	28,719,880	(P 3,791,486)
Items that will not be reclassified subsequently to profit or loss				
Gain on revaluation of land	11	145,379,972	1,219,846,043	-
Remeasurements of post-employment defined benefit obligation	26	(39,889,840)	(34,393,933)	14,060,076
Tax expense	28	(31,647,040)	(355,635,633)	(4,218,023)
		<u>73,843,092</u>	<u>829,816,477</u>	<u>9,842,053</u>
Other Comprehensive Income - net of tax		4,130,479	858,536,357	6,050,567
TOTAL COMPREHENSIVE INCOME		P 1,498,708,027	P 3,625,678,066	P 1,527,473,414
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Parent company		P 1,541,454,672	P 3,634,791,909	P 1,527,473,414
Non-controlling interests		(42,746,645)	(9,113,843)	-
		<u>P 1,498,708,027</u>	<u>P 3,625,678,066</u>	<u>P 1,527,473,414</u>
Basic Earnings per share	31	P 0.61	P 1.72	P 1.11
Diluted Earnings per share	31	P 0.61	P 1.72	P 1.10

See Notes to Consolidated Financial Statements.

FINANCIAL STATEMENTS

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017

	Notes	Capital Stock										Total Equity		
		Preferred Stock	Treasury Stock - At Cost	Common Stock	Treasury Stock - At Cost	Total	Additional Paid-in Capital	Retainable Reserves	Other Reserves	Accumulated Translation Adjustment	Retained Earnings	Attributable to the Shareholders of Parent Company	Non-controlling Interests	Total Equity
Balance at January 1, 2017														
As previously reported		P 32,000,000	(P 10,000,000)	P 1,434,304,232	(P 344,300,000)	P 1,112,004,232	P 7,233,692,486	P 827,510,428	P 730,361,725	P 24,828,384	P 7,542,843,981	P 16,010,617,776	(P 36,944,919)	P 15,973,672,857
Reclassifications	2	-	(P 10,200,000)	1,434,304,232	(344,300,000)	1,112,004,232	7,233,692,486	862,438,822	730,361,725	24,828,384	6,812,462,288	16,010,617,776	(36,944,919)	15,973,672,857
Cash dividends	30	-	-	-	-	-	6,897,995,659	-	-	-	6,898,146,122	6,898,146,122	-	6,898,146,122
Issuance of shares during the year	30	-	-	2,900,000	-	2,900,000	(1,996,000,000)	-	-	-	8,856,812	2,000,000,000	-	2,000,000,000
Redemption of shares during the year	30	(2,000,000)	-	-	-	-	-	-	-	-	8,856,812	8,856,812	-	8,856,812
Share based compensation	26	-	-	-	-	-	-	-	-	-	49,895,423	156,421,934	-	156,421,934
Business combination	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	30	-	-	-	-	-	-	(49,895,423)	-	-	49,895,423	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-	4,115,576	-	-	1,567,239,096	1,641,454,622	(42,746,645)	1,488,708,027
Balance at December 31, 2019		P 37,000,000	(P 10,000,000)	P 1,437,204,232	(P 344,300,000)	P 1,119,904,232	P 12,042,708,045	P 806,888,975	P -	P -	P 7,876,463,627	P 21,646,024,979	(P 78,730,370)	P 21,622,755,249
Balance at January 1, 2018														
As previously reported		P 30,000,000	(P 5,000,000)	P 1,431,538,232	P -	P 1,456,538,232	P 5,709,303,389	(P 2,306,649)	P 730,361,725	(P 3,791,486)	P 5,177,429,778	P 11,698,812,057	P -	P 11,698,812,057
Reclassifications	2	-	(5,000,000)	1,431,538,232	-	1,456,538,232	5,709,303,389	(6,097,255)	730,361,725	3,791,486	4,467,088,051	11,698,812,057	-	11,698,812,057
Cash dividends	30	-	-	-	-	-	2,019,389,177	-	-	-	4,036,640,735	4,036,640,735	-	4,036,640,735
Issuance of shares during the year	30	-	-	2,766,000	(344,300,000)	4,766,000	(495,000,000)	-	-	-	8,444,298	2,015,710,879	-	2,015,710,879
Acquisition of shares during the year	30	2,000,000	(5,000,000)	-	-	-	-	-	-	-	7,243,986	844,300,000	-	844,300,000
Share based compensation	26	-	-	-	-	-	-	-	-	-	7,243,986	7,243,986	-	7,243,986
Business combination	1	-	-	-	-	-	-	-	-	-	-	-	(27,831,076)	27,831,076
Total comprehensive income for the year		-	-	-	-	-	-	698,536,957	-	-	2,770,255,552	3,634,791,909	(9,113,943)	3,625,678,006
Balance at December 31, 2018		P 32,000,000	(P 10,000,000)	P 1,434,304,232	(P 344,300,000)	P 1,112,004,232	P 7,233,692,486	P 892,428,822	P -	P -	P 6,812,462,288	P 16,010,617,776	(P 36,944,919)	P 15,973,672,857
Balance at January 1, 2017														
As previously reported		P 30,000,000	(P 5,000,000)	P 1,426,777,232	(P 330,679,783)	P 1,123,697,449	P 5,320,616,182	(P 12,148,102)	P 730,361,725	P -	P 3,963,964,480	P 9,885,366,264	P -	P 9,885,366,264
Reclassifications	2	-	(5,000,000)	1,426,777,232	(330,679,783)	1,123,697,449	5,320,616,182	(12,148,102)	730,361,725	-	730,361,725	9,885,366,264	-	9,885,366,264
Share of treasury shares	30	-	-	-	440,087,488	440,087,488	387,136,812	-	-	-	3,253,602,755	807,224,190	-	807,224,190
Cash dividends	30	-	-	-	(108,407,705)	(108,407,705)	-	-	-	-	331,118,383	331,118,383	-	331,118,383
Acquisition of shares during the year	30	-	-	2,760,000	-	2,760,000	(21,530,515)	-	-	-	13,682,461	108,407,005	-	108,407,005
Share based compensation	26	-	-	-	-	-	-	-	-	-	11,589,886	11,589,886	-	11,589,886
Total comprehensive income for the year		-	-	-	-	-	-	6,050,467	-	-	1,571,422,847	1,571,422,847	-	1,571,422,847
Balance at December 31, 2017		P 30,000,000	(P 5,000,000)	P 1,431,538,232	P -	P 1,456,538,232	P 5,709,303,389	(P 6,097,255)	P -	P -	P 4,447,088,051	P 11,906,812,057	P -	P 11,906,812,057

See Notes to Consolidated Financial Statements

FINANCIAL STATEMENTS

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017 (AMOUNTS IN PHILIPPINE PESO)

	Notes	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	P	1,842,236,781	P 3,373,730,030	P 1,929,490,085
Adjustments for:				
Interest expense on bank loans and other borrowings	25	2,582,918,502	1,376,994,786	780,917,196
Depreciation and amortization	24	1,436,858,783	1,056,749,318	851,080,582
Fair value loss on financial liabilities at fair value through profit or loss	21	464,161,271	-	-
Interest expense from lease liabilities	25	80,990,270	-	-
Fair value gains on investment properties	16	(71,569,675)	(624,941,000)	-
Translation adjustment	2	(69,712,613)	28,719,880	(3,791,486)
Interest income	25	(35,417,469)	(34,370,501)	(18,480,943)
Unrealized foreign exchange currency loss (gain) - net	(	32,188,301	(30,577,666)	(3,893,468)
Impairment losses on trade and other receivables	24	29,938,952	68,465,111	50,335,399
Share in net income of indirectly-owned joint ventures	14	(16,510,018)	(7,342,245)	-
Employee share options	26	8,855,812	7,243,666	11,589,866
Loss (gain) on disposal of property, plant and equipment		5,238,151	(1,006,348)	9,165,790
Recovery of accounts written off	7	3,762,459	(2,768,583)	-
Provision for loss on lost cylinders	11	-	24,290,486	-
Excess of fair value of net assets acquired over acquisition cost	1	-	-	(650,182,327)
Gain on reversal of impairment losses on investment properties	16	-	-	(40,785,503)
Impairment losses on non-financial assets		-	-	92,823
Operating profit before working capital changes		6,229,562,905	5,235,186,934	2,923,324,950
Decrease (increase) in trade and other receivables	(	5,160,600,319	(7,415,944,495)	1,784,568,722
Decrease in inventories		24,578,136,862	26,812,185,929	11,723,876,386
Increase in restricted deposits		-	(1,437,706)	(356,155)
Decrease (increase) in input value-added tax - net	(	1,388,341,211	363,028,626	(1,027,547,440)
Increase in prepayments and other current assets	(	1,522,485,193	(549,914,871)	(235,826,739)
Increase in trade and other payables		4,293,563,280	3,555,861,541	101,084,787
Increase in other non-current liabilities		175,194,648	607,880,833	63,749,068
Cash generated from operations		27,205,030,973	28,606,846,791	15,332,873,579
Cash paid for income taxes	(	99,380,682	(29,603,287)	(7,345,345)
Net Cash From Operating Activities		27,105,650,291	28,577,243,504	15,325,528,234
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment	11	(8,257,359,794)	(4,517,753,320)	(3,176,343,510)
Investments in joint ventures	14	(960,763,248)	(448,094,125)	-
Acquisition of subsidiaries	1	(628,933,314)	(397,455,037)	(6,705,620,931)
Decrease (increase) in other non-current assets	(	614,008,547	(1,698,692,056)	27,350,919
Proceeds from disposal of property, plant and equipment		78,850,768	22,618,656	14,531,586
Acquisitions of intangible assets	13	(43,332,685)	(58,062,513)	(50,548,722)
Acquisitions of investment properties	16	(14,025,825)	-	-
Collections from related parties	29	6,716,432	25,952,983	1,158,519,706
Advances to related parties	29	(2,073,627)	(524,778,830)	(669,526,678)
Interest received		24,007,195	29,022,512	15,769,301
Net Cash Used in Investing Activities	(	10,410,922,646	(7,567,241,730)	(9,385,868,329)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of interest-bearing loans and borrowings and lease liabilities	19	(88,838,174,724)	(71,873,587,858)	(43,104,708,403)
Proceeds from additional interest-bearing loans and borrowings	19	72,552,323,218	57,798,571,804	37,016,647,657
Proceeds from issuance of shares of stock	30	6,808,143,122	2,015,710,879	15,682,481
Interest paid	(	2,772,911,450	(1,638,604,940)	(741,202,295)
Redemption of shares of stock	30	(2,000,000,000)	-	-
Payments of cash dividends	30	(523,046,503)	(409,640,735)	(331,118,383)
Acquisition of treasury shares	30	-	(844,300,000)	(109,407,705)
Proceeds from sale of treasury shares	30	-	-	807,224,100
Net Cash Used in Financing Activities	(	14,773,666,337	(14,951,850,850)	(6,446,882,548)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,921,061,308	6,058,150,924	(507,222,643)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		7,889,708,807	1,831,557,883	2,338,780,526
CASH AND CASH EQUIVALENTS AT END OF YEAR	P	9,810,770,115	P 7,889,708,807	P 1,831,557,883

Supplemental Information on Non-cash Investing and Financing Activities:

- In 2019, the Group recognized right-of-use assets and lease liabilities both amounting to P403.1 million (see Notes 12 and 19).
- Interest payments amounting to P695.7 million, P261.6 million and P19.7 million in 2019, 2018 and 2017, respectively, were capitalized as part of the cost of property, plant and equipment (see Notes 11.1).
- In 2018, the Parent Company acquired certain land from a related party amounting to P92.9 million, of which, P19.9 million remained unpaid as of December 31, 2018 (see Note 27).
- Certain software development cost acquired in 2019 amounting to P1.0 million was transferred from property, plant and equipment to intangible assets in the same year (see Note 13).
- On August 14, 2017, the Parent Company acquired the 100.00% shares of stocks of Duta, Inc. and Subsidiary for the amount of P394.2 million, of which P267.3 million advances of Duta, Inc.'s previous stockholder was novated in favor of the former.

FINANCIAL STATEMENTS

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

Comparable discussion on Material Changes in Results of Operations for the Year Ended December 31, 2019 vs. December 31, 2018.

RESULTS OF OPERATIONS

Revenues grew 10.4% to PhP 97.823 billion in 2019 on the back of the 19.8% growth in total volume sold at 3,259 million liters. This was augmented by the PhP 1.185 billion sales contributed by Philippine Family Mart CVS, Inc. (PFM) and PhP 113 million sales contributed by Action. Able, Inc. Average price of petroleum products were lower year-on-year as the implementation of the second round of increase in the excise tax rates of petroleum products under the Tax Reform for Acceleration and Inclusion (TRAIN) law starting January 2019 was more than offset by the 8.7% drop in the price of Dubai crude average. Such figure serves as the benchmark crude of Asian refineries, from USD 63.15/bbl to USD 69.13/bbl.

Cost of Sales and Services increased by 10.1% to PhP 86.811 billion, bringing Gross Profit higher by 12.7% to PhP 11.012 billion in 2019 from PhP 9.772 billion in 2018.

Selling and Administrative Expenses, or Operating Expenses (OPEX), were higher by 13.5% at PhP 6.514 billion. However, OPEX per unit liter improved to PhP 1.97 from PhP 2.11 as the Company continued to implement cost-effective programs to streamline its processes and reduce cost. As a result, Operating Income grew by 11.6% to PhP 4.498 billion in 2019 from PhP 4.030 billion in 2018.

Net Non-Operating Charges reached PhP 2.652 billion in 2019 versus PhP 0.656 billion in 2018. This was driven by the rise in average borrowing rates, as well as the additional debts incurred during the year to finance network expansion, including support systems and facilities. The Company also booked lower fair value gains on investment properties in 2019 at PhP 0.072 billion from PhP 0.625 billion in 2018.

Due to the abovementioned increase in Net Non-Operating Charges, Net Income Before Tax (NIBT) declined by 45.3% to PhP 1.846 billion in 2019 from PhP 3.374 billion in 2018. Net Income After Tax (NIAT) was subsequently lower by 46.2% at PhP 1.487 billion from PhP 2.767 billion in 2018.

FINANCIAL CONDITION

Consolidated resources as of December 31, 2019 stood at PhP 86.950 billion, 34.5% higher than PhP 64.660 billion as of December 31, 2018. This was mainly due to the additions in property, plant, and equipment (PPE) related to the Company's retail expansion, the recognition of the Right-of-Use Asset for the lease contracts with reference to PFRS 16 – Leases which took effect January 1, 2019, as well as increases in Receivable, Cash and Cash Equivalents, Prepayments and Deposits and Input VAT, in line with the overall growth in sales volume.

In relation to the increase in consolidated assets, total liabilities were higher by PhP 16.348 billion at PhP 65.035 billion, of which Interest-Bearing Loans and Borrowings, both current and non-current, increased by 25.1% to PhP 49.896 billion. This was mainly from the financing of PNX SG's working capital requirements and the Group's capital expenditures and partly offset by the settlement of debts. Meanwhile, Total Stockholders' Equity increased to PhP 21.948 billion as of December 31, 2019, primarily from the issuance of PhP 7 billion PNX4 Preferred shares, net of the PhP 1.5 billion preferred shares redemption. Further contributing to the higher Stockholders' Equity was the 14.0% growth in retained earnings coming from the PhP 1.486 billion net income realized in 2019, which was offset by the payment of dividends on both Common and Preferred shares, as well as the partial redemption of Preferred shares issued in prior years.

OUR PRODUCTS

FUELS



RETAIL

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

COMMERCIAL AND INDUSTRIAL

Premium 98 Gasoline
 Premium 95 Gasoline
 Super Regular 91 Gasoline
 Biodiesel
 Jet A-1
 IFO (Bunker Oil)
 SFO 60, 200, 400, 1100
 LSFO

LPG

Phoenix SUPER LPG in these quantities:

- 11 Kg Compact-Valve
 - 11 Kg Pol-Valve
 - 22 Kg Pol-Valve
 - 50 Kg Pol-Valve
 - 120 Kg Big Tank
- Autogas
 Special Blends

LUBRICANTS



PASSENGER CAR MOTOR OILS

Accelerate Racing 5W30 SN/CF C3 12X1L¹
 Accelerate Racing 5W30 SN/CF C3 4X4L¹
 Accelerate Syntech 5W40 SN/CF
 A3/B4 12X1L³
 Accelerate Syntech 5W40 SN/CF
 A3/B4 4X4L³
 Accelerate Super G 20W40 SL/CF 12X1L¹
 Accelerate Super G 20W40 SL/CF 4X4L¹
 Accelerate Super G 20W40 SL/CF 1X18L¹
 Accelerate Super G 20W40 SL/CF 1X200L¹
 Accelerate Extra 30 SF/CF 12X1L³
 Accelerate Extra 30 SF/CF 4X4L³
 Accelerate Extra 40 SF/CF 12X1L⁴
 Accelerate Extra 40 SF/CF 4X4L⁴
 Accelerate Extra 40 SF/CF 1X18L⁴
 Accelerate Extra 40 SF/CF 1X200L⁴

HEAVY-DUTY DIESEL ENGINE OILS

Zoelo Powertech 5W40 CJ-4/SL ACEAE9 12X1L³
 Zoelo Powertech 5W40 CJ-4/SL ACEAE9 2X³
 Zoelo Syntech 10W30 CI-4/SL ACEAE7 12X1L³
 Zoelo Syntech 10W30 CI-4/SL ACEA E7 2X6L³
 Zoelo Extreme 15W40 CI-4/SL ACEA E7 12X1L⁴
 Zoelo Extreme 15W40 CI-4/SL ACEA E7 2X6L⁵
 Zoelo Extreme 15W40 CI-4/SL ACEA E7 1X18L⁴
 Zoelo Extreme 15W40 CI-4/SL ACEA E7 1X200L⁴
 Zoelo Extreme HVI15W40 CI-4/SL 1X200L⁴
 Zoelo Max Deo 15W40 CH4/SL ACEA E3 12X1L²
 Zoelo Max Deo 15W40 CH4/SL ACEA E3 2X6L²
 Zoelo Max Deo 15W40 CH4/SL ACEA E3 1X18L²
 Zoelo Max Deo 15W40 CH4/SL ACEAE3 1X200L²
 Zoelo 30 CF/SF 1X18L⁴
 Zoelo 30 CF/SF 1X200L⁴
 Zoelo Extra 40 CF/SF 12X1L⁴
 Zoelo Extra 40 CF/SF 2X6L⁴
 Zoelo Extra 40 CF/SF 1X18L⁴
 Zoelo Extra 40 CF/SF 1X200L⁴
 Zoelo 10W CF/SF 1X18L⁴
 Zoelo 10W CF/SF 1X200L⁴
 Zoelo 15W40 CD/SF 12X1L³
 Zoelo 15W40 CD/SF 2X6L³
 Zoelo 15W40 CD/SF 1X18L³
 Zoelo 15W40 CD/SF 1X200L³

LUBRICANTS

MOTORCYCLE OILS

Cylomax Racing 4T 15W50 MA2/SL 12X1L³
 Cylomax Syntech 4T 10W40 MA2/SL 12X1L⁴
 Cylomax Syntec 4T 10W40 MA2/SL 12X0.8L⁴
 Cyclomax Titan 20W40 4T MA2/SJ 12X1LL¹
 Cyclomax Titan 4T 20W40 MA2/SJ 12X0.8L¹
 Cyclomax Force 4T 20W50 MA/SG 12X1L¹
 Cyclomax Force 4T 20W50 MA/SG 12X0.8L¹
 Cyclomax 2T 12X1L
 Cyclomax 2T 60X200ML
 Cyclomax Fork Oil 60X200ML
 Cyclomax 4T JASOMA2 40 60x200ML
 Cyclomax SCTR Racing 4T 5W40 MB/SL 12X1L³
 Cyclomax SCTR Titan 20W40 MB/SL 12X1L³
 Cyclomax SCTR Titan 20W40 MB/SL 12X0.8L³
 Cyclomax Scooter Gear OIL 80W90 36x100ML

GEAR OILS

Phoenix Gear Oil 90 GL-4 12X1L⁴
 Phoenix Gear Oil 90 GL-4 1X18L⁴
 Phoenix Gear Oil 90 GL-4 1X200L⁴
 Phoenix Gear Oil 140 GL-4 12X1L⁴
 Phoenix Gear Oil 140 GL-4 1X18L⁴
 Phoenix Gear Oil 140 GL-4 1X200L⁴
 Phoenix Gear Oil 80W90 GL-5 1X200L⁴
 Phoenix Gear Oil 85W40 GL-5 1X200L⁴
 Phoenix Gear LSD FSYN 75W90 GL-5 12X1L³
 Phoenix Gear LSD FSYN 75W90 GL-5 1X18L³
 Phoenix ATF & PWRSTR Fluid DIII 12X1L
 Phoenix ATF & PWRSTR Fluid DIII 1X18L
 Phoenix ATF & PWRSTR Fluid DIII 1X200L
 Phoenix ATF MV Multi-Vehicle 12X1L³

GREASES

Phoenix EP2 Lithium Grease NLGI2 24X500G⁴
 Phoenix EP2 Lithium Grease NLGI2 1X16KG⁴
 Phoenix EP2 Lithium Grease NLGI2 1X180KG⁴
 Phoenix MP3 Lithium Grease NLGI3 24X500G⁴
 Phoenix MP3 Lithium Grease NLGI3 1X16KG⁴
 Phoenix MP3 Lithium Grease NLGI3 1X180KG⁴
 Phoenix HT2 LiCa-COM Grease NLGI2 320X10G⁴
 Phoenix EP2 Li-COM Grease NLGI2 1X16KG³
 Phoenix EP2 Li-COM Grease NLGI2 1X180KG³

AUTOMOTIVE SPECIALTIES

Phoenix Radiator Coolant 12X1L
 Phoenix Radiator Coolant 1X200L
 Phoenix Brake and Clutch Fluid 12X900ML
 Phoenix Brake and Clutch Fluid 36X250ML
 Phoenix Brake and Clutch Fluid 36X150ML
 Phoenix Brake and Clutch Fluid DOT 4 12X1L³
 Phoenix Brake Parts Cleaner&DEG 24x500ML³

INDUSTRIAL GEAR OILS

Phoenix Industrial Gear Oil 150 1X18L⁴
 Phoenix Industrial Gear Oil 220 1X18L⁴
 Phoenix Industrial Gear Oil 220 1X200L⁴
 Phoenix Industrial Gear Oil 320 1X18L⁴

HYDRAULIC OILS

Atlas Hydraulic Oil AW 32 1X18L⁴
 Atlas Hydraulic Oil AW 32 1X200L⁴
 Atlas Hydraulic Oil AW 46 1X18L⁴
 Atlas Hydraulic Oil AW 46 1X200L⁴
 Atlas Hydraulic Oil AW 68 1X18L⁴
 Atlas Hydraulic Oil AW 68 1X200L⁴
 Atlas Hydraulic Premium Oil AW 68 1X200L⁴
 Atlas Hydraulic Oil AW 100 1X200L⁴

MARINE OILS

Manta Marine Engine Oil 1030 1X200L⁴
 Manta Marine Engine Oil 1040 1X200L⁴
 Manta Marine Engine Oil 1240 1X200L⁴
 Manta Marine Engine Oil 1530 1X200L⁴
 Manta Marine Engine Oil 1540 1X200L⁴
 Manta Marine Engine Oil 2040 1X200L⁴
 Manta Marine Engine Oil 3040 1X200L⁴
 Nautilus Cylinder Oil 5050 1X200L⁴
 Nautilus Cylinder Oil 7050 1X200L⁴

TURBINE OILS

Phoenix Turbine Oil 46 1X200L⁴
 Phoenix Turbine Oil 68 1X18L⁴
 Phoenix Turbine Oil 68 1X200L⁴

COMPRESSOR OILS

Phoenix Compressor Oil 68 1X18L⁴
 Phoenix Compressor Oil 100 1X18L⁴
 Phoenix Compressor Oil 100 1X200L⁴
 Phoenix Compressor Oil 150 1X18L⁴

OTHER OILS

Phoenix SMO SAE 30 12X1L
 Phoenix SMO SAE 40 12X1L
 Phoenix All Purpose Oil 36X120ML
 Phoenix Heat Transfer Oil 32 1X200L⁴
 Phoenix Heat Transfer Oil 64 1X200L⁴
 Phoenix Transformer Oil 1X200L⁴

LEGEND:

¹ viscosity update

² performance upgrade

³ new product

⁴ brand name/material description update

⁵ change in bottle size

CONTACT US

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 PLDT, GLOBE, AND SMART: #SUPER (#78737)

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STOCK TRADING INFORMATION

STOCK TRADING INFORMATION

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





PHOENIX