14 April 2021

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

Philippine Stock Exchange
Disclosure Department
6/F PSE Tower, 28th Street corner 5th Avenue,
BGC, Taguig City, Metro Manila

Philippine Dealing & Exchange Corporation
Philippine Dealing & Exchange Corp.
29/F, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City

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

Ms. Janet Encarnacion
Head - Disclosure Department
Philippine Stock Exchange

Atty. Marie Rose M. Magallen-Lirio
Head - Issuer Compliance and Disclosure Department (ICDD)

Sir and Mesdames:

In compliance with the attached Order of the Securities and Exchange Commission, we are herewith submitting the amended Definitive Information Statement (SEC Form 20-IS) of our company duly approved by the Commission for your consideration and approval.

The amendment will cover only page 31 of the aforementioned Definitive Information Statement, involving the Projected Compensation of the Executive Officers of the Company for the Fiscal Year 2021. There has been inadvertent error in the computation and this amendment will correct the projections in the Definitive Information Statement.

Thank you and warm regards.

Very truly yours,

Atty. Socorro Ermac Cabreros
Corporate Secretary

Republic of the Philippines
Department of Finance
Securities and Exchange Commission

Markets and Securities Regulation Department

IN THE MATTER OF	:	**SEC MSRD Order No. 16**
	:	Series of 2021
P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.	:	

x - x

ORDER

WHEREAS, on April 14, 2021, P-h-o-e-n-i-x Petroleum Philippines, Inc. ("Company") submitted its updated Definitive Information Statement ("DIS") relative to the scheduled annual stockholders' meeting on April 30, 2021.

WHEREAS, the company distributed its DIS on April 8, 2021; however, after the submission of the Company's DIS, there was a minor amendment to be made thereto.

WHEREAS, on April 14, 2021, the company filed with the Commission a request for approval to amend the said DIS, particularly the Projected Compensation of the Executive Officers of the Company for the Fiscal Year 2021 on page 31 of the aforementioned DIS, which shall be amended to read as follows:

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid in the ensuing fiscal year to the executive officers of the Company are as follows:

Summary of Compensation Table

Projected Compensation of Executive Officers and Directors (in thousand Pesos)				
		Year ended December 31, 2021		
Name	**Principal Position**	**Salaries (in ₱)**	**Bonuses / 13th Month / Other Income (in ₱)**	**Total (in ₱)**
Dennis A. Uy	Chairman and Chief Strategy officer	59,472*	4,956*	64,428*
Henry Albert R. Fadullon	President			
Ma. Concepcion F. De Claro	Chief Finance Officer			
Alan Raymond T. Zorrilla	SVP – External Affairs, Business Development and Security			
Charlie R. Valerio	Chief Digital Officer			
All other officers and directors as a group unnamed		75,006	6,251	81,257

* *Total projected salaries and bonuses/ 13th month and other income of the above named individuals*

WHEREFORE, pursuant to Commission en Banc Resolution No. 388, Series of 2016, the Markets and Securities Regulation Department hereby approves the Company's request to update the **Summary of Compensation Table** currently indicated in its DIS, subject to the Company's full compliance of SRC Rule 20.3.3.4.

SO ORDERED.

Pasay City, Philippines, 14 April 2021.

signed
VICENTE GRACIANO P. FELIZMENIO, JR.
Director

COVER SHEET

A	2	0	0	2	0	7	2	8	3	

S.E.C. Registration Number

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

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

(Company's Full Name)

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

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

Socorro Ermac Cabreros — Contact Person

(082) 235-8888 — Company Telephone Number

DEFINITIVE INFORMATION STATEMENT

1 2	3 1	**SEC FORM 20-IS**	**4**	**last Friday** **XX**
Month	Day	FORM TYPE	Month	Day
Fiscal Year Ending			Annual Meeting	

CERTIFICATE OF PERMIT TO OFFER SECURITIES FOR SALE

Secondary License Type, if applicable

Dept. Requiring this Doc

Amended Articles Number/Section

Total Amount of Borrowing

69		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

Remarks = pls. use black ink for scanning purposes

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

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [✓] Definitive Information Statement

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

3. Country of Incorporation: **Philippines**

4. SEC Identification Number: **A200207283**

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

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

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

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

April 30, 2021, 10:00 A.M.,
Phoenix Corporate Headquarters,
Stella Hizon Reyes Road, Bo. Pampanga, Davao City
via remote access communication, registration of which may be accessed through http://asm.phoenixfuels.ph/PNX2021 and posted in the Company's website (www.phoenixfuels.ph)

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **April 08, 2021.**

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

Title of Each Class	Number of Shares
Common Shares, Php1.00 par value	1,439,788,232
Preferred Shares, Php 1.00 par value	14,500,000

11. Are any or all of Company's securities listed on a Stock Exchange?
    Yes __X___ No _______

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

Philippine Stock Exchange, 1,439,788,232 Common Shares
14,500,000 Preferred Shares

NOTICE AND AGENDA

NOTICE is HEREBY GIVEN that the Annual Stockholders Meeting of PHOENIX PETROLEUM PHILIPPINES, INC. will be held on Friday, April 30, 2021, 10:00 AM at the Phoenix Petroleum Corporate Headquarters, Stella Hizon Reyes Road, Bo. Pampanga, Davao City. The meeting will be conducted virtually via remote access communications and registration for the meeting can be accessed through the link, http://asm.phoenixfuels.ph/PNX2021

The agenda for the Meeting shall be, as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held last May 29, 2020
4. Report of the President and Chief Executive Officer
5. Approval of the 2020 Audited Financial Statements and 2020 Annual Report
6. Corporate Actions:

   a) Proposed Authority for management to enter into negotiations for reasonable and acceptable terms and conditions advantageous to the Corporation with any third party corporation(s) or any other entity or entities for the possible transfer, sale, mortgage or disposition of certain corporate properties, assets, or investments as may be necessary and required in relation and pursuant to the financial management program exercised by the Corporation as part of its debt management and funding activities;

7. Ratification and Confirmation of all Acts and Resolutions of the Board and Management executed in the normal course of business covering the period of 06 Feb 2020 until 28 February 2021
8. Election of the Members of the Board of Directors
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

All stockholders as of **05 April 2021** shall be entitled to participate and vote in the said annual meeting.

In view of the current COVID-19 pandemic and the continuing quarantine being implemented in Metro Manila and Davao City, where the Company's principal place of office is located, the physical and actual holding of the Annual Stockholder's Meeting cannot be conducted. In lieu thereof, the Annual Meeting on April 30, 2021 shall be conducted vial live streaming. Stockholders whose share and proxies are duly validated may attend, participate and vote by proxy or in absentia during the meeting.

Proxy Forms and Special Powers of Attorney or other Authorization Forms shall be made available in the Company's website and must be submitted to the Office of the Corporate Secretary, with address at Phoenix Petroleum Corporate Headquarters, Stella Hizon Reyes Road, Bo. Pampanga, Davao City by mail or sent by email at pnx.corpsec@phoenixfuels.ph. Validation of proxies and registration shall commence at 10:00AM of April 16, 2021 until 3:00PM of April 29, 2021. Participation in the meeting as well as voting shall be through remote communications. Procedure for voting shall be posted in the Company's website.

Atty. Socorro Ermac Cabreros
Corporate Secretary

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

(a) Date : **April 30, 2021**
Time : **10:00 A.M**.
Place : **Phoenix Corporate Headquarters, Stella Hizon Reyes Road, Bo. Pampanga, Davao City**
via remote access communication, registration which may be accessed through
http://asm.phoenixfuels.ph/PNX2021

Mailing Address: **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.**
Office of the Corporate Secretary
Phoenix Petroleum Corporate Headquarters
Stella Hizon Reyes Road, Bo. Pampanga
Lanang, Davao City 8000
Email: pnx.corpsec@phoenixfuels.ph

(b) Approximate date on which the Information Statement is first to be sent or given to security holders: **April 08, 2021.**

Item 2. Dissenter's Right of Appraisal

Procedure for the exercise of Appraisal Right

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

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

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

The only corporate action is the Proposed Authority for management to enter into negotiations for reasonable and acceptable terms and conditions advantageous to the Corporation with any third party corporation(s) or any other entity or entities for the possible transfer, sale, mortgage or disposition of certain corporate properties, assets, or investments as may be necessary and required in relation and pursuant to the financial management program exercised by the Corporation as part of its debt management and funding activities.

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

OTHER THAN THE MATTERS RAISED ABOVE FOR CORPORATE ACTION, THERE ARE NO MATTERS THAT WILL BE PRESENTED FOR SHAREHOLDERS' APPROVAL DURING THE ANNUAL MEETING THAT MAY OCCASION THE EXERCISE OF THE RIGHT OF APPRAISAL.

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

(a) No director or officer of the Company since the beginning of the last fiscal year, nominee for election as director of the Company, nor any of their associates, have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Annual Meeting, other than election to office.

(b) No director of the Company has informed the Company in writing that he intends to oppose any action to be taken by the Company during the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

In accordance with Sections 23 and 57 of the Revised Corporation Code of the Philippines (RA 11232) and the Internal Rules Procedures outlined in Annex D of this Definitive Information Statement, the stockholders may participate in the Annual Stockholders' Meeting by registering at **http://asm.phoenixfuels.ph/PNX2021** from 10:00AM of 16 April 2021 to 3:00pm of 29 April 2021, to allow the Company some time to validate the registration. After successful validation, a copy of the link to the Annual Stockholders' Meeting shall be sent to the stockholders via email.

Any questions for the stockholders meeting or any clarificatory questions can be sent to pnx.corpsec@phoenixfuels.ph or investors@phoenixfuels.ph. Any additional questions or questions not directly addressed during the meeting shall be answered through email. Proxy and voting forms shall be available through the Company's website at https://www.phoenixfuels.ph/annual-stockholders-meeting/. For a more detailed discussion of the internal procedures, the stockholders' may refer to Annex D of this Definitive Information Statement.

(a) Voting Securities

As of **March 31, 2021**, the total number of shares outstanding and entitled to vote on all corporate matters to be acted upon during the Annual Meeting are 1,439,788,232 common shares.

(b) Record Date

The record date for purposes of determining the stockholders entitled to notice of and to vote at the Annual Meeting is **April 05, 2021**.

(c) Voting Rights and Trust

In the matters to be voted upon in the Annual Meeting, stockholders of record as of **April 05, 2021** shall be entitled to one vote per share in person or by proxy and shall be done *in accordance with Sections 23 and 57 of the Revised Corporation Code of the Philippines (RA 11232)*. If the stockholder will vote through a proxy, the By-Laws of the Company requires the submission of the accomplished proxy form to the Corporate Secretary for validation and authentication at least ten (10) days before the date of the Annual Meeting.

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

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

(d) Security Ownership of Certain Record and Beneficial Owners and Management as of **March 31, 2021.**

(1) Security Ownership of Certain Record and Beneficial Owners

As of **March 31, 2021**, the following are the owners of the Company's common stock in excess of five percent (5%) of the total outstanding shares:

Title of Class of Securities	Name of Record Owners and Relationship with Phoenix	Name of Beneficial Owners/Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership
Common	Phoenix Petroleum Holdings, Inc. Majority Shareholder	Record Owner is the direct beneficial owner	Filipino	588,945,630	40.91%
Common	ES Consultancy Group, Inc. Substantial Shareholder	Record Owner is the direct beneficial owner	Filipino	340,270,980	23.63%

Common	Udenna Corporation Substantial Shareholder	Record Owner is the direct beneficial owner	Filipino	267,245,918	18.56%
Common	PCD Nominee Corporation (Filipino) Shareholder	Record Owner is the indirect beneficial owner	Filipino	153,017,173	10.63%

As of **March 31, 2021**, there are no beneficial owners under the PCD Nominee Corp. of the Company's common stock in excess of five percent (5%) of the total outstanding shares.

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

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

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

Security Ownership of Management

As of **March 31, 2021**, the security ownership of Management is as follows:

Common

Title of Class of Securities	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Ownership
Directors:				

Common	Dennis A. Uy*	5,620,811 direct beneficial owner	Filipino	0.39%
Common	Dennis A. Uy &/or Cherylyn C. Uy	1,098,099 direct beneficial owner	Filipino	0.08%
Common	Domingo T. Uy*	645,919 direct beneficial owner	Filipino	0.04%
Common	Romeo B. De Guzman	1,039,746 direct beneficial owner	Filipino	0.07%
Common	J.V. Emmanuel A. De Dios	776,819 direct beneficial owner	Filipino	0.05%
Common	Minoru Takeda	1 direct beneficial owner	Japanese	0.00%
Common	Consuelo Ynares Santiago	1 direct beneficial owner	Filipino	0.00%
Common	Monico V. Jacob	1 direct beneficial owner	Filipino	0.00%
Common	Henry Albert R. Fadullon	50,100 direct beneficial owner	Filipino	0.00 %
Common	Nicasio I. Alcantara	1 direct beneficial owner	Filipino	0.00 %
Common	Stephen T. CuUnjieng	1 direct beneficial owner	Filipino	0.00 %

Senior Management

Common	Socorro T. Ermac Cabreros	105,216 direct beneficial owner	Filipino	0.01%
Common	Ma. Concepcion F. de Claro	1 direct beneficial owner	Filipino	0.00%

Preferred

Title of Class of Securities	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership			% of Ownership
			Number of Shares		
Directors:			**PNX3B**	**Total**	**% to total I/O shares**
Preferred	**Domingo T. Uy**	-	10,000 direct beneficial owner	10,000	0.05%
Preferred	**Consuelo Ynares Santiago**	-	10,000 direct beneficial owner	10,000	0.05%

The other executive officers of the Company, Alan Raymond T. Zorrilla – SVP for External Affairs, Business Development and Security; Ericson Inocencio-General Manager for Retail Business; Lester C. Khan - General Manager for Aviation Business, and Business Development, Strategies and Portfolio; Ma. Rita A. Ros – Asst. Vice President for CME; Richard Tiansay-Vice President for Supply & Pricing and Demand, Roy Jimenez-General Manager for Commercial and Industrial Business; Celina I. Matias - VP for Integrated Marketing and Strategies, Celeste Marie G. Ong-AVP for Human Resources; Jonarest Z. Sibog, Asst. Vice President for Comptrollership; and Joven Jesus G. Mujar-General Manager for Lubricant Sales and Distribution Business own common shares in scripless form through the Company's Employees Stock Option Plan (ESOP) as of March 31, 2021 as follows:

Names	No. of Shares
Alan Raymond T. Zorrilla	343,000
Ericson S. Inocencio	186,000
Ma. Rita A. Ros	198,000
Richard C. Tiansay	174,000
Roy O. Jimenez	132,000
Ma. Celina I. Matias	146,000
Celeste Marie G. Ong	110,000
Jonarest Z. Sibog	126,000
Joven Jesus G. Mujar	148,000

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

The numbers of aggregate shares for all directors and executive officers is TEN MILLION EIGHT HUNDRED NINETY NINE THOUSAND SEVEN HUNDRED EIGHTY EIGHT (10,899,788) for common shares and Twenty Thousand (20,000) for preferred shares.

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

(e) **Change in Control**

On 22 May 2017, the Corporation was informed by its major stockholders, Udenna Corporation (UC) and Udenna Management & Resources Corp. (UMRC) of a joint block sale, using the Philippine Stock Exchange's (PSE) facilities, of a total of 340,270,958 common shares of the Corporation in favor of a certain ES Consultancy Group, Inc. (ESGI), a consulting firm that is focused on financial strategy, capital mergers and acquisitions as well as joint ventures. This consists of about 24.20% of the Corporation's outstanding capital stock.

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

On March 5, 2020, the Corporation received copies of SEC Form 18-A from Top Direct Investments and SEC Form 23-B from Udenna Corporation indicating their disposition and acquisition of 142,000,000 shares respectively, through a special block sale crossed at the PSE at the price of Php15.00 per share.

As of 31 March 2021, the major stockholders of the Corporation include Phoenix Petroleum Holdings, Inc., who represents around 40.91% of the total outstanding capital stock, ES Consultancy Group, Inc. who owns 23.63% of the common shares, and Udenna Corporation, representing around 18.56% of the total outstanding capital stock.

Item 5. Directors and Executive Officers

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

Office	Name	Age	Citizenship
Directors			
Chairman	Dennis A. Uy	47	Filipino
Director/President	Henry Albert R. Fadullon	53	Filipino
Director	Romeo B. De Guzman	71	Filipino
Director	Stephen T. CuUnjieng	61	Filipino
Director	Cherylyn C. Uy	41	Filipino
Director	Domingo T. Uy	71	Filipino
Director	Jose Victor Emmanuel A. de Dios	56	Filipino
Director	Monico V. Jacob	75	Filipino
Independent Director	Nicasio Alcantara	79	Filipino
Independent Director	Consuelo Ynares Santiago	81	Filipino
Independent Director	Minoru Takeda	67	Japanese
Corporate Secretary/Vice President for Corporate Legal	Socorro T. Ermac Cabreros	56	Filipino
Other Executive Officers			
President	Henry Albert R. Fadullon	53	Filipino
Chief Finance Officer	Ma. Concepcion F. De Claro	63	Filipino
Senior Vice President for Corporate Affairs, Business Development and Security	Alan Raymond T. Zorrilla	51	Filipino
Vice President for Supply, Pricing and Terminal Operations	Richard C. Tiansay	57	Filipino
General Manager for Retail Business	Ericson S. Inocencio	46	Filipino
General Manager for Lubricants Sales and Distributions	Joven Jesus G. Mujar	50	Filipino
General Manager for Commercial and Industrial Business	Roy O. Jimenez	58	Filipino
General Manager for Joint Ventures	Joriz B. Tenebro	42	Filipino
General Manager for CME	Ma. Rita A. Ros	61	Filipino

Asst. Vice President for Comptrollership	Jonarest Z. Sibog	40	Filipino
Vice President for Integrated Marketing and Strategies	Celina I. Matias	56	Filipino
Asst. Vice President for Human Resources	Celeste Marie G. Ong	53	Filipino
Asst. Vice President for Retail Operations and Network Development	Arnel G. Alban	53	Filipino
Asst. Vice President for Technical Services and QAPD	Jaime T. Diago, Jr.	65	Filipino
General Manager for Shared Service	Magtanggol C. Bawal	59	Filipino
General Manager for Aviation Business; and Business Development, Strategies and Portfolio	Lester C. Khan	40	Filipino
Chief Digital Officer	Charlie R. Valerio	53	Filipino
General Manager for LPG Trading	Elmer A. Baguioro	48	Filipino
General Manager for Philippine FamilyMart	Bernard C. Suiza	53	Filipino
General Manager for PLPI Luzon	Julgin Anthony G. Villanueva	36	Filipino

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

Directors

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

Dennis A. Uy
Director, Chairman of the Board, Chief Strategy Officer

Mr. Dennis A. Uy, Filipino, 47 years old, is the founder of the Company and has served as President and Chief Executive Officer since inception. He is the Chairman and President of Udenna Corporation, the parent company, which has businesses in the shipping, logistics, distribution, real estate, and service industries. Among the subsidiaries of Udenna Corporation are Phoenix Petroleum Holdings, Inc. (PPHI), Udenna Management & Resources Corp. (UMRC), Chelsea Logistics Holdings, Corp., Udenna Development Corporation (UDEVCO), Le Penseur, Udenna Trade Corporation and PH Resorts Group Holdings, Inc. The subsidiaries of Phoenix Petroleum Philippines, Inc. are Phoenix Global Mercantile, Inc., Subic Petroleum Trading & Transport Philippines, Inc., and PFL Petroleum Management. The subsidiaries of Udenna

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

Henry Albert R. Fadullon
Director, President

Mr. Fadullon is a Filipino, 53 years of age, and was appointed Chief Operating Officer of the Company on April 17, 2017 and was consequently named as President on June 1, 2020. Prior to this, he served Shell Shared Services (Asia) B.V. as General Manager for its global businesses. He has over 25 years of experience in the petroleum industry, having held various roles at Pilipinas Shell Petroleum Corp., a decade of which were spent overseas with postings in Malaysia, Oman, and London. He has a wealth of experience in Retail and B2B performing a variety of frontline and functional roles leading into General Management positions. He completed his BS Industrial Management Engineering, minor in Mechanical Engineering, from De La Salle University.

Domingo T. Uy
Director

Mr. Domingo T. Uy, Filipino, 74 years old, is a co-founder and has been a member of the Board of Directors of the Company since 2002. Mr. Uy was elected Chairman of the Board of Directors of the Company on February 15, 2007. He is also a Director of Granland Resources Corporation, a corporation involved in real estate development. Mr. Uy is actively involved in socio-civic programs and is a Director of the Philippine National Red Cross, Davao Chapter. He is also a Past President of the Davao City Sta. Ana Lions Club and the Kang Ha Uy Association - Davao Chapter.

Romeo B. De Guzman
Director

Mr. Romeo B. De Guzman, Filipino, 71 years old, was elected Director of the Company in 2009. He is the Vice Chairman and Senior Strategic Adviser, and previously was Chief Operating Officer of the Company, bringing over 40 years of outstanding experience in the oil industry. Before joining the Company, he was with Pilipinas Shell Petroleum Corporation, where he was Vice President for External Affairs for Asia Pacific and a member of the Board of Directors up to December 2006. He was with the said company holding various management and executive positions. Prior to that, he worked at Getty Oil Philippines Inc. for 10 years. Mr. De Guzman is also the Chairman of the Board of Directors of Mirait Philippines, Inc. He holds a Marketing Management and MBA degrees from San Sebastian College – Manila.

Atty. Jose Victor Emmanuel A. De Dios
Director

Atty. J.V. Emmanuel A. De Dios, Filipino, 56 years old, elected regular director of Phoenix Petroleum in 2018, after being an Independent Director since 2007. He is the CEO of GE Philippines, and prior to that was President and CEO of Nido Petroleum Pty Ltd., an Australian Stock Exchange-listed oil and gas company. He was Managing Director of Merritt Advisory Partners, Inc. and was a member of the Board of Directors of Davies Energy Systems, Inc. He also served as Chairman of the Board of the Philippine National Oil Company Exploration Corporation and was former Undersecretary of the Philippine Department of Energy. Atty. De Dios obtained his Master of Laws degree from Harvard Law School and completed his Bachelor of Laws at the Ateneo School of Law.

Cherylyn C. Uy
Director

Ms. Cherylyn Chiong-Uy, Filipino, 41 years old, is a graduate of Business and Finance from Ateneo de Davao University. Ms. Uy is one of the pioneers/incorporators of Udenna Corporation, the ultimate parent company of Phoenix Petroleum and which has subsidiaries engaged in the petroleum, shipping, logistics, services, and real estate businesses, among others. She is the Corporate Treasurer of Udenna Corporation and a member of the Board of Director of PH Resorts Group Holdings, Inc.. Ms. Uy is also one of the Executive Directors of Phoenix Philippines Foundation, Inc., the corporate social responsibility arm of the Company. She is the Corporate Treasurer of Udenna Management and Resources Corporation and Chelsea Shipping Corp.

Stephen T. CuUnjieng
Director

Stephen T. CuUnjieng, Filipino, 61 years old, was elected as a Director of the Company on January 15, 2018, after being a long-time adviser to the Board. He is Chairman of Evercore Asia Limited, and has substantial and wide experience in investment banking. He has acted as Financial Adviser to several financial transactions of companies involving initial public offerings, major and strategic acquisitions, and mergers of various companies from various industries. He is a member of the Executive Advisory Board for Asia of the Wharton School of Business, and an Independent Director of Century Properties Group and Aboitiz Equity Ventures. He has received several awards and distinctions, such as the Best Independent Advisory Firm in Asia in 2016 for Evercore, and Deals of the Year for various acquisitions. He graduated from Ateneo de Manila University and Ateneo School of Law, and completed an MBA in Finance from the Wharton School of Business.

Monico V. Jacob
Director

Monico V. Jacob, Filipino, 75 years old, has been a Director of the Company since March 7, 2008. He is President and Chief Executive Officer of the STI Education Systems Holdings, Inc., a publicly listed company; of STI Education Services Group, Inc.; and of West Negros University. He is also the Chairman of Philplans First, Inc., a pre-need company; of Philippine Life Financial, Inc., a life insurance company, and of Republic Surety and Insurance Co., a non-life insurance Company. He likewise sits as an independent director of Jollibee Foods, Inc., Century Properties, Lopez Holdings, Inc. and 2GO Shipping. He sits as Director of Asian Terminals, Inc., Philhealthcare Systems, Inc., an HMO, Philippine Women's University and IAcademy.

Consuelo Yñares-Santiago
Independent Director

Ms. Consuelo Ynares-Santiago, Filipino, 81 years old, is a Retired Justice of the Philippine Supreme Court. Justice Santiago (Ret) is currently an independent director of Anchor Insurance Brokerage Corp., a leading insurance brokerage company based in New York, USA, SMC Global Power Holdings, Inc., one of the country’s leading power companies which is the power generation unit of San Miguel Corporation, South Luzon Tollway Corp., and Top Frontier Investment Holdings, Inc. She is the Chair Advisory Council of the Office of Alternative Dispute Resolution under the Department of Justice. She earned her Law Degree at the University of the Philippines. After being admitted to the bar, she started her career as a Legal Officer of the Securities and Exchange Commission (SEC).

After 5 years of legal practice, she decided to enter the Judiciary and spent 36 years of her career as Municipal Judge, Metropolitan Trial Court judge, Regional Trial Court judge, and Associate Justice of Court of Appeals, before becoming an Associate Justice of the highest court of the country, the Supreme Court. During her time in the Supreme Court, she became the chairperson of the Supreme Court's 3rd Division and also joined various committees, among them the Justice on Wheels Program as Chairperson, the Foreign Travel Committee as Chairperson, the House of Representative Electoral Tribunal (HRET) as Chairperson, and member of the Presidential Electoral Tribunal. She was also a consultant of the Judicial and Bar Council (JBC) and a Bar Examiner of Labor Law and Social Legislation during the 1996 Bar Examination and Taxation Law in the 1998 Bar Examination.

Nicasio I. Alcantara
<u>Independent Director</u>

Nicasio I. Alcantara, Filipino, 78 years old. He re-assumed the position of Chairman of the Board of Directors and President of Alsons Consolidated Resources, Inc. (ACR) on March 1, 2021, a position he previously held from May 1995 to May 2001. He is the Chairman and President of ACR Mining Corporation, Alsons Development and Investment Corporation, Sarangani Agricultural Company, Inc., Conal Holdings Corporation, Alsons Thermal Energy Corporation, Alto Power Management Corporation and many other subsidiaries under the Alcantara Group. He is the Chairman of the Board of SITE Group International, Ltd. Mr. Alcantara serves as the Chairman of both the Corporate Governance Committee and Related Party Transactions Committee of BDO Private Bank, Inc. and a member of the Bank's Audit Committee. He is the Vice-Chairman of Aviana Development Corporation. Currently, he is a Director of Seafront Resources Corporation, The Philodrill Corporation, Enderun Colleges, Inc., Sagittarius Mines, Inc. and Phoenix Petroleum Philippines, Inc. Mr. Alcantara holds a Masters degree in Business Administration (MBA) from Sta. Clara University, California, and a Bachelor of Science degree in Business Administration from the Ateneo de Manila University.

Minoru Takeda
<u>Independent Director</u>

Minoru Takeda, Japanese, 67 years old is the Chairman of aNew Energy (an advisory company for Renewables/LNG), Senior Advisor of GLX LNG (LNG Trading Platform Company), Director of Oxalis Chemicals KK, and Sr. Advisor of Uyeno Kosan KK. Mr. Takeda 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 GM of Shell Upstream International in charge of the ASEAN/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 4 years in Deloitte, as Partner of Deloitte Tohmatsu Consulting and served as CEO of Deloitte Tohmatsu Corporate Finance. He holds BS and MS from Keio University and MS from MIT Sloan School of Management. He was a Visiting Researcher at Harvard University, Energy and Environmental Policy Center.

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

Period of Directorship in the Company

Name	Period of Service	Term of Office
Dennis A. Uy	since incorporation to present	1 year
Domingo T. Uy	since incorporation to present	1 year
Romeo B. De Guzman	since 2009 to present	1 year
J.V. Emmanuel De Dios	2007 to present	1 year
Cherylyn C. Uy	2004 to 2006, 2013 to present	1 year
Monico V. Jacob	2008 to present	1 year
Consuelo Ynares Santiago	2013 to present	1 year
Stephen T. CuUnjieng	January 15, 2018 to present	1 year
Henry Albert R. Fadullon	May 29, 2020 to present	1 year
Minoru Takeda	2019 to present	1 year
Nicasio I. Alcantara	2019 to present	1 year

Directorships in Other Reporting Companies

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

Name of Director	Name of Reporting Company	Position Held
Consuelo Ynares Santiago	Top Frontier Investment Holdings, Inc.	Independent Director
Dennis A. Uy	ISM Communications Corporation; PH Resorts Group Holdings, Inc.; Apex Mining Co., Inc.; Chelsea Logistics and Infrastructure Holdings Corp.;	President & CEO Chairman Independent Director Chairman
Cherylyn C. Uy	ISM Communications	Director/Treasurer

	Corporation; PH Resorts Group Holdings, Inc.; Chelsea Logistics and Infrastructure Holdings Corp.	Director Treasurer

and the following Independent Directors have held directorships in other reporting companies for the last five (5) years:

Name of Director	Name of Reporting Company	Position Held
Nicasio I. Alcantara	ACR Mining Corporation Alsons Consolidated Resources, Inc..	Chairman & President Chairman & President
Minoru Takeda	Showa Shell Sekiyu K.K.	Chairman

Certificate of Qualification of the Independent Directors

The Company will submit an updated Certificate of Qualification of all independent directors pursuant to the October 20, 2006 notice of the Commission on or before the Company's distribution of the Definitive Information Statement to the security holders on April 08, 2021.

<u>Executive Officers</u>

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

Henry Albert R. Fadullon, Filipino, 53 years of age, was appointed Chief Operating Officer of the Company on April 17, 2017. Prior to this, he served Shell Shared Services (Asia) B.V. as General Manager for its global businesses. He has over 25 years of experience in the petroleum industry, having held various roles at Pilipinas Shell Petroleum Corp., a decade of which were spent overseas with postings in Malaysia, Oman, and London. He has a wealth of experience in Retail and B2B performing a variety of frontline and functional roles leading into General Management positions. He completed his BS Industrial Management Engineering, minor in Mechanical Engineering, from De La Salle University.

Ma. Concepcion F. De Claro, Filipino, 63 years of age, holds a Bachelor of Science degree in Commerce, Major in Accounting from the Colegio de San Juan de Letran. She has been the Company's Chief Financial Officer since March 2018. She was Director of Alsons Prime Investment Corporation and Alsons Power Holdings Corporation and the Vice-President and Chief Operating officer of Alsons Corporation. She also served as the Director of Limay Energen

Corporation and Manila North Harbour Port, Inc. Ms. de Claro also worked with Petron Corporation for several years. She was a Consultant for M&A Projects and a member of the Board of Trustees of Petron Corporation Employees Retirement Fund. She also served as Petron's Vice President for Corporate Planning & Services, Controller for the company and its subsidiaries, and held various positions in Corporate Planning. In addition, Ms. De Claro also served as a Director of New Ventures Realty Corporation, Las Lucas Development Corporation, Petron Marketing Corporation and Petron Freeport Corporation.

Alan Raymond T. Zorrilla, Filipino, 51 years of age, is the Senior Vice President for External Affairs, Business Development, and Security of the Company. Prior to his employment with the Company, he was Chief Legal Counsel of the Unioil Group of Companies where he headed the Legal, Human Resources, and Administrative Departments. He also served as Director for Freeport Services Corporation, a 100% subsidiary of Subic Bay Metropolitan Authority and was once a Legal Consultant of the Department of Environment and Natural Resources. Atty. Zorrilla was engaged in litigation practice with Pangilinan, Britanico, Sarmiento and Franco Law Offices before he entered corporate practice. He formerly worked as Corporate Legal Counsel of publicly-listed Fil-Estate Group of Companies in its Litigation and Labor Department. Atty. Zorrilla completed his law studies at the San Beda College of Law in 1994 and was admitted to the Philippine Bar in 1995. He also took up his masteral studies at the Ateneo Graduate School of Business. He is an Army Reservist and a concurrent Commander (Lt. Colonel) of the Philippine Coast Guard Auxiliary.

Charlie R. Valerio, Filipino, 53 years old, is the Chief Digital Officer. He also leads the IT group of parent company Udenna Group of Companies. Charlie has more than 20 years of in-depth exposure and experience in the Oil & Gas, Power Generation, and Fast-Moving Consumer Goods (FMCG) industries as well as a local conglomerate, having worked for Procter & Gamble for 7 years, Royal Dutch Shell for 14 years, and 5 years for First Gen Corporation and First Philippine Holdings in concurrent capacity. He was Chief Information Officer at First Gen Corp. and for First Philippine Holdings, leading IT for the conglomerate (composed of 11 companies covering 5 industries - power generation, manufacturing, real estate/property, health care, and construction). Charlie received his Bachelor of Science degree in Computer Science from De La Salle University. He is a certified Project Management Professional and completed several leadership trainings in Switzerland and Singapore.

Socorro T. Ermac-Cabreros, Filipino, 56 years old, is concurrently the Vice President for Corporate Legal and Corporate Secretary of the Company. She is also the Corporate Secretary of Phoenix Petroleum Holdings, Inc. Prior to joining the Company, she was a Legal Counsel of Philippine National Bank in Davao City. She has worked for the government such as the Office of the Ombudsman for Mindanao and later as Prosecutor for the Province of Davao del Norte after engaging in the private practice of law. She finished her law degree at the Ateneo de Davao University College of Law. She was President for the Davao City Chapter of the Integrated Bar of the Philippines, Davao City Chapter from 2009-2011 and President of the Davao Lady Lawyers Association from 2000-2002.

Jonarest Z. Sibog, Filipino, 40 years old, is the Asst. Vice President for Comptrollership. She joined the company in 2006, starting her career in Procurement which she headed for seven years before moving to Finance. She is a graduate of Ateneo de Davao University with a degree in Bachelor of Science in Accountancy. She finished her Masters in Business Administration at the University of Mindanao where she also earned a few units in LLB. She is a Certified Public Accountant and is currently a Board of Director of the Association of CPAs in Commerce and Industry (ACPACI) - Davao City Chapter

Richard C. Tiansay, Filipino, 57 years old, is the General Manager for Pricing and Demand. Mr. Tiansay has more than 22 years of experience in the oil industry covering domestic and international operations. His last position in Royal Dutch Shell is as Global SAP IT Order to Cash Team Lead in London, U.K. This after being assigned to various key managerial positions not limited in the Philippines but as well as in a number in Asia Pacific and other countries. Mr. Tiansay completed his Bachelor of Science in Mechanical Engineering degree from the University of San Carlos, Cebu City.

Roy O. Jimenez, Filipino, 58 years of age is currently the General Manager for Commercial and Industrial Business. Prior to joining the Company he was connected with Chevron Phil. Inc for almost 30 years and handled various National and District Managerial positions, as well as supervisory positions for various trades such as Retail, Commercial/Industrial, Marketing Support, Liquefied Petroleum Gas and Lubricants. He also handled regional positions as a Programs Manager and has been the team lead for Philippines in various Chevron Regional projects. He was assigned as a District Manager covering various areas like North Metro Manila/North Luzon, Visayas and Mindanao. He is a licensed Mechanical Engineer and graduated from the University of Santo Tomas. He has MBA units in De La Salle University and attended various Leadership and Management programs in Asian Institute of Management, as well as in-house training programs of Chevron in Asia Pacific and South Africa.

Ericson S. Inocencio, Filipino, 46 years old, is the General Manager for Retail Business. Eric has more than 20 years of extensive experience in the petroleum industry. Prior to joining the Company, he was connected with Chevron Phils. where he held various positions primarily leading the Commercial and Industrial business as District Sales Manager for more than five(5) years and as concurrent National Fleet Cards Sales Manager. He has exposure in marketing support function in charge of developing and executing local & global process/programs which includes profitability modelling. He is a certified Mechanical Engineer from De La Salle University and attended his MBA at Ateneo Graduate School of

Business.

Joven Jesus G. Mujar, Filipino, 50 years of age, is the General Manager for Lubricants Sales and Distribution Business. He joined Phoenix last May 4, 2015. He brought with Him twelve and a half years of pure lubricant experience from a major petroleum company holding various positions in sales, business development and marketing handling both B2C and B2B.Within those years, he had 2 years assignment in the Asia Pacific Region doing Channel Development Specialist work.

Maria Rita A. Ros, Filipino, 61 years old, is the Asst. Vice President for CME. Ms. Ros has more than thirty (30) years of experience in the oil industry covering materials management, supply chain management, production planning, imports-exports, warehousing and logistics. She held various positions in Petron Corporation from 1981 up to 2011 when she handled Biofuels and Special Projects, and Supply Optimization before joining Phoenix Petroleum in November 2013. She is a graduate of B.S. Chemical Engineering from the University of the Philippines, and is a licensed Chemical Engineer, and took up Basic Management at the Asian Institute of Management.

Celina I. Matias, Filipino, 56 years old, is presently the Asst. Vice President for Brand and Marketing Group of the Company. Ms. Matias has more than 25 years of expertise on strategic marketing and client servicing. She honed her skills from Ogilvy & Mather and McCann Erickson and was a Partner at a local Ad Agency prior to joining Phoenix Petroleum. She handled over 25 local and global brands across different product categories from petroleum, telecoms, real estate, automotive, pharmaceutical and a lot more. She finished Communication Arts major in Advertising & Public Relations in Assumption College.

Celeste Marie G. Ong, Filipino, 52 years old, is currently the Asst. Vice President for Human Resources. Ms. Ong has more than 20 years of solid human resources management experience from local and multinational companies (Concrete Aggregates Inc., Van Melle Phils., Fujitsu Computer Products and Optodev, Inc.) Her expertise includes compensation management, talent acquisition, training and development, employee relations/engagement, benefits administration and HRIS. She finished A.B. Psychology from Pamantasan ng Lungsod ng Maynila and took her M.A. in Psychology at University of Santo Tomas. She completed the Essilor Management Training courses in Singapore & France.

Arnel G. Alban, Filipino, 53 years old, is currently the Asst. Vice President for Retail Operations and Network Development. In this capacity, Arnel likewise handles the optimization of the Company's real estate portfolio. He joined Phoenix in April 2018, moving from Total (Philippines) Corporation where he was Asst. Vice President for Retail Development and Compliance. He has solid 25 years of experience in the oil industry, starting out as a Business Counselor (or

Retail Territory Manager) in 1993 at Caltex (Philippines), Inc. where he stayed for 5 years. In 1998, he moved to Total where he stayed for 20 years, moving in various Sales and Retail positions. Arnel is a licensed Civil Engineer and graduated from the University of the Philippines.

Jaime T Diago Jr., Filipino, 65 years old, joined Phoenix Petroleum in September 2018 as AVP Technical Service and QAPD. Prior to joining the Company, he was with Pilipinas Shell for 32 years holding the following key roles: Fuels Product Quality (PQ) Lead (PH & HK), Fuels PQ Manager (MEA), Fuels Technical Manager, Head Trading & Economics, Marketing Sales Manager, Commercial Development Manager and Lubricants Assistant Supply. Prior to his employment with Pilipinas Shell, Jimmy also had six years with Mobil Philippines where he served as Marketing Representative and Technical Service Engineer. Jimmy is a licensed Mechanical Engineer and graduated from Silliman University.

Joriz Tenebro, Filipino, 42 years old, is the General Manager for Joint Ventures. Prior to joining Phoenix in November 2018, he had 15 years of combined business and commercial finance experience with Shell in retail, trading, upstream and integrated gas covering Asia Pacific, Middle East, and Europe. His roles include retail territory management; reporting, planning and economics; finance management; M&A and New Business Development; and internal audit. He was based in Davao, Manila and a combined 10 years in Singapore and Dubai. Previous to Shell, he spent a total of 3 years as P&G Distributor Finance Manager and PwC Finance Auditor. Most of his key development training were in Shell Headquarters in the Netherlands and INSEAD France. He graduated from Ateneo de Davao University.

Magtanggol C. Bawal, Filipino, 59 years old, is the General Manager for Shared Services and is a Certified Public Accountant with 35 years of work experience in the oil industry, IT, and Services. Prior to joining Phoenix in 2017 as the FamilyMart's Chief Finance Officer, he was with Shell Shared Services (Asia) B.V. as Contracts & Procurement Operations Delivery Center Manager. Previously, he was IT consultant of Phoenix Petroleum; Chief Finance Officer and COO of Microsoft Phils.; and LPG Finance Manager at Pilipinas Shell Petroleum Corp. He earned a Bachelor of Science degree in Commerce, major in Accounting, from the University of Batangas, and took MBA classes at the DLSU Graduate School of Business.

Lester C. Khan, Filipino, 40 years old, the General Manager for Aviation Business; and Business Development, Strategies and Portfolio Unit is a driven sales and technical professional with nearly two decades of experience in the FMCG and oil/gas industry. Previously, he served as General Manager for both Pure Essence Inc. and Margarrett Enterprise Inc., which produce biodiesel and toll-packs for major FMCG companies. He started his career in Procter & Gamble where he was recognized for leading the reformulation and process development of the company's soap brands. In between his stints in manufacturing, he worked in Pilipinas Shell Petroleum Corp., handling Retail in South Mindanao. He is a licensed Chemical Engineer from the University of the Philippines Los Baños and a Six Sigma Green Belt Certified Practitioner. He completed his MBA studies at the Ateneo Graduate School of Business with Gold Honors.

Elmer A. Baguioro, Filipino, 48 years old, is the General Manager for LPG Trading. Before joining Phoenix in 2018, he worked for multinational corporations such as Procter & Gamble, Coca-Cola, and Royal Dutch Shell in over 20 years, performing various roles, including Global LPG Trader in the field of research and development, manufacturing, strategic infrastructure planning, logistics and supply chain planning and network optimization, and global LPG trading and chartering. He graduated Cum Laude at the University of St. La Salle Bacolod with a Bachelor of Science degree in Chemical Engineering and placed 7th in the Chemical Engineering Licensure Exams.

Bernard C. Suiza, Filipino, 53 years old, is the General Manager for Philippine FamilyMart. Bernard has 30 years of experience in network planning, marketing, and operations, having worked in industries from fuel to food. He joined Phoenix in 2017, and was previously with San Miguel Foods as its Area Sales Manager for North Luzon. He was formerly marketing director of Prominex Ventures, and General Manager of Emerging Channels Inc. where he handled marketing and distribution of food and non-food products. He spent 11 years in Pilipinas Shell Petroleum Corp. in various roles in retail, finance, network planning, and non-fuels retailing. Bernard graduated cum laude from the University of the Philippines with a degree in Business Administration, and obtained his MBA from UP in 2017.

Julgin Anthony G. Villanueva, Filipino, 36 years old, is the General Manager for LPG Luzon. Ton is a sales professional with over a decade of experience in selling and negotiation, account management, and business development. Before joining Phoenix in 2017, he was Head of the Mid and High-Rise Segment of Republic Cement Services, formerly Lafarge Cement Services Phils. He started his career at Pilipinas Shell Petroleum Corp., where he was assigned to the LPG business (Shellane LPG) for nine years in retail and industrial trades across the country. He is a graduate of De La Salle University with a degree in Management of Financial Institutions, and holds an MBA from the Ateneo Graduate School of Business where he graduated with first class honors.

Period of Service in the Company

Name	**Period of Service**
Henry Albert R. Fadullon	April 17, 2017 to present
Ma. Concepcion F. De Claro	May 1, 2018 to present
Charlie R. Valerio	March 1, 2019 to present

Socorro Ermac Cabreros	July 2, 2006 to present
Jonarest Z. Sibog	March 27, 2006 to present
Alan Raymond T. Zorrilla	April 1, 2009 to present
Richard C. Tiansay	March 1, 2013 to present
Ericson S. Inocencio	February 15, 2014 to present
Roy O. Jimenez	May 11, 2015 to present
Joven Jesus Mujar	May 4, 2015 to present
Ma. Rita A. Ros	November 1, 2013 to present
Celeste Marie G. Ong	July 2, 2012 to present
Celina I. Matias	July 2, 2012 to present
Arnel G. Ablan	April 16, 2018 to present
Jaime T. Diago, Jr.	September 3, 2018 to present
Joriz B. Tenebro	November 5, 2018 to present
Magtanggol C. Bawal	December 1, 2017 to present
Lester C. Khan	February 18, 2019 to present
Elmer A. Baguioro	August 1, 2018 to present
Bernard C. Suiza	August 16, 2017 to present
Julgin Anthony G. Villanueva	October 16, 2017 to present

There are no Directors and/or Executives working in any government agency.

Nominations of Directors and Independent Directors for the term 2020-2021

The following are the final nominees who were duly screened by the nomination committee for election to the Board of Directors for the following fiscal year 2020 at the forthcoming Annual Meeting:

1. Dennis A. Uy
2. Domingo T. Uy
3. Romeo B. De Guzman
4. J.V. Emmanuel A. de Dios
5. Minoru Takeda (Independent Director)
6. Cherylyn C. Uy
7. Nicasio I. Alcantara (Independent Director)
8. Consuelo Ynares-Santiago (Independent Director)
9. Monico V. Jacob
10. Henry Albert R. Fadullon
11. Stephen T. CuUnjieng

Minoru Takeda, Nicasio I. Alcantara and Consuelo Ynares-Santiago are nominated as Independent Directors based on following qualifications:

1. They have no transaction, affiliations or relations with the Issuer/Corporation
2. Their current business activities are different from the current business

activities of the Corporation. Thus, their credentials add diversity in the business backgrounds of the Board of Directors
3. They have and will maintain independent judgment and views with the Board of Directors
4. Except for the 1 share each, they do not own any shares in the Corporation
5. Prior to initially being elected as Directors of the Company, they have not, at any time, rendered any service to the Company.
6. They possess none of the disqualifications of an Independent Director.

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

The members of the Nomination and Governance Committee are: Nicasio I. Alcantara (Chairman), Minoru Takeda, and J.V. Emmanuel A. De Dios as members.

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

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

(b) Significant Employees

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

(c) Family Relationships

With the exception of Messrs. Domingo T. Uy and Dennis A. Uy who are related to each other by consanguinity within the first civil degree, Cherylyn C. Uy and

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

(d) Involvement in Certain Legal Proceedings

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

With respect to the Informations filed with the Regional Trial Court of Batangas City, upon filing by Mr. Uy on September 2, 2013 of an *Omnibus Motion for the Determination of Lack of Probable Cause*, the Regional Trial Court of Batangas City granted said motion on September 17, 2013 and DISMISSED all three (3) Informations which were filed in 2011 and 2013. The DOJ filed a *Motion for Reconsideration with Motion for Inhibition* of Judge Ruben A. Galvez, which was subsequently denied on December 6, 2013. On July 7, 2014, the Regional Trial Court of Batangas City issued a Certificate of Finality certifying that its Order dated December 6, 2013, which denied the Motion for Reconsideration and affirmed the Order dated September 17, 2013 which **dismissed** the 3 Informations filed against Mr. Uy for lack of probable cause, has already become final and executory since no appeal was filed therefrom.

With respect to the Informations filed with the Regional Trial Court of Davao City which were filed in 2011, 2013 and 2014, on October 4, 2013, the Regional Trial Court of Davao City ordered the DISMISSAL of the criminal cases against Mr. Uy. The subsequent Motion for Reconsideration of the Plaintiff, People of the Philippines, was also denied in an Order dated August 18, 2014. Hence, the People of the Philippines ("Petitioner") filed on October 27, 2014 with the Court of Appeals (CA), Cagayan de Oro City a *Petition for Certiorari* under Rule 65 of the Rules of Court docketed as **CA G.R. SP No. 06500-MINm CA, CDO, 23rd Division.** On October 24, 2016, Mr. Uy received a copy of the Decision of the CA dated October 12, 2016 **DENYING** the Petition for Certiorari. On November 10, 2016, Mr. Uy received a copy of the Motion for Reconsideration filed with the CA.

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

On 4 April 2017, we received a copy of the Petition for Review on Certiorari dated

27 March 2017 filed by petitioner docketed as GR No. 229705, SC, Manila, 3rd Division. While awaiting Resolution from the Supreme Court on the parties' Memoranda, in a "Manifestation in Lieu of Reply" filed by the Office of the Solicitor General on July 10, 2019, the SOJ has prayed that their manifestation be duly considered and to DISMISS all three (3) petitions without prejudice to the possible filing, if the Court desires, of supplemental memoranda from the parties.

In 2016, Several cases of Grave Coercion, Robbery and Libel were filed against the Company and its Sales Team of South Mindanao and other officers, including all the members of the Board of Directors except for Domingo T. Uy, Stephen Cu-Unjieng, Minoru Takeda, Nicasio Alcantara and Justice Consuelo Ynares-Santiago in relation to the Company's closure and take-over of six (6) Phoenix Fuel Stations in Davao City. To date, the criminal aspect of the cases have been dismissed by the City Prosecutor's office of Davao City. However, the civil cases related to these cases filed by and against the Company are still pending with the Regional Trial Court of Davao City, Branch 16 and is subject of an ongoing amicable settlement.

For the Company, other court cases typical and customary in the course of the business operations of the Company such as those, among others, involving collection, qualified theft, breach of contract and reckless imprudence have been filed by and against the Company, by and against its employees and/or third parties. The results of which will not significantly affect the financial standing of the Company. Other than the above stated, no other significant cases were filed by and against the Company and its subsidiaries.

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

- Any insolvency or bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the insolvency or within two years prior to that time;

- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

- Any final and executory order, judgment, or decree or any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and

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

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

(e) Certain Relationships and Related Transactions

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

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

a.) ***Rentals***

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

2017	2018	2019	2020	TOTALS
68,093,074.22	7,106,448.53	10,776,681.32	9,432,868.43	**95,409,067.50**

b.) ***Contract of Affreightment***

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

c.) ***Due to and Due from Related Parties***

	2020	2019
		-
CJI FUELS CORP. Total	399,107	
EASTAN PRIME DEVELOPMENT Total	909,851	
F1RSTENERGY CORP. Total	6,518,500	
GALAXI PETROLEUM FUEL INC. Total	2,542,780	
PHOENIX ASPHALT PHILIPPINES IN Total	2,192,345	1,979,538
PHOENIX NORTHERN MINDANAO CORP T	3,642,832	
P-H-O-E-N-I-X PHILIPPINES Total	523,546	94,089
PHOENIX SOUTHERN PETROLEUM COR Tc	232,789	
TOP CONCORD QUALITY PETROLEUM Tot:	11,521,120	
ZAE FALCO ENERGY CORP. Total	912,400	
	29,395,268	2,073,627
Allowance for Impmairment	0	(86,816)
	29,395,267.96	1,986,811.00

Key Management Compensations.

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

	2020	2019	2018
Salaries and wages	209,333,343	209,333,343	215,217,266
13th month pay and bonuses	21,772,957	21,772,957	17,622,482
Honoraria and Allowances	13,110,558	13,110,558	13,192,196
Post-employment benefits	16,794,233	16,794,233	8,494,913
Share-based payment	3,730,524	3,730,524	3,576,322
	264,741,615	**264,741,615**	**258,103,179**

Item 6. Compensation of Directors and Executive Officers

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

The members of the Board of Directors who are not employees of the Company are elected for a period of one (1) year. The Company pays its non-executive directors a per diem of ₱30,000.00 for each regular meeting and ₱100,000.00 for the Annual Stockholer’s Meeting. There are no other arrangements or agreements for which the members of the Board of Directors are compensated. The following are the amounts received by each Director for their attendance in the meetings in Fiscal Year 2020:

Dennis A. Uy	Php 0	No per diem as he is an Officer of the Corporation
Henry Albert R. Fadullon	Php 0	No per diem as he is an Officer of the Corporation
Domingo T. Uy	₱220,000.00	For attendance in 4 Regular BOD Meetings and 1 Annual Stockholders' Meeting
Romeo B. De Guzman	₱220,000.00	For attendance in 4 Regular BOD Meetings and 1 Annual Stockholders' Meeting
Cherylyn C. Uy	₱220,000.00	For attendance in 4 Regular BOD Meetings and 1 Annual Stockholders' Meeting
Stephen T. Cuunjieng	₱220,000.00	For attendance in 4 Regular BOD Meetings and 1 Annual Stockholders' Meeting
J.V. Emmanuel A. De Dios	₱220,000.00	For attendance in 4 Regular BOD Meetings and 1 Annual Stockholders' Meeting
Consuelo Ynares-Santiago	₱220,000.00	For attendance in 4 Regular BOD Meetings and 1 Annual Stockholders' Meeting
Monico V. Jacob	₱220,000.00	For attendance in 4 Regular BOD Meetings and 1 Annual Stockholders' Meeting
Minoru Takeda	₱220,000.00	For attendance in 4 Regular BOD Meetings and 1 Annual Stockholders' Meeting
Nicasio Alcantara	₱220,000.00	For attendance in 4 Regular BOD Meetings and 1 Annual Stockholders' Meeting

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

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid in the ensuing fiscal year to the executive officers of the Company are as follows:

Summary of Compensation Table

Projected Compensation of Executive Officers and Directors (in thousand Pesos)				
		Year ended December 31, 2021		
Name	**Principal Position**	**Salaries (in ₱)**	**Bonuses / 13th Month / Other Income (in ₱)**	**Total (in ₱)**
Dennis A. Uy	Chairman and Chief Strategy officer	59,472*	4,956*	64,428*
Henry Albert R. Fadullon	President			
Ma. Concepcion F. De Claro	Chief Finance Officer			
Alan Raymond T. Zorrilla	SVP – External Affairs, Business Development and Security			
Charlie R. Valerio	Chief Digital Officer			
All other officers and directors as a group unnamed		75,006	6,251	81,257

* *Total projected salaries and bonuses/* 13th *month and other income of the above named individuals*

Compensation of Executive Officers and Directors (in thousand Pesos)				
		Year ending December 31, 2020		
Name	**Principal Position**	**Salaries (in ₱)**	**Bonuses / 13th Month / Other Income (in ₱)**	**Total (in ₱)**
Dennis A. Uy	President and Chief Executive Officer	**56,640**	**4,720**	**61,360**
Henry Albert R. Fadullon	Chief Operating Officer			
Ma. Concepcion F. De Claro	Chief Finance Officer			
Alan Raymond T. Zorrilla	SVP – External Affairs, Business Development and Security			
William M. Azarcon	VP – Business development for terminals and depots			
All other officers and directors as a group unnamed		**71,434**	**6,697**	**87,060**

Compensation of Executive Officers and Directors (in thousand Pesos)				
		Year ending December 31, 2019		
Name	**Principal Position**	**Salaries (in ₱)**	**Bonuses / 13th Month / Other Income (in ₱)**	**Total (in ₱)**
Dennis A. Uy	President and Chief Executive Officer	48,898	4,074	**52,972**
Henry Albert R. Fadullon	Chief Operating Officer			
Joseph John L. Ong	Chief Finance Officer			
Alan Raymond T. Zorrilla	VP – External Affairs, Business Development and Security			
William M. Azarcon	VP – Business development for terminals and depots			
All other officers and directors as a group unnamed		**80,363**	6,697	87,060

The Directors and Officers of the Company hold no Outstanding Warrants and Options.

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

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

2. A probation period of six months probationary period from commencement of employment. If the job performance is found to be satisfactory, employment shall be converted to regular basis.

3. Salary & Benefits: specifies that the executive shall receive his monthly salary and a guaranteed 13^{th} month pay less the necessary government deductions allowed by law such as but not limited to SSS premium, Philhealth, Pag-IBIG contributions. The same section likewise provides that the executive's salary shall be subject to annual review which shall take into consideration his performance and the achievement of mutually-agreed goals.

4. Exclusivity: The employment contract provides that the executive shall render exclusive service to the Company and the prohibition to work with other companies regardless of whether such work is done outside office hours, without the consent of the Company.

5. Confidentiality: The executive/employee is duty bound to keep all information, materials and records which he or she may access in the course of his/her employment with the Company are confidential in nature and he or she may not disclose or reproduce the same without the consent of the Company.

6. Professional Conduct: The executive concerned is expected to comply with all the policies and procedures which the Company may issue from time to time. It is specifically prohibited to accept any or all kinds of gifts from suppliers and customers without the consent of the Company

Compensation Committee (Now under the Nomination and Governance Committee)

The duties and functions of the Company's Compensation Committee has now been folded into the Nomination and Governance Committee, as such it shall be composed of at least three (3) members of the Board, at least one of whom shall be an Independent Director. The function of the Compensation Committee to be folded into the Nomination and Governance Committee include establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provides oversight over remuneration of senior management and other key personnel.

The following are the members of the Nomination and Governance Committee:

Nicasio I. Alcantara (Independent Director)	Chairperson
Consuelo Ynares-Santiago (Independent Director)	Member
Cherylyn C. Uy	Member
Romeo B. De Guzman	Member

Item 7. Independent Public Accountants

The financial statements of the Company were audited by Punongbayan & Araullo for the years ended December 31, 2020, 2019, and 2018. Said external auditor has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and the Professional Regulation Commission.

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

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

Punongbayan & Araullo was first appointed external auditor of the Company in 2006. The Company is compliant with SRC Rule 68, paragraph 3(b)(IV) (Rotation of External Auditors) and the two year cooling off period. The certifying partner for the examination of the Company's financial statements for the year 2020 is **Mr. Ramilito Nañola**. The last of the Company's Financial Statement that Mr. Nañola certified was the Company's 2019 and 2018 Financial Statements.

<u>Audit Fees</u>

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

Audit and Related Fees				
		Amount in Thousands Php		
Particulars	Nature	2018	2019	2020
Punongbayan and Araullo	Audit of FS for the year 2016 - Parent and Subsidiaries			
Punongbayan and Araullo	Audit of FS for the year 2017 - Parent and Subsidiaries	**3,460.80**		
Punongbayan and Araullo	Audit of FS for the year 2018 - Parent and Subsidiaries	**1,904.17**	**4,637.52**	
Punongbayan and Araullo	Audit of FS for the year 2019 - Parent		**3,616.54**	**6,036.91**

	and Subsidiaries			
Punongbayan and Araullo	Audit of FS for the year 2020 - Parent and Subsidiaries			**4,742.71**
Sub-total		**5,364.97**	**8,254.06**	**10,779.62**
Tax Advisory Services				
Sycip, Gorres and Velayo	Tax Consultancy	120.00	120.00	210.00
Sub-total		**120.00**	**120.00**	**210.00**
All Other Fees				
Entia Accounting Office	Professional Fee for BOI Registration of Depot Facilities	2,885.80	1,445.17	-
Punongbayan and Araullo	Professional Fee for Special Audit, Transfer Pricing, tax Compliance for PLPI and Due Diligence Engagement		4,216.48	3,250.00
Sub-total		**2,885.80**	**5,661.65**	**3,250.00**
GRAND TOTAL		**8,370.77**	**14,035.71**	**14,239.62**

Audit Committee and Policies

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

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

The following are the members of the Audit Committee: Consuelo Ynares-Santiago (Independent Director) as Chairman, Monico V. Jacob, Nicasio I. Alcantara (Independent Director), Minoru Takeda (Independent Director) and Domingo T. Uy as members.

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

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

Changes In and Disagreements With Accountants

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

Item 8. Compensation Plans

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

Employee's Stock Options Plan

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

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

The subscription price for PNX's ESOP is based on the weighted average market price for the 30 trading days on the PSE immediately prior to the Initial Offering Date and for each subsequent Offering Dates.

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

As of March 31, 2021, a total of 11,011,000 common shares(ESOP) have been exercised and subscribed by the company's grantees.

As of 31 March, 2021, the Company's closing share price is at Php 11.28, with a market capitalization of approximately Php16,240,811,256.96.

The ESOP was granted to the following persons:

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

ESOP Grantee	No. of Shares
Top 5 Executives:	2,001,000
Other Executive Officers	2,449,800
All other qualified employees	6,294,360
TOTAL	**10,745,160**

Other than the items discussed above, there are no other types of compensation plans.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

There are no authorizations or issuances of securities other than for exchange for outstanding securities for the registrant.

Item 10. Modification or Exchange of Securities

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

Item 11. Financial and Other Information

The Management Report is attached hereto as **Annex B** and the Annual Audited Financial Statement for Period ended December 31, 2020 is attached hereto as **Annex "C";**

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

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

Item 13. Acquisition or Disposition of Property

The Corporation is seeking shareholders' approval for the Authority for Management to enter into negotiation under reasonable and acceptable terms and conditions advantageous to the Corporation with any third party corporation(s) or any other entity or entities for the possible transfer, sale, mortgage or disposition of certain corporate properties, assets, or investments as may be necessary and required in relation and pursuant to the financial management program exercised by the Corporation as part of its debt management and funding activities;

In line with the Company's objective to strengthen its financial position, ensure long term viability, and enhance the ability to continue external fund raising, the disposition of assets and equity to strategic partners is being considered to complement ongoing debt management and restructuring activities. Certain dispositions may also be explored to maximize the use of corporate assets, which may include the sale or transfer to other interested third party corporations or any other entity including related parties within PPPI and affiliates upon approval by the Board and the stockholders, as the case may be.

These initiatives form part of a comprehensive financial management plan that covers a part of the Company's corporate assets, such as but not limited to tangible assets, investments in subsidiaries, and PPPI equity, in compliance with PSE and SEC rules and good corporate governance.

Strategic implications of the proposed actions include:

1. Potential for increased efficiency as underutilized assets may be spun off or sold to a third party based on the review of existing portfolio;
2. Improved investor confidence with the entry of a credible strategic partner, which may set the stage for future capital raising activities both in debt and equity markets;
3. Increased returns on invested capital due to enhanced utilization of the assets via sale or transfer;
4. Potential gains to the overall bottomline from the disposition of the assets;
5. Improved financial performance from the reduction in Fixed Assets and operating expenses associated with the transfer and/or sale of the assets;
6. Enhanced credit risk profile and lower borrowing costs following the reduction in leverage as transaction proceeds are used to pay down debt.

Item 14. Reclassification of Accounts

(Please refer to Note 2 of the Notes to the Financial Statements found in the Company's Audited Financial Statements, included herein as Annex C)

D. <u>OTHER MATTERS</u>

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

The following items are to be voted upon in the stockholders' meeting in accordance with the internal rules set forth in Annex "D" of this Definitive Information Statement:

1. Approval of the Minutes of the Annual Stockholders' Meeting held last 29 May, 2020.
2. Report of the President and Chief Executive Officer
3. Approval of the 2020 Audited Financial Statements and 2020 Annual Report
4. Corporate Actions:
   A. Proposed Authority for management to enter into negotiations for reasonable and acceptable terms and conditions advantageous to the Corporation with any third party corporation(s) or any other entity or entities for the possible transfer, sale, mortgage or disposition of certain corporate properties, assets, or investments as may be necessary and required in relation and pursuant to the financial management program exercised by the Corporation as part of its debt management and funding activities;
5. Ratification and Confirmation of all Acts and Resolutions of the Board and Management executed in the normal course of business covering the period of 06 February 2020 until 28 February 2021 as set forth in **Annex "A."**
6. Election of the Members of the Board of Directors
7. Election of External Auditor.

Each of the items above shall be voted for by the Common Stockholders and shall be deemed approved upon garnering the approval of the Common Stockholders representing at least majority (more than 50%) of the outstanding Common Shares. However for the election of the members of the Board of Directors, the nominees obtaining the top 11 most number of votes shall be elected as a Member of the Board of Directors.

A copy of the Minutes of the previous Annual Stockholders' meeting and the Company's 2020 Audited Financial Statements, as well as the 2020 Annual Report are available on the Company's website and shall be available upon request of the Stockholder. The report of the President and Chief Executive Officer shall be given at the Annual Stockholders' Meeting, as well as a short discussion of the Corporate Action to be voted upon. The names of the nominees for the Company's Members of the Board of Directors, as well as the nominated external auditor for fiscal year 2021, are found in page 25 and page 33 of this Definitive Information Statement, respectively.

Aside from the Election of the Members of the Board of Directors, election and appointment of the External Auditor, Approval of the 2020 Financial Statements and Annual Report, the approval Minutes of the Minutes of the previous year's Annual Stockholders' Meeting, and the items of Corporate action mentioned above, there are no other items that was discussed and approved by the Stockholders in the 2020 Annual Stockholders' Meeting.

A copy of the Notice and Agenda for the April 30, 2021 Meeting was published in two newspapers of general circulation on March 25, 2021 and March 26, 2021. A copy of this Definitive Information Statement, which includes the Notice and Agenda, will be sent to stockholders of record (as of April 5, 2021) starting April 8, 2021.

Below was the agenda of the 2020 Annual Stockholders' Meeting held in the Company's Corporate Headquarters in Davao City.

REVISED NOTICE AND AGENDA

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting of P-H-O-E-N-I-X Petroleum Philippines, Inc. will be held on **Friday, May 29, 2020, 10:00 AM** at Phoenix Petroleum Headquarters, Stella Hizon Reyes Rd., Bo. Pampanga, Lanang, Davao City. The meeting will be conducted virtually via remote access communications and may be accessed through the link, http://asm.phoenixfuels.ph/PNX2020

The agenda for the Meeting shall be, as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held last March 15, 2019
4. Report of the President and Chief Executive Officer
5. Approval of the 2019 Audited Financial Statements and 2019 Annual Report
6. Corporate Actions

    a) Proposed Authority to organize, form and register a wholly-owned corporation for the purpose of managing, administering, conduct, own, invest, hold and operate a road transport business

        i. Proposed Authority to invest Php57 million of corporate funds as initial capital of the newly formed corporation.

        ii. Proposed Authority to transfer, move, assign the Corporation's road transport operations to the new corporation to maximize its efficiency and expansion

    b) Proposed Authority to invest Php4.9 billion of corporate funds in its wholly-owned subsidiary, Duta, Inc. over a period of three (3) years

    c) Proposed Authority to Amend the Corporation's Articles of Incorporation particularly Article IV on corporate term from fifty (50) years to perpetual existence from and after the date of incorporation as allowed in the Revised Corporation Code.

    d) Proposed Authority to Amend the Corporation's By-Laws particularly Article II Section 1 on the Annual Meeting of Stockholders from Last Friday of March of each year to Last Friday of April of each year.

7. Ratification and Confirmation of all Acts and Resolutions of the Board and Management executed in the normal course of business covering the period of 01 Feb 2019 until 05 February 2020.

8. Election of the Members of the Board of Directors

9. Appointment of External Auditor

10. Other Matters

11. Adjournment

All stockholders as of **07 May 2020** shall be entitled to participate and vote in the said annual meeting.

In view of the current COVID-19 pandemic and Enhanced Community Quarantine in Metro Manila including Davao City where the Company's principal place of office is located, the physical and actual holding of the Annual Stockholders' Meeting cannot be conducted. In lieu thereof, the Annual Meeting on May 29, 2020 shall be conducted via live streaming. Stockholders whose shares and proxies are duly validated may attend, participate and vote by proxy or in absentia during the meeting.

Proxy Forms and Special Powers of Attorney or other Authorization forms are available in the Company's website and must be submitted to Office of the Corporate Secretary, Stella Hizon Reyes Road, Bo. Pampanga, Lanang, Davao City by mail or send by email at pnx.corpsec@phoenixfuels.ph. Validation of proxies and registration shall commence on May 19, 2020 until 5:00PM of May 28, 2020. Participation in the meeting as well as voting shall be through remote communications. Procedure for voting shall be posted in the Company's website.

Atty. Socorro Ermac Cabreros
Corporate Secretary

Item 16. Matters Not Required to be Submitted

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

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

There are no actions to be taken with respect to any proposed amendments in the Company's Articles of Incorporation and By-Laws.

Item 18. Other Proposed Action

There are no other actions to be taken with respect to any other significant matter.

Item 19. Voting Procedures

Under the Corporation Code, the affirmative vote of stockholders representing at least two thirds (2/3) of the outstanding capital stock of the Company shall be necessary for the approval of the proposed amendment to the Articles of Incorporation and the investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized.

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

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

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

Considering that the Annual Stockholders' Meeting will be held virtually and in accordance with SEC Memorandum No. 6, series of 2020, the Company made internal procedures, attached herewith as **Annex D**, describing the steps to be taken by stockholders for the latter to cast/submit their votes online. The stockholders shall be entitled to the same number of votes as described above.

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

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held last 29 May, 2020
4. Report of the President and Chief Executive Officer
5. Approval of the 2020 Audited Financial Statements and 2020 Annual Report
6. Corporate Actions
    a) Proposed Authority for management to enter into negotiations for reasonable and acceptable terms and conditions advantageous to the Corporation with any third party corporation(s) or any other entity or entities for the possible transfer, sale, mortgage or disposition of certain corporate properties, assets, or investments as may be necessary and required in relation and pursuant to the financial management program exercised by the Corporation as part of its debt management and funding activities;
7. Ratification and Confirmation of all Acts and Resolutions of the Board and Management executed in the normal course of business covering the period of 06 Feb 2020 until 28 February 2021
8. Election of the Members of the Board of Directors
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

Item 20. Participation of Shareholders by Remote Communication

In compliance with the Enhanced Community Quarantine, imposing strict home quarantines, prohibitions on mass gatherings, requirement of social distancing and limitations on movement, other than those for access to basic necessities, and to secure the health and safety of our stockholders, directors and officers, the Company shall hold its Annual Stockholders' Meeting. The Annual Stockholders' Meeting shall be held purely through remote communication and the Company shall notify the stockholders, through a disclosure at the Philippine Stock Exchange if there are further developments allowing physical attendance in the meeting, absence of such disclosure and announcement, stockholders shall not be allowed to physically attend the meeting and may only participate only through the means stated in "Annex D" of this Definitive Information Statement.

For the Company an opportunity to validate the details of the participants of the meeting and to identify the shareholders participating via remote communication and to record the stockholders' presence as part of the quorum, the shareholders may register through **http://asm.phoenixfuels.ph/PNX2021** starting 10:00AM of April 16, 2021 until 3:00PM of April 29, 2021, and provide the needed information. After a successful validation, a link will be sent to the stockholder indicating where he/she can access the meeting via remote communication.

Any questions for the stockholders meeting or any clarificatory questions can be sent to pnx.corpsec@phoenixfuels.ph or investors@phoenixfuels.ph. Any additional questions or questions not directly addressed during the meeting shall be answered through email. Proxy and voting forms shall be available through the Company's website at https://www.phoenixfuels.ph/annual-stockholders-meeting/. For a more detailed discussion of the internal procedures, the stockholders' may refer to Annex D of this Definitive Information Statement.

(signature page follows)

SIGNATURE

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

This report was signed in Davao City on **April 14, 2021.**

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

By:

SOCORRO ERMAC T. CABREROS
Corporate Secretary

ANNEX "A"

	ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS February 5, 2020 to February 28, 2021
5-Feb-2020	• **RESOLVED,** that PHOENIX be, as it is hereby authorized to participate in Procurement of One (1) Lot Supply of Diesel and Unleaded Gasoline with Fleet Management System that if awarded the tender shall enter into a contract with Department of General Services of Cebu City Government; and in connection Therewith hereby appoint any one of the our officers: **HENRY ALBER FADULLON (CHIEF OPERATION OFFICER)** **ROY O. JIMENEZ (GEN. MANAGER FOR COMMERCIAL & INDUSTRIAL BUSINESS),** **RICHARD TIANSAY (GEN. MANAGER FOR PRICING AND DEMAND)** acting as duly authorized and designated representative of **Phoenix** granted full power and authority to do execute and perform any and all acts necessary and/or to represent **Phoenix** in the bidding as fully and effectively as the Phoenix might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue thereof;
	• **RESOLVED,** as it hereby resolve to authorize the Corporation to submit bid and proposal with the Department of General Services Cebu City Government in the procurement of One (1) Lot Supply of Diesel and unleaded gasoline with the fleet management system and perform related transactions such as: to send/receive documents, sign documents, follow up and collect all payments and issue corresponding official receipts: **RESOLVED FURTHER,** as it is hereby to authorize **Dhyris Cajes/Francis Bautista/Olia Lachica** by virtue of a Secretary Certificate as the case may be
	• **RESOLVED,** as it hereby resolve to authorize the Corporation to apply transact and process business permit for the year 2020 and the succeeding years thereafter for its DEPOT in Cambodia St. Bredco Port, Phoenix Petroleum Depot, Bacolod City with local Governments unit and/or private entities in the said area: RESOLOVED FURTHER, **RESOLVED FURTHER,** as it is hereby to authorize **RICO T. URETA** by virtue of a Secretary Certificate as the case may be;
	• **RESOLVED,** as it hereby resolved **P-H-O-E-N-I-X Petroleum Philippines Inc.,** as it hereby authorized and empowered to negotiate, transact anddeal for the purchase of 36,495 sqm parcel of land covered by TCT Nos. T – RT-6778, (1759), T-350, T-351,T-352 and TCT 353 situated in San Fernando, La Union with the registered owner; **RESOLVED**, as it is hereby resolve to sign execute and deliver an ABSOLUTE DEED OF SALE for the implementation of the foregoing authority; **RESOLVED,** as I is hereby resolved that any and foregoing transactions shall be negotiated m concluded, obtained and/or contacted for, by the Company's authorized representative **Richard Tiansay,** under such terms and conditions and stipulations as the said authorized signatory may deem advisable and desirable in the best interest of the Corporation;
	• **RESOLVED, AS IT IS HEREBY RESOLVED,** that the Corporation be authorized to open and maintain deposit account (s) and to avail of any related services, and/or open and maintain placement(s) and/or to invest in government securities and other similar instruments, and/or to enter into trust and/or investment management agency transactions/arrangements and/or open and maintain trust/investment account(s) with CHINA BANKING CORPORATION and/or CHINA BANKING CORPORATION – TRUST AND ASSET MANAGEMENT GROUP, under such terms and conditions as may be mutually agreed upon, where its cash funds, any credit remittances or checks issued in its favor, with or without endorsement may be deposited or invested; RESOLVED FURTHER that the following officer/position are hereby authorized signatories for and on behalf of the Corporation; **Class A** **Domingo T. Uy** **Chairman** **Dennis A. Uy** **President & CEO**

Henry Albert R. Fadullon COO
Ma. Concepcion F. De Claro CFO
Reynaldo A. Phala Treasury Head

Class B
Henry Albert R. Fadullon COO
Vicente Miguel R. Jayme Treasury Manager
Jonarest Z.Sibog Comptroller

Class C
Nel Marie Rodriguez Treasury Officer

Payment to suppliers, creditors and other related corporate disbursement	Any Amount	Concurrence of any two (2) of signatories in Group A or any one (1) of the signatories of Group A and combination from any one (1) in Group B provided that there should be two (2) signatories
	P 3.0M and below	Concurrence of any two (2) of the signatories from Group B provided that there should always be two (2) signatories.
Fund Transfers from one PPPI account to another PPPI account	Any Amount	Concurrence of any two (2) of the signatories in Group A, or any one (1) in Group B provided that there should always be two (2) Signatories or: Concurrence of any two (2) signatories from Group B provided that there should always be two (2) signatories or; Concurrence of any one (1) signatory from Group A or Group B together with any one (1) signatory from Group C in the absence of another A or B signatory
Credit or Loan Agreements	Any Amount	Concurrence of any two (2) of the signatories in Group A, or any one (1) of the Group B signatories with any one (1) provided that there should always two (2) signatories
Letter of Credit, Standby LC, Foreign Exchange, or other trade related documents	Any Amount	Concurrence of any two (2) of the signatories in Group A, or any one (1) of the signatories of Group A combination from any one (1) in group B provided there should always be two (2) signatories. In the absence of Group A signatories concurrence of any one (1) of the signatories in Group B and A combination from Group C may sign
Trust Receipts Promissory Notes	Any Amount	Concurrence of any two (2) signatories in Group A, or combination of any one (1) Group A with any one (1) in Group B

5-Feb-2020	• **RESOLVED,** as it hereby resolved, to authorized the Corporation to execute the Deed Of Guarantee pursuant to which the Corporation guarantees the obligations of PNX Petroleum Singapore Pte. Ltd. In relation to the sale and Bareboat Charter of PNX Conqueror, 3EZR6 Panama Flag owned or to be owned by Eight River Shipping S.A and more particularly described as follow: o Type of Vessel Gas o GT 4410 o NT 1374 o When/Wherebuilt 2010Nakatani Shipyard o Total Deadweight 5189 **RESOLVED FURTHER**, to authorize and empower Stefano and/or Simone Centola to deliver, execute or sign any or all documents or instruments in order to implement the foregoing authorities
5-Mar-2020	• RESOLVED, as it hereby resolved, that PHOENIX PETROLEUM PHILIPPINES, INC. (The Corporation) be, as it is hereby authorized and empowered to negotiate, concluded and enter into contract in connection with the sales and operations of the Corporation, which includes but not limited to contract of lease and/or Sublease for the operation of gasoline stations or other business and other lease arrangement, Memorandum of Agreements, Dealership Agreements or Retail Outlet Agreements for the operation of Phoenix service stations, Area Franchise Agreement and Joint Venture; RESOLVED as it is hereby resolved that in relation to the aforementioned transactions, the Company designates the any of the following Officers as the authorized signatories for all the transactions, agreements or contracts nationwide; **HENRY ALBERT FADULLON** Chief Operating Officer **ERICSON S. INOCENCION** General Manger for Retail Business **ARNEL ALBAN** General Manager for Retail Operation and Net Work Development **JOVEN JESUS G. MUJAR** Contracts in Relation to Lubricant Sales **RICHARD C. TIANSAY** Contracts for Supply Agreement to the company of Fuels and Depot Related Contracts **ROY O. JIMENEZ** Contracts in relation to the Commercial and Industrial Business of the Company **JONAREST Z. SIBOG** Transactions, agreements or contracts involving Finance Business all over Luzon Visayas and Mindanao
20-Mar-2020	• **RESOLVED** as it is hereby resolved as temporary measure, and only for the duration of the enhanced quarantine measures implemented by the government, the company shall authorize transactions such as the signing of corporate checks applications for Managers Check Fund Transfer and Remittance forms, Letter of Credit Applications, Trust Receipt forms, Promissory Notes, and foreign exchange transactions to be signed singly by ANY ONE (1) Group A or B signatory of the company, with no need of a second signatory provided that such single signature is accompanied and validate by and electronic mail confirmation ANY ONE (1) Group A signatory through their authorized corporate email GROUP A Chairman Domingo T. Uy domingo.uy@phoenixfuels.ph President and CEO Dennis A. Uy dennis.uy@phoenixfuels.ph Chief Finance and Officer Concepcion de claro concepcion.declaro@phoenixfuels.ph Treasury Head Reynaldo Phala rey.phala@phoenixfuels.ph **RESOLVED FURTHER,** That any one (1) group C signatory may sign singly for checks covering the fund transfers loan payments payable to PHOENIX PETROLEUM PHILIPPINES, INC. provided the same transactions are validated through email of the aforementioned Group A signatories; **RESOLVED FURTHER**, that any one (1) Group C Signatory may sign together with ANY ONE (1) Group A or B for letter of credit applications trust receipts forms, promissory notes and foreign exchange transactions;
5-Mar-2020	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC.** **(** the Corporation) be as it hereby authorized and empowered to transact and process its export documents with the Bureau of Customs in relation to its CME Refinery Plant in Villanueva, Misamis Oriental; **RESOLVED FURTHER,** as it is hereby resolved that in relation to the aforementioned transactions, the Company designate its General Manager for CME Refinery plant Maria Rita Ros to execute implement foregoing authority; **RESOLVED FURTHER** as it is hereby resolved to authorized the above representative to further authorized and delegate **JZS International Logistics Inc**. and its authorized

	personnel: **ROSARIO M. DE VEYRA, GENALYN M MABAYLAN KHER JSOHER E. PLANGCA, JEREMY M. DE VEYRA.**
5-Mar-2020	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.** (the Corporation) be as it hereby authorized to facilitate the application and/or processing the necessary permits and/or utility services with Batangas I Electric Cooperative, Inc.(BATELEC I); RESOLVED FURTHER, that the corporation's quality assurance officer ANGELI IZZA G. FLORES, be authorized to represent execute submit sign receive and claim any and all necessary documents concerning the abovementioned transactions;
20-Mar-2020	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. (** the Corporation) be as it hereby authorized and empowered to file criminal and/or civil cases to protect its interest and/or assets; RESOLVED FURHTER that the Board of Directors designate and appoint as it hereby and designates and appoints JASTER CRIS D. NAVARRO and/or REGIE H. NAPOLITANO to file and recorded criminal and/or civil complaints for purposes of prosecuting any or all persons found to have committed any and all acts against the company, its employees or properties before the Philippine Nation Police Office of the Provincial or City Prosecutors or such other court, tribunal or agency with authority to sign execute and do any other acts in connection thereto.
06-Apr-2020	• **RESOLVED** as it is hereby resolved as temporary measure, and only for the duration of the enhanced quarantine measures implemented by the government, the company shall authorize transactions such as the signing of corporate checks applications for Managers Check Fund Transfer and Remittance forms, Letter of Credit Applications, Trust Receipt forms, Promissory Notes, and foreign exchange transactions to be signed singly by ANY ONE (1) Group A or B signatory of the company, with no need of a second signatory provided that such single signature is accompanied and validate by and electronic mail confirmation ANY ONE (1) Group A signatory through their authorized corporate email GROUP A Chairman Domingo T. Uy domingo.uy@phoenixfuels.ph President and CEO Dennis A. Uy dennis.uy@phoenixfuels.ph Chief Finance and Officer Concepcion de claro concepcion.declaro@phoenixfuels.ph Treasury Head Reynaldo Phala rey.phala@phoenixfuels.ph **RESOLVED FURTHER,** That any one (1) group C signatory may sign singly for checks covering the fund transfers loan payments payable to PHOENIX PETROLEUM PHILIPPINES, INC. provided the same transactions are validated through email of the aforementioned Group A signatories; **RESOLVED FURTHER**, that any one (1) Group C Signatory may sign together with ANY ONE (1) Group A or B for letter of credit applications trust receipts forms, promissory notes and foreign exchange transactions; RESOLVED FURTHER, for control purposes, the transaction documents duly signed by the Company's Authorized signatories (Based on existing Board Resolution with the Bank) shall be emailed by the Company's Authorized Representative Makers listed below: **Vicente Jayme, Matthew Kenji Chan, Nel Marie Rodriguez, Jeramie Lumba, Ryan Tamondong, Kristine Lopez, Sheena Monteverde, Jonrey Villareal**
	• **RESOLVED,** that PHOENIX be, as it is hereby authorized to participate in (Re-advertise) Purchase of Fuel and Lubricants for use in Maintenance Section (1st Quarter of 2020) that if awarded the tender shall enter into a contract with DPWH Cotabato 1stDEO Midsayap; and in connection Therewith hereby appoint any one of the our officers: **HENRY ALBER FADULLON (CHIEF OPERATION OFFICER)** **ROY O. JIMENEZ (GEN. MANAGER FOR COMMERCIAL & INDUSTRIAL BUSINESS),** **RICHARD TIANSAY (GEN. MANAGER FOR PRICING AND DEMAND)** acting as duly authorized and designated representative of **Phoenix** granted full power and authority to do execute and perform any and all acts necessary and/or to represent **Phoenix** in the bidding as fully and effectively as the Phoenix might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue thereof;

06-Apr-2020	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. (** the Corporation) be as it hereby authorized and empower to negotiate, conclude and enter into contracts such as Memorandum of Agreement, Non Disclosure Agreements, Services Agreements and other transactions relative to the operation of the Company's Information Technology Group in Luzon, Visayas and Mindanao for and in behalf of the Corporation; **RESOLVED** as it is hereby resolved that the pursuant to the foregoing transaction the company designates its Chief Digital Officer for Information Technology Group **CHARLIE VALERIO** as authorized signatory.
	• **RESOLVED,** as it hereby resolved that the Corporation shall transact with BDO UNIBANK INC. – DAVAO LIZADA BRANCH or any of its branches subsidiaries and affiliates such as BDO Leasing and Finance Inc, (BDOLFI) BDO Rental Inc. (BDORI) BDO Capital Investments Corporation and BDO Bank Inc. (BDOPBI) collectively referred to as the Bank, for the obtainment of loan facilities and availment of banking products and services; RESOLVED FURTHER, that any of the following officers of the Corporation **DOMINGO T. UY CHAIRMAN** **JONAREST Z. SIBOG COMPTROLLER** Shall authorized on behalf of the Corporation to enter into the above specified arrangements with the Bank under such terms and conditions as the said individuals may deem necessary and to accordingly execute, sign deliver and or perform any and contracts instruments documents or writings with or the Bank that may be necessary for the implementation of the foregoing transactions. Provided further that the aforementioned officers are hereby authorized with full powers of substitution to receive for and behalf of the Corporation any and all of the mortgaged pledged assigned and encumbered properties of the Corporation upon full payment to the entire satisfaction of the bank of the obligation s secured thereby;
23-Apr-2020	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC.** to conduct its Annual Stockholders meeting on 29 May 2020 at the principal office in Davao City at 10:00AM by means of virtual communication or such digital platform that will allow the conduct of meeting by virtual or remote communications;
04-May-2020	• **RESOLVED,** as it hereby resolved that the Corporation to represent and sign all related documents for the Procurement of Fuel for the DSWD FO XI Vehicles using the Fleet Card Services Technology for the year 2020 (Early Procurement for the year 2020) with ITB No.19-11-PB027 under the contract with DSWD Field Office XI and perform related transactions such as; represent and sign in behalf of the authorized signatory MR. ROY JIMENZ all documents like contracts that made after him: **RESOLVED FURTHER**, as it is hereby resolved to authorized **Robert Dale C. De Leon Jr.** to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with the said local/regional government offices in order to execute and implement the foregoing authority;
	• **RESOLVED,** as it hereby resolve to authorize the Corporation to represent and sign all related documents for the Procurement of one (1) Lot Supply of Diesel and Unleaded Gasoline with Fleet Management System under the contract with Department of General Services of Cebu City Government and perform related transactions such as represent and sign in behalf of the authorized signatory **ROY JIMENEZ** all documents like contracts that is named after him; **RESOLVED FURTHER,** as it is hereby to authorize **MAXWELL JOHN P. BONGO** by virtue of a Secretary Certificate as the case may be
	• **RESOLVED,** as it hereby resolve to authorize the Corporation to represent and sign all related documents for the (Re advertise) Purchase of Fuel and Lubricants for use in maintenance Section (First Quarter of 2020) under DPWH Cotabato 1st DEO Midsayap Cotabato and perform related transactions such as represent and sign in behalf of the authorized signatory **ROY JIMENEZ** all documents like contracts that is named after him; **RESOLVED FURTHER,** as it is hereby to authorize **ROBERT DALE C. DE LEON JR.** by virtue of a Secretary Certificate as the case may be;
	• **RESOLVED,** as it hereby resolved to authorize the Corporation to submit bid and proposals with the DPWH Cotabato 1st DEO Midsayap Cotabato for the purchase of Fuel Lubricants for the use in Maintenance Section (2nd Quarter of 2020) and perform related transactions such as; to send/receive and sign the documents, follow up and collect nd all payments and issue corresponding official reports; **RESOLVED FURTHER,** as it is hereby to authorize **DHYRIS CAJES and/or MARIA TERESA AILEEN CAGANG and/or ENEDINA CACABELOS** by virtue of a Secretary Certificate as the case may be;

	• **RESOLVED,** that PHOENIX be, as it is hereby authorized to participate in Purchase of fuel and lubricants for use of in Maintenance Section (2nd Quarter of 2020) that if awarded the tender shall enter into a contract with DPWH Cotabato 1st DEO Midsayap; and in connection Therewith hereby appoint any one of the our officers: **HENRY ALBER FADULLON (CHIEF OPERATION OFFICER)** **ROY O. JIMENEZ (GEN. MANAGER FOR COMMERCIAL & INDUSTRIAL BUSINESS),** **RICHARD TIANSAY (GEN. MANAGER FOR PRICING AND DEMAND)** acting as duly authorized and designated representative of **Phoenix** granted full power and authority to do execute and perform any and all acts necessary and/or to represent **Phoenix** in the bidding as fully and effectively as the Phoenix might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue thereof;
	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. (** the Corporation) be as it hereby authorized and empowered to file criminal and/or civil cases to protect its interest and/or assets; RESOLVED FURHTER that the Board of Directors designate and appoint as it hereby and designates and appoints **JASTER CRIS D. NAVARRO and/or REGIE H. NAPOLITANO and/or BEETHOVEN N. SUR** to file and recorded criminal and/or civil complaints for purposes of prosecuting any or all persons found to have committed any and all acts against the company, its employees or properties before the Philippine Nation Police Office of the Provincial or City Prosecutors or such other court, tribunal or agency with authority to sign execute and do any other acts in connection thereto.
4-May-2020	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. (** the Corporation) as it is hereby authorized and empowered to apply, transact, process and enter into a foreshore lease application (FLA) and/or Miscellaneous Lease Application(MLA) with the Department of Environment and Natural Resources (DENR) and apply for other necessary permits such as ECC with EMB-DENR, Building Official (OBO) of Davao City, Clearance to Develop MLA/FLA, Permit to Construct Pier Facility, permit to operate Pier Facility and Registration of Pier Facility with the Philippines Ports Authority (PPA) and any necessary permits with the local agencies/entities relative to its facility development in the parcels og land situated in the Barrio of Sirawan, Davao City, Philippines consisting a total of twenty on thousand two hundred thirteen (21,213) sq,m more or less and covered by the TCT Nos. T 146-2019005332, T146-2017017017546 and T-146-20180133302 with Deeds of Absolute Sale executed in favor of Phoenix Petroleum Philippines Inc.; RESOLVED FURTHER, that the Corporation Terminal Superintendent JOHNNY EVANGLEISTA III, hereby authorized and empowered to sign execute deliver receive and receipt for and on behalf of the Corporation;
4-June-2020	• **RESOLVED,** as it hereby resolved, that PHOENIX PETROLEUM PHILIPPINES, INC. (The Corporation) be, as it is hereby authorized and empowered to negotiate, concluded and enter into contract in connection with the sales and operations of the Corporation, which includes but not limited to contract of lease and/or Sublease for the operation of gasoline stations or other business and other lease arrangement, Memorandum of Agreements, Dealership Agreements or Retail Outlet Agreements for the operation of Phoenix service stations, Area Franchise Agreement and Joint Venture; RESOLVED as it is hereby resolved that in relation to the aforementioned transactions, the Company designates the any of the following Officers as the authorized signatories for all the transactions, agreements or contracts nationwide; **HENRY ALBERT FADULLON** President **ERICSON S. INOCENCION** General Manger for Retail Business **ARNEL ALBAN** General Manager for Retail Operation and Net Work Development **JOVEN JESUS G. MUJAR** Contracts in Relation to Lubricant Sales **RICHARD C. TIANSAY** Contracts for Supply Agreement to the company of Fuels and liquefied petroleum Gas and Depot Related Contracts **ROY O. JIMENEZ** Contracts in relation to the Commercial and Industrial Business of the Company **JONAREST Z. SIBOG** Transactions, agreements or contracts involving Finance Business all over Luzon, Visayas and Mindanao

	• **RESOLVED,** as it hereby resolved **P-H-O-E-N-I-X Petroleum Philippines Inc. (**the Corporation) as it is hereby authorized and empowered to apply, transact and process ENVIRONMENTAL COMPLIANCE CERTIFICATE (ECC) with the Dept. of Natural Resources (DENR) and apply for other necessary permits: **RESOLVED FURTHER**, as it hereby authorize LERWYNN FELIZMENA under such terms and conditions and stipulations as the said authorized signatory may deem advisable and desirable in best interest of the Corporation
	• **RESOLVED,** as it hereby resolved **P-H-O-E-N-I-X Petroleum Philippines Inc. (**the Corporation) as it is hereby authorized and empowered to negotiate, conclude and enter into contracts such as, Memorandum of Agreements, Hauling Contracts, Deed of Sale Pertaining to trucks/lorries and other transactions relative to the operation of the Company's Phoenix Logistics and Distribution Group in Luzon, Visayas and Mindanao for and in behalf of the Corporation; RESOLVED FINALLY, to authorize and empower its Senior Logistics and Distribution Manger Francisco S. Baldazo, Jr. to sign, deliver and execute such document/s to implement the foregoing authority.
	• **RESOLVED,** as it hereby resolved **P-H-O-E-N-I-X Petroleum Philippines Inc. (**the Corporation) as it is hereby authorized and empowered to apply, transact and/or renew its corporate accounts with Globe Telecom Inc., Smart Enterprises and Philippine Long Distance telephone Co. (PLDT) and enter into an agreements and such other pertinent contracts pertaining to the issuance of additional line application forms and documents in connection with the said applications; RESOLVED as it is hereby resolved that pursuant to the foregoing transaction, the Company designates the following officers to be the authorized signatory; *DENNIS UY* — *CHAIRMAN* *ALAN RAYMOND T. ZORRILLA* — *SVP for Corporate Affairs* *CHARLIE VALERIO* — *Chief Digital Officer* *CELESTE MARIE G. ONG* — *AVP for Human Resources Group* RESOLVED FURTHER, that pursuant to the single point of contact (SPOC) transactions, the Company designates the following employee to be the authorized signatories; *ARIEL R. LLERIN* — *IT Manager* *ANGEL GRACE TIO* — *Employee Engagement Lead* *MYLEN SAMONTE* — *HR Manager*
	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. (**the Corporation) as it is hereby authorized and empowered to apply, transact, process and enter into a foreshore lease application (FLA) and/or Miscellaneous Lease Application(MLA) with the Department of Environment and Natural Resources (DENR) and apply for other necessary permits such as ECC with EMB-DENR, Building Official (OBO) of Davao City, Clearance to Develop MLA/FLA, Permit to Construct Pier Facility, permit to operate Pier Facility and Registration of Pier Facility with the Philippines Ports Authority (PPA) and any necessary permits with the local agencies/entities relative to its facility development in the parcels of land situated in the Brgy. Tambler General Santos City, Philippines consisting a total of FORTY THOUSAND SQUARE METERS (40,000) sq,m more or less and covered by the TCT Nos. T-12855 (Lot –A- psd11-003122); RESOLVED FURTHER, that the Corporation Terminal Superintendent JOHNNY EVANGLEISTA III, hereby authorized and empowered to sign execute deliver receive and receipt for and on behalf of the Corporation;
	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC.** (the Corporation) be as it hereby authorized and to participate in (PR # 20-05-008) Purchase of 15,000 liters – Diesel Fuel and 2,000 liters – Gasoline for the Use of Various Service Vehicle and Heavy Equipment, Cebu City that if awarded the tender shall enter into contract with the DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS – CEBU CITY DEO; **RESOLVED**, as it is hereby that any of all foregoing transactions shall be negotiated, concluded, obtained and/or contracted for by any one (1) of the follow Company Officers; **HENRY ALBER FADULLON (PRESIDENT)** **ROY O. JIMENEZ (GEN. MANAGER FOR COMMERCIAL & INDUSTRIAL BUS.)** **RICHARD TIANSAY (GEN. MANAGER FOR PRICING AND DEMAND AND SUPPLY)** • acting as duly authorized and designated representative of **Phoenix** granted full power and authority to do execute and perform any and all acts necessary and/or to represent **Phoenix** in the bidding as fully and effectively as the Phoenix might do if personally present with full power of substitution and revocation and hereby satisfying and

	confirming all that my said representative shall lawfully do or cause to be done by virtue thereof;
	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC. (** the Corporation) be as it hereby authorized to submit bid and proposals with the Dept. of Agriculture (DA) – Central Office for the Provision of Fuel for all authorized motorvehicle of the Dept. of Agriculture, through the use of fleet cards for calendar year 2020 and perform related transactions such as: to send/receive documents, sign documents, follow up and collect all payments and issue corresponding official receipts; **RESOLVED FURTHER,** as it is hereby resolved to authorize Paula Kate F. Zatarain by virtue of the issuance of a Special Power of Attorney or a Board Resolution as the case may be
	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC. (** the Corporation) be as it hereby authorized and to participate in the Provision of Fuel for al authorized Motor Vehicle of the Department of Agriculture (DA) through the use of Fleet Cards for the Calendar Year 2020 that if awarded the tender shall enter into contract with; **RESOLVED**, as it is hereby that any of all foregoing transactions shall be negotiated, concluded, obtained and/or contracted for by any one (1) of the follow Company Officers; **HENRY ALBER FADULLON (PRESIDENT)** **ROY O. JIMENEZ (GEN. MANAGER FOR COMMERCIAL & INDUSTRIAL BUS.)** **RICHARD TIANSAY (GEN. MANAGER FOR PRICING AND DEMAND AND SUPPLY)** • acting as duly authorized and designated representative of **Phoenix** granted full power and authority to do execute and perform any and all acts necessary and/or to represent **Phoenix** in the bidding as fully and effectively as the Phoenix might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue thereof;
	• **RESOLVED,** that Ms. JONAREST Z. SIBOG – AVP for comptrollership be as it is hereby designated as the Authorized Responsible Official of the Company for its registration with the Board of Investments (BOI) as "Marketing of Petroleum Products – General Santos City Oil terminal Project"
	• **RESOLVED,** that the Corporation is hereby authorized to authorize the following representatives to sign execute the stock certificates of the Corporation which are now under the care and custody of BDO Trust and Settlement Group; **HENRY ABERT FADULLON** **PRESIDENT** **SOCORRO ERMAC CABREROS** **Corporate Secretary** **RESOLVED FURTHER,** that such signatories are likewise authorized make requests and other further instructions to BDO for the transfer, disposition and such other instructions necessary and relating to the transactions pertaining to the shares of stocks or stock certificates of the Corporation and such other stock transferring transactions.
01-July-2020	• **RESOLVED** as it is hereby resolved as temporary measure, and only for the duration of the enhanced quarantine measures implemented by the government, the company shall authorize transactions such as the signing of corporate checks applications for Managers Check Fund Transfer and Remittance forms, Letter of Credit Applications, Trust Receipt forms, Promissory Notes, and foreign exchange transactions to be signed singly by ANY ONE (1) Group A or B signatory of the company, with no need of a second signatory provided that such single signature is accompanied and validate by and electronic mail confirmation ANY ONE (1) Group A signatory through their authorized corporate email GROUP A Chairman Emeritus Domingo T. Uy Chairman Dennis A. Uy Chief Finance and Officer Concepcion de claro Treasury Head Reynaldo Phala GROUP B President Henry Albert Fadullon Comptroller Jonarest Z. Sibog Treasury Manager Vicente Miguel R. Jayme

	GROUP C Asst. Treasury Manager Nel Marie Rodriguez **RESOLVED FURTHER,** That any one (1) group C signatory may sign singly for checks covering the fund transfers loan payments payable to PHOENIX PETROLEUM PHILIPPINES, INC. provided the same transactions are validated through email of the aforementioned Group A signatories; **RESOLVED FURTHER**, that any one (1) Group C Signatory may sign together with ANY ONE (1) Group A or B for letter of credit applications trust receipts forms, promissory notes and foreign exchange transactions; RESOLVED FURTHER, for control purposes, the transaction documents duly signed by the Company's Authorized signatories (Based on existing Board Resolution with the Bank) shall be emailed by the Company's Authorized Representative Makers listed below: **Vicente Jayme, Matthew Kenji Chan, Nel Marie Rodriguez, Jeramie Lumba, Ryan Tamondong, Kristine Lopez, Sheena Monteverde, Jonrey Villareal**
7-July-2020	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC.** (the Corporation) be as it hereby authorized to execute and issue a letter of Guarantee in favor of Gunvor Singapore Pte Ltd. (Beneficiary) for purpose of guaranteeing the due and punctual performance of all present and future obligations of its subsidiary, PNX Petroleum Singapore Pte Ltd. In relation to the purchase and supply of fuel products and other energy related products from the Beneficiary; RESOLVED FURTHER, to authorize and empower the Corporation's Officer singly or jointly to deliver, execute or sign any or all documents or instruments in order to implement the foregoing authorities; **HENRY ALBERT FADULLON President** **MA. CONCEPCION F. DE CLARO Chief Finance Officer**
17-July-2020	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILLIPPINES, INC.** (the Corporation) be as it hereby authorized to subscribe to the constitution of a company to be incorporated in Singapore and to be known as PNX Global Holdings Pte. Ltd for 1 ordinary share at a subscription price of USD1.00 each and to further authorize RAOUF ANDRE KIZILBASH to sign any other documents requiring execution relating to the incorporation of the Company.
30-July-2020	• **RESOLVED,** as it hereby resolved that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.** (the Corporation) be as it is hereby authorized and empower to offer and sell short dated securities in the aggregate principal amount of up to Three Billion Five Hundred Million Pesos (Php3,500,000,000.00) (the "Short dated Securities") to Qualified Buyers and Primary Institutional Lenders in the Republic of the Philippines; **RESOLVED FURTHER,** that the Corporation be as it is hereby authorized and empower to appoint PNB Capital and Investment Corporation (PNB Capital) as lead underwriter to distribute and sell the securities under such terms and conditions as Management may deem be fair and reasonable and for the best interest of the Corporation; **RESOLVED FINALLY,** that in order to implement the foregoing authorities the Corporation authorizes any one (1) of the following officers namely; **HENRY ALBERT FADULLON** and/or MA **CONCEPCION F. DE CLARO** Chief Finance Officer;
3-Aug-2020	• **RESOLVED,** as it hereby resolved **P-H-O-E-N-I-X Petroleum Philippines Inc.** be as it is hereby authorized and empowered to file with the Securities and Exchange Commission ("SEC") a registration statement for commercial papers ("CPs") with an aggregate principal amount of Seven Billion Pesos (Php 7,000,000,000.00) pursuant to section 12 of the Securities Regulation Code; **RESOLVED FURTHER** that the Corporation as it is hereby authorized and empowered to offer to the public and investors sell and issue CPs in the aggregate principal amount of up to TWO BILLION PESOS (Php 2,000,000,000.00) with an over subscription option of up to One Billion Five Hundred Million Pesos (Php 1,500,000,000.00) (the "CP Series D" and, the offer of the CP series D, the "**OFFER**"), under such terms and conditions as may be determined by the Management Corporation; **RESOLVED FINALLY,** that in order to implement the foregoing authorities the Corporation authorized and one (1) of the following officers: **HENRY ALBERT R. FADULLON President** **MA. CONCEPCION F. DE CLARO Chief Finance Officer** be as they are hereby empowered and authorized to represent the Corporation to negotiate sign execute endorse and deliver for and in behalf and in the name of the Corporation the listing application with PDEX the registry and paying agency agreement with the PDTC, the underwriting agreement or issue management agreement with the

	PNB Capital and the trust agreement with the PNB Trust and any other application forms, deeds, documents, papers, contracts certifications and instruments necessary or appropriate to proceed with, implement and effect the foregoing authorities and to do perform every and all acts as may be necessary convenient or appropriate to give force and effect to the registration of the CPs the Offer issuances and listing of CP series D;
5-Aug-2020	• **RESOLVED,** as it hereby resolved **P-H-O-E-N-I-X Petroleum Philippines Inc.** be as it is hereby authorized and empowered to apply transact negotiate and process pertinent documents and permits with various government entities/offices relative to the construction (Design, Civil, Electrical and Mechanical) of commercial and retail operation within the Island of Mindanao; **RESOLVED,** as is hereby resolved that relative to the aforementioned transaction, the following employee of the company is further authorized to sign all detailed station plans of the company for retails and commercial projects as well as other require documents in relation thereto, RYAN GUY ESTEBAN hereby authorized and empowered to sign execute deliver receive and receipt for and on behalf of the Corporation;
	• **RESOLVED,** as it hereby resolved **P-H-O-E-N-I-X Petroleum Philippines Inc.** be as it is hereby authorized and empowered to purchase from CHELSEA LOGISTICS AND INFRASTRACTURE HOLDING CORP. (the "Seller") over the following vessel; • **Name of the Boat** **Great Diamond (9430715)** **Flag and Port of Registry** **Panama** **Lying at** **Vietnam-Singapore** **Register Status** **49181-17** **Official No.** **4126691** **Hull Length Overall** **146.00 Metres** **Beam** **22.00 Metres** **Draught** **10.88** **Gross Registered Tonnage** **9,366.00** **Engine** **MAIN; MAN B&W 6S35MC(1), 5,281 Kilowatt** **Auxilliary DAIHATSU 6DC-17(3) 550 Kilowatt** **Boilers:JIANGYIN SANJIE INDUSTRY/LSK** **Builder** **Fujian Shenglong Shipbuilding Co., Ltd** **Date of build** **2012** At reasonable terms and conditions acceptable to the Corporation **RESOLVED FINALLY,** to authorize and empower its President HENRY ALBERT R. FADULLON to sign, deliver and execute the Deed of sale or such other document to implement the foregoing authority;
	• **RESOLVED,** that PHOENIX be, as it is hereby authorized to participate in submission of Vendor requirements to Wuhan FiberHome International Tech Phils. Inc that if awarded the tender shall enter into a contract with Fiber Home the in connection therewith hereby appoint any one (1) of the our officers: **HENRY ALBERT FADULLON (President)** **ROY O. JIMENEZ (GEN. MANAGER FOR COMMERCIAL & INDUSTRIAL BUSINESS)** **RICHARD TIANSAY (GEN. MANAGER FOR PRICING AND DEMAND)** acting as duly authorized and designated representative of **Phoenix** granted full power and authority to do execute and perform any and all acts necessary and/or to represent **Phoenix** in the bidding as fully and effectively as the Phoenix might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue thereof;
4-Sept-2020	• **RESOLVED,** as it hereby resolved **P-H-O-E-N-I-X Petroleum Philippines Inc.,** as it hereby authorized and empowered to apply and submit all pertinent documents to BUREAU OF CUSTOMS prior to post arrival of importations, submit and apply reports, requests and necessary permits to Bureau of Internal Revenue and Department of Energy in relation to importation; RESOLVED as it is hereby resolved that any of all foregoing transactions shall be negotiated, concluded obtained and/or contracted for by any one

		(1) of the following company officers: o HENRY ALBERT FADULLON President o RICHARD TIANSAY General Manager Supply o RICHARD PENALOSA Manager Supply hereby authorized and empowered to sign execute deliver receive and receipt for and on behalf of the Corporation;
		• **RESOLVED,** as it hereby resolved **P-H-O-E-N-I-X Petroleum Philippines Inc.,** as it hereby authorized to participate Procurement of Diesel and Gasoline under PR Nos. 0127-2020 (Office of City Administrator) and 2630-2020 (SP Rosario-Committee on Disaster risk reduction & Climate change Adaptation) – 1lot that if awarded the tender shall enter into a contract with the City Government of Butuan and in connection therewith hereby anyone (1) of the following officers of the company: **HENRY ALBERT FADULLON (President)** **ROY O. JIMENEZ (GEN. MANAGER FOR COMMERCIAL & INDUSTRIAL BUSINESS)** **RICHARD TIANSAY (GEN. MANAGER FOR PRICING AND DEMAND)** acting as duly authorized and designated representative of **Phoenix** granted full power and authority to do execute and perform any and all acts necessary and/or to represent **Phoenix** in the bidding as fully and effectively as the Phoenix might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue thereof;
		• **RESOLVED,** as it hereby resolve to authorize the Corporation to submit bid and proposal with City Government of Butuan in the procurement of Procurement of Diesel and Gasoline under PR Nos. 0127-2020 (Office of City Administrator) and 2630-2020 (SP Rosario-Committee on Disaster risk reduction & Climate change Adaptation) – 1lot such as: to send/receive documents, sign documents, follow up and collect all payments and issue corresponding official receipts: **RESOLVED FURTHER,** as it is hereby to authorize **Denver Birches/Herbert Domingo/ Dhyris Cajes/Sarah Bongcas/Dzan Minoza** by virtue of a Secretary Certificate as the case may be
		• **RESOLVED**, that **METROPOLITAN BANK & TRUST COMPANY** (hereinafter called **"**METROBANK**"**) be, and is hereby, designated as depository of the funds/monies of **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.** (the "Corporation"), and that the Corporation be, and is hereby, authorized to open and/or maintain and operate savings, time, current and/or trust accounts ("Account/s") with METROBANK Head Office, and/or any of its branches; RESOLVED FURTHER, that any two (2) of the following officers be authorized in behalf of the corporation; to sign, execute and/or deliver any and all documents, papers, instruments, forms, agreements or contracts in connection with or as may be required by, appropriate, necessary, and/or incidental to: o the opening, closing, operation and/or management of any and all Account/s of the Corporation with or investment of any funds of the Corporation through METROBANK; o the availment by the Corporation of any and all services/facilities of METROBANK, and the operation and/or management of the said services/facilities; and o the Corporation's application for and enrollment in electronic banking channels and other electronic delivery channels and to give any and all instructions pertaining thereto, including the appointment of its System Administrator who would then appoint the Corporation's Users, responsible for the operation, maintenance, use and/or management of the said electronic banking/delivery channels. to withdraw or transfer the funds/monies of the Corporation by checks, receipts, drafts, bills of exchange, withdrawal slips, orders for payment or otherwise; to sign, endorse, draw, accept, make, execute and/or deliver, for negotiation, payment, deposit or collection, checks, receipts, drafts, bills of exchange, orders for payment, to initiate credit-related transactions such as letter of credit, promissory notes, request for financing subject to availability of credit lines with METROBANK at the time of availment, and/or other similar instruments in connection with the said account(s)/funds; and to close the account(s), receive the balance(s) thereof and sign any and all documents

	which METROBANK may require in connection therewith: o DOMINGO T. UY CHAIRMAN o JONAREST Z. SIBOG AVP – COMPTROLLER o NEL MARIE RODRIGUEZ Asst. Treasury Manager **RESOLVED**, **FINALLY**, that all things/acts done and documents executed and entered into by the aforementioned signatories pursuant to and in accordance with the foregoing authorities are hereby affirmed, confirmed and ratified. Likewise all things/acts done and documents executed and entered into on behalf of the Corporation prior to this Resolution are hereby affirmed, confirmed and ratified.
5-Oct-2020	• **RESOLVED,** as it hereby resolved **P-H-O-E-N-I-X Petroleum Philippines Inc.** be as it is hereby authorized and empowered to represent execute sign receive claim and process any and all related documents pertaining to the company's properties situated in Bacolod City including certified true copies of titles Tax Declarations Receipts and Clearances with the Office of Registry of Deeds and City Assessors' and Treasurers Offices of Bacolod City; RESOLVED FURTHER as it is hereby resolved to authorized RICO T. URETA;
	• **RESOLVED,** as it hereby resolve to authorize the Corporation to submit bid and proposals with the **Department of Public Works and Highways Office of the Regional Director VII** for the **Supply and Delivery of Fuel (Diesel) for use in Dredging Operation of Amphibious Excavator assigned at Managa River, Brgy. Jaclupan, Talisay City, Cebu** such as: to send/receive documents, sign documents, follow up and collect all payments and issue corresponding official receipts; **RESOLVED FURTHER,** as it is hereby resolved to authorize **Dhyris Cajes/Olia Lachica/Maxwell John Bongo/Geoffrey Villalon** by virtue of the issuance of a Special Power of Attorney or a Board Resolution as the case may be, to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with the said local/regional government offices in order to execute and implement the pore going authority;
	• RESOLVED, that **Phoenix** be, as it hereby is, authorized to participate in the **Supply and Delivery of Fuel (Diesel) for use in Dredging Operation of Amphibious Excavator assigned at Managa River, Brgy. Jaclupan, Talisay City, Cebu** that if awarded the tender shall enter into a contract with the **Department of Public Works and Highways Office of the Regional Director VII**; and in connection therewith hereby appoint **<u>any one (1)</u>** of the following officers of the company: **Name** **Designation** HENRY ALBERT R. FADULLON President and Chief Executive Officer ROY O. JIMENEZ Gen. Manager for Commercial & Industrial Business RICHARD C. TIANSAY Gen. Manager for Pricing, Demand and Supply acting as duly authorized and designated representatives of Phoenix **are** granted full power and authority to do, execute and perform any and all acts necessary and/or to represent **Phoenix in** the bidding as fully and effectively as the **Phoenix** might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue hereof; In case of award, **any one (1) from** the above-named Officers is hereby authorized to sign the contract in behalf of the corporation**.** RESOLVED FURTHER THAT, above-named Officers are hereby authorized to: execute a waiver of jurisdiction whereby the **Phoenix** hereby submits itself to the jurisdiction of the Philippine government and hereby waives its right to question the jurisdiction of the Philippine courts; execute a waiver that **Phoenix** shall not seek and obtain writ of injunctions or prohibition or restraining order against the **Department of Public Works and Highways Office of the Regional Director VII** or any other agency in connection with this project to prevent and restrain the bidding procedures related thereto,

	the negotiating of and award of a contract to a successful bidder, and the carrying out of the awarded contract.
	• **RESOLVED**, that the Corporation be, as it is hereby, authorized and empowered to transact, sign, process, claim and represent in all manners relating to request for copies of Tax Declaration, Tax Clearance, Real Property Tax Receipts with the Office of the City Assessors and/or certified copies of titles/documents with the Office of the Registry of Deeds of General Santos City relative to the company's real estate properties in General Santos City; **RESOLVED FURTHER**, as it is hereby resolved to authorize **ABDUL JALAL M. SAMBARANI** and/or **BOBBY JAY M. PAGARA** to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with said locale government unit and other private entities in order to execute and implement the foregoing authority;
	• **RESOLVED,** as it is hereby resolve to authorize the Corporation to execute an Affidavit of Loss for lost titles, apply, transact, process and claim for Certified Copies of TCT Nos. T-116955 and T-116956 with annotation of loss with the Registry of Deeds of the Municipality of Nasugbu, Province of Batangas and Certified Copies of its Tax Declaration with the local Assessor's Office of Nasugbu, Batangas; **RESOLVED FURTHER**, as it is hereby resolved to authorize **ARWIN B. REYES** to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with said locale government unit and other private entities in order to execute and implement the foregoing authority;
	• **RESOLVED** that, the Corporation will apply for the Exemption from payment or real property tax for the machineries and equipment used in the operations under the Special Laws "Downstream Oil Industry Deregulation Act of 1998" or R.A. 8479 of the 2017 Investment Priorities Plan; **RESOLVED Further**, the processing of the above-mentioned exemptions be outsourced to Entia Accounting Firm and that any of its representatives, **Carina B. Entia,CPA and/or Emily B. Mendoza**, be authorized, as they are hereby authorized to process and transact with the Provincial Assessor's Office of Batangas City and other related government agencies necessary for the exemption, for and in behalf of the Company.
	• RESOLVED, as it is hereby resolved, that P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC. be, as it is hereby authorized and empowered to request from Bank copies of Chattel Mortgage over company vehicles; apply and process the Company's Application for Accreditation as Importer for Director Use with the Land Transportation Office (LTO) and process any document related to the said agency, Department of Transportation & Communications (DOTC) including company vehicles registration and its renewal and execution of documents pertaining to lost documents OR/CR; RESOLVED, as it is hereby resolved, that any of all the foregoing transactions shall be negotiated, concluded, obtained and/or contracted for, by the Company's Corporate Affairs Officer, MARK LOUISE J. CRUZ, under such terms and conditions and stipulations as the said authorized signatory may deem advisable and desirable in the best interest of the Corporation;
5-Nov-2020	• R**ESOLVED**, that the Directors of **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.** (the "Corporation") appoint and designate any **TWO (2)** of the following officers of the Corporation, or its Parent Company, P-H-O-E-N-I-X Petroleum Philippines, Inc, namely: **Designated Signatory** — **Officer** Henry Albert R. Fadullon — President Ma. Concepcion F. de Claro — Treasurer Matthew Kenji D. Chan — Treasury Manager Vicente Miguel R. Jayme — Treasury Manager Charlie R. Valerio — Chief Digital Officer • to sign, execute and deliver any and all applications, contracts, documents, forms and other similar writings with **Union Bank of the Philippines ("UBP")** in connection with the Corporation's application for affiliation with UBP and/or UBP Credit Cards ("UBPCC"), including UBP's E-commerce facility; to designate and maintain the settlement account no. **00282 000 7205** under the name of **Phoenix Petroleum Philippines Inc.**, booked with the **UBP Monteverde Branch, Monteverde St., Davao City** where proceeds of UBP/

	UBPCC Card Sales will be credited to
	• **RESOLVED,** as it hereby resolve to authorize the Corporation to submit the bid proposals and documents for the **Procurement of Diesel and Unleaded Gasoline with Fleet Mgt. System** and perform related transactions such as: to send/receive documents, sign documents, follow up, transact, attend to all concerns and collect all payments and issue corresponding official receipts; **RESOLVED FURTHER,** as it is hereby resolved to authorize anyone of the company officers **Dhyris Cajes/Francis Bautista/Olia Lachica/Maxwell John Bongo/Geoffrey Viṅalon** by virtue of the issuance of a Special Power of Attorney or a Board Resolution as the case may be, to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with the said local/regional government offices in order to execute and implement the foregoing authority;
	• RESOLVED, that **Phoenix** be, as it hereby is, authorized to participate in the **Procurement of Diesel and Unleaded Gasoline with Fleet Mgt. System** that if awarded the tender shall enter into a contract with the **Department of General Services of Cebu City Government**; and in connection therewith hereby appoint **<u>any one (1)</u>** of the following officers of the company: **Name** — **Designation** HENRY ALBERT R. FADULLON — President and Chief Executive Officer ROY O. JIMENEZ — Gen. Manager for Commercial & Industrial Business RICHARD C. TIANSAY — Gen. Manager for Pricing and Demand and Supply acting as duly authorized and designated representatives of Phoenix **are** granted full power and authority to do, execute and perform any and all acts necessary and/or to represent **Phoenix in** the bidding as fully and effectively as the **Phoenix** might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue hereof; o In case of award, **any one (1) from** the above-named Officers is hereby authorized to sign the contract in behalf of the corporation**.** o RESOLVED FURTHER THAT, above-named Officers are hereby authorized to: execute a waiver of jurisdiction whereby the **Phoenix** hereby submits itself to the jurisdiction of the Philippine government and hereby waives its right to question the jurisdiction of the Philippine courts; execute a waiver that **Phoenix** shall not seek and obtain writ of injunctions or prohibition or restraining order against the **Department of General Services of Cebu City Government** or any other agency in connection with this project to prevent and restrain the bidding procedures related thereto, the negotiating of and award of a contract to a successful bidder, and the carrying out of the awarded contract.
	• **RESOLVED, AS IT IS HEREBY RESOLVED**, that the Corporation be authorized to open and maintain deposit account(s) and to avail of any related services, and/or to open and maintain placement(s) and/or to invest in government securities and other similar instruments, and/or to enter into trust and/or investment management agency transactions/arrangements and/or open and maintain trust/investment management account(s) with **CHINA BANKING CORPORATION and/or CHINA BANKING CORPORATION – TRUST AND ASSET MANAGEMENT GROUP**, under such terms and conditions, as may be mutually agreed upon, where its cash funds, any credit remittances or checks issued in its favor, with or without endorsement, may be deposited or invested; **RESOLVED FURTHER**, as it is hereby resolved, that the Corporation be empowered and authorized to apply for, negotiate, and obtain loans from **CHINA BANKING CORPORATION and/or CHINA BANKING CORPORATION – TRUST AND ASSET MANAGEMENT GROUP**, including the renewal, extension, increase and/or restructuring thereof and/or of its existing credit facilities in such amount(s) and under such terms and conditions as may be mutually agreed upon, and to secure and guarantee

		the payment of the aforesaid loans or credit facilities by means of mortgage, pledge, assignment or any other form of encumbrance upon any and all properties or assets of the Corporation of whatever kind or nature, real or personal, as may be sufficient, necessary or required for the purpose. **RESOLVED FURTHER**, as it is hereby resolved, that the Corporation be empowered and authorized to avail of various cash management services from **CHINA BANKING CORPORATION** such as, but not necessarily limited to: collections management including products and services such as Bills Pay Plus, Check Depot, Auto Debit Arrangement, and Bancnet Payment System; disbursements management including products and services such as Check Write Plus, TellerCard Payroll, China Pay Plus, Outsourced Payroll Processing, BancNet e-Gov, Auto Credit Arrangement, and Inter-Bank Fund Transfer; and liquidity management including products and services such as China Bank Online and Sure Sweep; and all other related services under such terms and conditions as may be mutually agreed upon between the Corporation and CHINA BANKING CORPORATION."
		• **RESOLVED**, that **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.** ("Corporation") authorizes and designates any one (1) of the following Officers, whose specimen signatures appear opposite their names below, to open an account with AP SECURITIES, INCORPORATED under the name of **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.** and to transact any shares of stocks that are listed in the Philippine Stock Exchange, Inc. and to sign, execute and deliver any and all documents pertaining thereto. DENNIS A. UY HENRY ALBERT R. FADULLON MA.CONCEPCION F. DE CLARO **RESOLVED, FURTHER,** that any one (1) of said officers is likewise authorized to transact, sign, execute and deliver any and all documents involving transfers of the shares of stocks owned by the Corporation in various companies, and to do all acts necessary thereto; **RESOLVED FINALLY,** that the authority shall continue to be in full force and effect unless revoked by the Corporation by subsequent resolution.
		• **RESOLVED,** as it is hereby resolved, to authorize and allow the Corporation to accept and comply with the terms and conditions of and execute and enter into various Omnibus Loan and Security Agreements (OLSAs) with BDO Unibank Inc. (Bank) as Share Security Grantor and Corporate Surety; RESOLVED, LIKEWISE, to authorize and empower the Corporation to pledge and assign the shares registered and subscribed under its name in Phoenix LPG Philippines, Inc. (PLPI) to BDO Unibank, Inc. under the OLSA executed between the Corporation, PLPI and the Bank; RESOLVED, ALSO, to authorize and empower the Corporation to act as Corporate Surety of PLPI under the OLSA to secure compliance by PLPI of the terms and conditions of the OLSA;RESOLVED, FURTHER, to authorize and empower its President, **Henry Albert R. Fadullon** to sign, execute, deliver any and/or all documents necessary and incidental to the implementation of the foregoing authorities and powers including the power to delegate the initialling of each and every page of the Agreement for and in behalf of the Corporation;
		• **RESOLVED,** as it is hereby authorize and allow the corporation to accept and comply with terms and conditions of and execute and enter into an Omnibus Loan and Security Agreement (OLSA) with BDO Unibank, Inc.(Bank) as Borrower, Mortgagor, Grantor and Assignor; RESOLVED LIKEWISE, to authorize and empower the Corporation to borrow from BDO Unibank Inc, up to Php 4Billion under terms and conditions provided under Omnibus Loan and Security Agreement (OLSA);
		• **RESOLVED,** as it is hereby resolved, to authorize and allow the Corporation to accept and comply with the terms and conditions of the Amendments to Promissory Notes with Suretyship Agreement, Promissory Notes or such other documents, agreements contemplated by this Agreement and transaction including extensions in the maturity date of the Php2.0 Billion TL documented under Amendment Agreement, executed with BDO Unibank, Inc. (BDO). RESOLVED, LIKEWISE, to authorize and empower its **President, Henry Albert R Fadullon,** whose signature appears below to sign, execute, deliver any and/or all documents necessary and incidental to the implementation of the foregoing authorities and powers such as this Agreement, Promissory Notes and any other documents or agreements contemplated hereunder to which the Corporation is a party on its behalf; RESOLVED, FURTHER, to authorize and empower **Vicente Miguel R.**

Jayme and/or **Daryl Eunika B. Maloles** to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under or in connection with this Agreement, and any other document or agreement contemplated hereunder; RESOLVED, LIKEWISE, to authorize, **Vicente Miguel R. Jayme** to affix his initial in each and every page of the various Agreements, PNs and such other documents, agreements contemplated under these transactions.

- **RESOLVED, AS IT IS HEREBY RESOLVED,** that the Corporation be, as it is hereby authorized, to establish and maintain Trust Account/s (the "Accounts") with BDO Unibank, Inc. -Trust & Investments Group with office address at BDO Corporate Center 7899 Makati Avenue Makati City.

  RESOLVED, FURTHER, That the Corporation authorizes any **ONE (1)** of the following:

Name	Designation
Henry Albert R. Fadullon	President
Ma. Concepcion F. de Claro	Chief Finance Officer
Alan Raymond T. Zorrilla	SVP – Phoenix Petroleum Philippines

  to sign, execute and deliver any and all documents/agreements, give and any all instructions (including termination) and do any and all acts in connection with the Accounts, on behalf of the Corporation.

- RESOLVED, that the Board of Directors of the Corporation authorize, as it hereby authorizes, the Corporation to mortgage, pledge, assign or otherwise encumber in favor of **BDO Unibank, Inc.** (the "Bank") properties of the Corporation, whether real or personal, particularly **the Shares of the Corporation in Phoenix LPG Philippines, Inc. (formerly Petronas Energy Philippines, Inc.)** as collaterals for all obligations arising from or in connection with all credit accommodations extended and may be extended in the future to **PHOENIX LPG PHILIPPINES, INC.** (the "Borrower") by said Bank (as well as any and all increases, over-availments, renewals, roll-overs, extensions, restructurings, amendments, or novations thereof), including all interest, default interest / penalties, expenses, costs, and charges, it being understood that said undertaking of the Corporation is a continuing one and shall subsist and bind the Corporation until all such obligations shall have been fully paid and satisfied. RESOLVED, FURTHER, that the Board of Directors of the Corporation authorize, as it hereby authorizes, the Corporation to appoint and constitute the Bank as its attorney-in-fact, with full powers of substitution, to register the mortgage, pledge, assignment and encumbrance, including the payment of any taxes such as but not limited to capital gains, creditable withholding tax(es), documentary stamp taxes, to receive the Certificate Authorizing Registration (CAR), transfer and/or reclassification of the necessary tax declarations(s), to file and request for the conversion of non-PHILARIS manually issued title over the mortgaged property(ies) to electronic PHILARIS title, with any and all appropriate government offices / agencies . The Corporation hereby declares that the power of attorney to be coupled with interest and as such is irrevocable until all obligations secured by the aforementioned properties of the Corporation are fully paid to the entire satisfaction of the BANK.

- **RESOLVED**, as it is hereby resolved, to authorize and allow the Corporation to assign and transfer in accordance with the terms and conditions of the Debt Push Down Agreement (the Agreement) the debt contracted by the Corporation whereby P-h-o-e-n-i-x- Petroleum Philippines, Inc., upon agreement and consent with its creditor, BDO Unibank, Inc. (BDO), push down and assign to Phoenix LPG Philippines, Inc. (PLPI) the following debts contracted for the acquisition and benefit of PLPI as follows:

  a) Term loan facility executed on 16 August 2016 in the aggregate amount of up to One Billion Pesos (PhP1,000,000,000.00) ("***TL1***"), of which the entire amount remains outstanding, maturing on 16 August 2021, under the terms and conditions set forth in the TL1Agreement;

  b) Term loan facility executed on 04 August 2017 in the aggregate amount of up to Six Billion Pesos (PhP6,000,000,000.00) ("***TL2***"), of which facility, the

	amount of Four Billion One Hundred Twenty Five Million Pesos (PhP4,125,000,000.00)remains outstanding as of date of this Agreement, maturing on 04 August 2024; c) Conforme Letter dated 19 December 2018 ("***Conforme Letter***") where BDO approved and established a credit line facility with a sublimit of Two Billion Pesos (PhP2,000,000,000.00) for PPPI, of which the latter availed and drew from via the following short-term promissory notes: (a) the amount of PhP196 Million ("***ST1***") on 19 June 2020 maturing on 16 December 2020 documented under PN No. 800060201367 ("***ST1 PN***"), and (b) the amount of PhP 63 Million ("***ST2***") on 18 June 2020 maturing on 15 December 2020 documented under PN No. 800060201333 ("***ST2 PN***").
4-Dec-2020	• RESOLVED, that **Phoenix** be, as it hereby is, authorized to participate in the **Supply and Delivery of Fuel (Diesel) for use in Dredging Operation of Amphibious Excavator assigned at Managa River, Brgy. Jaclupan, Talisay City, Cebu (Contract No. 20GH00007 Re-Bid)** that if awarded the tender shall enter into a contract with the **Department of Public Works and Highways Office of the Regional Director VII**; and in connection therewith hereby appoint **<u>any one (1)</u>** of the following officers of the company: Name — Designation HENRY ALBERT R. FADULLON — President ROY O. JIMENEZ — Gen. Manager for Commercial & Industrial Business RICHARD C. TIANSAY — Gen. Manager for Pricing, Demand and Supply acting as duly authorized and designated representatives of Phoenix **are** granted full power and authority to do, execute and perform any and all acts necessary and/or to represent **Phoenix in** the bidding as fully and effectively as the **Phoenix** might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue hereof; o In case of award, **any one (1) from** the above-named Officers is hereby authorized to sign the contract in behalf of the corporation**.** o RESOLVED FURTHER THAT, above-named Officers are hereby authorized to: execute a waiver of jurisdiction whereby the **Phoenix** hereby submits itself to the jurisdiction of the Philippine government and hereby waives its right to question the jurisdiction of the Philippine courts; execute a waiver that **Phoenix** shall not seek and obtain writ of injunctions or prohibition or restraining order against the **Department of Public Works and Highways Office of the Regional Director VII** or any other agency in connection with this project to prevent and restrain the bidding procedures related thereto, the negotiating of and award of a contract to a successful bidder, and the carrying out of the awarded contract.
	• **RESOLVED,** as it hereby resolve to authorize the Corporation to submit bid and proposals with the **Department of Public Works and Highways Office of the Regional Director VII** for the **Supply and Delivery of Fuel (Diesel) for use in Dredging Operation of Amphibious Excavator assigned at Managa River, Brgy. Jaclupan, Talisay City, Cebu (Contract No. 20GH00007 Re-Bid)**such as: to send/receive documents, sign documents, follow up and collect all payments and issue corresponding official receipts; **RESOLVED FURTHER,** as it is hereby resolved to authorize **Dhyris Cajes/Olia Lachica/Maxwell John Bongo/Geoffrey Villalon/Erika Roxanne Tan de Jesus** by virtue of the issuance of a Special Power of Attorney or a Board Resolution as the case may be, to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with the said local/regional government offices in order to execute and implement the pore going authority;

- **RESOLVED**, as it is hereby resolved, that **Phoenix Petroleum Philippines, Inc.** (the "Corporation") it is hereby authorized, to open and maintain time deposit/s , savings accounts, checking account, special savings deposit account/s or other deposit and investment accounts in Peso and Foreign Currency with **ING Bank NV**: **RESOLVED FURTHER,** as it is hereby resolved, that the Corporation be authorized to enter into foreign exchange spot and derivatives transactions with aforementioned banks. Derivatives transactions include, but are not limited to financial and investment products, funding mechanisms, option contracts, deliverable forward contracts, non-deliverable forward contracts, foreign exchange swaps, interest rate swaps, cross-currency swaps or any combination of these transactions; **RESOLVED FURTHER,** as it is hereby resolved, that the Corporation be authorized as it is hereby authorized to maintain market placement/s, including, without limitation, T-Bills, ROP's, Time Deposit/s and Fixed-Income Instruments denominated in PHP or any other foreign currency (such as but not limited to sovereign and corporate bonds), with aforementioned Banks; **RESOLVED FURTHER,** that the Corporation be authorized, as it is hereby resolved, to open and maintain a trust account, investment management agency account, Unit Investment Trust Fund (UITF) account/s or other accounts with aforementioned Banks; **RESOLVED FURTHER,** as it is hereby resolved, to authorize and empower the following officers of the company to deliver, execute any or all documents or instruments to implement the foregoing authorities:

Signatory	**Position**
Group A	
Domingo T. Uy	Chairman Emeritus
Dennis A. Uy	Chairman
Henry Albert R. Fadullon	President and COO
Ma. Concepcion F. de Claro	Chief Finance Officer
Group B	
Jonarest Z. Sibog	AVP - Comptroller
Vicente Miguel R. Jayme	Treasury Manager
Matthew Kenji D. Chan	Treasury Manager
Group C	
Nel Marie P. Rodriguez	Asst. Treasury Manager

Type of Transaction	**Amount**	**Signature Combination**
Disbursements	*Any Amount*	*a. Concurrence of any two (2) Group A signatories;* *b. Concurrence of any one (1) Group A signatory with any one (1) Group B signatory;* *c. Concurrence of any one (1) Group A signatory with any one (1) Group C signatory;*
	Up to PHP 3.00Mn	*a. Concurrence of any two (2) group B;* *b. Concurrence of any one (1) Group B together with any one (1) Group C.*

	Disbursements payable to, or for trade settlements and loan payments of: *1. P-H-O-E-N-I-X Petroleum Philippines, Inc.;* *2. Phoenix LPG Philippines, Inc.;* *3. PNX Petroleum Singapore Pte. Ltd.;* *4. Philippine Family Mart CVS Retailers, Inc.,* *5. PFL Petroleum Management, Inc., or;* *6. Subic Petroleum Trading and Transport Philippines, Inc.*	*Any Amount*	*a. Concurrence of any two (2) Group A signatories;* *b. Concurrence of any one (1) Group A signatory with any one (1) Group B signatory;* *c. Concurrence of any two (2) group B signatories;* *d. Concurrence of any one (1) Group B signatory together with any one (1) Group C signatory.*
	Credit Facility Agreements, Foreign Exchange Master Agreements and Advise Letters		*Concurrence of any two (2) Group A signatories*
	Documentation for Cash Management Services, Online Banking or Transactional Banking Agreements		*Concurrence of any two (2) Group A signatories, or any one (1) Group A signatory together with any one (1) signatory from Group B or Group C.*
	Credit line or trade-related transactions including, but not limited to, Letters of Credit, Standby LCs, Trust Receipts and Promissory Notes. Treasury-related transactions including, but not limited to, Foreign Exchange (spot and derivatives) and Fixed Income deals. *Investment related transactions including, but not limited to, Unit Investment Trust Fund and Mutual Fund placements.*		*a. Concurrence of any two (2) Group A signatories;* *b. Concurrence of any one (1) Group A signatory with any one (1) Group B signatory;* *c. Concurrence of any one (1) Group A signatory with any one (1) Group C signatory;*
	Request for checkbooks, certifications and other supporting bank documents.		*Concurrence of any two (2) authorized signatories.*

RESOLVED, FINALLY, that all the foregoing authorities shall continue to be in full force and effect until revoked or modified by a resolution to that effect adopted by the board of directors of the Corporation, duly attested in a notarized certificate, issued by its duly-appointed Corporate Secretary or Assistant Corporate Secretary and conveyed in a written notice actually received by the Bank at its office where the account/s of the Corporation is/are then maintained, provided that such notice shall not be effective with respect to any exercise of the foregoing authorities prior to the receipt thereof, nor with respect to any transactions implemented pursuant to instructions dated to the date of such notice, but presented to the Bank prior to the receipt of such notice; and said Bank is hereby authorized at all times to rely upon the latest notice, certificate or written communication received by it when so authenticated by the Corporate Secretary or Assistant Secretary of the Corporation. I FURTHER CERTIFY that the following are the authentic, official signatures of the duly authorized signatories of the Corporation as indicated in the above-quoted resolutions, to wit:

OFFICE/TITLE	NAME
Chairman Emeritus	Domingo T. Uy
Chairman	Dennis A. Uy
President and COO	Henry Albert A. Fadullon
CFO	Ma. Concepcion F. de Claro
AVP-Comptroller	Jonarest Z. Sibog
Treasury Manager	Vicente Miguel R. Jayme
Treasury Manager	Matthew Kenji D. Chan
Treasury Officer	Nel Marie P. Rodriguez

- **RESOLVED,** as it is hereby resolve to authorize the Corporation to confer and cause annotation of its properties in Calaca, Batangas with the Registry of Deeds of the Municipality of Nasugbu, Province of Batangas relative to the loan facilities granted by BDO Unibank, Inc.; **RESOLVED FURTHER**, as it is hereby resolved to authorize **ARLENIE T. JOCSON** to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with said locale government unit and other private entities in order to execute and implement the foregoing authority;

- **RESOLVED,** as it hereby resolve to authorize the Corporation to submit and issue sworn statements/affidavit of non-tenancy for certain parcels of land located in Inawayan and Coronon, Davao del Sur registered under the name of P-h-o-e-n-i-x Petroleum Philippines, Inc.; **RESOLVED FURTHER**, as it is hereby resolved to authorize JONAREST Z. SIBOG the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with said locale government unit and other private entities in order to execute and implement the foregoing authority;

- **RESOLVED**, **AS IT IS HEREBY RESOLVED**, to authorize the company's Accounting Manager,. **WINDY DAGSA** with the following corporate acts: To execute and sign all documents in behalf of the corporation relative to the Notice and Affidavit of Loss and Petition for replacement of Lost Owner's Duplicate of Transfer Certificates of Title with the Register of Batangas And the Regional Trial Court of

Transfer Certificate of Title No.	**116955**
Owner	**P-h-o-e-n-i-x Petroleum Philippines, Inc.**
Location	**Lot 2-B, Brgy. Salong, Calaca,Batangas**
Land Area	**20,000 sqm.**

Batangas, to wit:

Transfer Certificate of Title No.	**116956**
Owner	**P-h-o-e-n-i-x PetroleumPhilippines, Inc.**
Location	**Lot 2-A, Brgy. Salong, Calaca,Batangas**
Land Area	**15,162 sqm.**

To represent the Corporation in all hearings, proceedings, pre-trial/preliminary conference, mediation, JDR; To enter into an amicable settlement; To submit to alternative modes of dispute resolution, including but not limited to mediation and judicial dispute resolution; To enter into stipulations or admissions of facts and of documents and; To exercise acts enumerated under Section 2 of Rule 18 of the Revised Rules of Court; To cause the preparation, execute and sign pleadings, motions,

	memoranda, and such other documents as may be needed in the course of the trial as well as to submit and present evidences; To follow up and sign in our behalf relative to the case.
4-Dec-2020	• **RESOLVED,** as it is hereby resolve to authorize the Corporation to represent, execute an Affidavit of Loss for lost title, apply, transact, process and claim for Certified Copy of TCT No. T-092-2011004857 with an annotation of loss with the Registry of Deeds of Bacolod City; RESOLVED FURTHER, as it is hereby resolve to execute and file a Petition for Issuance of New title in lieu of the lost one with the Regional Trial Court of Bacolod City; **RESOLVED FURTHER,** as it is hereby resolved to authorize the Corporation's Depot Manager in Bacolod Depot, **RICO T. URETA,** to the above powers and thereby to execute, sign, receive, claim, and process in behalf of the said Corporation all transactions and negotiations with the Registry of Deeds for Bacolod City and the Regional Trial Court of Bacolod City;
4-Dec-2020	• **RESOLVED,** as it is hereby resolve to authorize the Corporation to request and cause: 1) cancellation of mortgage over the company's properties identified as TCT No. T-11695 and T-116956; 2) annotation of the Affidavit of Recovery; and 3) Secure copy of the assessment of registration of a Real Estate Mortgage (REM) in favor of BDO Unibank, Inc. with the Registry of Deeds of the Municipality of Nasugbu, Province of Batangas; **RESOLVED FURTHER**, as it is hereby resolved to authorize **CERACRUZ PROPERTY MANAGEMENT CORPORATION**. and to further delegate its authorized representative, **JOSELITO B. DACER**, by virtue of the issuance of a Special Power of Attorney or a Board Resolution as the case may be, to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with said locale government unit in order to execute and implement the foregoing authority;
4-Dec-2020	• RESOLVED, AS IT IS HEREBY RESOLVED, to authorize and allow the Corporation to negotiate, apply with reputable finance intermediaries or institutions, private individuals or corporation for a loan or borrowings of up to Php200 million under terms and conditions deemed reasonable and acceptable by Management. ; RESOLVED, LIKEWISE, to authorize and empower its **President, Henry Albert R Fadullon and/or Chief Finance Officer, Ma. Concepcion F. de Claro** to sign, execute, deliver any and/or all documents necessary and incidental to the implementation of the foregoing authorities and powers such as but not limited to Agreements, Promissory Notes and any other documents or agreements contemplated hereunder to which the Corporation is a party on its behalf;
4-Dec-2020	• **RESOLVED,** as it hereby resolve to authorize the Corporation to submit and issue sworn statements/affidavit of recovery of lost titles for certain parcels of land identified as TCT Nos. T-116955 and T-116956 with the Registry of Deeds of the Municipality of Nasugbu, Province of Batangas and Certified Copies of its Tax Declaration with the local Assessor's Office of Nasugbu, Batangas registered under the name of P-h-o-e-n-i-x Petroleum Philippines, Inc.; **RESOLVED FURTHER**, as it is hereby resolved to cause the annotation of the Affidavit of Recovery for the above-mentioned properties with the Registry of Deeds of the Municipality of Nasugbu,

	Province of Batangas and thereafter request Certified Copies of said TCT Nos. T-116955 and T-116956 with the annotated Affidavit of Recovery; **RESOLVED FURTHER**, as it is hereby resolved to authorize **DARY EUNIKA B. MALOLES**, the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with said locale government unit and other private entities in order to execute and implement the foregoing authority;
4-Dec-2020	• **RESOLVED,** as it is hereby resolve to authorize the Corporation to renew the Corporation's business permit for the year **2020** and the succeeding years thereafter with the local government unit where the Corporation is operating its office and/or branches. **RESOLVED FURTHER**, as it is hereby resolved to authorize **LORENZO GOMEZ & CO**. and to further delegate its authorized representative, **PERLA S. LEGASAN**, by virtue of the issuance of a Special Power of Attorney or a Board Resolution as the case may be, to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with said locale government unit in order to execute and implement the foregoing authority;
4-Dec-2020	• **RESOLVED,** as it hereby resolve to authorize the Corporation to submit the bid proposals and documents for the **(P.R. # 20-10-044) Purchase of 15,000 liters – Diesel Fuel and 2,000 liters – Gasoline for the Use of Various Service Vehicle and Heavy Equipment, Cebu City** and perform related transactions such as: to send/receive documents, sign documents, follow up, transact, attend to all concerns and collect all payments and issue corresponding official receipts; **RESOLVED FURTHER,** as it is hereby resolved to authorize **Dhyris Cajes/Francis Bautista/Olia Lachica/Maxwell John Bongo/Geoffrey Viṅalon** by virtue of the issuance of a Special Power of Attorney or a Board Resolution as the case may be, to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with the said local/regional government offices in order to execute and implement the pore going authority;
4-Dec-2020	• RESOLVED, that **Phoenix** be, as it hereby is, authorized to participate in the **(P.R. # 20-10-044) Purchase of 15,000 liters – Diesel Fuel and 2,000 liters – Gasoline for the Use of Various Service Vehicle and Heavy Equipment, Cebu City** that if awarded the tender shall enter into a contract with the **DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS – CEBU CITY DEO**; and in connection therewith hereby appoint **any one (1)** of the following officers of the company: Name — Designation o HENRY ALBERT R. FADULLON — President o ROY O. JIMENEZ — Gen. Manager for Commercial & Industrial Business o RICHARD C. TIANSAY — Gen. Manager for Pricing, Demand and Supply • acting as duly authorized and designated representatives of Phoenix **are** granted full power and authority to do, execute and perform any and all acts necessary and/or to represent **Phoenix in** the bidding as fully and effectively as the **Phoenix** might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue hereof;In case of award, **any one (1) from** the above-named Officers is hereby authorized to sign the contract in behalf of the corporation**.** RESOLVED FURTHER THAT, above-named Officers are hereby authorized to: execute a waiver of jurisdiction whereby the **Phoenix** hereby submits itself to the jurisdiction of the Philippine government and hereby waives its right to question the jurisdiction of the Philippine courts; execute a waiver that **Phoenix** shall not seek and obtain writ of injunctions or prohibition or restraining order against the **DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS – CEBU CITY DEO** or any other agency in connection with this project to prevent and restrain the bidding procedures related thereto, the negotiating of and award of a contract to a successful bidder, and the carrying out of the awarded contract.
4-Dec-2020	• RESOLVED, that **Phoenix** be, as it hereby is, authorized to participate in the **PROCUREMENT OF FUEL, LUBRICANTS & OIL FOR PHILRICE MIDSAYAP FOR THE YEAR 2021** that if awarded the tender shall enter into a contract with the **PHILRICE MIDSAYAP EXPERIMENT STATION BUAL NORTE, MIDSAYAP, COTABATO**; and in connection therewith hereby appoint **any one (1)** of the following officers of the

	company: Name — Designation HENRY ALBERT R. FADULLON — President and Chief Executive Officer ROY O. JIMENEZ — Gen. Manager for Commercial & Industrial Business RICHARD C. TIANSAY — Gen. Manager for Pricing and Demand and Supply acting as duly authorized and designated representatives of Phoenix **are** granted full power and authority to do, execute and perform any and all acts necessary and/or to represent **Phoenix in** the bidding as fully and effectively as the **Phoenix** might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue hereof; In case of award, **any one (1) from** the above-named Officers is hereby authorized to sign the contract in behalf of the corporation**.** RESOLVED FURTHER THAT, above-named Officers are hereby authorized to: execute a waiver of jurisdiction whereby the **Phoenix** hereby submits itself to the jurisdiction of the Philippine government and hereby waives its right to question the jurisdiction of the Philippine courts; execute a waiver that **Phoenix** shall not seek and obtain writ of injunctions or prohibition or restraining order against the **PHILRICE MIDSAYAP EXPERIMENT STATION BUAL NORTE, MIDSAYAP, COTABATO** or any other agency in connection with this project to prevent and restrain the bidding procedures related thereto, the negotiating of and award of a contract to a successful bidder, and the carrying out of the awarded contract.
5-January-2021	• **RESOLVED,** as it is hereby resolve to authorize and empower to apply and process for occupancy permit and completion permit with the local government of Calaca Batangas, relative to the Calaca Terminal Office building constructed inside Calca Industrial Seaport Corporation located in 115 Brgy. Salong Calaca Batangas; RESOLVED FINALLY, to authorize and empower its Distribution and Corporate Manger, RONALD D. ULEP.
	• **RESOLVED**, that the Corporation be, as it is hereby, authorized and empowered to apply, file and process for excise tax refund/claim from the Bureau of Internal Revenue relative to the transaction between Phoenix Petroleum Philippines, Inc. and international vessels through Offshore Bunkers (HK) Ltd.;**RESOLVED, FINALLY**, to authorize and empower Mangrove Bestow Consulting and Trading, OPC and its authorized representative, **JOSUE C. BANEZ, JR.,** to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with said government unit and other private entities in order to execute and implement the foregoing authority;
1-February-2021	• RESOLVED, that **Phoenix** be, as it hereby is, authorized to participate in the **Procurment of Diesel and Unleaded Gasoline with Fleet Mgt. System (REBID) with Purchase Request No. 20-10-00613 under Bid No. b-20-178-A** that if awarded the tender shall enter into a contract with the **Dept.General Services of Cebu City**; and in connection therewith hereby appoint **<u>any one (1)</u>** of the following officers of the company: Name — Designation HENRY ALBERT R. FADULLON — President ROY O. JIMENEZ — Gen. Manager for Commercial & Industrial Business RICHARD C. TIANSAY — Gen. Manager for Pricing, Demand and Supply acting as duly authorized and designated representatives of Phoenix **are** granted full power and authority to do, execute and perform any and all acts necessary and/or to represent **Phoenix in** the bidding as fully and effectively as the **Phoenix** might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue hereof;In case of award, **any one (1) from** the above-named Officers is hereby authorized to sign the contract in behalf of the corporation**.** RESOLVED FURTHER THAT, above-named Officers are hereby authorized to: execute a waiver of jurisdiction whereby the **Phoenix** hereby submits itself to the jurisdiction of the Philippine government and hereby waives its right to question the jurisdiction of the Philippine

courts; execute a waiver that **Phoenix** shall not seek and obtain writ of injunctions or prohibition or restraining order against the **Dept.General Services of Cebu City** or any other agency in connection with this project to prevent and restrain the bidding procedures related thereto, the negotiating of and award of a contract to a successful bidder, and the carrying out of the awarded contract.

- **RESOLVED,** as it hereby resolve to authorize the Corporation to submit the bid proposals and documents for the **Procurement of Diesel and Unleaded Gasoline with Fleet Mgt. System (REBID) with Purchase Request No. 20-10-00613 under Bid No. b-20-178-A** and perform related transactions such as: to send/receive documents, sign documents, follow up, transact, attend to all concerns and collect all payments and issue corresponding official receipts; **RESOLVED FURTHER,** as it is hereby resolved to authorize **Dhyris Cajes/Francis Bautista/Olia Lachica/Maxwell John Bongo/Geoffrey Viṅalon** by virtue of the issuance of a Special Power of Attorney or a Board Resolution as the case may be, to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with the said local/regional government offices in order to execute and implement the pore going authority;

- **RESOLVED**, as it is hereby resolved, that P-H-O-E-N-I-X PETROLEUM PHILIPPINES INC. (the "company") be, as it is hereby authorized and empowered to negotiate, transact and deal for the purchase of one (1) unit Fuel Tanker with JACOB P. TAN, proprietor of Tan Trucking Services, which vehicle is particularly described as follows:

MAKE: ISUZU	ENGINE No.: 6WG1439138
BODY TYPE: FUEL TANKER	CHASSIS NO.: JALCYZ52TK7000030
MODEL: 2019	PLATE NO.: NFZ6069
BODY NO.: R-245	MV FILE NO.: 1301-00001418045
VALUE: P 3,500,000.00	LTO REG. NO.: 36595373-3

RESOLVED, as it is hereby resolved, to sign, execute and deliver an ABSOLUTE DEED OF SALE for the implementation of the foregoing authority; **RESOLVED,** as it is hereby resolved, that any of all the foregoing transactions shall be negotiated, concluded, obtained and/or contracted for, by the Company's authorized representative, LESTER C. KHAN, under such terms and conditions and stipulations as the said authorized signatory may deem advisable and desirable in the best interest of the Corporation; **RESOLVED, FURTHER**, ANY signature from the above-indicated signatory shall be authorized to enter into the above-specified arrangements with the local government and related agencies and instrumentalities under such terms and conditions as the said individuals may deem necessary and the same shall constitute a valid transaction and to accordingly execute, sign, deliver and/or perform any and all contracts, instruments, documents or writings that may be necessary for the implementation of the foregoing transactions;

- **RESOLVED,** as it hereby resolve to authorize the Corporation to represent, execute, sign, receive, claim, and process any and all related documents pertaining to the company's properties situated in Dumaguit, Aklan including Certified Copies of Titles, Tax Declarations, Receipts and Clearances with the Office of the Registry of Deeds, Assessor's and Treasurer's Office for the Province of Aklan; **RESOLVED FURTHER**, as it is hereby resolved to authorize **MAIRA D. ULANGKAYA** to the above powers and thereby to execute and sign in behalf of the said Corporation all transactions and negotiations with said locale government unit and other private entities in order to execute and implement the foregoing authority;

- **RESOLVED**, as it is hereby resolved, that the Corporation be, as it is hereby authorized and empowered to apply, transact, claim and demand for cash advance refund with MERALCO in the total amount of Pesos: Four Million One Hundred Ten Thousand Four Hundred Ninety Five and 98/100, per attached Meralco Notices; **RESOLVED, FURTHER,** as it is hereby resolved, to authorize its Chief Finance Officer, **MA. CONCEPCION F. DE CLARO**, or any of the latter's representative whom he might delegate to enter, transact, negotiation with said MERALCO and therefore sign, execute, deliver and/or perform any or all contracts, instruments, documents or writings with DLPC that may be necessary to implement the foregoing powers, authority, act and deed.

	• **RESOLVED**, That **PHOENIX PETROLEUM PHILIPPINES, INC.** (the 'Corporation') be, as it is hereby is, authorized and empowered to process, receive, transact and facilitate with **GLOBE TELECOM, INC. (GLOBE)** relative to its prize winnings amounting to Php25,000 worth of Gcash; **RESOLVED, FURTHER,** That **Ms. Mylen A. Samonte,** be hereby authorized and empowered to sign, execute, deliver, receive and receipt, for and on behalf of the Corporation, any and all agreements, documents and instruments required to carry out the foregoing resolution.

"ANNEX B"

MANAGEMENT REPORT

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

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

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

1. Business Description

P-H-O-E-N-I-X Petroleum Philippines, Inc. (the "Company" or "PPPI", interchangeably) was incorporated in the Philippines on May 8, 2002 under its original name of "OILINK MINDANAO DISTRIBUTION, INC." On 11 January 2004, the Company amended its Articles of Incorporation changing its name from Oilink Mindanao Distribution, Inc. to Davao Oil Terminal Services Corp. On August 7, 2006, the Philippine Securities and Exchange Commission approved the Amended Articles of Incorporation of the Company changing its name from Davao Oil Terminal Services Corp. to "P-H-O-E-N-I-X Petroleum Philippines, Inc.". The Company is 41.88% owned by P-H-O-E-N-I-X Petroleum Holdings, Inc. (PPHI) and 0.83% owned by Udenna Management & Resources Corp.(UMRC), companies organized in the Philippines.

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

The Company likewise registered with the BOI in 2010 and 2012 as a new industry participant with new investments in storage, marketing and distribution of petroleum products under RA 8479 (Downstream Oil Industry Deregulation Act) for its storage tanks in various locations. Under these registrations, the Company is required to observe certain general and specific terms and conditions stated in the provisions of the Omnibus Investments Code of 1987.

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

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

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

The Company's operations consist of Trading, Terminaling and Hauling Services. Under Trading, the Company offers its refined petroleum products (including Jet A1) and lubricants to retailers and commercial/industrial customers.. The retail service stations are classified as Company-Owned, Company-Dealer-Operated (CODO) or Dealer-Owned, Dealer-Operated (DODO).

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

Subsidiaries:

At present, the Company has Nine (9) direct wholly-owned subsidiaries, namely:

- **P-h-o-e-n-i-x Global Mercantile, Inc.** ("PGMI") was incorporated on July 31, 2006. It was previously engaged in the manufacture, production and creation of all kinds of motor, and all other transportation lubricants, fluids and additives of all kinds and other petroleum products purposely for motor vehicles and other transportation.

- **PFL Petroleum Management Inc.** ("PFL or PPMI") was incorporated on January 31, 2007 and is currently engaged in the management of the three retail service stations which are being used as training sites and stations for prospective dealers.

- **Subic Petroleum Trading and Transport Phils., Inc. (SPTT)** was registered with the SEC on February 20, 2007 and is engaged in the buying and selling, supply and distribution, importation and exportation, and the storage and delivery of all types of petroleum for industrial, marine, aviation and automotive use. It does not carry any inventory at any given time. SPTT is duly registered with Subic Bay Metropolitan Authority ("SBMA") and was issued the Certificate of Registration and Tax Exemption on 01 June 2012, which is effective until 31 May 2013 and renewable by SPTT. It is classified as a Subic Bay Freeport Enterprise for the purpose of and with permit to operate the business of engaging in the business of importation, warehousing, transshipment, export, distribution of liquor, wines and spirits, tobacco and cigarettes and general merchandise and commodities such as but not limited to groceries, canned goods and prepaid cards; convenience store for selling and distribution of gasoline and other petroleum products and other liberalized items.

- **Phoenix LPG Philippines, Inc. (PLPI)** was incorporated last 20 June 1995 with the Securities and Exchange Commission as Petronas Energy Philippines, Inc. (PEPI), and was later renamed as Phoenix LPG Philippines, Inc. after its acquisition in accordance with the Share Purchase Agreement with the Company. It is currently engaged in the importation, distribution, marketing and retail sale of Liquefied Petroleum Gas (LPG), mainly in the Visayas and Mindanao area, with some minor operations in some areas of Luzon.

- **Duta, Inc.** was incorporated with the SEC last November 09, 1994 and currently holds its principal office in 15th Floor, Citibank Tower, Valero st., Salcedo Village, Makati City. It operates as a property holding company of PPPI and PLPI, and currently owns the real properties where the plants and some distribution offices of PLPI currently stand.

- **Philippine FamilyMart CVS, Inc.** was registered with the SEC last November 29, 2012 and currently maintains its principal office at Fourth Floor, Tara Building, 389 Sen. Gil J. Puyat Avenue, Makati City, Philippines. It is currently engaged in the operation and sub-franchising of convenience stores under the "FamilyMart" brand. It currently holds the exclusive Area Franchise to the "FamilyMart" brand in the Philippines and is granted the right to exclusively sub-franchise the "FamilyMart" convenience stores anywhere in the Philippines.

- **PNX Petroleum Singapore Pte. Ltd.** was registered in Singapore and started operations sometime in October 2017. It is the regional trading arm of the Company. It currently holds office in Singapore and is able to buy directly from the refineries in the region due to its bigger requirements. It also takes orders and sells to other local and regional buyers.

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

- **Phoenix Pilipinas Gas and Power, Inc.** Incorporated on March 14, 2019 to engage in, conduct and carry on the business of selling, trading, on wholesale basis, natural gas and liquefied natural gas (LNG).

- **Phoenix Road Transport Pilipinas, Inc.,** incorporated on February 19, 2020, to engage in the business of organizing, managing, administering, running and supervising the operations and marketing of various kinds of service-oriented companies, such as petroleum service stations, hauling companies and such other related companies.

The Company also has <u>direct</u> investments in Three (3) subsidiaries, namely:

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

Point of Sale device.

- **think.able, Limited,** registered in Hong Kong in 05 May 2014, The Company owns 74.9% of the subsidiary. think.able is the company that owns and holds the trademarks and copyrights used by Action.Able, Inc. in its operations and devices, including the trademark for "Pos!ble.net" the more popular name for which the devices and the service is known.

- **Phoenix Asphalt Philippines, Inc.** is a joint venture of Phoenix Petroleum Philippines, Inc., Tipco Asphalt Public Company Limited of Thailand and Carlito B. Castrillo. Formed in January 2018, the joint venture will manufacture, operate, market, and distribute asphalt, asphalt-related products and other by-products of crude oil and other petroleum products, including operating terminals in the Philippines. Its plant is scheduled to complete construction in 2019 at the Calaca Industrial Seaport Park.

2. Directors and Officers

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

Office	Name	Age	Citizenship
Directors			
Chairman	Dennis A. Uy	47	Filipino
Director/President	Henry Albert R. Fadullon	53	Filipino
Director	Romeo B. De Guzman	71	Filipino
Independent Director	Minoru Takeda	67	Filipino
Director	Cherylyn C. Uy	41	Filipino
Director	Domingo T. Uy	74	Filipino
Director	J.V. Emmanuel A. de Dios	56	Filipino
Director	Stephen T. CuUnjieng	60	Filipino
Independent Director	Nicasio Alcantara	77	Filipino
Independent Director	Consuelo Ynares Santiago	79	Filipino
Director	Monico V. Jacob	75	Filipino
Corporate Secretary/Vice President for Corporate Legal	Socorro T. Ermac Cabreros	56	Filipino
Other Executive Officers			
Chief Finance Officer	Ma. Concepcion F. de Claro	63	Filipino
Senior Vice President for Corporate Affairs, Business Development and Security	Alan Raymond T. Zorrilla	51	Filipino
Chief Digital Officer	Charlie R. Valerio	53	Filipino
General Manager for Shared Services	Magtanggol C. Bawal	59	Filipino
General Manager for Supply, Pricing and Demand	Richard C. Tiansay	57	Filipino
General Manager for Retail Sales	Ericson S. Inocencio	46	Filipino
General Manager for Lubricants Sales and Distribution Business	Joven Jesus G. Mujar	50	Filipino

General Manager for Commercial and Industrial Business	Roy O. Jimenez	58	Filipino
General Manager for Joint Ventures	Joriz B. Tenebro	42	Filipino
Asst. Vice President for CME	Ma. Rita A. Ros	61	Filipino
Asst. Vice President for Comptrollership	Jonarest Z. Sibog	40	Filipino
Vice President for Brand and Marketing	Celina I. Matias	56	Filipino
Asst. Vice President for Human Resources	Celeste Marie G. Ong	53	Filipino
Asst. Vice President for Retail Operations and Network Development	Arnel G. Ablan	53	Filipino
Asst. Vice President for Technical Services and QAPD	Jaime T. Diago, Jr.	65	Filipino
General Manager for Aviation Business, and Business Development, Strategies and Portfolio	Lester C. Khan	40	Filipino

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

Directors

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

Dennis A. Uy
Director, Chairman of the Board, Chief Strategy Officer

Mr. Dennis A. Uy, Filipino, 47 years old, is the founder of the Company and has served as President and Chief Executive Officer since inception. He is the Chairman and President of Udenna Corporation, the parent company, which has businesses in the shipping, logistics, distribution, real estate, and service industries. Among the subsidiaries of Udenna Corporation are Phoenix Petroleum Holdings, Inc. (PPHI), Udenna Management & Resources Corp. (UMRC), Chelsea Logistics Holdings, Corp., Udenna Development Corporation (UDEVCO), Le Penseur, Udenna Trade Corporation and PH Resorts Group Holdings, Inc. The subsidiaries of Phoenix Petroleum Philippines are Phoenix Global Mercantile, Inc., Subic Petroleum Trading & Transport Philippines, Inc., and PFL Petroleum Management. The subsidiaries of Udenna Management & Resources Corp. (UMRC) are Global Synergy Trade and Distribution Corp., Value Leases, Inc., Udenna Capital, PNX-Udenna Insurance Brokers, Udenna Environmental Services, Udenna

Energy Corporation, and F2 Logistics. Under UDEVCO are Calaca Industrial Seaport Corp.(CISC), Udenna Tower Corporation, LapuLapu Land Corp., Clark Global City Corp. and GoHotels Davao Inc. The Chelsea Logistics Corp. has the shipping businesses Chelsea Shipping Corp. and Trans-Asia Shipping Lines. Mr. Uy is also Chairman of PH Resorts Group Holdings, Inc., Phoenix Philippines Foundation and Udenna Foundation. He is director of shipping and logistics provider 2Go Group, Inc. through his Udenna Investments BV subsidiary KGLI-NM Holdings Inc. He also serves as independent director of Apex Mining Corp. Mr. Uy is a member of the Young Presidents Organization's Philippine chapter and the Philippine Business for Social Progress. Since November 2011, Mr. Uy has been the Honorary Consul of Kazakhstan to the Philippines. In 2016, he was appointed as the Presidential Adviser on Sports. He is a graduate of De La Salle University with a degree in Business Management.

Henry Albert R. Fadullon
Director, President

Mr. Fadullon is a Filipino, 53 years of age, and was appointed Chief Operating Officer of the Company on April 17, 2017 and was consequently named as President on June 1, 2020. Prior to this, he served Shell Shared Services (Asia) B.V. as General Manager for its global businesses. He has over 25 years of experience in the petroleum industry, having held various roles at Pilipinas Shell Petroleum Corp., a decade of which were spent overseas with postings in Malaysia, Oman, and London. He has a wealth of experience in Retail and B2B performing a variety of frontline and functional roles leading into General Management positions. He completed his BS Industrial Management Engineering, minor in Mechanical Engineering, from De La Salle University.

Domingo T. Uy
Director

Mr. Domingo T. Uy, Filipino, 74 years old, is a co-founder and has been a member of the Board of Directors of the Company since 2002. Mr. Uy was elected Chairman of the Board of Directors of the Company on February 15, 2007. He is also a Director of Granland Resources Corporation, a corporation involved in real estate development. Mr. Uy is actively involved in socio-civic programs and is a Director of the Philippine National Red Cross, Davao Chapter. He is also a Past President of the Davao City Sta. Ana Lions Club and the Kang Ha Uy Association - Davao Chapter.

Romeo B. De Guzman
Director

Mr. Romeo B. De Guzman, Filipino, 71 years old, was elected Director of the Company in 2009. He is the Vice Chairman and Senior Strategic Adviser, and previously was Chief Operating Officer of the Company, bringing over 40 years of outstanding experience in the oil industry. Before joining the Company, he was with Pilipinas Shell Petroleum Corporation, where he was Vice President for External Affairs for Asia Pacific and a member of the Board of Directors up to December 2006. He was with the said company holding various management and executive positions. Prior to that, he worked at Getty Oil Philippines Inc. for 10 years. Mr. De Guzman is also the Chairman of the Board of Directors of Mirait Philippines, Inc. He holds a Marketing Management and MBA degrees from San Sebastian College – Manila.

Atty. Jose Victor Emmanuel A. De Dios
Director

Atty. J.V. Emmanuel A. De Dios, Filipino, 56 years old, elected regular director of Phoenix Petroleum in 2018, after being an Independent Director since 2007. He is the CEO of GE Philippines, and prior to that was President and CEO of Nido Petroleum Pty Ltd., an Australian Stock Exchange-listed oil and gas company. He was Managing Director of Merritt Advisory Partners, Inc. and was a member of the Board of Directors of Davies Energy Systems, Inc. He also served as Chairman of the Board of the Philippine National Oil Company Exploration Corporation and was former Undersecretary of the Philippine Department of Energy. Atty. De Dios obtained his Master of Laws degree from Harvard Law School and completed his Bachelor of Laws at the Ateneo School of Law.

Cherylyn C. Uy
Director

Ms. Cherylyn Chiong-Uy, Filipino, 41 years old, is a graduate of Business and Finance from Ateneo de Davao University. Ms. Uy is one of the pioneers/incorporators of Udenna Corporation, the ultimate parent company of Phoenix Petroleum and which has subsidiaries engaged in the petroleum, shipping, logistics, services, and real estate businesses, among others. She is the Corporate Treasurer of Udenna Corporation and a member of the Board of Director of PH Resorts Group Holdings, Inc.. Ms. Uy is also one of the Executive Directors of Phoenix Philippines Foundation, Inc., the corporate social responsibility arm of the Company. She is the Corporate Treasurer of Udenna Management and Resources Corporation and Chelsea Shipping Corp.

Stephen T. CuUnjieng
Director

Stephen T. CuUnjieng, Filipino, 61 years old, was elected as a Director of the Company on January 15, 2018, after being a long-time adviser to the Board. He is Chairman of Evercore Asia Limited, and has substantial and wide experience in investment banking. He has acted as Financial Adviser to several financial transactions of companies involving initial public offerings, major and strategic acquisitions, and mergers of various companies from various industries. He is a member of the Executive Advisory Board for Asia of the Wharton School of Business, and an Independent Director of Century Properties Group and Aboitiz Equity Ventures. He has received several awards and distinctions, such as the Best Independent Advisory Firm in Asia in 2016 for Evercore, and Deals of the Year for various acquisitions. He graduated from Ateneo de Manila University and Ateneo School of Law, and completed an MBA in Finance from the Wharton School of Business.

Monico V. Jacob
Director

Monico V. Jacob, Filipino, 75 years old, has been a Director of the Company since March 7, 2008. He is President and Chief Executive Officer of the STI Education Systems Holdings, Inc., a publicly listed company; of STI Education Services Group, Inc.; and of West Negros University. He is also the Chairman of Philplans First, Inc., a pre-need company; of Philippine Life Financial, Inc., a life insurance company, and of Republic Surety and Insurance Co., a non-life insurance Company. He likewise sits as an independent director of Jollibee Foods, Inc., Century Properties, Lopez Holdings, Inc. and 2GO Shipping. He sits as Director of Asian Terminals, Inc., Philhealthcare Systems, Inc., an HMO, Philippine Women's University and IAcademy.

Consuelo Yñares-Santiago
Independent Director

Ms. Consuelo Ynares-Santiago, Filipino, 81 years old, is a Retired Justice of the Philippine Supreme Court. Justice Santiago (Ret) is currently an independent director of Anchor Insurance Brokerage Corp., a leading insurance brokerage company based in New York, USA, SMC Global Power Holdings, Inc., one of the country's leading power companies which is the power generation unit of San Miguel Corporation, South Luzon Tollway Corp., and Top Frontier Investment Holdings, Inc. She is the Chair Advisory Council of the Office of Alternative Dispute Resolution under the Department of Justice. She earned her Law Degree at the University of the Philippines. After being admitted to the bar, she started her career as a Legal Officer of the Securities and Exchange Commission (SEC). After 5 years of legal practice, she decided to enter the Judiciary and spent 36 years of her career as Municipal Judge, Metropolitan Trial Court judge, Regional Trial Court judge, and Associate Justice of Court of Appeals, before becoming an Associate Justice of the highest court of the country, the Supreme Court. During her time in the Supreme Court, she became the chairperson of the Supreme Court's 3rd Division and also joined various committees, among them the Justice on Wheels Program as Chairperson, the Foreign Travel Committee as Chairperson, the House of Representative Electoral Tribunal (HRET) as Chairperson, and member of the Presidential Electoral Tribunal. She was also a consultant of the Judicial and Bar Council (JBC) and a Bar Examiner of Labor Law and Social Legislation during the 1996 Bar Examination and Taxation Law in the 1998 Bar Examination.

Nicasio I. Alcantara
Independent Director

Nicasio I. Alcantara, Filipino, 78 years old. He re-assumed the position of Chairman of the Board of Directors and President of Alsons Consolidated Resources, Inc. (ACR) on March 1, 2021, a position he previously held from May 1995 to May 2001. He is the Chairman and President of ACR Mining Corporation, Alsons Development and Investment Corporation, Sarangani Agricultural Company, Inc., Conal Holdings Corporation, Alsons Thermal Energy Corporation, Alto Power Management Corporation and many other subsidiaries under the Alcantara Group. He is the Chairman of the Board of SITE Group International, Ltd. Mr. Alcantara serves as the Chairman of both the Corporate Governance Committee and Related Party Transactions Committee of BDO Private Bank, Inc. and a member of the Bank's Audit Committee. He is the Vice-Chairman of Aviana Development Corporation. Currently, he is a Director of Seafront Resources Corporation, The Philodrill Corporation, Enderun Colleges, Inc., Sagittarius Mines, Inc. and Phoenix Petroleum Philippines, Inc. Mr. Alcantara holds a Masters degree in Business Administration (MBA) from Sta. Clara University, California, and a Bachelor of Science degree in Business Administration from the Ateneo de Manila University.

Minoru Takeda
Independent Director

Minoru Takeda, Japanese, 67 years old is the Chairman of aNew Energy (an advisory company for Renewables/LNG), Senior Advisor of GLX LNG (LNG Trading Platform Company), Director of Oxalis Chemicals KK, and Sr. Advisor of Uyeno Kosan KK. Mr. Takeda 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 GM of Shell Upstream International in charge of the ASEAN/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 4 years in Deloitte, as Partner of Deloitte Tohmatsu Consulting and served as CEO of Deloitte Tohmatsu Corporate Finance. He holds BS and MS from Keio University and MS from MIT Sloan School of Management. He was a Visiting Researcher at Harvard University, Energy and Environmental Policy Center.

Directorships in Other Reporting Companies

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

Name of Director	Name of Reporting Company	Position Held
Consuelo Ynares Santiago	Top Frontier Investment Holdings, Inc.	Independent Director
Dennis A. Uy	ISM Communications Corporation; PH Resorts Group Holdings, Inc.; Apex Mining Co., Inc.; Chelsea Logistics and Infrastructure Holdings Corp.;	President & CEO Chairman Independent Director Chairman
Cherylyn C. Uy	ISM Communications Corporation; PH Resorts Group Holdings, Inc.; Chelsea Logistics and Infrastructure Holdings Corp.	Director/Treasurer Director Treasurer

and the following Independent Directors have held directorships in other reporting companies for the last five (5) years:

Name of Director	Name of Reporting Company	Position Held
Nicasio I. Alcantara	ACR Mining Corporation. Alsons Consolidated Resources, Inc.	Chairman & President Chairman & President
Minoru Takeda	Showa Shell Sekiyu K.K.	Chairman

Period of Directorship in the Company

Name	Period of Service	Term of Office
Dennis A. Uy	since incorporation to present	1 year
Domingo T. Uy	since incorporation to present	1 year
Romeo B. De Guzman	since 2009 to present	1 year
J.V. Emmanuel De Dios	2007 to present	1 year

Cherylyn C. Uy	2004 to 2006, 2013 to present	1 year
Monico V. Jacob	2008 to present	1 year
Consuelo Ynares Santiago	2013 to present	1 year
Stephen T. CuUnjieng	January 15, 2018 to present	1 year
Henry Albert R. Fadullon	May 29, 2020 to present	1 year
Minoru Takeda	2019 to present	1 year
Nicasio I. Alcantara	2019 to present	1 year

Executive Officers

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

Henry Albert R. Fadullon, Filipino, 53 years of age, was appointed Chief Operating Officer of the Company on April 17, 2017. Prior to this, he served Shell Shared Services (Asia) B.V. as General Manager for its global businesses. He has over 25 years of experience in the petroleum industry, having held various roles at Pilipinas Shell Petroleum Corp., a decade of which were spent overseas with postings in Malaysia, Oman, and London. He has a wealth of experience in Retail and B2B performing a variety of frontline and functional roles leading into General Management positions. He completed his BS Industrial Management Engineering, minor in Mechanical Engineering, from De La Salle University.

Ma. Concepcion F. De Claro, Filipino, 63 years of age, holds a Bachelor of Science degree in Commerce, Major in Accounting from the Colegio de San Juan de Letran. She has been the Company's Chief Financial Officer since March 2018. She was Director of Alsons Prime Investment Corporation and Alsons Power Holdings Corporation and the Vice-President and Chief Operating officer of Alsons Corporation. She also served as the Director of Limay Energen Corporation and Manila North Harbour Port, Inc. Ms. de Claro also worked with Petron Corporation for several years. She was a Consultant for M&A Projects and a member of the Board of Trustees of Petron Corporation Employees Retirement Fund. She also served as Petron's Vice President for Corporate Planning & Services, Controller for the company and its subsidiaries, and held various positions in Corporate Planning. In addition, Ms. De Claro also served as a Director of New Ventures Realty Corporation, Las Lucas Development Corporation, Petron Marketing Corporation and Petron Freeport Corporation.

Alan Raymond T. Zorrilla, Filipino, 51 years of age, is the Senior Vice President for External Affairs, Business Development, and Security of the Company. Prior to his employment with the Company, he was Chief Legal Counsel of the Unioil Group of Companies where he headed the Legal, Human Resources, and Administrative Departments. He also served as Director for Freeport Services Corporation, a 100% subsidiary of Subic Bay Metropolitan Authority and was once a Legal Consultant of the Department of Environment and Natural Resources. Atty. Zorrilla was engaged in litigation practice with Pangilinan, Britanico, Sarmiento and Franco Law Offices before he entered corporate practice. He formerly worked as Corporate Legal Counsel of publicly-listed Fil-Estate Group of Companies in its Litigation and Labor Department. Atty. Zorrilla completed his law studies at the San Beda College of Law in 1994 and was admitted to the Philippine Bar in 1995. He also took up his masteral studies at the Ateneo Graduate School of Business. He is an Army Reservist and a concurrent Commander (Lt. Colonel) of the Philippine Coast Guard Auxiliary.

Charlie R. Valerio, Filipino, 53 years old, is the Chief Digital Officer. He also leads the IT group of parent company Udenna Group of Companies. Charlie has more than 20 years of in-depth exposure and experience in the Oil & Gas, Power Generation, and Fast-Moving Consumer Goods (FMCG) industries as well as a local conglomerate, having worked for Procter & Gamble for 7 years, Royal Dutch Shell for 14 years, and 5 years for First Gen Corporation and First Philippine Holdings in concurrent capacity. He was Chief Information Officer at First Gen Corp. and for First Philippine Holdings, leading IT for the conglomerate (composed of 11 companies covering 5 industries - power generation, manufacturing, real estate/property, health care, and construction). Charlie received his Bachelor of Science degree in Computer Science from De La Salle University. He is a certified Project Management Professional and completed several leadership trainings in Switzerland and Singapore.

Socorro T. Ermac-Cabreros, Filipino, 56 years old, is concurrently the Vice President for Corporate Legal and Corporate Secretary of the Company. She is also the Corporate Secretary of Phoenix Petroleum Holdings, Inc. Prior to joining the Company, she was a Legal Counsel of Philippine National Bank in Davao City. She has worked for the government such as the Office of the Ombudsman for Mindanao and later as Prosecutor for the Province of Davao del Norte after engaging in the private practice of law. She finished her law degree at the Ateneo de Davao University College of Law. She was President for the Davao City Chapter of the Integrated Bar of the Philippines, Davao City Chapter from 2009-2011 and President of the Davao Lady Lawyers Association from 2000-2002.

Jonarest Z. Sibog, Filipino, 40 years old, is the Asst. Vice President for Comptrollership. She joined the company in 2006, starting her career in Procurement which she headed for seven years before moving to Finance. She is a graduate of Ateneo de Davao University with a degree in Bachelor of Science in Accountancy. She finished her Masters in Business Administration at the University of Mindanao where she also earned a few units in LLB. She is a Certified Public Accountant and is currently a Board of Director of the Association of CPAs in Commerce and Industry (ACPACI) - Davao City Chapter

Richard C. Tiansay, Filipino, 57 years old, is the General Manager for Pricing and Demand. Mr. Tiansay has more than 22 years of experience in the oil industry covering domestic and international operations. His last position in

Royal Dutch Shell is as Global SAP IT Order to Cash Team Lead in London, U.K. This after being assigned to various key managerial positions not limited in the Philippines but as well as in a number in Asia Pacific and other countries. Mr. Tiansay completed his Bachelor of Science in Mechanical Engineering degree from the University of San Carlos, Cebu City.

Roy O. Jimenez, Filipino, 58 years of age is currently the General Manager for Commercial and Industrial Business. Prior to joining the Company he was connected with Chevron Phil. Inc for almost 30 years and handled various National and District Managerial positions, as well as supervisory positions for various trades such as Retail, Commercial/Industrial, Marketing Support, Liquefied Petroleum Gas and Lubricants. He also handled regional positions as a Programs Manager and has been the team lead for Philippines in various Chevron Regional projects. He was assigned as a District Manager covering various areas like North Metro Manila/North Luzon, Visayas and Mindanao. He is a licensed Mechanical Engineer and graduated from the University of Santo Tomas. He has MBA units in De La Salle University and attended various Leadership and Management programs in Asian Institute of Management, as well as in-house training programs of Chevron in Asia Pacific and South Africa.

Ericson S. Inocencio, Filipino, 46 years old, is the General Manager for Retail Business. Eric has more than 20 years of extensive experience in the petroleum industry. Prior to joining the Company, he was connected with Chevron Phils. where he held various positions primarily leading the Commercial and Industrial business as District Sales Manager for more than five(5) years and as concurrent National Fleet Cards Sales Manager. He has exposure in marketing support function in charge of developing and executing local & global process/programs which includes profitability modelling. He is a certified Mechanical Engineer from De La Salle University and attended his MBA at Ateneo Graduate School of Business.

Joven Jesus G. Mujar, Filipino, 50 years of age, is the General Manager for Lubricants Sales and Distribution Business. He joined Phoenix last May 4, 2015. He brought with Him twelve and a half years of pure lubricant experience from a major petroleum company holding various positions in sales, business development and marketing handling both B2C and B2B.Within those years, he had 2 years assignment in the Asia Pacific Region doing Channel Development Specialist work.

Maria Rita A. Ros, Filipino, 61 years old, is the Asst. Vice President for CME. Ms. Ros has more than thirty (30) years of experience in the oil industry covering materials management, supply chain management, production planning, imports-exports, warehousing and logistics. She held various positions in Petron Corporation from 1981 up to 2011 when she handled Biofuels and Special Projects, and Supply Optimization before joining Phoenix Petroleum in November 2013. She is a graduate of B.S. Chemical Engineering from the University of the Philippines, and is a licensed Chemical

Engineer, and took up Basic Management at the Asian Institute of Management.

Celina I. Matias, Filipino, 56 years old, is presently the Asst. Vice President for Brand and Marketing Group of the Company. Ms. Matias has more than 25 years of expertise on strategic marketing and client servicing. She honed her skills from Ogilvy & Mather and McCann Erickson and was a Partner at a local Ad Agency prior to joining Phoenix Petroleum. She handled over 25 local and global brands across different product categories from petroleum, telecoms, real estate, automotive, pharmaceutical and a lot more. She finished Communication Arts major in Advertising & Public Relations in Assumption College.

Celeste Marie G. Ong, Filipino, 52 years old, is currently the Asst. Vice President for Human Resources. Ms. Ong has more than 20 years of solid human resources management experience from local and multinational companies (Concrete Aggregates Inc., Van Melle Phils., Fujitsu Computer Products and Optodev, Inc.) Her expertise includes compensation management, talent acquisition, training and development, employee relations/engagement, benefits administration and HRIS. She finished A.B. Psychology from Pamantasan ng Lungsod ng Maynila and took her M.A. in Psychology at University of Santo Tomas. She completed the Essilor Management Training courses in Singapore & France.

Arnel G. Alban, Filipino, 53 years old, is currently the Asst. Vice President for Retail Operations and Network Development. In this capacity, Arnel likewise handles the optimization of the Company's real estate portfolio. He joined Phoenix in April 2018, moving from Total (Philippines) Corporation where he was Asst. Vice President for Retail Development and Compliance. He has solid 25 years of experience in the oil industry, starting out as a Business Counselor (or Retail Territory Manager) in 1993 at Caltex (Philippines), Inc. where he stayed for 5 years. In 1998, he moved to Total where he stayed for 20 years, moving in various Sales and Retail positions. Arnel is a licensed Civil Engineer and graduated from the University of the Philippines.

Jaime T Diago Jr., Filipino, 65 years old, joined Phoenix Petroleum in September 2018 as AVP Technical Service and QAPD. Prior to joining the Company, he was with Pilipinas Shell for 32 years holding the following key roles: Fuels Product Quality (PQ) Lead (PH & HK), Fuels PQ Manager (MEA), Fuels Technical Manager, Head Trading & Economics, Marketing Sales Manager, Commercial Development Manager and Lubricants Assistant Supply. Prior to his employment with Pilipinas Shell, Jimmy also had six years with Mobil Philippines where he served as Marketing Representative and Technical Service Engineer. Jimmy is a licensed Mechanical Engineer and graduated from Silliman University.

Joriz Tenebro, Filipino, 42 years old, is the General Manager for Joint Ventures. Prior to joining Phoenix in November 2018, he had 15 years of combined business and commercial finance experience with Shell in retail, trading, upstream and integrated gas covering Asia Pacific, Middle East, and Europe. His roles include retail territory management; reporting, planning and economics; finance management; M&A and New Business Development; and internal audit. He was based in Davao, Manila and a combined 10 years in Singapore and Dubai. Previous to Shell, he spent a total of 3 years as P&G Distributor Finance Manager and PwC Finance Auditor. Most of his key development training were in Shell Headquarters in the Netherlands and INSEAD France. He graduated from Ateneo de Davao University.

Magtanggol C. Bawal, Filipino, 59 years old, is the General Manager for Shared Services and is a Certified Public Accountant with 35 years of work experience in the oil industry, IT, and Services. Prior to joining Phoenix in 2017 as the FamilyMart's Chief Finance Officer, he was with Shell Shared Services (Asia) B.V. as Contracts & Procurement Operations Delivery Center Manager. Previously, he was IT consultant of Phoenix Petroleum; Chief Finance Officer and COO of Microsoft Phils.; and LPG Finance Manager at Pilipinas Shell Petroleum Corp. He earned a Bachelor of Science degree in Commerce, major in Accounting, from the University of Batangas, and took MBA classes at the DLSU Graduate School of Business.

Lester C. Khan, Filipino, 40 years old, the General Manager for Aviation Business; and Business Development, Strategies and Portfolio Unit is a driven sales and technical professional with nearly two decades of experience in the FMCG and oil/gas industry. Previously, he served as General Manager for both Pure Essence Inc. and Margarrett Enterprise Inc., which produce biodiesel and toll-packs for major FMCG companies. He started his career in Procter & Gamble where he was recognized for leading the reformulation and process development of the company's soap brands. In between his stints in manufacturing, he worked in Pilipinas Shell Petroleum Corp., handling Retail in South Mindanao. He is a licensed Chemical Engineer from the University of the Philippines Los Baños and a Six Sigma Green Belt Certified Practitioner. He completed his MBA studies at the Ateneo Graduate School of Business with Gold Honors.

Elmer A. Baguioro, Filipino, 48 years old, is the GM for LPG Trading. Before joining Phoenix in 2018, he worked for multinational corporations such as Procter & Gamble, Coca-Cola, and Royal Dutch Shell in over 20 years, performing various roles, including Global LPG Trader in the field of research and development, manufacturing, strategic infrastructure planning, logistics and supply chain planning and network optimization, and global LPG trading and chartering. He graduated Cum Laude at the University of St. La Salle Bacolod with a Bachelor of Science degree in Chemical Engineering and placed 7th in the Chemical Engineering Licensure Exams.

Bernard C. Suiza, Filipino, 53 years old, is the General Manager for Philippine FamilyMart. Bernard has 30 years of experience in network planning, marketing, and operations, having worked in industries from fuel to food. He joined Phoenix in 2017, and was previously with San Miguel Foods as its Area Sales Manager for North Luzon. He was formerly marketing director of Prominex Ventures, and General Manager of Emerging Channels Inc. where he handled marketing and distribution of food and non-food products. He spent 11 years in Pilipinas Shell Petroleum Corp. in various roles in retail, finance, network planning, and non-fuels retailing. Bernard graduated cum laude from the University of the Philippines with a degree in Business Administration, and obtained his MBA from UP in 2017.

Julgin Anthony G. Villanueva, Filipino, 36 years old, is the General Manager for LPG Luzon. Ton is a sales professional with over a decade of experience in selling and negotiation, account management, and business development. Before joining Phoenix in 2017, he was Head of the Mid and High-Rise Segment of Republic Cement Services, formerly Lafarge Cement Services Phils. He started his career at Pilipinas Shell Petroleum Corp., where he was assigned to the LPG business (Shellane LPG) for nine years in retail and industrial trades across the country. He is a graduate of De La Salle University with a degree in Management of Financial Institutions, and holds an MBA from the Ateneo Graduate School of Business where he graduated with first class honors.

Period of Service in the Company

Name	**Period of Service**
Henry Albert R. Fadullon	April 17, 2017 to present
Ma. Concepcion F. De Claro	May 1, 2018 to present
Charlie R. Valerio	March 1, 2019 to present
Socorro Ermac Cabreros	July 2, 2006 to present
Jonarest Z. Sibog	March 27, 2006 to present
Alan Raymond T. Zorrilla	April 1, 2009 to present
Richard C. Tiansay	March 1, 2013 to present
Ericson S. Inocencio	February 15, 2014 to present
Roy O. Jimenez	May 11, 2015 to present
Joven Jesus Mujar	May 4, 2015 to present
Ma. Rita A. Ros	November 1, 2013 to present
Celeste Marie G. Ong	July 2, 2012 to present
Celina I. Matias	July 2, 2012 to present
Arnel G. Ablan	April 16, 2018 to present
Jaime T. Diago, Jr.	September 3, 2018 to present
Joriz B. Tenebro	November 5, 2018 to present
Magtanggol C. Bawal	December 1, 2017 to present
Lester C. Khan	February 18, 2019 to present
Elmer A. Baguioro	August 1, 2018 to present
Bernard C. Suiza	August 16, 2017 to present
Julgin Anthony G. Villanueva	October 16, 2017 to present

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

A. Comparable discussion on Material Changes in Results of Operations for the YearEnded December 31, 2020 vs. December 31, 2019 (as re-stated).

Revenues, Cost of Sales and Gross Margins

The Group's **Revenues** during the year 2020 dropped to ₱78.300 billion, 20.0% lower compared to the ₱97.823 billion generated in 2019. This was mainly due to the decline in fuels prices as the average peso per liter price of petroleum products was lower by 36.2% (FY Average 2020 vs. 2019: P13.19 vs. P20.69). This was as a result of the combined effect of the 35.5% drop in the price of Dubai crude, the benchmark crude of Asian refineries,(FY Average US$/ bbl 2020 vs. 2019: US$42.24 vs. US$63.51) and the 4.2% appreciation of the peso relative to the U.S. dollar (FY Average 2020 vs. 2019 P:1US$ P49.64 vs. P51.80.

The drop in the value of petroleum products was partially mitigated, however, by the 31.6% growth in total volume sold for the comparative years (2020: 4,244 million liters vs. 2019: 3,226 million liters). The 1,018 million liters incremental sales volume came from the volume sold by its foreign-based subsidiaries (Pnx Singapore: Pnx Singapore – 1,294.3 million liters and Pnx Vietnam – 151.7 million liters). This was partly offset, however, by the 42% (427.5 million liters) decline in sales generated from domestic operations brought about by the slowdown in the domestic economy as a result of the pandemic.

Similarly, **Cost of Sales and Services** decreased by 17.9%, from ₱86.811 billion in 2019 to ₱71.252 billion in 2020, principally attributable to the decline in fuel prices but partially reduced by the volume growth .

Consequently, **Gross Margin** fell by 36.0% or ₱3.964 billion, largely on account of the volatility in the price of petroleum products and the slowdown in domestic volume.

Operating Expenses, Non-operating Expenses, Recurring Income

Meanwhile, the company's **Selling and Administrative Expenses** amounted to ₱5.801 billion, 11.0% less than the ₱6.518 billion 2019 level. However, considering the volume growth, opex per liter improved to ₱1.37 from ₱2.02as the company continued to implement cost-effective programs aimed to streamline its processes and reduce cost.

On the other hand, **Net Non-operating Charges** of ₱1.407 billion was ₱1.315 billion less than the ₱2.724 billion incurred in 2019. Part of the 48.3% reduction was the ₱0.802 billion decrease in interest expenses, ₱0.043 billion increase in the recognized fair value gains on investment properties, ₱0.273 billion increase in finance income, ₱0.078 billion increase in the equity share in the JV income and ₱0.119 billion increase in other income .

Operating, Net and Comprehensive Incomes

Operating Income in 2020 was lower by 72.3% at ₱1.244 billion compared to ₱4.494 billion in 2019, while **Net IncomeAfterTax**(NIAT) declined by 95.7% to ₱62.56 million from ₱1.444 billion in 2019.

Meanwhile, the company recorded a(₱0.087)billion translation adjustment loss related to Pnx SG's operations, 25.1%higher than the (₱0.070)billion loss recorded in 2019. The gain on revaluation of land amounting to ₱1.194 billion was 449.4% (₱0.977 billion)morethan ₱0.217recorded in 2019. As such, **Comprehensive Income** of ₱0.767billion, was 48.8%less than the ₱1.499billion reported in 2019.

Financial Condition

(As of December 31, 2020 versus December 31, 2019)

Consolidated Resources as of December 31, 2020 stood at ₱82.532billion, 5.1%lower than₱86.957billion level as of December 31, 2019. This was mainly due to the reduced inventory value as a result of the decline in the fuel prices.

Cash and Cash Equivalentsdecreased by 41.0% (from ₱9.811billion in December 31, 2019to ₱5.788billion as of December 31, 2020) as the company settled its loans as well as its trade payables and redeemed some of its preferred shares, net of the proceeds coming from new loans availed.

Trade and Other Receivablesincreased by 9.6% (from ₱15.973billion as of December 31, 2019to ₱17.514billion as of December 31, 2020)due to reclassification of certain non-current accounts.

Inventory was 59.2% lowerate₱4.769billion as of December31, 2020 compared to₱11.680billion as of December 31, 2019. This is due to drop in the prices of petroleum products, the slowdown of domestic volume and the inventory management initiatives to optimize the use of working capital.

As of December30, 2020, the Group's **Property and Equipment**, net of accumulated depreciation, increased to ₱32.708billion versus the ₱29.020billion as of December 31, 2019. The₱1.194 billion of the 12.9% growth represented the fair value appraisal of certain land properties of Duta leased by PLPI and the rest from carried-over expansion of the group.

Investment Properties was 122.1% higher at ₱0.596billion as of December 31, 2020, from ₱0.268billion as of December 31, 2019. The ₱0.328million increment mainly pertained to the market revaluation of the company's real estate estate properties leased to external customers in compliance with accounting standards.

Intangible Assets was 10.2% lower at ₱0.279billion as of December 31, 2020, from ₱0.310billion as of December 31, 2019 as a result of normal amortization.

Right of Use assets decreased to ₱0.793 billion as of December 31,2020 from ₱1.143 billion as of December 31,2019 resulting from normal depreciation and cancellation of several lease contracts during the pandemic.

Investment in Joint Ventures was 14.2% higher at ₱1.635billion as of December 31, 2020, from ₱1.433billion as of December 31, 2019 inclusive of the cumulative increase from the equity share in the JVs net income as well as the company's share in its new Joint Venture Agreements in line with its retail expansion program.

Deferred Tax Asset was 217.4% higher at ₱0.494billion as of December 31, 2020, from ₱0.156 billion as of December 31, 2016 coming from some subsidiaries reporting losses.

Interest-bearing Loans and Borrowings, both current and non-current of₱48.243billion as of December 31, 2020 decreased by 3.3%from₱49.896 billion as of December 31, 2019, mainly due to the settlement of debts, net of new loan availments.

Trade and Other Payables decreased by 23.1% from ₱11.842billion as of December 31, 2019to ₱9.107billion as of December 31, 2020, related to the timing and reduced value of purchases of petroleum products.

Deferred Tax Liabilities amounting to ₱1.054billion as of December 30, 2020increased by 40.8%versus the ₱0.748billion as of December 31, 2019, primarily related to the related fair value gains on land and investment properties.

Total Stockholders' Equity decreased to ₱21.161billion as of December 31, 2020 from ₱21.923billion as of December 31, 2019, (by 3.5%). The decrease in Capital Stock and Additional Paid-in Capital is a result of the redeemed ₱1.25 billion PNX 3A Preferred Shares and the sale of ₱0.334 Treasury Shares. The 7.8% decline in retained earnings came from the ₱0.063billion net income realized in 2020, but offset by the payment of dividends on both Common and Preferred shares, partially offset by the increase in the Revaluation Reserves coming from the Other Comprehensive Income component of the Fair Value Gains of certain assets.

Key Performance Indicators and Relevant Ratios

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

	December 31, 2020	**December 31, 2019 (re-stated)**
Current Ratio[1]	0.85x :1x	0.84x :1x
Debt to Equity Ratio[2]	2.87x : 1x	2.95x : 1x
Net Book Value per Share[3]	₱9.48	₱9.19
Earnings per Share[4]	(₱0.34)	₱0.57

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

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

The Interest Bearing Debt to Equity ratio improved in 2020 due to the decline in overall debt level. Current ratio was meanwhile, stable from the previous year amidst the pandemic. The negative earnings per share was largely a result of the losses incurred in the first three quarters of the year.

Material (5% or more) Changes to the Group's Balance Sheet as of December30, 2020 vs. December 31, 2019

41% decrease in Cash and Cash Equivalents
Settlement of matured debts and preferred shares, net of new loans availed.

10% increase in Trade and Other Receivables
Reclassification of certain non-current accounts as these became current.

59% decrease in Inventories
Decline in petroleum product prices.

1,455% increase in Due from Related Party
Currently booked as Advances to JVs pending completion of documentation.

100% decrease in Restricted Deposits
Restrictions lifted.

31% increase in Prepayments and other current assets
Primarily from the CWTs which the subsidiaries reporting losses can not apply.

13% increase in PPE
Fair value appraisal of certain land properties of Duta leased by PLPI and carried-over expansion projects.

122% increase in Investment Properties
Appraisal of Land, classified as investment properties

31% decrease in Right of Use Asset
Cancellation of several lease agreements due to the pandemic.

10% decrease in Intangible Asset
In line with normal amortization

14% increase in Investment in Joint Ventures
Due to the company's share in the Net Income and the additional Joint Venture Agreements entered into during the year.

217% increase in Deferred Tax Assets
Coming from some subsidiaries reporting losses.

22% decrease in Interest Bearing Loans- Current
Settlement of maturing debts during the year.

23% decrease in Trade Payables
In relation to the decline in the petroleum products prices.

100% increase in Derivative Financial Liabilities
Related to the forward contracts entered into by PNX SG

11% decrease in Lease Liabilities - Current
Due to the cancellation and re-structuring of certain lease contracts.

14% increase in Income Tax Payable
Net of the offset against creditable withholding taxes allowable for application for subsidiaries reporting net income.

57% increase in Interest Bearing Loans - Non-current
Resulted refinancing of short term liabilities with long-term loans.

23% decrease in Lease Liability – Non-current
Cancellation and restructuring of several leased contracts.

41% increase in Deferred Tax Liability
Coming from the fair value gains of certain properties.

39% increase in Other Non-current liabilities
Increase in Customer Cylinder Deposits, Cash Bonds, Security Deposits, Unearned Rent and Post- employment benefit obligation.

30% increase in Capital Stock
Due to the re-issuance of treasury shares net of the redeemed PNX3A Preferred Shares.

10% decrease in Additional Paid-in Capital
Reduction from the APIC related to PNX3APreferred Shares

55% increase in Revaluation Reserves
Movements coming from the Other Comprehensive Income items namely translation adjustment, fair value gains net of deferred income tax and retirement benefit obligations.

8% decrease in Retained Earnings
Decrease from the dividends declared and distributed,and net income after tax during the year.

Material (5% or more)changes to the Group's Income Statement as of December30, 2020 vs. December30, 2019

20% decrease in Sale of Goods
Mainly due to the decline in petroleum prices.

16% increase in fuel service and other revenue
Driven by the increased PNX SG business.

12% increase in rent income

Related to PPPI's new operating sites and non-fuel related businesses.

18% decrease in Cost of Sales and Services

This mirrors the decrease in the sale of goods following the downward price movements in the world market in 2020 compared to 2019.

11% decrease in Selling and Admin Expenses

As a result of the Company's effort to reduce expenses in response to the impact of the pandemic.

28% decrease in Finance Costs

As a result of the decreased interest-bearing loans.

316% increase in Finance Income

Net realized and unrealized forex gains as well as PNX SG's forward contract gains.

9,119% increase in Fair Value Gains on Investment Properties

Fair value gains on investment properties leased to third party customers.

475% increase in Equity Share in Net Income of a Joint Venture

This is the net share from all the operating Joint Ventures during the year.

986% increase in Other income

From other nun-fuel related businesses, gain on reversal of impairments, contract terminations.

167% decrease in Tax Expense

Due to the decrease in consolidated net income before tax.

25% increase in Translation Adjustments Loss

Due to the increased forex exposure on the increased transactions of the foreign denominated subsidiary.

449% increase in Gain in Revaluation of Land (OCI)

Related to the gain in the investment properties of Duta being leased to PLPI.

60% increase in Remeasurement of Post-Employment Benefit Obligation Loss (OCI)

Based on the actuarial valuation.

537% increase in Tax Expense (OCI)

Net effect of the increase in Gain in Revaluation of Land and Remeasurement of Post-employment Benefit Obligation Loss under Other Comprehensive Income (OCI)

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

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

Revenues, Cost of Sales and Gross Margins

The Group's **Revenues** in 2019 grew to ₱97.823 billion, 10.4% higher compared to the ₱88.611 billion generated in 2018. This was mainly due to the 19.8% growth in total volume sold for the comparative years to 3,259 million liters in 2019 from 2,720 million liters in 2018. This was augmented by the ₱1.185 billion sales contributed by Philippine Family Mart CVS, Inc. (PFM) and ₱113 million sales contributed by Action Able, Inc. On the other hand, 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 starting January 2019, the average price of petroleum products was lower as a result of the 8.7% drop in the price of Dubai crude average, which is the benchmark crude of Asian refineries, from US$63.15/ bbl to US$69.13/bbl.

Of the 579 million liters incremental sales volume in 2019, 56% came from the volume sold by foreign-based subsidiaries namely, Pnx Singapore and Pnx Vietnam, which contributed 237.5 million liters and 88.6 million liters, respectively. Domestic operations accounted for the remaining 44%.

Similarly, **Cost of Sales and Services** increased by 10.1%, to ₱86.811 billion in 2019 from ₱78.838 billion in 2018, as sales volume grew.

Higher sales volume likewise drove **Gross Profit** higher by 12.7% to ₱11.012 billion in 2019 from ₱9.772 billion in 2018.

Operating Expenses, Non-operating Expenses, Recurring Income

The Group's **Selling and Administrative Expenses, or Operating Expenses (OPEX),** were higher by 13.5% at ₱6.514 billion in 2019 from ₱5.742 billion in 2018. However, OPEX per unit liter improved to ₱1.97 from ₱2.11 as the Company continued to implement cost-effective programs to streamline its processes and reduce cost.

The Company's **Net Non-Operating Charges** reached ₱2.652 billion in 2019, which was ₱1.996 billion more than the ₱0.656 billion incurred 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 following also drove changes to the net non-operating charges: 1) ₱0.553 billion decrease in the recognized fair value gains on investment properties from ₱0.625 billion in 2018 ; 2) ₱0.013 billion decrease in finance income from ₱0.073 billion; and 3) ₱0.009 billion increase in equity share in the JV income from ₱0.007 billion in 2018.

Operating, Net and Comprehensive Incomes

Notwithstanding the increase in operating expenses, **Operating Income** grew by 11.6% to ₱4.498 billion in 2019 from ₱4.030 billion in 2018. However, with the rise in Net Non-Operating Charges, **Net Income Before Tax** (NIBT) declined by 45.3% decline to ₱1.846 billion in 2019 from ₱3.374 billion in 2018. **Net Income After Tax** (NIAT) was lower subsequently lower by 46.2% at ₱1.487 billion from ₱2.767 billion in 2018.

Meanwhile, the Company recorded a ₱0.073 billion translation adjustment charge related to Pnx SG's operations compared to the₱0.029 income recorded in 2018. The gain on revaluation of land amounting to ₱0.145 billion was 87.4% lower than ₱1.149 billion recorded in 2018. As such, **Comprehensive Income** was 59.0% lower at of ₱1.487 billion in 2019 versus ₱3.625 billion in 2018.

Financial Condition
(As of December 31, 2019 versus December 31, 2018)

Consolidated resources as of December 31, 2019 stood at ₱86.950 billion, 34.5% higher than ₱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, increase in Receivable, Cash and Cash Equivalents, Prepayments and Deposits and Input VAT.

Cash and Cash Equivalents increased by 24.3% to ₱9.811 billion as of December 31, 2019 from ₱7.890 billion as of December 31, 2018 as the company intensified its collection efforts.

Similarly, **Trade and Other Receivables** increased by 6.3% to ₱15.973 billion as of December 31, 2019 from ₱15.031 billion as of December 31, 2018 in line with the increase in revenue, which was mainly driven by higher sales volume.

Inventory was 4.9% higher at ₱11.680 billion as of December 31, 2019, almost of the same level as the ₱11.135 billion as of December 31, 2018.

As of December 31, 2019, the Group's **Property and Equipment**, net of accumulated depreciation, increased to ₱27.383 billion versus the ₱18.715 billion as of December 31, 2018. The 46.3% growth represented the value of the assets of the newly acquired subsidiaries, as well as the continuing expansion program of the group.

Investment Properties was 9.8% higher at ₱1.909 billion as of December 31, 2019 from ₱1.739 billion as of December 31, 2018. The ₱0.170 million increment mainly pertained to the market revaluation of the company's real estate properties in compliance with accounting standards.

Intangible Assets was 5.4% lower at ₱0.310 billion as of December 31, 2019 from ₱0.328 billion as of December 31, 2018 in line with normal amortization.

Right of Use assets amounting to ₱1.143 billion is a new account related to the implementation of PFRS 16 effective January 1, 2019.

Investment in Joint Ventures was 214.8% higher at ₱1.433 billion as of December 31, 2019, from ₱0.455 billion as of December 31, 2018 as the company entered into Joint Venture Agreements in line with its retail expansion program.

Goodwill was 4.3% higher at ₱0.213 billion as of December 31, 2019 from ₱4.419 billion as of December 31, 2018 as a result of the acquisition of Origin LPG (Vietnam) LLC by PNX Vietnam, a subsidiary of PNX Energy Investments, which in turn is a wholly-owned subsidiary of the Company.

Deferred Tax Asset was 5.6% higher at ₱0.156 billion as of December 31, 2019 from ₱0.147 billion as of December 31, 2018 coming from subsidiaries reporting losses.

Other Non-current Assets was 378.7% higher at ₱7.638 billion as of December 31, 2019 from ₱1.596 billion as of December 31, 2018 as the company entered into Contract to Sell agreements in connection to the purchase of certain real estate properties.[CFC1] [JZS2]

Interest-bearing Loans and Borrowings, both current and non-current of ₱49.896 billion as of December 31, 2019 increased by 25.1% from ₱39.900 billion as of December 31, 2018, 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.

Trade and Other Payables increased by 58.8% from ₱7.435 billion as of December 31, 2018 to ₱11.806 billion as of December 31, 2019 related to the timing of purchases of petroleum products, especially for Pnx SG.

Deferred Tax Liabilities amounting to ₱0.748 billion as of December 31, 2019, increased by 18.4% as the ₱0.632 billion as of December 31, 2018, primarily related to the first time recognition of right-of-use asset in compliance to PRFS 16.

Total Stockholders' Equity increased to ₱21.948 billion as of December 31, 2019, which was higher by 37.4% from ₱15.974 billion as of December 31, 2018. This increase was primarily from the higher Capital Stock and Additional Paid-in Capital resulting from the release of ₱7 billion PNX4 Preferred shares, net of the redeemed ₱1.5 billion privately placed with RCBC Capital Corporation. Further contributing to the higher Stockholders' Equity was the 14.0% growth in retained earnings coming from the ₱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.

Key Performance Indicators and Relevant Ratios

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

	December 31, 2019	**December 31, 2018**
Current Ratio[1]	0.8x : 1x	1.1x : 1x
Debt to Equity Ratio[2]	3.0x : 1x	3.0x : 1x
Debt to Equity Interest-Bearing[3]	2.3x : 1x	2.5x : 1x
Net Book Value per Share[4]	₱9.37	₱8.68
Earnings per Share[5]	₱0.60	₱1.72

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

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

Material (5% or more) Changes to the Group's Balance Sheet as of December 30, 2019 vs. December 31, 2018

24% increase in Cash and Cash Equivalents
Release of ₱7 billion PNX4 Preferred Shares net of the settlement of matured debts.

6% increase in Trade and Other Receivables
In relation to increase and timing of revenue generated.

100% decrease in Due from Related Party
Offset against payment for properties leased with option to purchase as well as acquired properties.

91% increase in Input VAT Net
Primarily from the deferred input VAT on Property, Plant, and Equipment.

178% increase in Prepayments and other current assets.
Primarily from the increase of PNX SG's marginal deposit and creditable withholding taxes.
46% increase in Property, Plant, and Equipment
Due to new acquisitions and construction of new retail and depot facilities.

10% increase in Investment Properties
Due to new acquisitions, improvements and appraisal of Land classified as investment properties.

100% increase in Right of Use Asset
First time adoption of PFRS 16 – leases.

5% decrease in Intangible Asset
Normal amortization

215% increase in Investment in Joint Ventures
Due to the additional Joint Venture Agreements entered into during the period.

379% increase in Non-current Assets
Due to the increase in security and rent deposit for leases and rentals as well as the deposits made for the purchase of certain properties.

45% increase in Interest Bearing Loans- Current
Due to the Long Term Contracts maturing within 12 months from December 30, 2019, including additional short-term loans and trust receipts.

59% increase in Trade Payables
In relation to the inventory level and Trust Receipt Bookings classified as Interest-Bearing Loans-current

100% increase in Derivative Financial Liabilities
Related to the forward contracts entered into by PNX SG

100% increase in Lease Liabilities - Current
The current portion of the Lease Liability related to PFRS 16

50% decrease in Income Tax Payable
Net of the offset against creditable withholding taxes applied and the 46% decline in net income before tax.

14% decrease in Interest Bearing Loans - Non-current
Net of the settled and maturing in the next 12 months after December 31, 2019.

100% increase in Lease Liability
First time adoption of PFRS 16

51% increase in Non-current liabilities
Increase in Customer Cylinder Deposits, Cash Bonds, Security Deposits, Unearned Rent and Post- employment benefit obligation.

66% increase in Additional Paid-in Capital
Due to the issuance ₱7 billion PNX4 Preferred Shares, net of the ₱2 billion redemption

295% decrease in Accumulated Translation Adjustments
Due to increased transaction of the foreign currency denominated subsidiary, PNX Singapore.

14% increase in Retained Earnings
From the Net Income After Tax generated in 2019 net of the dividends declared and distributed during the year.

Material (5% or more)changes to the Group's Income Statement as of December 30, 2019 vs. December 30, 2018

10% increase in Sale of Goods
Due to the revenues coming from the new subsidiaries namely; PFM, AAI, PNX SG and PNX Energy as well as the 19.8% growth in overall volume sales. The Parent recorded a 10.9% improvement on its volume sold this year, while volume from foreign sales increased by 25.2% compared to the same period last year.

46% increase in fuel service and other revenue
This is due increase in into-plane services and other non-fuel related businesses as well as revenues from Action Able, Inc. (AAI).

10% increase in Cost of Sales and Services
This mirrors the increase in the sale of goods, reflecting the price movements in the world market during the year, which were higher compared to the same period in 2018. The increase in excise tax rates on petroleum products also contributed to the increase.

13% increase in Selling and Admin Expenses
Related to the Company's growth and expansion.

88% decrease in Gain in Revaluation of Land (OCI)
Regular full year revaluation was made in 2019.

16% increase in Remeasurement of Post-Employment Benefit Obligation (OCI)
Result of the actuarial valuation.

91% decrease in Tax Expense (OCI)
Net effect of the decrease in Gain in Revaluation of Land and Remeasurement of Post-employment Benefit Obligation under Other Comprehensive Income (OCI)

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

C. Comparable discussion on Material Changes in Results of Operations for the Year Ended December 31, 2018 vs. December 31, 2017.

Revenues, Cost of Sales and Gross Margins

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

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

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

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

Operating Expenses, Non-operating Expenses, Recurring Income

Meanwhile, Selling and Administrative Expenses of ₱5.741 billion, up by 36% versus the ₱4.134 billion incurred in 2017, primarily because of the cost outlay of the new businesses.

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

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

Non-recurring Transactions and Net Income

Meanwhile, the company recorded non-recurring transactions, principally as a result of the excess of the fair value over the acquisition cost of the Investment Properties amounting to ₱0.650 billion in 2017. In 2018, the fair value increment of ₱0.625 billion.

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

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

Financial Condition

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

Total resources of the Group as of December 31, 2018 stood at ₱64.600 billion, a 46% growth compared to the ₱44.173 billion level as of December 31, 2017. This was mainly due to the increases in Property, Plant, and Equipment, including the revaluation of the Land Assets and Goodwill, the latter of which was incurred in relation to the acquisition of Philippine FamilyMart CVS, Inc. and Action Able, Inc.

As a result of the doubling of revenues, Cash and Cash Equivalents as well Trade and Other Receivables rose by 331% (from ₱1.832 billion in December 31, 2017 to ₱7.890 billion as of December 31, 2018), and 95% (from ₱7.509 billion as of December 31, 2017 to ₱15.031 billion as of December 31, 2018), respectively.

Inventories declined by 10% to ₱11.135 billion as of December 31, 2018, from ₱12.970 billion as of December 31, 2017. The build-up in December 2017 was brought about by the confluence of the following factors: to address the new businesses such us LPG with the purchase of PEPI, operation of Pnx SG and the volume requirements of the new accounts, higher price of imported petroleum products as a result of movement of prices in the international market, and the decrease in the demand for IFO by the power companies.

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

Interest-bearing Loans and Borrowings, both current and non-current, was up by 42% from ₱28.171 billion as of December 31, 2017 to ₱39.900 billion as of December 31, 2018. The increment of ₱11.728 billion was from the availment of new loans to service the working capital requirements of the new businesses, the bulk of which by PNX SG, as well as the company's various capital expenditures.

Trade and Other Payables increased by 107% from ₱3.584 billion as of December 31, 2017 to ₱7.435 billion as of December 31, 2018 due to the additional trade transactions of the new subsidiaries.

Total Stockholders' Equity increased to ₱15.974 billion as of December 31, 2018 from ₱11.683 billion as of December 31, 2017, (by 37%) resulting from the earnings generated and non-recurring gains during the year. This was partly offset by the declaration of cash dividends for both common and preferred shares. In addition, new stocks were issued in relation to the Company's Employee Stock Option Plan (ESOP).

Key Performance Indicators and Relevant Ratios

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

	December 31, 2018	**December 31, 2017**
Current Ratio[1]	1.1x : 1x	1.2x : 1x
Debt to Equity Ratio[2]	3.0x : 1x	***2.8x : 1x***
Net Book Value per Share[3]	₱8.53	₱8.33
Debt to Equity Interest-Bearing[4]	2.5x : 1x	2.4x : 1x
Earnings per Share[5]	***₱1.72***	***₱0.96***

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

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

Per Share). Likewise, these ratios are used to compare the Group's performance with similar companies.

Material (5% or more) Changes to the Group's Balance Sheet as of December 31, 2018 vs. December 31, 2017

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

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

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

81% increase in Due from related parties
In line with the plan of the company to further expand its operations in Luzon, the company advance funds to CISC to enable the latter to upgrade and improve wharf facilities, which will redound to the benefit and improve the company's supply operations.

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

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

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

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

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

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

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

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

38% decrease in Deferred Tax Assets
Due to increase in accrued revenues

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

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

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

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

181% increase in Deferred Tax Liabilities
Increase due the deferred taxes computed on the Fair Value Increment from Investment Property and Land Assets.

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

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

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

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

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

Material (5% or more)changes to the Group's Income Statement as of December 31, 2018 vs. December 31, 2017

99% increase in Sale of Goods
Due to the revenues coming from the new subsidiaries namely; PLPI, Duta Group, PFM and Pnx SG, coupled with, higher fuel prices (by 30[JZS1] %) and additional volume sold relative to last year (by 49%). The parent company recorded an 8% improvement on its volume sold this year.

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

106% increase in Cost of Sales and Services

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

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

70% increase in Finance Costs
A substantial portion represents interest from the P6B loan used to acquire Petronas during the last quarter of 2017.

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

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

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

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

100% increase in Revaluation of Land
This is the result of the appraisal of the Land Assets of PPPI.

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

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

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

III. EXTERNAL AUDIT FEES

(please refer to pages 33-34 of the Information Statement - form 20-IS)

IV. Brief Description of the general nature and scope of the Business of the Registrant and its subsidiaries
(please refer to pages 1-5 of this Management Report)

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

(1) **Market Information**

The Company's common shares were listed and traded at the Philippine Stock Exchange ("PSE") starting on July 11, 2007. The high and low sale prices of each period for years First Quarter of 2021, Fiscal Year 2020 and Fiscal Year 2019 are hereunder shown:

2021
<u>PNX</u>

Period	Highest Close Price	Lowest Close Price
First Quarter	12.86	10.78

2020
<u>PNX</u>

Period	Highest Close Price	Lowest Close Price
First Quarter	12.00	09.64
Second Quarter	12.00	10.18
Third Quarter	11.44	11.00
Fourth Quarter	14.88	11.10

2019
<u>PNX</u>

Period	Highest Close Price	Lowest Close Price
First Quarter	12.30	10.70
Second Quarter	12.30	11.76
Third Quarter	12.20	10.44
Fourth Quarter	11.94	10.98

As of 31 March, 2021, the Company's closing share price is at Php 11.28, with a market capitalization of approximately Php16,240,811,256.96.

__Preferred Shares__

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

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

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

> Series 3A (PNX3A) is entitled to an Optional Redemption on the 3rd Anniversary of the Listing Date and is subject to a Step-Up Dividend Rate on the 5th anniversary of the Listing Date and was eventually redeemed on December 18, 2020; and
>
> Series 3B (PNX3B) is entitled to an Optional Redemption on the 5th anniversary of the Listing Date and is subject to a Step-Up Dividend Rate on the 7th anniversary of the Listing Date.

The 4th tranche of preferred shares (PNX4) of the Company consisting of 7,000,000 preferred shares was granted by the Securities and Exchange Commission (SEC) a Certificate of Permit to Offer Securities for Sale covering such shares on October 21, 2019 and listed with the Exchange on November 7, 2019.

The high and low sale prices for each period of PNX3A, PNX3B and PNX4 shares for the year **2020 and 2019,** as well as for the **First Quarter of 2021** are hereunder shown:

2020
__Series 3A (PNX3A)__

Period	**Highest Close Price**	**Lowest Close Price**
First Quarter	102.50	98.70
Second Quarter	102.00	98.00
Third Quarter	102.00	96.45
Fourth Quarter	101.90	98.00

2019
__Series 3A (PNX3A)__

Period	**Highest Close Price**	**Lowest Close Price**
First Quarter	102.00	98.75
Second Quarter	104.00	99.00
Third Quarter	102.00	99.50
Fourth Quarter	102.30	100.00

2021
Series 3B (PNX3B)

Period	Highest Close Price	Lowest Close Price
First Quarter	108.00	101.00

2020
Series 3B (PNX3B)

Period	Highest Close Price	Lowest Close Price
First Quarter	109.70	100.00
Second Quarter	107.00	100.00
Third Quarter	109.00	100.00
Fourth Quarter	105.50	101.90

2019
Series 3B (PNX 3B)

Period	Highest Close Price	Lowest Close Price
First Quarter	108.00	103.00
Second Quarter	107.00	102.00
Third Quarter	110.00	103.70
Fourth Quarter	110.00	103.10

2021
Series 4 (PNX4)

Period	Highest Close Price	Lowest Close Price
First Quarter	1,019.00	987.50

2020
Series 4 (PNX4)

Period	Highest Close Price	Lowest Close Price
First Quarter	1,054.00	990.00
Second Quarter	1,010.00	993.00
Third Quarter	1,035.00	940.00
Fourth Quarter	1,007.00	947.00

2019
Series 4 (PNX4)

Period	Highest Close Price	Lowest Close Price
Fourth Quarter	1,054.00	1,014.00

(1) **Holders**

Top 20 Stockholders of Common Shares
As of March 31, 2021

#	NAME OF STOCKHOLDERS	OWNERSHIP (in %)	OUTSTANDING & ISSUED SHARES
1	PHOENIX PETROLEUM HOLDINGS INC.	40.91	588,945,630
2	ES CONSULTANCY GROUP, INC.	23.63	340,270,980
3	UDENNA CORPORATION	18.56	267,245,918
4	PCD NOMINEE CORPORATION (FILIPINO)	10.63	153,017,173
5	PCD NOMINEE CORPORATION - (NON-FILIPINO)	4.38	63,104,976
6	UDENNA MANAGEMENT & RESOURCES CORP.	0.81	11,661,195
7	DENNIS A. UY	0.39	5,620,811
8	JOSELITO R. RAMOS	0.33	4,812,600
9	UDENCO CORPORATION	0.11	1,614,787
10	DENNIS A. UY &/OR CHERYLYN C. UY	0.07	1,098,060
11	DOMINGO T. UY	0.04	645,919
12	ERIC U. LIM OR CHRISTINE YAO LIM	0.02	319,000
13	MARJORIE ANN LIM LEE OR PAULINE ANN LIM	0.02	300,000
14	EDWIN U. LIM OR GENEVIEVE LIM	0.02	300,000
15	ZENAIDA CHAN UY	0.01	149,058
16	REBECCA PILAR CLARIDAD CATERIO	0.01	148,453
17	SOCORRO ERMAC CABREROS	0.007	103,316
18	IGNACIA S. BRAGA IV	0.005	71,019
19	EMERICK JEFFERSON SY GO &/OR GIRLIE NG GO	0.005	64,592
20	RODOLFO B. APILADO	0.005	53,235

Preferred Shares

The holders of the preferred shares 3rd tranche and Series 4 of the Company as of 31 March 2021 are as follows:

3rd Tranche

PNX3B (Series B)

COMPANY NAME : PHOENIX PETROLEUM PHILS, INC. - PRF3

LIST OF TOP 100 STOCKHOLDERS
As of March 31, 2021

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES (PARTIALLY PAID)	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL
PCD NOMINEE CORPORATION (FILIPINO)	7,459,460	0	7,459,460	99.459
PCD NOMINEE CORPORATION (NON-FILIPINO)	27,930	0	27,930	0.372
KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILS., INC.	6,910	0	6,910	0.092
ANTONIO T. CHUA	5,700	0	5,700	0.076
GRAND TOTAL (4)	7,500,000	0	7,500,000	

Series 4

PNX4

COMPANY NAME : PHOENIX PETROLEUM PHILS, INC. - PRF3

LIST OF TOP 100 STOCKHOLDERS
As of March 31, 2021

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES (PARTIALLY PAID)	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL
PCD NOMINEE CORPORATION (FILIPINO)	7,459,460	0	7,459,460	99.459
PCD NOMINEE CORPORATION (NON-FILIPINO)	27,930	0	27,930	0.372
KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILS., INC.	6,910	0	6,910	0.092
ANTONIO T. CHUA	5,700	0	5,700	0.076
GRAND TOTAL (4)	7,500,000	0	7,500,000	

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

(3) Dividends

The Company's dividend policy is to declare dividends of up to 20% of the Company's net income of the previous year after appropriation. This will be taken out of the Company's unrestricted retained earnings.

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

History of Dividend Income Payment

1. Company

    a. Dividends on Common Shares

Date Declared	Dividend Rate	Record Date	Payment Date	Total Amount
March 14, 2019	Cash Dividend of ₱0.15 per share	April 8, 2019	May 8, 2019	₱210,495,634.80
January 25, 2018	Cash Dividend of ₱0.15 per share	Apr 2, 2018	April 26, 2018	₱207,954,037.36
January 25, 2017	Cash Dividend of ₱0.10 per share	March 30, 2017	April 27, 2017	₱136,468,719.08
March 18, 2016	Cash Dividend of ₱0.08 per share	April 05, 2016	April 29, 2016	₱114,302,178.56
March 4, 2015	Cash Dividend of ₱0.05 per share	March 18, 2015	April 16, 2015	₱71,438,861.60
January 29, 2014	Cash Dividend of ₱0.10 per share	March 17, 2014	April 11, 2014	₱142,877,723.20
January 24, 2013	30% Stock Dividend	May 15, 2013	June 10, 2013	₱329,717,232.00
	Cash Dividend of ₱0.10 per share	April 11, 2013	May 8, 2013	₱103,605,941.60

    b. Cash Dividend on Preferred Shares

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

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

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

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

2nd Tranche				
Date Declared	Dividend Rate	Record Date	Payment Date	Total Amount
Nov. 7, 2018	₱2.0625 per share	Nov. 23, 2018	Dec. 20, 2018	₱10,312,500.00
Aug 6, 2018	₱2.0625 per share	Aug 24, 2018	Sep. 20, 2018	₱10,312,500.00
May 7, 2018	₱2.0625 per share	May 24, 2018	June 20, 2018	₱10,312,500.00
Feb, 2018	₱2.0625 per share	Feb 22, 2018	Mar. 20, 2018	₱10,312,500.00
Nov. 6, 2017	₱2.0625 per share	Nov. 23, 2017	Dec. 20, 2017	₱10,312,500.00
Aug 3, 2017	₱2.0625 per share	Aug. 24, 2017	Sep. 20, 2017	₱10,312,500.00
May 4, 2017	₱2.0625 per share	May 24, 2017	June 20, 2017	₱10,312,500.00
Feb 6, 2017	₱2.0625 per share	Feb 22, 2017	Mar. 20, 2017	₱10,312,500.00
Nov 7, 2016	₱2.0625 per share	Nov 2016	Dec. 2016	₱10,312,500.00
Aug 10, 2016	₱2.0625 per share	Aug 24, 2016	Sep. 20, 2016	₱10,312,500.00
May 11, 2016	₱2.0625 per share	May 26, 2016	June 20, 2016	₱10,312,500.00
March 10, 2016	₱2.0625 per share	Feb 23, 2016	Mar. 21, 2016	₱10,312,500.00
Nov 10, 2015	₱2.0625 per share	Nov. 26, 2015	Dec. 20, 2015	₱10,312,500.00
Aug 10, 2015	₱2.0625 per share	Aug. 25, 2015	Sep. 21, 2015	₱10,312,500.00
May 12, 2015	₱2.0625 per share	May 12, 2015	June 22, 2015	₱10,312,500.00
Feb 6, 2015	₱2.0625 per share	Feb. 24, 2015	Mar. 20, 2015	₱10,312,500.00
N/A	₱2.0625 per share	N/A	Dec. 22, 2014	₱10,312,500.00
N/A	₱2.0625 per share	N/A	Sep. 22, 2014	₱10,312,500.00
N/A	₱2.0625 per share	N/A	June 20, 2014	₱10,312,500.00
N/A	₱2.0625 per share	N/A	Mar. 20, 2014	₱10,312,500.00

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

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

Series 3A (PNX3A) was redeemed last December 18, 2020 at a redemption price of Php100.00.

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

3rd Tranche PNX3A				
Date Declared	Dividend Rate	Record Date	Payment Date	Total Amount
Nov. 6, 2020	₱1.857 per share	Nov. 20, 2020	Dec. 18, 2020	₱23,212,500.00
Aug. 6, 2020	₱1.857 per share	Aug.24, 2020	Sep. 18, 2020	₱23,212,500.00
May 4, 2020	₱1.857 per share	May 22, 2020	June 18, 2020	₱23,212,500.00
Feb. 5, 2020	₱1.857 per share	Feb. 20, 2020	March 18, 2020	₱23,212,500.00
Nov. 6, 2019	₱1.857 per share	Nov. 22, 2019	Dec. 18, 2019	₱23,212,500.00
Aug. 5, 2019	₱1.857 per share	Aug. 22, 2019	Sep. 18, 2019	₱23,212,500.00
May 6, 2019	₱1.857 per share	May 22, 2019	June 18, 2019	₱23,212,500.00
Feb. 4, 2019	₱1.857 per share	Feb. 19, 2019	March 18, 2019	₱23,212,500.00
Nov. 7, 2018	₱1.857 per share	Nov. 21, 2018	Dec. 18, 2018	₱23,212,500.00
Aug. 6, 2018	₱1.857 per share	Aug. 22, 2018	Sep. 18, 2018	₱23,212,500.00
May 7, 2018	₱1.857 per share	May. 22, 2018	June 18, 2018	₱23,212,500.00
Feb. 5, 2018	₱1.857 per share	Feb. 21, 2018	Mar 19, 2018	₱23,212,500.00
Nov. 3, 2017	₱1.857 per share	Nov. 23, 2017	Dec. 18, 2017	₱23,212,500.00
Aug. 2, 2017	₱1.857 per share	Aug. 24, 2017	Sep. 16, 2017	₱23,212,500.00
May 3, 2017	₱1.857 per share	May 24, 2017	June 19, 2017	₱23,212,500.00
Feb. 13, 2017	₱1.857 per share	Feb. 22, 2017	Mar. 20, 2017	₱23,212,500.00
Nov. 7, 2016	₱1.857 per share	Nov. 22, 2016	Dec. 19, 2016	₱23,212,500.00
Aug. 10, 2016	₱1.857 per share	Aug. 23, 2016	Sep. 19, 2016	₱23,212,500.00
May 11, 2016	₱1.857 per share	May. 25, 2016	June 21, 2016	₱23,212,500.00
Mar.10, 2016	₱1.857 per share	Feb. 23, 2016	Mar 18, 2016	₱23,212,500.00

3rd Tranche PNX3B				
Date Declared	Dividend Rate	Record Date	Payment Date	Total Amount
Nov. 6, 2020	₱2.027 per share	Nov. 20, 2020	Dec. 18, 2020	₱15,202,500.00
Aug. 6, 2020	₱2.027 per share	Aug.24, 2020	Sep. 18, 2020	₱15,202,500.00
May 4, 2020	₱2.027 per share	May 22, 2020	June 18, 2020	₱15,202,500.00
Feb. 5, 2020	₱2.027 per share	Feb. 20, 2020	March 18, 2020	₱15,202,500.00
Nov. 6, 2019	₱2.027 per share	Nov. 22, 2019	Dec. 18, 2019	₱15,202,500.00
Aug. 5, 2019	₱2.027 per share	Aug. 22, 2019	Sep. 18, 2019	₱15,202,500.00
May 6, 2019	₱2.027 per share	May 22, 2019	June 18, 2019	₱15,202,500.00
Feb. 4, 2019	₱2.027 per share	Feb. 19, 2019	Mar. 18, 2019	₱15,202,500.00
Nov. 7, 2018	₱2.027 per share	Nov. 21, 2018	Dec. 18, 2018	₱15,202,500.00
Aug. 6, 2018	₱2.027 per share	Aug. 22, 2018	Sep. 18, 2018	₱15,202,500.00
May 7, 2018	₱2.027 per share	May. 22, 2018	June 18, 2018	₱15,202,500.00
Feb. 5, 2018	₱2.027 per share	Feb. 21, 2018	Mar 19, 2018	₱15,202,500.00
Nov. 3, 2017	₱2.027 per share	Nov. 23, 2017	Dec. 18, 2017	₱15,202,500.00
Aug. 2, 2017	₱2.027 per share	Aug. 24, 2017	Sep. 16, 2017	₱15,202,500.00
May 3, 2017	₱2.027 per share	May 24, 2017	June 19, 2017	₱15,202,500.00
Feb. 13, 2017	₱2.027 per share	Feb. 22, 2017	Mar. 20, 2017	₱15,202,500.00
Nov. 7, 2016	₱2.027 per share	Nov. 22, 2016	Dec. 19, 2016	₱15,202,500.00
Aug. 10, 2016	₱2.027 per share	Aug. 24, 2016	Sep. 19, 2016	₱15,202,500.00
May 11, 2016	₱2.027 per share	May. 26, 2016	June 21, 2016	₱15,202,500.00
Mar.10, 2016	₱2.027 per share	Feb. 23, 2016	Mar. 18, 2016	₱15,202,500.00

The 4th tranche of the preferred shares of the Company under PNX4 consisting of 7,000,000 preferred shares were issued at ₱1,000 per share and listed with the Exchange on November 7, 2019. It has a fixed dividend rate of 7.5673% or ₱75.673 per annum, payable quarterly, and is entitled to an Optional Redemption on the 3rd Anniversary of the Listing Date and is subject to a Step-Up Dividend Rate on the 3rd anniversary of the Listing Date.

4th Tranche (PNX4)				
Date Declared	Dividend Rate	Record Date	Payment Date	Total Amount
Nov. 4, 2020	₱18.92 per share	Nov. 19, 2020	Nov. 20, 2020	₱132,427,750.00
Aug. 4, 2020	₱18.92 per share	Aug. 18, 2020	Aug. 20, 2020	₱132,427,750.00
May 4, 2020	₱18.92 per share	May 18, 2020	May 22, 2020	₱132,427,750.00
Feb. 5, 2020	₱18.92 per share	Feb.19, 2020	Feb.21, 2020	₱132,427,750.00

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

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

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

Corporate powers and governance of the Company is exercised by the Board of Directors which consists of eleven (11) members, three (3) of whom are independent directors. As a matter of policy and based on good corporate practice, unless a special meeting is called upon for a specific purpose, the Board regularly meets every quarter wherein which the relevant corporate issues may be raised for discussion and voted by the members of the Board.

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

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

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

As of 2019, there were no reported deviations on the Company's Manual of Corporate Governance.

In its November 2019 Board of Directors Meeting, the Board approved several new and/or revised policies of the company relating to its Confidentiality of Information, Conflict of Interest, Whistleblowing, Anti-Corruption and Bribery, Insider Trading, Related Party Transactions, and Health, Safety and Environment Policies.

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

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

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

VI. AS PART OF THE CORPORATE GOVERNANCE, THE COMPANY WILL PROVIDE WITHOUT CHARGE, UPON WRITTEN REQUEST TO THE CORPORATE SECRETARY OF THE COMPANY AT THE ADDRESS LISTED ON THE COVER PAGE OF THIS INFORMATION STATEMENT, A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A, INCLUDING THE FINANCIAL STATEMENTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION FOR THE PERIOD ENDED DECEMBER 31, 2020. HOWEVER, UPON THE DISCRETION OF THE MANAGEMENT OF THE COMPANY, A CHARGE MAY BE MADE FOR EXHIBITS REQUESTED, WHICH CHARGE SHALL BE LIMITED TO REASONABLE EXPENSES THAT MAY BE INCURRED BY THE COMPANY IN FURNISHING SUCH EXHIBITS.

VII. ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED December 31, 2020 (Please see attached **Annex "C"**)

5 April 2021

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

Philippine Stock Exchange
Disclosure Department
6/F PSE Tower, 28th Street Cor. 5th Avenue
BGC, Taguig City, Metro Manila

Philippine Dealing & Exchange Corp.
29/F, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City

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

Ms. Janet Encarnacion
Head - Disclosure Department
Philippine Stock Exchange

Atty. Marie Rose M. Magallen-Lirio
Head - Issuer Compliance and Disclosure Department (ICDD)

Sir and Mesdames:

We would like to submit our recently concluded Annual Audited Financial Statement (AAFS) for period ended 31 December 2020.

Thank you and warm regards.

Very truly yours,

Atty. Socorro Ermac Cabreros
Corporate Secretary

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	2	0	0	2	0	7	2	8	3

Company Name

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES

Principal Office (No./Street/Barangay/City/Town)Province)

STELLA HIZON REYES ROAD, BO. PAMPANGA, LANANG DAVAO CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
info@phoenixfuels.ph	403-4013 / 235-8888	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
69	Last Friday of April	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
MA. CONCEPCION F. DE CLARO	concepcion.declaro@phoenixfuels.ph	(082) 235 8888	N/A

Contact Person's Address

Stella Hizon Reyes Road, Bo. Pampanga, Davao City

Note 1: *In case of death, resgination or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

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, 2020 and 2019,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 auditor 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.

DENNIS A. UY
Chairman of the Board

HENRY ALBERT R. FADULLON
President

MA. CONCEPCION F. DE CLARO
Chief Finance Officer

Signed this 29th day of March 2021

REPUBLIC OF THE PHLIPPINES)
City of Davao)S.S.

SUBSCRIBED AND SWORN to before me on **March 29, 2021** in Davao City, Philippines. Affiants have confirmed their identities by presenting competent evidence of identity, viz:

Name	**Competent Evidence of Identity**
Dennis A. Uy	TIN 172-020-135
Henry Albert R. Fadullon	TIN 121-511-156
Ma. Concepcion F. de Claro	TIN 120-135-353

and that they further attest that the same are true and correct.

Doc. No. 376;
Page No. 77;
Book No. 116;
Series of 2021.

KENNETH L. DABI
NOTARY
Roll No. 47866
PUBLIC
Davao City, Philippines

ATTY. KENNETH L. DABI
Notary Public for Davao City
Expires on December 31, 2022
Serial No. 2021-039-2022
PTR No. 4795301 • 12-16-2020 • D.C.
IBP No. 135737 • 12-19-2020 • D.C.
Roll of Attorneys No. 47866
Km. 7, Lanang, Davao City

P&A
Grant Thornton

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

T +63 2 8988 22 88

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, 2020 and 2019, 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, 2020, 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, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2020 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.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes management's assessment of the continuing impact on the Group's financial statements of the business disruption brought by the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

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, 2020 amounted to P78,299.5 million, of which, P76,771.4 million or 98.0% 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 24, respectively, 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 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) *Impairment of Goodwill*

Description of the Matter

The Group has recognized goodwill amounting to P4,632.4 million as of December 31, 2020. 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.

(c) *Evaluation on Impairment of Investments in Joint Ventures, Property, Plant and Equipment, Investment Properties, Right-of-Use Assets, and Intangible Assets Other than Goodwill*

Description of the Matter

In view of the community quarantine and travel restrictions imposed by the government in response to the COVID-19 pandemic, the Group's operations were significantly affected by lower fuel consumption of airlines, shipping lines, land transportation, and among others which resulted in the decrease in revenues by P19,523.6 million or 20.0% and substantial drop in net profit by P1,381.6 million or 95.7% in 2020. These events and conditions are possible impairment indicators requiring evaluation of possible impairment of investments in joint venture, property, plant and equipment, investment properties, right-of-use assets, and intangible assets other than goodwill, which involves judgement, estimation and assumptions on future operating results and cash flows, such as sales volume and prices, and the determination of a suitable discount rate to calculate the present value of those cash flows.

In addition, because of the continuing impact of the pandemic, there is higher uncertainty on the future economic outlook and market outlook of the Group. Accordingly, evaluation on impairment of investments in joint ventures, property, plant and equipment, investment properties, right-of-use assets, and intangible assets other than goodwill with carrying values as of December 31, 2020 of P1,635.4 million, P32,707.6 million, P596.0 million, P792.8 million and P278.7 million, respectively, is a key audit matter.

The disclosures in relation to management's assessment of impairment of investments in joint venture, property, plant and equipment, investment properties, right-of-use assets, and intangible assets other than goodwill are included in Note 3.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of possible impairment of investments in joint venture, property, plant and equipment, investment properties, right-of-use assets, and intangible assets other than goodwill included, among others, the following:

- Reviewing management's assessment of possible indicators of impairment on investments in joint venture, property, plant and equipment, investment properties, right-of-use assets, and intangible assets other than goodwill in accordance with the requirements of PAS 36;

- Evaluating the appropriateness and reasonableness of assumptions used in estimating recoverable amounts of non-financial assets, such as projected cash flows, discount rate and length of forecast period;

- Comparing key assumptions against industry forecasts and with historical information, adjusted to take into consideration the impact associated with the COVID-19 pandemic; and,

- Reviewing the appropriateness of the Group's disclosures on impairment assessment of investments in joint ventures, property, plant and equipment, investment properties, right-of-use assets, and intangible assets other than goodwill.

(d) *Conduct of Audit Remotely*

Description of the Matter

As disclosed in Note 1, the COVID-19 pandemic started to become widespread in the Philippines in early March 2020. The general community quarantine and social distancing measures implemented by the government resulted in performing a significant portion of our audit remotely.

The change in working conditions is relevant and significant to our audit since it creates an increased risk of misstatements due to less in-person access to the Group's management and personnel, and lack of access to the physical records and original documents. Given the changes in how the audit will be performed, the audit requires exercising enhanced professional skepticism.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of performing audit remotely included the following:

- Considering the nature of the engagement and the engagement team's knowledge of the entity and its environment when determining whether it is possible to perform a significant portion, if not all, of the engagement remotely;

- Following the requirements of PSA including providing proper supervision and review, even when working remotely;

- Obtaining information through electronic means, which includes sending and receiving of confirmation electronically, obtaining calculation in electronic form to check mathematical accuracy, scanning of hard-copy items for review and using real-time inspection technology such as video and screen-sharing;

- Determining the reliability of audit evidence provided electronically with professional skepticism;

- Performing inquiries through video call in order to judge body language and other cues and to have a more interactive audit engagement;

- Reviewing workpapers of component auditors remotely either through screen sharing or review of relevant workprograms sent to the engagement team, and constant communication; and,

- Examining critical electronic copy documents (e.g., contracts, sales invoices, delivery receipts and collection receipts) in response to the risk in response to the risk in revenues and costs, which is considered to be significant.

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, 2020, 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.
- 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

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 8533235, January 4, 2021, Makati City
SEC Group A Accreditation
Partner - No. 0395-AR-4 (until Sept. 16, 2022)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-019-2020 (until Dec. 21, 2023)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

March 29, 2021

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019
(With Corresponding Figures as of January 1, 2019)
(Amounts in Philippine Pesos)

	Notes	December 31, 2020	December 31, 2019 (As Restated - see Note 2)	January 1, 2019 (As Restated - see Note 2)
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	6	**P 5,788,390,677**	P 9,810,770,115	P 7,889,708,807
Trade and other receivables - net	7	**17,514,071,043**	15,973,133,966	15,030,714,704
Inventories	8	**4,769,315,701**	11,679,616,905	11,135,494,286
Due from related parties - net	30	**30,903,191**	1,986,811	937,904,172
Restricted deposits	9	**-**	54,462,326	52,719,265
Input value-added tax - net		**2,762,965,882**	2,905,878,621	1,517,537,410
Prepayments and other current assets	10	**2,536,270,438**	1,931,536,398	695,698,779
Total Current Assets		**33,401,916,932**	42,357,385,142	37,259,777,423
NON-CURRENT ASSETS				
Property, plant and equipment - net	11	**32,707,550,060**	29,019,518,456	20,284,604,061
Right-of-use assets - net	12	**792,829,159**	1,142,726,144	-
Investment properties - net	16	**595,990,275**	268,319,279	170,411,649
Intangible assets - net	13	**278,730,290**	310,277,916	328,054,350
Investments in joint ventures	14	**1,635,399,566**	1,432,709,636	455,436,370
Goodwill - net	15	**4,632,397,418**	4,632,397,418	4,418,842,831
Deferred tax assets - net	29	**494,377,468**	155,781,031	147,484,516
Other non-current assets	17	**7,795,489,101**	7,638,262,244	1,595,667,530
Total Non-current Assets		**48,932,763,337**	44,599,992,124	27,400,501,307
NON-CURRENT ASSET CLASSIFIED AS HELD FOR DISPOSAL	18	**197,783,908**	-	-
TOTAL ASSETS		**P 82,532,464,177**	P 86,957,377,266	P 64,660,278,730
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Interest-bearing loans and borrowings	19	**P 29,804,188,527**	P 38,143,058,891	P 26,309,487,284
Trade and other payables	21	**9,107,280,269**	11,841,661,093	7,434,839,252
Derivative financial liabilities	22	**623,144,735**	311,019,650	-
Lease liabilities	12	**135,787,395**	153,360,799	-
Income tax payable		**56,610,267**	49,872,393	99,380,682
Total Current Liabilities		**39,727,011,193**	50,498,972,826	33,843,707,218
NON-CURRENT LIABILITIES				
Interest-bearing loans and borrowings	19	**18,439,188,606**	11,753,129,172	13,590,520,166
Lease liabilities	12	**848,613,622**	1,096,852,276	-
Deferred tax liabilities - net	29	**1,053,700,775**	748,398,599	631,776,224
Other non-current liabilities	23	**1,302,616,194**	937,269,144	620,602,265
Total Non-current Liabilities		**21,644,119,197**	14,535,649,191	14,842,898,655
Total Liabilities		**61,371,130,390**	65,034,622,017	48,686,605,873
EQUITY	31			
Equity attributable to parent company				
Capital stock		**1,453,477,232**	1,119,904,232	1,112,004,232
Additional paid-in capital		**10,862,198,461**	12,042,788,045	7,233,692,486
Revaluation reserves		**1,992,470,928**	1,288,062,275	1,283,201,322
Retained earnings		**6,815,756,881**	7,395,270,327	6,381,719,736
		21,123,903,502	21,846,024,879	16,010,617,776
Non-controlling interests		**37,430,285**	76,730,370	(36,944,919)
Total Equity		**21,161,333,787**	21,922,755,249	15,973,672,857
TOTAL LIABILITIES AND EQUITY		**P 82,532,464,177**	P 86,957,377,266	P 64,660,278,730

See Notes to Consolidated Financial Statements.

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Philippine Pesos)

	Notes	2020	2019 (As Restated - see Note 2)	2018 (As Restated - see Note 2)
REVENUES				
Sale of goods	24	P 76,771,358,402	P 96,501,653,189	P 87,672,722,663
Fuel service and other revenues	24, 34	1,398,596,723	1,205,744,987	824,182,312
Rent income	16, 34	129,555,791	115,711,069	113,863,129
		78,299,510,916	97,823,109,245	88,610,768,104
COST AND EXPENSES				
Cost of sales and services	24	71,253,970,239	86,811,287,081	78,838,964,820
Selling and administrative expenses	25	5,801,940,104	6,518,065,904	5,741,750,297
		77,055,910,343	93,329,352,985	84,580,715,117
OTHER CHARGES (INCOME)				
Finance costs	26	2,036,728,910	2,838,294,987	1,449,247,671
Finance income	26	(359,793,768)	(86,595,790)	(73,374,342)
Equity share in net income of joint ventures	14	(94,862,696)	(16,510,018)	(7,342,245)
Fair value losses (gains) on investment properties	16	(42,779,542)	474,325	(9,566,000)
Others - net	7, 27	(131,406,532)	(12,100,025)	(87,267,127)
		1,407,886,372	2,723,563,479	1,271,697,957
PROFIT (LOSS) BEFORE TAX		(164,285,799)	1,770,192,781	2,758,355,030
TAX INCOME (EXPENSE)	29	226,846,303	(326,046,033)	(421,975,821)
NET PROFIT		P 62,560,504	P 1,444,146,748	P 2,336,379,209
NET PROFIT ATTRIBUTABLE TO:				
Parent company		P 101,579,114	P 1,486,908,296	P 2,345,493,052
Non-controlling interests		(39,018,610)	(42,761,548)	(9,113,843)
		P 62,560,504	P 1,444,146,748	P 2,336,379,209
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently to profit or loss				
Translation adjustment related to foreign subsidiaries	2	(P 87,219,875)	(P 69,712,613)	P 28,719,880
Items that will not be reclassified subsequently to profit or loss				
Gain on revaluation of land	11	1,194,480,257	217,423,972	1,835,221,043
Remeasurements of post-employment defined benefit obligation	27	(63,984,467)	(39,889,840)	(34,393,933)
Tax expense	29	(339,148,737)	(53,260,240)	(540,248,133)
		791,347,053	124,273,892	1,260,578,977
Other Comprehensive Income - net of tax		704,127,178	54,561,279	1,289,298,857
TOTAL COMPREHENSIVE INCOME		P 766,687,682	P 1,498,708,027	P 3,625,678,066
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Parent company		P 805,987,767	P 1,541,454,672	P 3,634,791,909
Non-controlling interests		(39,300,085)	(42,746,645)	(9,113,843)
		P 766,687,682	P 1,498,708,027	P 3,625,678,066
Basic Earnings (Loss) per share	32	(P 0.34)	P 0.57	P 1.42
Diluted Earnings (Loss) per share	32	(P 0.34)	P 0.57	P 1.42

See Notes to Consolidated Financial Statements.

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Philippine Pesos)

		Capital Stock										
	Notes	Preferred Stock	Preferred Treasury Stock - At Cost	Common Stock	Common Treasury Stock - At Cost	Total	Additional Paid-in Capital	Revaluation Reserves	Retained Earnings	Total Equity Attributable to the Shareholders of Parent Company	Non-controlling Interests	Total Equity
Balance at January 1, 2020												
As previously reported		**P 37,000,000**	**(P 10,000,000)**	**P 1,437,204,232**	**(P 344,300,000)**	**P 1,119,904,232**	**P 12,042,788,045**	**P 806,868,975**	**P 7,876,463,627**	**P 21,846,024,879**	**P 76,730,370**	**P 21,922,755,249**
Restatements	2	-	-	-	-	-	-	**481,193,300**	**(481,193,300)**	-	-	-
As restated		**37,000,000**	**(10,000,000)**	**1,437,204,232**	**(344,300,000)**	**1,119,904,232**	**12,042,788,045**	**1,288,062,275**	**7,395,270,327**	**21,846,024,879**	**76,730,370**	**21,922,755,249**
Transactions with owners:												
Cash dividends	31	-	-	-	-	-	-	-	**(683,341,723)**	**(683,341,723)**	-	**(683,341,723)**
Issuance of shares during the year	31	-	-	**1,773,000**	-	**1,773,000**	**13,710,416**	-	**(5,412,777)**	**10,070,639**	-	**10,070,639**
Redemption of shares during the year	31	**(12,500,000)**	-	-	-	**(12,500,000)**	**(1,237,500,000)**	-	-	**(1,250,000,000)**	-	**(1,250,000,000)**
Sale of treasury shares	31	-	-	-	**344,300,000**	**344,300,000**	**43,200,000**	-	-	**387,500,000**	-	**387,500,000**
Share-based compensation	27	-	-	-	-	-	-	-	**7,661,940**	**7,661,940**	-	**7,661,940**
Total comprehensive income for the year:												
Net profit		-	-	-	-	-	-	-	**101,579,114**	**101,579,114**	**(39,018,610)**	**62,560,504**
Other comprehensive income		-	-	-	-	-	-	**704,408,653**	-	**704,408,653**	**(281,475)**	**704,127,178**
Balance at December 31, 2020		**P 24,500,000**	**(P 10,000,000)**	**P 1,438,977,232**	**P -**	**P 1,453,477,232**	**P 10,862,198,461**	**P 1,992,470,928**	**P 6,815,756,881**	**P 21,123,903,502**	**P 37,430,285**	**P 21,161,333,787**
Balance at January 1, 2019												
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 852,438,822	P 6,812,482,236	P 16,010,617,776	(P 36,944,919)	P 15,973,672,857
Restatements	2	-	-	-	-	-	-	430,762,500	(430,762,500)	-	-	-
As restated		32,000,000	(10,000,000)	1,434,304,232	(344,300,000)	1,112,004,232	7,233,692,486	1,283,201,322	6,381,719,736	16,010,617,776	(36,944,919)	15,973,672,857
Transactions with owners:												
Cash dividends	31	-	-	-	-	-	-	-	(523,046,503)	(523,046,503)	-	(523,046,503)
Issuance of shares during the year	31	7,000,000	-	2,900,000	-	9,900,000	6,807,095,559	-	(8,852,437)	6,808,143,122	-	6,808,143,122
Redemption of shares during the year	31	(2,000,000)	-	-	-	(2,000,000)	(1,998,000,000)	-	-	(2,000,000,000)	-	(2,000,000,000)
Share-based compensation	27	-	-	-	-	-	-	-	8,855,812	8,855,812	-	8,855,812
Business combination	1	-	-	-	-	-	-	-	-	-	156,421,934	156,421,934
Transfer to retained earnings	31	-	-	-	-	-	-	(49,685,423)	49,685,423	-	-	-
Total comprehensive income for the year:												
Net profit		-	-	-	-	-	-	-	1,486,908,296	1,486,908,296	(42,761,548)	1,444,146,748
Other comprehensive income		-	-	-	-	-	-	54,546,376	-	54,546,376	14,903	54,561,279
Balance at December 31, 2019 - As Restated (see Note 2)		P 37,000,000	(P 10,000,000)	P 1,437,204,232	(P 344,300,000)	P 1,119,904,232	P 12,042,788,045	P 1,288,062,275	P 7,395,270,327	P 21,846,024,879	P 76,730,370	P 21,922,755,249
Balance at January 1, 2018		P 30,000,000	(P 5,000,000)	P 1,431,538,232	P -	P 1,456,538,232	P 5,709,303,309	(P 6,097,535)	P 4,447,068,051	P 11,606,812,057	P -	P 11,606,812,057
Transactions with owners:						-				-		-
Cash dividends	31	-	-	-	-	-	-	-	(409,640,735)	(409,640,735)	-	(409,640,735)
Issuance of shares during the year	31	2,000,000	-	2,766,000	-	4,766,000	2,019,389,177	-	(8,444,298)	2,015,710,879	-	2,015,710,879
Acquisition of shares during the year	31	-	(5,000,000)	-	(344,300,000)	(349,300,000)	(495,000,000)	-	-	(844,300,000)	-	(844,300,000)
Share-based compensation	27	-	-	-	-	-	-	-	7,243,666	7,243,666	-	7,243,666
Business combination	1	-	-	-	-	-	-	-	-	-	(27,831,076)	(27,831,076)
Total comprehensive income for the year:						-						
Net profit		-	-	-	-	-	-	-	2,345,493,052	2,345,493,052	(9,113,843)	2,336,379,209
Other comprehensive income		-	-	-	-	-	-	1,289,298,857	-	1,289,298,857	-	1,289,298,857
Balance at December 31, 2018 - As Restated (see Note 2)		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 1,283,201,322	P 6,381,719,736	P 16,010,617,776	(P 36,944,919)	P 15,973,672,857

See Notes to Consolidated 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, 2020, 2019 AND 2018
(Amounts in Philippine Pesos)

	Notes	2020	2019 (As Restated - see Note 2)	2018 (As Restated - see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		(P 164,285,799)	P 1,770,192,781	P 2,758,355,030
Adjustments for:				
Interest expense on bank loans and other borrowings	26	1,849,005,676	2,582,918,502	1,376,994,786
Depreciation and amortization	25	1,361,592,449	1,436,858,783	1,056,749,318
Fair value loss (gain) on financial liabilities at fair value through profit or loss	22	(262,796,899)	464,161,271	-
Interest expense from lease liabilities	26	159,714,001	80,990,270	-
Share in net income of indirectly-owned joint ventures	14	(94,862,696)	(16,510,018)	(7,342,245)
Impairment losses on trade and other receivables	25	82,210,745	26,176,493	65,696,528
Interest income	26	(78,752,622)	(35,417,469)	(34,370,501)
Fair value losses (gains) on investment properties	16	(42,779,542)	474,325	(9,566,000)
Provision for loss on lost cylinders	11	42,528,021	-	24,290,486
Translation adjustment	2	24,263,078	(69,712,613)	28,719,880
Unrealized foreign exchange currency gain - net		(18,244,247)	(32,188,301)	(30,577,666)
Loss (gain) on disposal of property, plant and equipment		14,093,822	5,238,151	(1,006,348)
Employee share options	27	7,661,940	8,855,812	7,243,666
Gain on termination of right-of-use assets		(3,426,114)	-	-
Operating profit before working capital changes		2,875,921,813	6,222,037,987	5,235,186,934
Increase in trade and other receivables		(1,622,362,838)	(5,153,075,401)	(7,415,944,495)
Decrease in inventories		26,235,449,246	24,578,136,862	26,812,185,929
Decrease (increase) in restricted deposits		56,202,661	-	(1,437,706)
Decrease (increase) in input value-added tax		142,912,739	(1,388,341,211)	363,028,626
Increase in prepayments and other current assets		(683,987,827)	(1,522,485,193)	(549,914,871)
Increase (decrease) in trade and other payables		(2,716,136,577)	4,293,563,280	3,555,861,541
Increase in other non-current liabilities		331,140,744	175,194,648	607,880,833
Cash generated from operations		24,619,139,961	27,205,030,973	28,606,846,791
Cash paid for income taxes		(59,605,034)	(99,380,682)	(29,603,287)
Net Cash From Operating Activities		24,559,534,927	27,105,650,291	28,577,243,504
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment	11	(3,398,192,198)	(8,257,359,794)	(4,517,753,320)
Proceeds from disposal of property, plant and equipment		552,321,556	78,850,768	22,618,656
Acquisitions of investment properties	16	(285,056,535)	(14,025,825)	-
Increase in other non-current assets		(128,877,777)	(614,008,547)	(1,698,692,056)
Investments in joint ventures	14	(120,635,538)	(960,763,248)	(448,094,125)
Interest received		48,663,207	24,007,195	29,022,512
Advances to related parties	30	(45,286,252)	(2,073,627)	(524,778,830)
Collections from related parties	30	15,584,888	6,716,432	25,952,983
Acquisitions of intangible assets	13	(14,529,820)	(43,332,685)	(58,062,513)
Dividends received from joint ventures	14	12,808,304	-	-
Acquisition of subsidiaries	1	-	(628,933,314)	(397,455,037)
Net Cash Used in Investing Activities		(3,363,200,165)	(10,410,922,646)	(7,567,241,730)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of interest-bearing loans and borrowings and lease liabilities	20	(52,758,976,358)	(88,838,174,724)	(71,873,587,858)
Proceeds from additional interest-bearing loans and borrowings	20	31,915,354,260	72,552,323,218	57,798,571,804
Interest paid		(2,839,321,018)	(2,772,911,450)	(1,638,604,940)
Redemption of shares of stock	31	(1,250,000,000)	(2,000,000,000)	-
Payments of cash dividends	31	(683,341,723)	(523,046,503)	(409,640,735)
Proceeds from sale of treasury shares	31	387,500,000	-	-
Proceeds from issuance of shares of stock	31	10,070,639	6,808,143,122	2,015,710,879
Acquisition of treasury shares	31	-	-	(844,300,000)
Net Cash Used in Financing Activities		(25,218,714,200)	(14,773,666,337)	(14,951,850,850)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(4,022,379,438)	1,921,061,308	6,058,150,924
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		9,810,770,115	7,889,708,807	1,831,557,883
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 5,788,390,677	P 9,810,770,115	P 7,889,708,807

Supplemental Information on Non-cash Investing and Financing Activities:

1) In 2020 and 2019, the Group recognized right-of-use assets and lease liabilities both amounting to P40.7 million and P403.1 million, respectively (see Notes 12 and 20). Further, the Group terminated certain leasehold rights with carrying value of P245.2 million in 2020 (see Note 12).

2) Interest payments amounting to P1,183.5 million, P695.7 million and P261.6 million in 2020, 2019 and 2018, respectively, were capitalized as part of the cost of property, plant and equipment (see Notes 11 and 19).

3) In 2020, the Group transferred certain retail service stations with carrying amount of P197.8 million, previously classified as Property, Plant and Equipment to Non-current Asset Classified as Held for Disposal (see Notes 11 and 18).

4) The Group availed trust receipts from certain banks to settle its importation of inventories amounting to P18,634.6 million, P25,251.7 million and P25,371.0 million in 2020, 2019 and 2018, respectively (see Notes 8 and 20).

5) 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).

6) 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 28).

See Notes to Consolidated Financial Statements.

(Amounts in Philippine Pesos)

1. GROUP INFORMATION

1.1 Incorporation and Operations

P-H-O-E-N-I-X Petroleum Philippines, Inc. (the Parent Company) was incorporated in the Philippines on May 8, 2002 and is 40.93% owned by P-H-O-E-N-I-X Petroleum Holdings, Inc. (PPHI), a company organized in the Philippines.

The Parent Company made its initial public offering with the Philippine Stock Exchange (PSE) on July 11, 2007. The Parent Company is presently engaged in trading of petroleum products on wholesale and retail basis and operating of gas stations, oil depots, storage facilities and allied services. The registered office of the Parent Company, which is also its principal place of business, is located at Stella Hizon Reyes Road, Barrio Pampanga, Davao City.

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

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

The Parent Company has a total of 670 operating retail service stations, and a total of 13 service stations under construction as of December 31, 2020.

1.2 Subsidiaries, Joint Ventures and their Operations

As of December 31, the Parent Company holds ownership interests in the following entities, presented below and in the succeeding page, which are all incorporated and domiciled in the Philippines or otherwise stated:

Subsidiaries/Joint Venture	Explanatory Notes	Percentage of Ownership 2020	2019
Direct interest:			
Subsidiaries			
P-F-L Petroleum Management, Inc. (PPMI)	(a)	**100.00%**	100.00%
P-H-O-E-N-I-X Global Mercantile, Inc. (PGMI)	(b)	**100.00%**	100.00%
Subic Petroleum Trading and Transport Phils., Inc. (SPTT)	(c)	**100.00%**	100.00%
PNX Petroleum Singapore Pte. Ltd. (PNX SG)	(d)	**100.00%**	100.00%
Phoenix LPG Philippines, Inc. (PLPI)	(e)	**100.00%**	100.00%
Duta, Inc.(Duta)[4]	(f)	**100.00%**	100.00%
Philippine FamilyMart CVS, Inc. (PFM)	(g)	**100.00%**	100.00%
PNX Energy International Holdings, Pte. Ltd. (PNX Energy)	(h)	**100.00%**	100.00%
Phoenix Pilipinas Gas and Power, Inc.	(i)	**100.00%**	100.00%
Phoenix Road Transport Pilipinas, Inc. (PNXRT)[1]	(j)	**100.00%**	-
Action.Able, Inc.(AAI)	(k)	**74.90%**	74.90%
Think.Able Limited (TAL)	(l)	**74.90%**	74.90%

Subsidiaries/Joint Venture	Explanatory Notes	Percentage of Ownership **2020**	2019
Direct interest:			
Joint venture			
Phoenix Asphalt Philippines, Inc. (PAPI)[3]	(m)	**40.00%**	40.00%
Indirect interest:			
Subsidiaries			
Kaparangan, Inc. (Kaparangan)[2, 4]	(n)	**100.00%**	100.00%
PNX (Vietnam) Pte. Ltd. (PNX Vietnam)[5]	(o)	**100.00%**	100.00%
PT Phoenix Petroleum Indonesia (PNX Indonesia)[7]	(p)	**100.00%**	100.00%
Phoenix Gas (Vietnam) Limited Liability Company (PGV LLC)[6]	(q)	**75.00%**	75.00%
Joint ventures			
Galaxi Petroleum Fuel, Inc. (Galaxi)[8]	(r)	**51.00%**	51.00%
Phoenix Southern Petroleum Corp. (PSPC)[8]	(s)	**49.00%**	49.00%
Top Concord Quality Petroleum Corp. (TCQPC)[8]	(t)	**49.00%**	49.00%
CJI Fuels Corp. (CJI)[8]	(u)	**49.00%**	49.00%
Firebird Evzon Fuels Corp. (FEFC)[8]	(v)	**49.00%**	49.00%
Eastan Prime Development Corporation (EPDC)[8]	(w)	**49.00%**	49.00%
Zae Falco Energy Corp. (ZFEC)[8]	(x)	**49.00%**	49.00%
Tarlac Black Gold Petroleum Corporation[8]	(y)	**49.00%**	-
Abound Business Ventures Corporation[8]	(z)	**49.00%**	-
F1rstEnergy Corp. (FEC)[8]	(aa)	**49.00%**	-
Phoenix Northern Mindanao Corp. (PNMC)[8]	(bb)	**49.00%**	-
JV Hauling and Trucking Corp. (JHTC)[9]	(cc)	**49.00%**	-

Notes:
1 Newly incorporated subsidiary
2 Wholly-owned subsidiary of Duta
3 Joint venture of Parent Company
4 Duta and Kaparangan, collectively known as Duta Group
5 Subsidiary of PNX Energy
6 Subsidiary of PNX Vietnam
7 Subsidiary of PGMI
8 Joint venture of PPMI
9 Joint venture of PNXRT

(a) Incorporated on January 31, 2007 and is engaged in organizing, managing, administering, running and supervising the operations and marketing of various kinds of services-oriented companies such as petroleum service stations.

(b) Incorporated on July 31, 2006 to engage in the manufacture, production and creation of all kinds of motor, and all other transportation lubricants, fluids and additives of all kinds and other petroleum products purposely for motor vehicles and other transportation. PGMI started commercial operations in 2007 and temporarily ceased its operation in 2008 but has resumed its business in October 2015 through selling of acid oil and coconut fatty acid distillates, both are by-products from manufacturing of coconut methyl ester (CME).

(c) Incorporated on February 20, 2007 and is engaged in buying and selling, supply and distribution, importation and exportation, storage and delivery of all types of petroleum for industrial, marine, aviation and automotive use.

(d) Incorporated on October 30, 2012 in Singapore and started operations in October 2017. It is the regional trading arm of the Group. It currently holds office in Singapore and is able to buy directly from the refineries in the region due to its bigger requirements. It also sells to other local and regional buyers.

(e) Incorporated on June 20, 1995 to engage in the buying, selling, storing, distributing, and marketing at wholesale of all kinds of goods, including but not limited to liquefied petroleum gas (LPG) and other petroleum products.

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

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

(h) Incorporated on October 29, 2018 in Singapore to engage in activities related to investment in downstream and upstream energy activities and businesses but has not yet started commercial operations as of December 31, 2019.

(i) Incorporated on March 14, 2019 to engage in, conduct and carry on the business of selling, trading, on wholesale basis, natural gas and liquefied natural gas (LNG).

(j) Incorporated on February 19, 2020 to engage in and carry on the business of organizing, managing, administering, running, and supervising the operations and marketing of various kinds of services-oriented companies, such as petroleum service stations, hauling companies and such other companies desirous of strengthening and establishing their operation process, except management of funds, securities and portfolio of similar assets in managed entities.

(k) Incorporated on May 6, 2015 to engage in the business of selling, leasing or distributing electronic devices to distributors, merchants or retailers for the purpose of digital marketing and/or ecommerce and to engage in the business of providing an outline digital network for the purpose of digital marketing and/or e-commerce accessible through electronic devices.

(l) Incorporated on May 5, 2014 and is a Hong Kong based company that handles the trademark of AAI.

(m) Incorporated on March 23, 2018 and was established to import, store, manufacture, sell market, distribute bitumen, bitumen-related products and such other by-products of crude oil and such other petroleum products including the operation of terminals and depots.

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

(o) Incorporated on October 30, 2018 in Singapore to engage in activities related to investment in downstream and upstream energy activities and businesses and has not yet started its commercial operations as of December 31, 2020.

(p) Incorporated on September 10, 2018 in Indonesia to serve as an avenue for the Parent Company to explore business opportunities in different parts of Indonesia. PNX Indonesia has not yet started its commercial operations as of December 31, 2020.

(q) Formerly known as Origin LPG (Vietnam) Limited Liability Company, was incorporated and licensed to conduct business under the laws of Vietnam on August 6, 2008 to engage in wholesale of solid, liquid, gas fuels and other related products.

(r) Incorporated on August 2, 2017 and is a joint venture with its previous owners. Galaxi owns and operates a number of petroleum service stations in different parts of the Philippines.

(s) Incorporated on July 5, 2018 to operate petroleum service stations in areas within Southern Luzon under the Parent Company's name and brand.

(t) Incorporated on July 15, 2019 to operate petroleum service stations in areas of Cotabato.

(u) Incorporated on July 31, 2019 to operate petroleum service stations in areas of Iloilo.

(v) Incorporated on August 28, 2019 to operate petroleum service stations in areas of South Luzon.

(w) Incorporated on August 28, 2019 to operate petroleum service stations in areas of Metro Manila.

(x) Incorporated on November 6, 2019 to operate petroleum service stations in Northern part and other areas of Luzon.

(y) Incorporated on February 20, 2020 to buy and sell on retail basis, refined petroleum, LPG, and various kinds of products; to operate, manage, and carry out gasoline retail stations and such other services necessary to the business; and to operate convenience stores and such other non-fuel related businesses that may complement that business.

(z) Incorporated on June 10, 2020 to buy and sell on retail basis, refined petroleum, LPG, and various kinds of products; to operate, manage, and carry out gasoline retail stations and such other services necessary to the business; and to operate convenience stores and such other non-fuel related businesses that may complement that business.

(aa) Incorporated on July 10, 2019 to buy and sell, on a retail basis, refined petroleum, LPG, and various kinds of products; , manage, and carry out gasoline retail stations and such other services necessary to the business; and to operate convenience stores and such other non-fuel related businesses that may complement that business, in the areas of Cebu.

(bb) Incorporated on July 15, 2019 to buy and sell, on a retail basis, refined petroleum, LPG, and various kinds of products; , manage, and carry out gasoline retail stations and such other services necessary to the business; and to operate convenience stores and such other non-fuel related businesses that may complement that business, in the areas of Northern Mindanao.

(cc) Incorporated on November 21, 2019 to engage in the business of hauling services including but not limited to fuel products; to do and perform such other acts as necessary or incidental to the accomplishment of the foregoing corporate business.

1.3 Other Corporate Information

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

SPTT	–	Room 203 Greenwoods Park, Central Business District, Subic Bay Freeport Zone, Zambales
PNX SG, PNX Energy and PNX Vietnam	–	350 Orchard Road, #17-05/06 Shaw House, Singapore
Duta and Kaparangan	–	15th Floor, Citibank Tower, Valero St., Salcedo Village, Makati City
PFM	–	4th Floor, Tara Building, No. 389 Sen. Gil Puyat Avenue, Makati City, Metro Manila
AAI	–	2nd Floor, Crown Center, 158 Jupiter Street Corner N. Garcia Street, Bel-Air Village, Makati City
TAL	–	Room 1902, W Wilson House, 19-27 Wyndham Street, Central, Hong Kong
PAPI and PSPC	–	25th Floor Fort Legend Tower, 3rd Avenue Fort corner 31st Street, Bonifacio Global City, Taguig City

PNX Indonesia	–	The Prominence Office Tower, 12th Floor B, Jl. Jalur Sutera Barat No. 15, Alam Sutera, Indonesia
Galaxi	–	1846 FB Harrison Street Pasay City
PGV LLC	–	No. 456 Phan Xich Long Street, Ward 2, Phu Nhuan District, Ho Chi Minh City, Vietnam
JHTC	–	Pookni Banal, San Pascual, Batangas

1.4 Business Combinations

a) On February 21, 2019, the Group, through PNX Vietnam, a subsidiary of PNX Energy, acquired 51.00% and 24.00% interest in PGV LLC from Origin Energy Holdings PTY LTD and Cong Ty TNHH Cong Nghiep, respectively. The acquisition resulted in 75.00% equity ownership interest of the Group over PGV LLC and recognition of goodwill amounting to P213.6 million (see Note 15) for a total consideration of P682.8 million. The acquisition is part of the growth and expansion footprint of the Group not only in the Philippines but also within the region. The Group expects the acquisition to result in synergies in terms of network related to solid, liquid, gas fuels and other related products.

Goodwill amounting to P213.6 million is primarily related to growth expectations, expected future profitability and business synergies. Goodwill has been allocated to the trading segment and is not expected to be deductible for tax purposes.

b) On January 11, 2018, the Parent Company has signed a deed of absolute sale and concluded the acquisition of the 100.00% equity ownership interest in PFM from its previous shareholders, namely: SIAL CVS Retailers, Inc., FamilyMart Co. Ltd. and ITOCHU Corporation, for P352.1 million. The objective of the acquisition is to broaden Group's portfolio of retail offers.

The goodwill recognized related to the acquisition amounting to P273.1 million is related to growth expectations and expected future profitability. Goodwill has been allocated to the trading segment and is not expected to be deductible for tax purposes.

c) On May 25, 2018, the Parent Company entered into a deed of absolute sale of shares with Wildlemon, Inc. and Seawood Prime Limited for the acquisition of the voting rights for AAI and TAL, respectively (referred to as "AAI Group"). The Parent Company acquired 74.90% equity ownership interest in AAI Group for total consideration of P72.0 million.

AAI and TAL are the owners of Pos!ble.net, a two-and-a-half-year-old digital payment-platform. The acquisition supports business operations of the Parent Company, aside from synergies on its retail network development, for its various fuel products as well as the business operations of PFM.

The acquisition has resulted to recognition of goodwill amounting to P155.0 million and is related to growth expectations and expected future profitability. Goodwill has been allocated to the trading segment and is not expected to be deductible for tax purposes.

There were no contingent consideration arrangements for all of the above acquisitions. There were also no business combinations after December 31, 2020 but before the issuance of the consolidated financial statements.

Aggregate information of the entities acquired in 2019 and 2018 are as follows:

	Reference	Entities Acquired 2019 PGV LLC 75.00%	2018 PFM 100.00%	2018 AAI Group 74.90%
Fair value of assets acquired and liabilities assumed				
Cash and cash equivalents		P 71,849,432	P 21,601,695	P 6,687,746
Trade and other receivables	(i)	102,525,465	22,534,222	1,482,807
Inventories		23,702,793	80,744,545	1,031,489
Prepayments and other current assets		20,507,347	158,786,825	4,518,678
Property, plant and equipment	(ii)	952,310,893	369,603,000	537,357
Intangible asset		-	21,476,320	-
Other non-current assets		169,579,990	46,832,213	640,304
Total assets		1,340,475,920	721,578,820	14,898,381
Trade and other payables		197,630,783	642,639,484	125,779,164
Short-term loans and borrowings		321,141,124	-	-
Deferred tax liabilities		110,446,823		
Other non-current liabilities		85,569,455	-	-
Total liabilities		714,788,185	642,639,484	125,779,164
Total identifiable net assets (liabilities)		625,687,735	78,939,336	(110,880,783)
Fair value of cash consideration transferred		682,820,388	352,070,202	71,995,652
Share of non-controlling interests		156,421,934	-	(27,831,076)
		839,242,322	352,070,202	44,164,576
Goodwill		P 213,554,587	P 273,130,866	P 155,045,359
Excess of fair value of net assets acquired over cash consideration transferred		n/a	n/a	n/a
Cash consideration settled in cash		P 682,820,388	P 352,070,202	P 71,995,652
Cash and cash equivalents acquired		71,849,432	21,601,695	6,687,746
Less: Share of non-controlling interests		17,962,358	-	1,678,624
		53,887,074	21,601,695	5,009,122
Net Cash Flow of Acquisition		P 628,933,314	P 330,468,507	P 66,986,530
Acquisition costs charged to expenses		P 1,458,944	P 6,440,651	P 1,738,116
Pre-acquisition income (loss)	(iii)	(7,821,881)	-	1,628,790
Revenue contribution		1,472,189,346	1,307,944,277	34,957,821
Net loss contribution		(43,127,051)	(193,507,767)	(36,310,130)

(i) The carrying amount of the acquired trade and other receivables is determined to be the reasonable approximation of fair value as these are only short-term and are expected to be collectible in whole.

(ii) The property, plant and equipment of PGV LLC and PFM were appraised by an independent appraiser [see Note 3.2*(i)*]. The fair values of the said properties are determined by reference to market-based evidence, which are the amounts for which the assets could be exchanged between the knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transactions as at the valuation date.

(iii) The 2020, 2019 and 2018 consolidated statements of comprehensive income are presented net of the pre-acquisition income of the entities acquired.

1.5 Subsidiary with Material Non-controlling Interest

The Group includes one subsidiary, PGV LLC with material non-controlling interest (NCI) with details shown below.

	2020	2019
Proportion of Ownership Interest and Voting Rights held by NCI	**25.00%**	25.00%
Loss allocated to NCI	**P 20,487,241**	P 12,891,901
Other comprehensive income (loss) allocated to NCI	**(281,475)**	14,903
Accumulated NCI	**123,339,169**	143,544,935

No dividends were paid to the NCI in 2020 and 2019.

The summarized financial information of PGV LLC in 2020 and 2019, before intragroup eliminations, are shown below.

	2020	2019
Non-current assets	**P 946,715,705**	P 1,013,835,665
Current assets	**361,498,377**	280,452,076
Total assets	**P 1,308,214,082**	P 1,294,287,741
Non-current liabilities	**P 145,535,076**	P 236,807,047
Current liabilities	**669,322,330**	483,300,954
Total liabilities	**P 814,857,406**	P 720,108,001
Equity attributable to owners of the parent	**P 370,017,507**	P 430,634,805
Non-controlling interest	**P 123,339,169**	P 143,544,935
Revenue	**P 3,216,422,239**	P 1,962,919,129
Loss for the year attributable to owners of the parent	**P 61,461,723**	P 38,675,706
Loss for the year attributable to NCI	**20,487,241**	12,891,902
Loss for the year	**81,948,964**	51,567,608
Other comprehensive loss (income) for the year (all attributable to owners of the parent)	**(844,425)**	44,709
Total comprehensive loss for the year attributable to owners of the parent	**60,617,298**	38,720,415
Total comprehensive loss for the year attributable to NCI	**20,205,766**	12,906,805
Total comprehensive loss for the year	**P 80,823,064**	P 51,627,220
Net cash from (used in) operating activities	**P 20,594,729**	P 89,139,171
Net cash from investing activities	**(22,400,754)**	-
Net cash used in financing activities	**(4,151,564)**	(145,297,784)
Net cash outflow	**(P 5,957,589)**	(P 56,158,613)

1.6 Impact of COVID-19 Pandemic on the Group's Business

The COVID-19 pandemic started to become widespread in the Philippines in early March 2020. The measures taken by the government to contain the virus have affected economic conditions and the Group's business operations.

The following are the impact of the COVID-19 pandemic to the Group's business:

- The massive and sudden drop in global oil demand due to the pandemic resulted in volatile oil prices in the first half of 2020, with the average Dubai benchmark crude prices declining by as much 68% in April 2020 to P1,015 per barrel from P3,254 per barrel in January 2020 before slightly recovering P2,054 per barrel in June 2020;

- Regional and local developments within the industry and credit markets tightened access to liquidity and hampered sales;

- The restrictions in mobility due to the nationwide lockdown and community quarantines resulted in substantial drop in fuel sales by 28.50%, particularly in the second quarter of 2020, with 57% full year decline in sales volume. Sales to road, marine, and air transport sectors were particularly affected;

- Changing consumer behavior in response to the pandemic resulted in a surge in LPG sales as people shift to home cooking from dining out, with year-on-year increase in LPG sales of P2,240.0 million or 33.38%;

- Closure of certain store premises of PFM resulting in termination of lease agreements and derecognition of right-of-use assets with carrying amount of P245.2 million (see Note 12.1); and

- Significant refinancing of loans and borrowings amounting to P9,400.0 million, and availment of repayment extension of loans amounting to P3,741.0 million in relation to the Parent Company's qualification to avail the loan term extension under Section 4 (uu) of R.A. No. 11494*, Bayanihan to Recover as One Act.*

In response to this matter, the Group has taken the following actions:

- Secured the safety and health of the organization by placing most of its workforce on a work-from-home (WFH) arrangement, while the staff at terminal and depot operations are on a two-week on, two-week off rotation. The HSE (Health, Safety, and Environment) Group, along with the Leadership, monitor and look after the physical and mental wellbeing of the employees.

- Ensured business continuity and welfare of customers, partners, and consumers by operating business-as-usual. Through the efforts of PNX SG, the Group was assured of security of fuel and LPG supply. Business continuity plans were immediately mobilized and communicated to customers and other stakeholders. Supply delivery for both commercial and retail customers continued in compliance with government and company protocols. These extended to service stations to ensure the safety and welfare of staff and motorists.

- Preserved resources by managing importations and maintaining significantly lower level of inventories, which allowed the Group to minimize losses from falling prices and abrupt slowdown in demand. The Group likewise scaled back its operating expenses by 11.91% and capital expenditures spending by 95.41%, while benefiting from the structural cost actions implemented years prior, which included streamlining supply chains and rationalization of road transport operations.

- Rationalization of the Group's workforce by 12% in order to mitigate the impact of the pandemic and adapt to changes in the market conditions and operating environment.

- Accelerated digital transformation in response to the evolving customer needs under the 'new normal', including the rollout of cashless payments at certain stations and PFM stores and online ordering and delivery for LPG, as well as the launch of the LIMITLESS, a lifestyle rewards program enjoyed through a free downloadable mobile application.

Based on the above actions and measures taken by management to mitigate the adverse effect of the pandemic, it projects that the Group would continue to report positive results of operations and would remain liquid to meet current obligation as it falls due. Accordingly, management has not determined material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

1.7 Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2020 (including the comparative consolidated financial statements as of December 31, 2019 and for the years ended December 31, 2019 and 2018, and the corresponding figures as of January 1, 2019), were authorized for issue by the Parent Company's Board of Directors (BOD) on March 29, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB), and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements.* The Group presents all items of income and expenses in a single consolidated statement of comprehensive income.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required to be disclosed.

In 2020, the Group has made prior period adjustments that resulted in retrospective restatements of certain accounts in the 2019 and 2018 comparative consolidated statements of financial position and 2019 and 2018 comparative consolidated statements of comprehensive income. These adjustments were taken up to correct the classification and presentation of land leased out by Duta to PLPI in the consolidated financial statements of the Group. The property, which was previously presented as part of the Investment Properties account, was reclassified to Property, Plant and Equipment. The related fair value gain, which was previously presented in the profit or loss, was presented under other comprehensive income.

Accordingly, the Group presents a third statement of financial position as of January 1, 2019, without related notes, except for the disclosures requires under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. The balance of Retained Earnings of the Group as of December 31, 2019 and 2018, has been restated from the amount previously reported. Because of the restatements, the 2019 and 2018 comparative consolidated financial statements contained in these consolidated financial statements differ from those previously presented in the Group's consolidated financial statements as at and for the year ended December 31, 2019 and 2018, as presented in the succeeding page.

(i) The analysis of the impact on the affected accounts due to prior period adjustments in the Group's consolidated statement of financial position as of December 31, 2019 is presented below.

	Notes	As Previously Reported	Adjustments	As Restated
Changes in assets:				
Property, plant and equipment - net	11	P 27,378,864,900	P 1,640,653,556	P 29,019,518,456
Investment properties - net	16	1,908,972,835	(1,640,653,556)	268,319,279
			P -	
Changes in equity:				
Revaluation reserves		P 806,868,975	P 481,193,300	P 1,288,062,275
Retained earnings		7,876,463,627	(481,193,300)	7,395,270,327
			P -	

(ii) The analysis of the affected line items in the consolidated statement of comprehensive income of the Group for the year ended December 31, 2019 are shown below.

	Notes	As Previously Reported	Adjustments	As Restated
Changes in profit or loss:				
Fair value gains (losses) on investment properties	16	P 71,569,675	(P 72,044,000)	(P 474,325)
Tax expense	29	(347,659,233)	21,613,200	(326,046,033)
Decrease in net profit			(50,430,800)	
Changes in other comprehensive income				
Gain on revaluation of land	11	145,379,972	72,044,000	217,423,972
Tax expense	29	(31,647,040)	(21,613,200)	(53,260,240)
Increase in other comprehensive			P 50,430,800	
Basic earnings per share	32	P0.61		P0.57
Diluted earnings per share	32	P0.61		P0.57

(iii) The analysis of the affected line items in the consolidated statement of cash flows of the Group for the year ended December 31, 2019 are shown below.

	As Previously Reported	Adjustments	As Restated
Changes in cash flows from operating activities:			
Profit before tax	P 1,842,236,781	(P 72,044,000)	P 1,770,192,781
Fair value gains on investment properties	(71,569,675)	72,044,000	474,325

(iv) The analysis of the impact on the affected accounts due to prior period adjustments in the corresponding figures as of January 1, 2019 is presented below.

	Notes	As Previously Reported	Adjustments	As Restated
Changes in assets:				
Property, plant and equipment - net	11	P 18,715,994,505	P 1,568,609,556	P 20,284,604,061
Investment properties - net	16	1,739,021,205	(1,568,609,556)	170,411,649
			P -	
Changes in equity:				
Revaluation reserves		P 852,438,822	P 430,762,500	P 1,283,201,322
Retained earnings		6,812,482,236	(430,762,500)	6,381,719,736
			P -	

(v) The analysis of the affected line items in the consolidated statement of comprehensive income of the Group for the year ended December 31, 2018 are shown below.

	Notes	As Previously Reported	Adjustments	As Restated
Changes in profit or loss:				
Fair value gains on investment properties	16	P 624,941,000	(P 615,375,000)	P 9,566,000
Tax expense	29	(606,588,321)	184,612,500	(421,975,821)
Decrease in net profit			(430,762,500)	
Changes in other comprehensive income:				
Gain on revaluation of land	11	1,219,846,043	615,375,000	1,835,221,043
Tax expense	29	(355,635,633)	(184,612,500)	(540,248,133)
Increase in other comprehensive			P 430,762,500	
Basic earnings per share	32	P1.72		P1.42
Diluted earnings per share	32	P1.72		P1.42

(vi) The analysis of the affected line items in the consolidated statement of cash flows of the Group for the year ended December 31, 2018 are shown below.

	As Previously Reported	Adjustments	As Restated
Changes in cash flows from operating activities:			
Profit before tax	P 3,373,730,030	(P 615,375,000)	P 2,758,355,030
Fair value gains on investment properties	(624,941,000)	615,375,000	(9,566,000)

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency (see Note 2.15), and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of New and Amended PFRS

(a) Effective in 2020 that are Relevant to the Group

The Group adopted for the first time the following amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2020:

Conceptual Framework	:	Revised Conceptual Framework for Financial Reporting
PAS 1 and PAS 8 (Amendments)	:	Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
PFRS 3 (Amendments)	:	Business Combinations – Definition of a Business
PFRS 7 and PFRS 9 (Amendments)	:	Financial Instruments: Disclosures and Financial Instruments – Interest Rate Benchmark Reform
PFRS 16 (Amendments)	:	Leases – COVID-19-Related Rent Concessions

Discussed below are the relevant information about these amendments.

(i) *Revised Conceptual Framework for Financial Reporting.* The revised conceptual framework will be used in standard-setting decisions with immediate effect. Key changes include (a) increasing the prominence of stewardship in the objective of financial reporting, (b) reinstating prudence as a component of neutrality, (c) defining a reporting entity, which may be a legal entity, or a portion of an entity, (d) revising the definitions of an asset and a liability, (e) removing the probability threshold for recognition and adding guidance on derecognition, (f) adding guidance on different measurement basis, and, (g) stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements. The application of the revised conceptual framework had no significant impact on the Group's consolidated financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements, and PAS 8 (Amendments), Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material* (effective from January 1, 2020). The amendments provide a clearer definition of 'material' in PAS 1 by including the concept of 'obscuring' material information with immaterial information as part of the new definition, and clarifying the assessment threshold (i.e., misstatement of information is material if it could reasonably be expected to influence decisions made by primary users, which consider the characteristic of those users as well as the entity's own circumstances). The definition of material in PAS 8 has been accordingly replaced by reference to the new definition in PAS 1. In addition, amendment has also been made in other standards that contain definition of material or refer to the term 'material' to ensure consistency. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(iii) PFRS 3 (Amendments), *Business Combinations – Definition of a Business.* The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(iv) PFRS 7 (Amendments), *Financial Instruments: Disclosures*, and PFRS 9 (Amendments), *Financial Instruments – Interest Rate Benchmark Reform*. The amendments clarify that an entity would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(v) The Company elected to adopt early PFRS 16 (Amendments), *Leases – COVID-19-Related Rent Concessions*, which is effective for annual reporting periods beginning on or after June 30, 2020. The amendments permit lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The Group applied this practical expedient to leases involving its land where stations are built. As a result, the Group recognized P6.9 million to reflect changes in lease payments that arose from rent concessions, which is presented as part of Selling and Administrative Expenses in the consolidated statement of comprehensive income for the year ended December 31, 2020 (see Note 25).

(b) Effective Subsequent to 2020 but not Adopted Early

There are amendments and annual improvements to existing standards effective for annual periods subsequent to 2020, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's consolidated financial statements:

(i) PFRS 3 (Amendments), *Business Combination – Reference to the Conceptual Framework* (effective from January 1, 2022). The amendments update an outdated reference to the Conceptual Framework in PFRS 3 without significantly changing the requirements in the standard.

(ii) PAS 16 (Amendments), *Property, Plant and Equipment – Proceeds Before Intended Use* (effective from January 1, 2022). The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

(iii) PAS 37 (Amendments), *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract* (effective January 1, 2022). The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

(iv) Annual Improvements to PFRS 2018-2020 Cycle. Among the improvements, the following amendments, which are effective from January 1, 2022, are relevant to the Group. None of these are expected to have significant impact on the Group's consolidated financial statements.

- PFRS 9 (Amendments), *Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Liabilities.* The improvements clarify the fees that a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

- Illustrative Examples Accompanying PFRS 16, *Leases – Lease Incentives.* The improvement merely removes from the example the illustration of the reimbursement of leasehold improvements by lessor in order to resolve any potential confusion regarding the treatment of lease incentives.

(v) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective January 1, 2023). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

(vi) PFRS 10 (Amendments), *Consolidated Financial Statements, and PAS 28 (Amendments), Investments in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely). The amendments to PFRS 10 require full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3 between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale of contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company and its subsidiaries (see Note 1) after the elimination of intercompany transactions. All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities under the Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

The Parent Company accounts for its investments in subsidiaries, joint ventures and non-controlling interests as follows.

(a) Investments in Subsidiaries

Subsidiaries are entities (including structured entities) over which the Parent Company has control. Parent Company controls an entity when (i) it has power over the investee; (ii) it is exposed, or has rights to, variable returns from its involvement with the entity; and, (iii) has the ability to affect those returns through its power over the entity (see Note 2.13). The acquisition method is applied to account for acquired subsidiaries.

The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

(b) Investments in Joint Ventures

A joint venture pertains to a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint venture entity pertains to an entity whose economic activities are controlled jointly by the Group and by other venturers independent of the Group (joint venturers). Investment in a joint venture is accounted for under the equity method of accounting. Under this method, on initial recognition the investment in joint venture is recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share in the profit or loss of the investee after the date of the acquisition. The Group's share of the investee's profit or loss is recognized as equity share in the net income of joint venture in the Group's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for a change in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income.

The investments in joint ventures are subject to impairment testing (see Note 2.16).

(c) Transactions with Non-controlling Interests

The Group's transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transaction with the owners of the Group in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments to non-controlling interests result in gains and losses for the Group that are also recognized in equity.

When the Group ceases to have control over a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

The Parent Company holds interests in various subsidiaries and joint ventures as presented in Notes 1.2 and 14, respectively.

2.4 Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual terms of the financial instrument.

(a) Financial Assets

For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Group commits to purchase or sell the asset).

(i) Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The financial assets are classified into the following categories: financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. Currently, the financial assets category relevant to the Group is financial assets at amortized cost.

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Except for trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, *Revenue from Contracts with Customers*, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses (ECL).

The Group's financial assets measured at amortized cost are presented in the consolidated statement of financial position as Cash and Cash Equivalents, Trade and Other Receivables (excluding advances to suppliers, advances subject to liquidation and other receivables), Due from Related Parties, Restricted Deposits, Security deposits and Refundable rental deposits (presented as part of Prepayments and Other Current Assets and Other Non-Current Assets in the consolidated statement of financial position).

For purposes of cash flows reporting and presentation, cash and cash equivalents comprise accounts with original maturities of three months or less, including cash. These generally include cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of reporting period, which are classified as non-current assets.

Refundable rental deposits are initially recognized at fair value. Interest on the rental deposits arising from subsequent amortization is accounted for using the effective interest method and is presented as part of Finance Income under Other Charges (Income) in the consolidated statement of comprehensive income. The excess of the principal amount of the deposit over its present value is immediately recognized as deferred minimum lease payments (presented as part of Other Non-Current Assets in the consolidated statement of financial position). Meanwhile, rent expense arising from subsequent amortization of deferred minimum lease payments is accounted for using the straight-line method over the lease term and is presented as part of Rent under Selling and Administrative Expenses in the consolidated statement of comprehensive income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets at amortized cost, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in the consolidated statement of comprehensive income as part of Other Charges (Income).

(ii) Impairment of Financial Assets

At the end of the reporting period, the Group assesses its ECL on a forward-looking basis associated with its financial assets carried at amortized cost. The Group considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

For trade and other receivables, and due from related parties, the Group recognizes lifetime ECL when there has been a significant increase in credit risk on a financial asset since initial recognition. Lifetime ECL represents the expected credit loss that will result from all possible default events over the expected life of a financial asset, irrespective of the timing of the default. However, if the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures and provides for credit losses that are expected to result from default events that are possible within 12 months after the end of the reporting period.

The Group determines whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life of the financial asset between the reporting date and the date of the initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that may indicate an actual or expected deterioration of the credit quality of the financial assets.

The key elements used in the calculation of ECL are as follows:

- *Probability of default* – It is an estimate of likelihood of default over a given time horizon.
- *Loss given default* – It is an estimate of loss arising in case where a default occurs at a given time. It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those that the Group would expect to receive, including the realization of any collateral.
- *Exposure at default* – It represents the gross carrying amount of the financial instruments subject to the impairment calculation.

The Group recognizes an impairment loss in profit or loss for all financial instruments subjected to impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account.

(iii) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(b) Financial Liabilities

Financial liabilities, which include interest-bearing loans and borrowings, trade and other payables (excluding tax-related payables), derivative financial liabilities, security deposits, customers' cylinder deposits and cash bond deposits (which are presented under Other Non-Current Liabilities in the consolidated statement of financial position), are recognized when the Group becomes a party to the contractual terms of the instrument.

All interest-related charges incurred on financial liability are recognized as an expense in profit or loss under the caption Finance Costs in the consolidated statement of comprehensive income, except for interest charges that are attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) which are capitalized as part of the cost of such asset (see Note 2.18).

Interest-bearing loans and borrowings are raised for support of long-term funding of operations. These are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that these are not settled in the period in which they arise.

Trade and other payables (excluding tax-related payables), security deposits, customers' cylinder deposits and cash bond deposits are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments.

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognized in profit of loss. Derivative financial assets are set off against derivative financial liabilities and the net financial instruments are presented as either Derivative Financial Assets or Derivative Financial Liabilities in the consolidated statement of financial position (see Note 5.6).

Security deposits are initially recognized at fair value. Interest on security deposits arising from subsequent amortization is accounted for using the effective interest method and is presented as part of Finance Costs. The excess of the principal amount of the deposit over its present value is immediately recognized as Unearned rent (presented as part of Other Non-Current Liabilities in the consolidated statement of financial position). Meanwhile, the rent income arising from subsequent amortization of unearned rent is accounted for using the straight-line method over the lease term and is presented as part of Rent Income in the consolidated statement of comprehensive income.

The Group purchases LPG cylinders, which are loaned to dealers upon payment by the latter of an amount equivalent to 44.00-79.00% of the acquisition cost of the cylinders. At the end of each reporting date, customers' cylinder deposits, shown under Other Non-Current Liabilities in the consolidated statements of financial position, are reduced for estimated non-returns. Estimated non-returns are determined through amortization of the balance over the estimated useful life of cylinders and/or estimated proportion of the provision for lost cylinders (see Note 2.7). The reduction is recognized directly in the consolidated statement of comprehensive income as part of Fuel Service and Other Revenues.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the Parent Company.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

(c) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the consolidated statement of financial position when the Group currently has legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

2.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the moving average method. The cost of inventories includes all costs directly attributable to acquisitions, such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories (see Note 8).

2.6 Prepayments and Other Assets

Prepayments and other current assets pertain to other resources controlled by the Group as a result of past events. They are recognized in the consolidated financial statements when it is probable that the future economic benefits will flow to the Group and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Group beyond one year after the end of the reporting period or in the normal operating cycle of the business, if longer, are classified as non-current assets.

2.7 Property, Plant and Equipment

Land is measured at fair value less any impairment in value. As no finite useful life for land can be determined, related carrying amount are not depreciated. All other property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other expenditures for repairs and maintenance are charged to expense as incurred.

Following initial recognition at cost, land is carried at revalued amounts, which are the fair values at the date of the revaluation, as determined by independent appraisers, less any accumulated impairment losses. Appraisal is made once every two years or more frequently if market factors indicate a material change in fair value (see Note 5.5).

Any revaluation surplus is recognized in other comprehensive income and credited to the Revaluation Reserves account in the consolidated statement of changes in equity. Any revaluation deficit directly offsetting a previous surplus in the same asset is charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and the remaining deficit, if any, is recognized in profit or loss. Annually, an amount from the Revaluation Reserves account is transferred to Retained Earnings account for the impairment, if any, relating to the revaluation surplus. Upon disposal of revalued assets, amounts included in Revaluation Reserves account relating to them are transferred to Retained Earnings account.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

LPG cylinders	30 years
Buildings, depot, plant and pier facilities	5-25 years
Transportation and other equipment	1-10 years
Gasoline and LPG station equipment	1-5 years
Hauling and heavy equipment	1-5 years
Office furniture and equipment	1-3 years

LPG cylinders, which are circulating and are utilized by customers in their households or business premises, are presented at cost less accumulated depreciation and provision for losses on lost LPG cylinders. The Group performs an internal simulation and assessment of the quantity of LPG cylinders circulating and being stored in the market. A provision is provided for lost assets in accordance with the computed quantities. The assessment is conducted every other year and when the lost LPG cylinders are ascertained, the lost cylinders will be written-off.

Leasehold and land improvements are amortized over the terms of the related leases or the useful lives of the improvements, whichever is shorter.

Construction in progress represents properties under construction and on-going major repair works and is stated at cost. This includes cost of construction, applicable borrowing costs (see Note 2.18) and other direct costs. The account is not depreciated until such time that the assets are completed and available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.16).

The residual values' estimated useful lives and method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment, including the related accumulated depreciation, amortization and impairment losses, if any, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

2.8 Investment Properties

Investment properties, which include parcels of land and lot improvements, are properties held to earn rental income under operating lease, but not for sale in the ordinary course of business, use in services or for administrative purposes.

Land classified as investment property is accounted for under the fair value model. It is revalued every two years and is reported in the consolidated statement of financial position at its fair value. Fair value is supported by market evidence and is determined by independent appraisers with sufficient experience with respect to both the location and the nature of the investment property (see Note 5.5).

Any gain or loss resulting from either a change in the fair value or the sale or retirement of an investment property is immediately recognized in profit or loss as Fair value gains (losses) from investment property as part of Other Charges (Income) in the consolidated statement of comprehensive income.

Lot improvements is stated at cost, which includes acquisition price plus directly attributable costs incurred such as legal fees, transfer taxes and other transaction costs, less accumulated depreciation (except for land) and any impairment losses.

Depreciation of lot improvements is computed on a straight-line basis over the estimated useful life of five years. The residual values, estimated useful lives and method of depreciation of investment properties are reviewed, and adjusted if appropriate, at the end of each reporting period.

Transfers from other accounts (such as property, plant and equipment) are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party or holding the property for capital appreciation, while transfers from investment properties are made when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell. In isolation, a change in management’s intentions for the use of a property does not provide evidence of a change in use.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Gain or loss on disposal of investment property is recognized based on the difference between proceeds and carrying amount.

2.9 Intangible Assets

Intangible assets include acquired computer software licenses, software development costs, store franchise and basketball franchise, which are measured at cost less accumulated amortization and impairment in value, if any. The cost of the asset is the amount of cash or cash equivalents paid or the fair value of the other considerations given up to acquire an asset at the time of its acquisition. The useful lives of intangible assets are assessed as either finite or indefinite.

The Group assessed the useful life of basketball franchise to be indefinite because this is expected to contribute to net cash flows indefinitely. The basketball franchise is not amortized but is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software and those costs associated with research activities are recognized as expense in profit or loss as incurred.

Capitalized costs for computer software licenses are amortized on a straight-line basis over the estimated useful lives (ranging from one to ten years) as the lives of these intangible assets are considered finite. In addition, intangible assets are subject to impairment testing as described in Note 2.16.

Costs that are directly attributable to the development phase of new customized software for information technology and telecommunications systems are recognized as intangible assets if, and only if, the Group can demonstrate all of the following recognition requirements:

(i) technical feasibility of completing the prospective product for internal use or sale;

(ii) the intangible asset will generate probable economic benefits through internal use or sale;

(iii) intention and ability to complete, i.e., availability of sufficient technical, financial and other resources necessary for completion, and use or sell the asset; and,

(iv) ability to measure reliably the expenditure attributable to the intangible asset during development.

Development costs not meeting these criteria for capitalization are expensed as incurred. Directly attributable costs include employee costs incurred on software development along with an appropriate portion of relevant overheads and borrowing costs.

The store franchise relates to asset acquired from business combination with PFM. Such is for taking in the name and management know-how of the FamilyMart mark. Amortization is computed on a straight-line method over its estimated useful life of 10.50 years (see Note 13).

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.10 Non-current Asset Classified as Held for Disposal

Non-current asset classified as held for disposal includes retail service stations that the Group intends to sell within one year from the date of classification as held for sale.

The Group classifies a non-current asset (or disposal group) as held for disposal if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In the event that the sale of the asset is extended beyond one year, the extension of the period required to complete the sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond the Group’s control and there is sufficient evidence that the Group remains committed to its plan to sell the asset.

Non-current asset held for disposal is measured at the lower of their carrying amounts, immediately prior to their classification as held for sale, and their fair value less costs to sell. The Group shall recognize an impairment loss for any initial or subsequent write-down of the asset at fair value less cost to sell. Gain from any subsequent increase in fair value less cost to sell of an asset is recognized to the extent of the cumulative impairment loss previously recognized. Assets classified as held for disposal are not subject to depreciation.

If the Group has classified an asset as held for disposal, but the criteria for it to be recognized as held for disposal are no longer satisfied, the Group shall cease to classify the asset as held for disposal.

The gain or loss arising from the disposal or remeasurement of held for disposal assets is recognized in profit or loss and included as part of Other Charges (Income) in the consolidated statements of comprehensive income.

2.11 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.12 Business Combinations

Business acquisitions are accounted for using the acquisition method of accounting and pooling-of-interest method.

The acquisition method requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interest issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expenses as incurred and subsequent changes in the fair value of contingent consideration is recognized directly in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest’s proportionate share of the recognized amounts of the acquiree’s identifiable assets.

In cases wherein the accounting for the acquisition is not yet complete as of the end of the year, the fair value of the identifiable assets and liabilities are presented as provisional amounts and will be adjusted upon finalization of the valuation, which is expected to be completed within 12 months from the date of acquisition.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed (see Note 2.16).

Negative goodwill which is the excess of the Group’s interest in the fair value of net identifiable assets acquired over acquisition cost is charged directly to income.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

Gains and losses on the disposal of an interest in a subsidiary include the carrying amount of goodwill relating to it.

If the business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in the profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

On the other hand, business combinations arising from acquisition and disposal of an entity under common control (see Note 30.4) are accounted for under the pooling-of-interest method and reflected in the consolidated financial statements as if the business combination had occurred at the beginning of the earliest comparative period presented, of if later, at the date that common control was established; for this purpose, comparative periods presented are restated. The assets and liabilities acquired are recognized in the consolidated financial statements at their carrying amounts; accordingly, no goodwill or gain on bargain purchase is recognized for the acquisition. Similar accounts of the entities are combined on a line-by-line basis except for the equity accounts which were offset with the new shares issued by the new entity in which the difference between the net assets received and the amount of the consideration (shares issued and cash) is accounted for as Other Reserves.

2.13 Revenue and Expense Recognition

Revenue arises mainly from the sales of goods (fuels and by-products, lubricants, LPG, and merchandise inventories) and from rendering into-plane, terminalling and hauling services.

To determine whether to recognize revenue, the Group follows a five-step process:

(1) identifying the contract with a customer;
(2) identifying the performance obligation;
(3) determining the transaction price;
(4) allocating the transaction price to the performance obligations; and,
(5) recognizing revenue when/as performance obligations are satisfied.

For Step 1 to be achieved, the following five gating criteria must be present:

(1) the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
(2) each party's rights regarding the goods or services to be transferred or performed can be identified;
(3) the payment terms for the goods or services to be transferred or performed can be identified;
(4) the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and,
(5) collection of the consideration in exchange of the goods and services is probable.

Revenue is recognized only when (or as) the Group satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,

- the Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

The following specific recognition criteria must also be met before revenue is recognized:

(a) *Sale of goods* – Sale of goods include fuel and by-products (such as CME), lubricants, LPG, and merchandise inventories. Revenue is recognized when the Group transfers control of the assets at a point in time to the customer. Invoices for goods transferred are due upon receipt by the customer.

(b) *Fuel service and other revenues* – Fuel service and other revenues mainly consist of hauling, into-plane services, management services, and transport services, is recognized over time and is based on a fixed agreed fee. These services are generally performed within the day. Invoices for services transferred are due upon receipt by the customer.

The Group presents a contract asset when performing services to a customer before the customer pays consideration or before payment is due. A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer.

The Group presents a contract liability when a customer pays the consideration, or a Group has the right to an amount of consideration that is unconditional (i.e., a receivable), before the Group performs services to the customer. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

In obtaining customer contracts, the Group incurs incremental costs. As the expected amortization period of these costs, if capitalized, would be less than one year, the Group uses the practical expedient in PFRS 15*,* and expenses such costs as incurred. The Group also incurs costs in fulfilling contracts with customers. However, as those costs are within the scope of other financial reporting standards, the Group accounts for those costs in accordance with accounting policies related to those financial reporting standards.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred. Expenditure for warranties is recognized and charged against the associated provision when the related revenue is recognized. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs, which are included as part of the cost of the related qualifying asset (see Note 2.18).

2.14 Leases

The Group accounts for its leases as follows:

(a) Group as Lessee

(i) Accounting for Leases in Accordance with PFRS 16 (2020 and 2019)

For any new contracts entered into, the Group considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,

- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability in the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist (see Note 2.16).

On the other hand, the Group measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed) less lease incentives receivable, if any, variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options (either renewal or termination) reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets and lease liabilities have been presented separately from property, plant and equipment and other liabilities, respectively.

(ii) Accounting for Leases in Accordance with PAS 17 (2018)

Leases which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are recognized as expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

(b) Group as Lessor

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

The Group determines whether an arrangement is, or contains a lease based on the substance of the arrangement. It makes an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.15 Foreign Currency Transactions and Translations

(a) Transactions and Balances

Except for PNX SG, PNX Energy, PNX Vietnam, which use the United States (U.S.) Dollars, PTPPI, which uses Indonesian Rupiah, and PGV LLC, which uses Vietnamese Dong, as functional currencies, the accounting records of the Parent Company and its subsidiaries are maintained in Philippine Peso. Foreign currency transactions during the year are translated into functional currency at exchange rates that approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

(b) Translation of Financial Statements of Foreign Subsidiaries

The operating results and financial position of a foreign subsidiaries, in which their functional currency are measured as stated in Note 2.15(a), are translated to Philippine pesos, to the Group's functional currency as follows:

i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;

ii. Income and expenses for each profit or loss account are translated at the average exchange rates over the reporting period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and,

iii. All resulting exchange differences are recognized in other comprehensive income and in a separate component of equity under Revaluation Reserves account (see Note 2.22).

On consolidation, exchange differences arising from the translation of the net investment in the foreign subsidiaries are recognized under Translation Adjustment Related to Foreign Subsidiaries in the consolidated statements of comprehensive income. When a foreign operation is partially disposed or sold, such exchange differences are recognized in the consolidated statement of comprehensive income as part of gains or loss on sale.

The translation of the consolidated financial statements into Philippine peso should not be construed as a representation that the Singapore Dollar, Indonesian Rupiah and Vietnamese Dong amounts could be converted into Philippine Peso amounts at the translation rates or at any other rates of exchange.

2.16 Impairment of Non-financial Assets

The Group's property, plant and equipment, intangible assets, goodwill, investments in joint venture, right-of-use assets and other non-financial assets are subject to impairment testing. Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, except for goodwill and franchise with indefinite useful lives that are tested for impairment at least annually.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

The cash-generating units or groups of cash-generating units are identified according to operating segment.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

Except for goodwill and franchise with indefinite useful lives, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss, except impairment loss on goodwill (see Note 2.12), is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

2.17 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan and a defined contribution plan, and other employee benefits which are recognized as follows:

(a) Post-employment Defined Benefit Plan

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Group, even if plan assets, if any, for funding the defined benefit plan have been acquired. Plan assets, if any, may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is noncontributory and administered by a trustee.

The liability recognized in the consolidated statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows for expected benefit payments using a discount rate derived from the interest rates of a zero coupon government bonds [using the reference rates published by Bloomberg using its valuation technology, Bloomberg Valuation (BVAL)], that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability. BVAL provides evaluated prices that are based on market observations from contributed sources.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on plan assets (excluding amount included in net interest) are reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, unless there is a plan amendment, curtailment or settlement during the reporting period. The calculation also takes into account any changes in the net defined benefit liability or asset during the period as a result of contributions to the plan or benefit payments. Net interest is reported as part of Finance Costs or Finance Income in the consolidated statement of comprehensive income.

Past service costs are recognized immediately in profit or loss in the period of a plan amendment and curtailment.

(b) Post-employment Defined Contribution Plans

A defined contribution plan is a post-employment plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities or assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(c) Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of when it can no longer withdraw the offer of such benefits and when it recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

(d) Profit-sharing and Bonus Plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognizes a provision where it is contractually obliged to pay the benefits, or where there is a past practice that has created a constructive obligation.

(e) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in Trade and Other Payables account in the consolidated statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

(f) Share-based Payments

The Parent Company grants share options to its qualified employees eligible under a share option plan. The services received in exchange for the grant, and the corresponding share options, are valued by reference to the fair value of the equity instruments granted at grant date. This fair value excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions), if any.

The share-based remuneration, if any, is recognized as an expense in profit or loss and the corresponding credit to retained earnings.

The expense is recognized during the vesting period based on the best available estimate of the number of share options expected to vest. The estimate is subsequently revised, if necessary, such that it equals the number that ultimately vests on vesting date. No subsequent adjustment is made to expense after vesting date, even if share options are ultimately not exercised.

Upon exercise of share option, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to capital stock with any excess being recorded as additional paid-in capital.

2.18 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.19 Income Taxes

Tax income or expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method on temporary differences at the end of reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets, if any, are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For purposes of measuring deferred tax liabilities, the carrying amount of such properties is presumed to be recovered entirely through sale, unless the presumption is rebutted, that is when the land held for sale and development costs are held within the business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority.

2.20 Related Party Transactions and Relationships

Related party transactions are transfer of resources, services or obligations between the Group and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual; and, (d) the Group’s funded retirement plan.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Based on the requirement of SEC Memorandum Circular 2019-10, *Rules of Material Related Party Transactions of Publicly-listed Companies,* transactions amounting to 10% or more of the Group’s total assets that were entered into with related parties, either individually or in aggregate over a twelve-month period, are considered material. All material related party transactions shall be approved by the majority of the BOD and shareholders. Attendance and votes of directors with personal interest in the transactions shall not be counted for the purposes of assessing the quorum and determining majority approval, respectively.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Parent Company's BOD and management committee responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's products and service lines as disclosed in Note 33, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, *Operating Segments*, are the same as those used in its consolidated financial statements, except that post-employment benefit expenses are not included in arriving at the operating profit of the operating segments.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.
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2.22 Equity

The components of the Group's equity include the following:

(a) Preferred and common stock represents the nominal value of shares that have been issued.

(b) Treasury shares are stated at the cost of reacquiring such shares and are deducted from equity attributable to the Group's equity holders until the shares are cancelled, reissued or disposed of.

(c) Additional paid-in capital (APIC) includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits. APIC is reduced by the amount in excess of par value of redeemed shares.

(d) Revaluation reserves comprise of gains and losses arising from the revaluation of the Group's parcels of land under property, plant and equipment, remeasurements of post-employment defined benefit obligation, net of applicable taxes, and adjustments resulting from the translation of foreign currency-denominated financial statements of certain foreign subsidiaries into the Group's functional and presentation currency (see Note 2.15).

(e) Retained earnings include all current and prior period results of operations as reported in the profit or loss section of the consolidated statement of comprehensive income, reduced by the amounts of dividends declared.

(f) Non-controlling interests (NCI) represent the portion of the net assets and profit not attributable to the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position and changes in equity.

2.23 Earnings or Loss per Share

Basic earnings or loss per share is computed by dividing net profit attributable to common shareholders by the weighted average number of common shares issued and outstanding, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the current period.

Diluted earnings or loss per share is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares, if any.

2.24 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Group's position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements.
Post-year-end events that are not adjusting events, if any, are disclosed when material to the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to make judgments and estimates that affect amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(b) Determination of Timing of Satisfaction of Performance Obligations

(i) Rendering of Fuel Services and Other Revenues

The Group determines that its revenue from rendering of fuel services and other revenues shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group transfers control of the services over time, based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. However, significant services are generally performed within the day.

(ii) Sale of Goods

The Group determines that its revenue from sale of goods shall be recognized at a point in time when the control of the goods have passed to the customer, i.e., generally when the customer has acknowledged delivery of the goods.

(c) Determination of ECL of Financial Assets at Amortized Cost

The Group uses an external benchmarking to calculate ECL for financial assets at amortized cost. The Group applies the PFRS 9 using internal credit ratings translated to external credit ratings [i.e. Standard & Poor's (S&P)] in order to reference/benchmark with published equivalent external cumulative PD (see Note 4.2).

The Group's internal credit rating for each customer is re-assessed when there are changes in credit limit and payment terms.

(d) Evaluation of Business Model Applied in Managing Financial Instruments

The Group developed business models which reflect how it manages its portfolio of financial instruments. The Group's business models need not be assessed at entity level or as a whole but shall be applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Group) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument under PFRS 9, the Group evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by the Group (e.g., held-for-trading, generating accrual income, direct matching to a specific liability) as those relate to the Group's investment and trading strategies.

(e) Distinction between Operating and Finance Leases for Contracts where the Group is the Lessor

The Group has entered into various lease agreements as lessor. Critical judgment was exercised by management to distinguish each lease agreement, either as a lessor or a lessee, as either an operating or finance lease by looking at the transfer or retention of significant risks and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

(f) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.11 and disclosures on relevant contingencies are presented in Note 34.

(g) Determination of Qualifying Assets on Borrowing Costs

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Determining if an asset is a qualifying asset will depend on the circumstances and requires the use of judgment in each case. In making judgment, the management takes into account its planned use when it determines whether the asset is a qualifying asset and considers the facts and circumstances and uses its judgment to determine whether an asset takes a substantial period of time to get ready for its intended use or sale. Based on the facts and circumstances affecting the Group's qualifying asset, the management concludes that the Group's retail station, depot facilities and development costs are qualifying assets as the management assesses that it takes substantial period of time for the completion of those assets.

(h) Distinction between Investment Properties and Owner-Managed Properties

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process.

In 2019, the Group reclassified a certain property to investment property from property, plant and equipment. The said property was previously used for administrative purposes but is now currently held for capital appreciation (see Notes 11 and 16).

(i) Joint Control of Entities in which the Group Holds More than 50%

Management considers that the Group does not have control of Galaxi and PSPC (2018) even though the Group holds more than 50% each of the ordinary shares of these entities. In making judgment regarding its involvement in Galaxi and PSPC management considered the Group's voting rights, the relative size and dispersion of the voting rights held by other shareholders and the extent of recent participation by those shareholders in general meetings. Even though the Group has 51% shareholdings and appoints three out of five members of the directors for both entities, all decisions shall require affirmative votes of at least 75% of the directors and any variation in the business of Galaxi and PSPC shall require the mutual consent of the parties. Moreover, the JV partners of the Group are responsible in managing the day-to-day operations of the Galaxi and PSPC.

(j) Impairment of Basketball Franchise and Goodwill

The determination when the Group's basketball franchise is considered impaired requires significant judgment. In making this judgment, the Group evaluates, among other factors, the continuity and going concern status of the Philippine Basketball Association, changes in viewership of basketball leagues and the period over which the Group expects to benefit from holding the franchise, which include but are not limited to marketing and publicity, brand awareness and media mileage. Based on the recent evaluation of information and circumstances affecting the Group's basketball franchise, management has assessed that the period over which the Group expects the basketball franchise to generate inflows for the Group is indefinite and has determined that no impairment loss is required to be recognized on the Group's basketball franchise in 2020, 2019 and 2018. Future changes in those information and circumstances might significantly affect the carrying amount of the basketball franchise disclosed in Note 13.

The determination when the Group's goodwill is considered impaired requires significant judgment. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors. Based on the recent evaluation of information and circumstances affecting the Group's goodwill, management has determined that no impairment loss is required to be recognized on the Group's goodwill in 2020, 2019 and 2018.

(k) Sale and leaseback transaction that does not qualify as sale per PFRS 15

The Group applies the requirements in PFRS 15 in determining whether the sale in a sale and leaseback arrangement constitutes a sale of asset. The sale and leaseback agreement entered into by PNX SG contains a right to repurchase the vessel (call option), which does not give the buyer control over the asset due to its limited ability to direct the use of the vessel, and obtain substantially all of the remaining benefits from the vessel. PFRS 15 stipulates that if the contact of sale with call option is part of a sale and leaseback transaction, the transaction is accounted as financial liability in accordance with PFRS 9.

3.2 Key Sources of Estimation Uncertainty

Presented in the succeeding pages are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(a) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract, for new lease contracts. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset, credit risk of the Group and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(b) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 4.2(*b*).

(c) Determination of Net Realizable Value of Inventories

In determining the net realizable values of inventories, management takes into account the most reliable evidence available at the dates the estimates are made. Future realization of the carrying amounts of inventories, as presented in Note 8, is affected by price changes and action from competitors. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the Group's inventories within the next financial reporting period.

(d) Estimation of Useful Lives of Property, Plant and Equipment, Right-of-use Assets, Intangible Assets and Investment Properties

The Group estimates the useful lives of property, plant and equipment, right-of-use assets, intangible assets and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment, right-of-use assets, intangible assets and investment properties (land improvements) are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property, plant and equipment, right-of-use assets, intangible assets and investment properties are analyzed in Notes 11, 12, 13 and 16, respectively. Based on management's assessment as of December 31, 2020 and 2019, there is no change in the estimated useful lives of the property, plant and equipment, intangible assets and investment properties during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(e) Fair Value Measurement of Property, Plant and Equipment and Investment Properties

The Group's property, plant and equipment and investment properties include parcels of land, that are carried at revalued amount at the end of the reporting period. In determining the fair value of these assets, the Group engages the services of professional and independent appraisers applying the relevant valuation methodologies as discussed in Note 5.5.

The amounts of revaluation and fair value gains recognized on parcels of land under property, plant and equipment and investment properties are disclosed in Notes 11 and 16, respectively.

(f) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management assessed that the deferred tax assets recognized as of December 31, 2020 and 2019 will be fully utilized in the coming years. The carrying value of deferred tax assets as of December 31, 2020 and 2019 is disclosed in Note 29.

(g) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 27 and include, among others, discount rates and salary increase rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of retirement benefit obligation are presented in Note 27.3.

(h) *Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.16). Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management has assessed that no impairment losses are required to be recognized on the Group's goodwill, investments in joint venture, property, plant and equipment, investment properties, right-of-use assets, and intangible assets in 2020, 2019 and 2018.

(i) *Fair Value Measurements of Business Combinations*

On initial recognition in a business combination using the purchase method of accounting, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses market-based evidence and obtains assistance from third party valuation specialists on the acquired property, plant and equipment (see Note 1.4).

(j) *Provision for Losses on Lost LPG Cylinders*

Management estimates provision for losses on lost LPG cylinders based on the quantities computed from its internal simulations and computations. The estimated quantities do not represent the exact quantities of the LPG cylinders but they are assessed based on management's assumptions and historical loss experience representing the management's best estimate of the quantities of lost cylinders. Management will arrange for the appraisal by an external expert to take place every other year to obtain confidence in the estimate of the provision amount.

Provision for losses on lost LPG cylinders amounting to P42.5 million, nil and P24.3 million in 2020, 2019 and 2018, respectively, (see Note 11).

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

4.1 Market Risk

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

(a) Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise from the Group's sales to a certain customer and, fuel and tanker importations, which are primarily denominated in U.S. dollars. The liability covering the fuel importation is covered by letter of credits (LCs) which is subsequently closed to Philippine peso trusts receipts (TRs). The Group also holds U.S. and Singapore dollar-denominated cash and cash equivalents. The Group also has trade receivables and payables primarily denominated in Vietnamese Dong, as a result of the Group's acquisition of PGV LLC which is situated in Vietnam. Financial instruments that are Indonesian Rupiah denominated are considered immaterial, hence, not included in the analyses below.

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

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

	2020		
	U.S. Dollar	**Singapore Dollar**	**Vietnamese Dong**
Financial assets	**P 7,115,806,079**	**P 9,134,522**	**P 281,165,717**
Financial liabilities	**(8,232,605,011)**	**-**	**(272,892,390)**
Net exposure	**(P 1,116,798,932)**	**P 9,134,522**	**P 8,273,327**

	2019		
	U.S. Dollar	Singapore Dollar	Vietnamese Dong
Financial assets	P 6,205,264,630	P 5,988,698	P 165,720,486
Financial liabilities	(15,874,853,970)	-	(470,584,602)
Net exposure	(P 9,669,589,340)	P 5,988,698	(P 304,864,116)

The following table illustrates the sensitivity of the Group's profit before tax with respect to changes in Philippine peso against U.S. and Singapore dollar, and Vietnamese Dong exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months at a 99.00% confidence level.

	2020		
	U.S. Dollar	**Singapore Dollar**	**Vietnamese Dong**
Reasonably possible change in rate	**9.51%**	**26.57%**	**10.41%**
Effect in profit before tax	**(P 106,207,578)**	**P 2,427,043**	**P 861,253**
Effect in equity after tax	**(74,345,305)**	**1,698,930**	**602,877**

	2019		
	U.S. Dollar	Singapore Dollar	Vietnamese Dong
Reasonably possible change in rate	12.93%	21.49%	13.28%
Effect in profit before tax	(P 1,250,277,902)	P 1,286,971	(P 40,485,955)
Effect in equity after tax	(875,194,531)	900,880	(28,340,168)

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

(b) Interest Rate Risk

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. Long-term borrowings are therefore usually made at fixed rates. As of December 31, 2020 and 2019, the Group is exposed to changes in market interest rates through its cash and cash equivalents and certain interest-bearing loans and borrowings which are subject to variable interest rates (see Notes 6 and 19). All other financial assets and financial liabilities have fixed rates.

Cash in banks are tested on a reasonably possible change of +/-1.40% in both 2020 and 2019, for Philippine Peso. Short-term money placements and time deposits are tested on a reasonably possible change of +/-2.03% in both 2020 and 2019. Banks loans subject to variable interest rates (or repricing) are tested on a reasonably possible change of +/-0.44% for Philippine peso in both 2020 and 2019 and +/-0.87% and +/-0.66% in 2020 and 2019, respectively for U.S. dollar for both years. These percentages have been determined based on the average market volatility of interest rates, using standard deviation, in the previous 12 months estimated at 99.00% level of confidence. The sensitivity analysis is based on the Group's financial instruments held at the end of each reporting period, with effect estimated from the beginning of the year. All other variables are held constant.

The changes in percentages would affect profit or loss before tax by +/-P306.8 million and +/-P363.9 million for the years ended December 31, 2020 and 2019, respectively, and equity after tax by +/-P214.7 million and +/-P254.7 million for the years ended December 31, 2020 and 2019, respectively.

(c) Other Price Risks

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

The Group is also exposed to price risk arising from the current non-qualifying hedges – forward contracts entered into by PNX SG. Such instruments are used to mitigate the fluctuations of expected physical oil sales and purchases contracts. These instruments are fair valued by third-party brokers/banks using observable market data and other sources. In 2020 and 2019, fair value of the open derivative positions recorded within the financial instruments amounted to P623.1 million and P311.0 million, respectively (see Note 22). The impact of increase in prices, based on the volatility of global oil market prices, on profit or loss, net of Singapore statutory tax rate of 17%, in 2020 and 2019 is presented below.

	2020	2019
Reasonably possible increase in prices	**2.95%**	1.27%
Effect in profit before tax	**P 18,382,770**	P 3,957,068
Effect in equity after tax	**15,257,699**	3,284,367

4.2 Credit Risk

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

The Group employs a range of policies and practices to mitigate credit risk. The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, collaterals such as cash bonds, standby letter of credits, real estate mortgage and retail stations are received to mitigate credit risk. Estimates of fair values are based on the value of collaterals assessed at the time of first dealing with the customer and are updated and monitored periodically, e.g., annually for real estate properties and retail stations.

There is no change on the quality of the collateral held against the credit exposures, except for the fair value of the collaterals driven by the change in market conditions.

Estimate of the fair value of collateral held against trade and other receivables (excluding due from related parties) as of December 31 follows:

	2020	2019
Standby letter of credits	**P 545,400,443**	P 590,461,106
Retail stations	**440,925,755**	-
Cash bond	**268,980,068**	261,881,695
Real estate mortgage	**74,192,730**	74,192,730
	P 1,329,498,996	P 926,535,531

Retail stations held as collateral as of December 31, 2020, relate to disposed retail stations to certain JVs in 2020. Based on the agreement of the parties, the Group's management has the discretion to reclaim the unpaid sold retail stations in the event that JVs are unable to pay the outstanding balances.

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

	Notes	**2020**	2019
Cash and cash equivalents	6	**P 5,788,390,677**	P 9,810,770,115
Trade and other receivables – net*	7	**16,395,538,422**	15,617,098,103
Due from related parties - net	30.4	**30,903,191**	1,986,811
Construction bond**	10	**6,749,664**	6,727,753
Restricted deposits	9	**-**	54,462,326
Security deposits	10	**869,781,137**	609,917,171
Refundable rental deposits	10, 17	**276,351,471**	323,634,283
		P23,367,714,562	P26,424,596,562

**excluding advances to suppliers, advances subject to liquidation and other receivables (2020)*
***included as part of Others under Prepayments and Other Current Assets*

(a) *Cash and Cash Equivalents and Restricted Deposits*

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

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

The Group applies simplified approach in measuring ECL which uses a lifetime expected loss allowance for all Trade and Other Receivables and Due from Related Parties. The Group's trade and other receivables and due from related parties are assessed individually or on a per customer basis.

The Group computes expected losses using internal credit ratings translated to external credit ratings [i.e. Standard & Poor's (S&P)] in order to reference/benchmark with published equivalent external cumulative loss rate. The Group's definition of Trade and Other Receivables and Due from Related Parties classification [known as Phoenix Risk Rating (PRR)] and corresponding credit risk ratings are presented below.

Phoenix Risk Rating (PRR)	**Description**		**Equivalent S&P Rating**	**S&P Loss Rate (%)**	
	Financial and Business Profiles	**Other Information**		**2020**	2019
PRR 3A	Counterparties with both very strong financial and business profiles. Lowest risk of default in the scale.	These counterparties do not have a greater-than-normal risk. The track record of the client in terms of profit is very good and exhibits highest quality under virtually all economic conditions. Probability of default is quite low and it bears some degree of stability and substance. However, client may be susceptible to cyclical changes and more concentration of business risk, by product or by market.	BBB	**0.21 – 0.60**	0.13 – 0.56
PRR 2A	Counterparties with strong financial profile and very strong business profile or vice versa.		BBB	**0.21 – 0.60**	0.13 – 0.56
PRR 1A	Counterparties with a strong to adequate financial profile and very strong to adequate business profile.		BBB	**0.21 – 0.60**	0.13 – 0.56
PRR 3B	Counterparties with a sustainable financial profile and adequate business profile.	Counterparties whose risk elements are sufficiently pronounced to withstand normal business cycles but any prolonged unfavorable economic and/or market period would create an immediate deterioration beyond acceptable levels.	BB	**0.62 – 2.86**	0.57 – 1.73
PRR 2B	Counterparties with an average financial profile and sustainable business profile.		BB	**0.62 – 2.86**	0.57-1.73
PRR 1B	Counterparties with both average financial and business profile.	Credit exposure is not at risk of loss at the moment but performance of the client has weakened and unless present trends are reversed, could lead to losses.	B	**3.12 – 8.85**	3.04 – 6.36
PRR 3C	Counterparties with an average financial profile and adequate business profile.	This rating is given to a client where repayment of the receivable, through normal course of business, may be in jeopardy due to adverse events. There exists the possibility of future losses to the institution unless given closer supervision.	B	**3.12 – 8.85**	3.04 – 6.36
PRR 2C	Counterparties with a weak financial profile and adequate business profile.		B	**3.12 – 8.85**	3.04 – 6.36
PRR 1C	Counterparties with a weak financial profile and sustainable business profile.	Counterparties credits or portions thereof which exhibit more severe weaknesses. This rating is given to a counterparties whose receivables or portions thereof are considered uncollectible. The collectible amount, with no collateral or which collateral is of little value, is difficult to measure and more practical to write-off than to defer even though partial recovery may be obtained in the future.	CCC/C	**100**	100
PRR D	Counterparties with a weak financial profile and average business profile.		CCC/C	**100**	100
PRR F	Counterparties with both weak financial profile and business profiles.		CCC/C	**100**	100

The credit loss allowance provided as of December 31, 2020 and 2019 are as follows:

December 31, 2020

Trade and Other Receivables

PRR	S&P Rating	Loss Rate Range	Estimated Gross Carrying Amount at Default	Credit Loss Allowance
PRR 3A	BBB	0.21 – 0.60	**P 6,271,502,269**	**P 13,058,294**
PRR 2A	BBB	0.21 – 0.60	**502,545,006**	**1,044,352**
PRR 1A	BBB	0.21 – 0.60	**4,871,255,773**	**16,051,676**
PRR 3B	BB	0.62 – 2.86	**1,715,070,724**	**13,418,494**
PRR 2B	BB	0.62 – 2.86	**503,799,467**	**3,125,800**
PRR 1B	B	3.12 – 8.85	**1,978,386,374**	**72,621,327**
PRR 3C	B	3.12 – 8.85	**639,540,386**	**21,239,570**
PRR 2C	B	3.12 – 8.85	**40,854,880**	**1,509,402**
PRR 1C/D/F	CCC/C	100	**606,967,970**	**592,315,512**
			P 17,129,922,849	**P 734,384,427**

Due From Related Parties

PRR	S&P Rating	Loss Rate Range	Estimated Gross Carrying Amount at Default	Credit Loss Allowance
PRR 3B	BB	0.62 – 2.86	**P 3,989,936**	**P 24,668**
PRR 2B	BB	0.62 – 2.86	**9,285,680**	**76,561**
PRR 1B	B	3.12 – 8.85	**3,429,751**	**113,656**
PRR 3C	B	3.12 – 8.85	**14,982,808**	**570,099**
			P 31,688,175	**P 784,984**

December 31, 2019

Trade and Other Receivables

PRR	S&P Rating	Loss Rate Range	Estimated Gross Carrying Amount at Default	Credit Loss Allowance
PRR 3A	BBB	0.13 – 0.56	P 7,827,361,924	P 11,701,424
PRR 2A	BBB	0.13 – 0.56	993,833,923	1,562,717
PRR 1A	BBB	0.13 – 0.56	2,934,649,883	8,014,488
PRR 3B	BB	0.57 – 1.73	2,304,670,300	13,179,051
PRR 2B	BB	0.57 – 1.73	569,745,228	3,916,005
PRR 1B	B	3.04 – 6.36	278,924,061	10,477,726
PRR 3C	B	3.04 – 6.36	574,105,409	22,086,150
PRR 2C	B	3.04 – 6.36	211,818,047	7,073,111
PRR 1C/D/F	D	100	577,628,510	577,628,510
			P 16,272,737,285	P 655,639,182

Due From Related Parties

PRR	S&P Rating	Loss Rate Range	Estimated Gross Carrying Amount at Default	Credit Loss Allowance
PRR 1B	B	3.04 – 6.36	P 2,073,627	P 86,816

During 2020, certain assumptions and estimation technique have been reviewed to consider the unprecedent impact of COVID-19 pandemic. In this regard, the Group performed a credit review of certain customer accounts, particularly those belonging from the marine and power industries, to assess vulnerability arising from current economic conditions. The management has assessed these customers to lower credit rating to reflect the impact of COVID-19 in the assessment of ECL in 2020. Loss rates used in 2020 were also adjusted to consider the impact of the COVID-19 pandemic. Further, the Group has implemented strict collection policy, such as cash before delivery transactions, to its customers to minimize risk of not recovering receivables.

(c) Security deposits

The credit risk for security deposits is considered negligible due to low credit risk, as these pertain to the refundable foreign-currency-denominated cash collateral placed in relation to the forward contracts entered into by PNX SG (see Notes 10 and 22).

(d) Refundable Rental Deposits

The credit risk for refundable rental deposits is considered negligible as the Group has ongoing lease agreements with the counterparties and the latter are considered to be with sound financial condition and sufficient liquidity.

4.3 Liquidity Risk

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

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

As of December 31, 2020, the Group's financial liabilities (except lease liabilities – see Note 12.2) have contractual maturities, which are summarized as follows:

	Current		**Non-current**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Interest-bearing loans and borrowings	P 26,209,383,807	P 4,982,321,547	P 15,659,129,105	P 5,672,528,179
Trade and other payables (excluding tax-related payables)	772,563,181	7,850,347,615	-	-
Derivative financial liabilities	623,144,735	-	-	-
Security deposits	-	-	106,428,876	-
Customers' cylinder deposits	-	-	-	783,055,495
Cash bond deposits	-	-	209,593,184	59,386,884
	P 27,605,091,723	**P 12,832,669,162**	**P 15,975,151,165**	**P 6,514,970,558**

As of December 31, 2019, the Group's financial liabilities (except lease liabilities – see Note 12.2) have contractual maturities, which are summarized as follows:

	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Interest-bearing loans and borrowings	P 30,167,954,167	P 9,330,631,443	P 13,628,536,145	P -
Trade and other payables (excluding tax-related payables)	793,247,218	10,744,441,389	-	-
Derivative financial liabilities	311,019,650	-	-	-
Security deposits	-	-	100,979,556	-
Customers' cylinder deposits	-	-	-	440,803,046
Cash bond deposits	-	-	247,905,839	58,405,556
	P 31,272,221,035	P20,075,072,832	P13,977,421,540	P 499,208,602

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

5.1 Carrying Amounts and Fair Values by Category

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

		2020		2019	
	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	6	**P 5,788,390,677**	**P 5,788,390,677**	P 9,810,770,115	P 9,810,770,115
Trade and other receivables-net*	7	**16,395,538,422**	**16,395,538,422**	15,617,098,103	15,617,098,103
Due from related parties	30.4	**30,903,191**	**30,903,191**	1,986,811	1,986,811
Construction bond**	10	**6,749,664**	**6,749,664**	6,727,753	6,727,753
Restricted deposits	9	**-**	**-**	54,462,326	54,462,326
Security deposits	10	**869,781,137**	**869,781,137**	609,917,171	609,917,171
Refundable deposits	10,17	**276,351,471**	**276,351,471**	323,634,283	323,634,283
		P 23,367,714,562	**P 23,367,714,562**	P 26,424,596,562	P 26,424,596,562
Financial Liabilities					
Financial liabilities at FVTPL –					
Derivative financial liabilities	22	**P 623,144,735**	**P 623,144,735**	P 311,019,650	P 311,019,650
Financial liabilities at amortized cost:					
Interest-bearing loans and borrowings	19	**48,243,377,133**	**44,526,826,768**	49,896,188,062	48,324,629,062
Trade and other payables***	21	**8,622,910,796**	**8,622,910,796**	11,537,688,607	11,537,688,607
Lease liabilities	12	**984,401,017**	**851,573,489**	1,250,213,075	1,133,773,215
Customers' cylinder deposits	23	**783,055,495**	**646,165,125**	440,803,046	273,703,204
Security deposits	23	**106,408,896**	**94,053,854**	100,979,556	71,889,465
Cash bond deposits	23	**268,980,068**	**234,227,853**	306,311,395	212,754,518
		P 59,632,278,140	**P 55,598,902,620**	P 63,843,203,391	P 61,865,457,721

* *Excluding advances to suppliers, advances subject to liquidation and other receivables (2020)*
** *Included as part of Others under Prepayments and Other Current Assets*
*** *Excluding tax-related payables*

See Note 2.4 for a description of the accounting policies for each category of financial instruments. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 4.

5.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurements*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

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

5.3 Financial Instruments Measurement at Fair Value

PNX SG entered into forward contracts which are not traded in active markets. These contracts have been fair valued using observable forward commodity rates corresponding to the maturity of the contracts by third party broker or banks. The effects of non-observable inputs are not significant for forward contracts.

The fair value of derivative financial liabilities amounting to P623.1 million and P311.0 million as of December 31, 2020 and 2019, respectively, is included in Level 2.

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

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

	Notes	2020 Level 1	Level 2	Level 3	Total
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	6	P 5,788,390,677	P -	P -	P 5,788,390,677
Trade and other receivables	7	-	-	16,395,538,422	16,395,538,422
Due from related parties	30.4	-	-	30,903,191	30,903,191
Construction bond	10	-	-	6,749,664	6,749,664
Security deposits	10	-	-	869,781,137	869,781,137
Refundable deposits	10,17	-	-	276,351,471	276,351,471
		P 5,788,390,677	**P -**	**P 17,579,323,885**	**P 23,367,714,562**
Financial Liabilities					
Financial liabilities at amortized cost:					
Interest-bearing loans and other borrowings	19	P -	P -	P 44,526,826,768	P 44,526,826,768
Trade and other payables	21	-	-	8,622,910,796	8,622,910,796
Lease liabilities	12	-	-	851,573,489	851,573,489
Customers' cylinder deposits	23	-	-	646,165,125	646,165,125
Security deposits	23	-	-	94,053,854	94,053,854
Cash bond deposits	23	-	-	234,227,853	234,227,853
		P -	**P -**	**P 54,975,757,885**	**P 54,975,757,885**

	Notes	2019 Level 1	Level 2	Level 3	Total
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	6	P 9,810,770,115	P -	P -	P 9,810,770,115
Trade and other receivables	7	-	-	15,617,098,103	15,617,098,103
Due from related parties	30.4	-	-	1,986,811	1,986,811
Construction bond	10	-	-	6,727,753	6,727,753
Restricted deposits	9	54,462,326	-	-	54,462,326
Security deposits	10	-	-	609,917,171	609,917,171
Refundable deposits	17	-	-	323,634,283	323,634,283
		P 9,865,232,441	P -	P 16,559,364,121	P 26,424,596,562
Financial Liabilities					
Financial liabilities at amortized cost:					
Interest-bearing loans and other borrowings	19	P -	P -	P 48,324,629,062	P 48,324,629,062
Trade and other payables	21	-	-	11,537,688,607	11,537,688,607
Lease liabilities	12	-	-	1,133,773,215	1,133,773,215
Customers' cylinder deposits	23	-	-	273,703,204	273,703,204
Security deposits	23	-	-	71,889,465	71,889,465
Cash bond deposits	23	-	-	212,754,518	212,754,518
		P -	P -	P 61,554,438,071	P 61,554,438,071

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

5.5 *Fair Value Measurement for Non-financial Assets*

The fair values of the Group's parcels of land, included as part of Property, Plant and Equipment and Investment Properties accounts, were determined based on the appraisal reports of Asian Appraisal Company, Inc. and Cuervo Appraisers, Inc., respectively, who are professional and independent appraisers with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraisers in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the properties. In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's non-financial assets indicated above is their current use.

The Level 3 fair value of the parcels of land for both recognized under property, plant and equipment and investment properties was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square meter; hence, the higher the price per square meter, the higher the fair value.

5.6 *Offsetting of Financial Assets and Financial Liabilities*

The following financial assets with net amounts presented in the consolidated statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

	December 31, 2020					
	Gross amounts recognized in the consolidated statement of financial position		Net amount presented in the consolidated statement of financial position	Related amounts not set-off in the consolidated statement of financial position		
	Financial assets	Financial liabilities set-off		Financial instruments	Cash collateral received	Net amount
Trade and other receivables*	P 16,395,538,422	P -	P 16,395,538,422	(P 732,743,638)	(P 268,980,068)	P 15,393,814,716
Derivative financial asset	178,994,769	(178,994,769)	-	-	-	-
Security deposits	869,781,137	-	869,781,137	(869,781,137)	-	-
Total	**P 17,444,314,328**	**(P 178,994,769)**	**P 17,265,319,559**	**(P 1,602,524,775)**	**(P 268,980,068)**	**P 15,393,814,716**

	December 31, 2019					
	Gross amounts recognized in the consolidated statement of financial position		Net amount presented in the consolidated statement of financial position	Related amounts not set-off in the consolidated statement of financial position		
	Financial assets	Financial liabilities set-off		Financial instruments	Cash collateral received	Net amount
Trade and other receivables*	P 15,617,098,103	P -	P 15,617,098,103	P -	(P 261,881,695)	P 15,355,216,408
Derivative financial asset	1,707,218	(1,707,218)	-	-	-	-
Security deposits	609,917,171	-	609,917,171	(311,019,650)	-	298,897,521
Restricted deposits	54,462,326	-	54,462,326	(54,462,326)	-	-
Total	P 16,283,184,818	(P 1,707,218)	P 16,281,477,600	(P 365,481,976)	(P 261,881,695)	P 15,654,113,929

* *Excluding advances to suppliers, advances subject to liquidation and other receivables (2020)*

The following financial liabilities with net amounts presented in the consolidated statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

	December 31, 2020					
	Gross amounts recognized in the consolidated statement of financial position		Net amount presented in the consolidated statement of financial position	Related amounts not set-off in the consolidated statement of financial position		
	Financial liabilities	Financial assets set-off		Financial instruments	Cash collateral received	Net amount
Interest-bearing loans and borrowings	P 48,243,377,133	P -	P 48,243,377,133	(P 732,743,638)	P -	P 47,510,633,495
Derivative financial liabilities	802,139,504	(178,994,769)	623,144,735	(623,144,735)	-	-
Security deposits	106,408,896	-	106,408,896	-	(106,408,896)	-
Cash bond deposits	268,980,068	-	268,980,068	-	(268,980,068)	-
Total	**P 49,420,905,601**	**(P 178,994,769)**	**P49,241,910,832**	**(P1,355,888,373)**	**(P 375,388,964)**	**P 47,510,633,495**

	December 31, 2019					
	Gross amounts recognized in the consolidated statement of financial position		Net amount presented in the consolidated statement of financial position	Related amounts not set-off in the consolidated statement of financial position		
	Financial liabilities	Financial assets set-off		Financial instruments	Cash collateral received	Net amount
Interest-bearing loans and borrowings	P 49,896,188,062	P -	P 49,896,188,062	(P 54,462,326)	P -	P 49,841,725,736
Derivative financial liabilities	312,726,868	(1,707,218)	311,019,650	(311,019,650)	-	-
Security deposits	100,979,556	-	100,979,556	-	(100,979,556)	-
Cash bond deposits	306,311,395	-	306,311,395	-	(306,311,395)	-
Total	P 50,616,205,881	(P 1,707,218)	P50,614,498,663	(P 365,481,976)	(P 407,290,951)	P 49,841,725,736

For financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements presented above, each agreement between the Group and counterparties allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as of December 31:

	2020	2019
Cash in banks	**P 3,487,797,991**	P 7,618,074,475
Short-term placements	**2,279,694,395**	2,167,732,146
Cash on hand	**4,370,246**	4,299,652
Revolving fund	**16,528,045**	20,663,842
	P 5,788,390,677	P 9,810,770,115

Cash in banks generally earn interest based on daily bank deposit rates ranging from 0.10% to 2.50% per annum in all years presented. Short-term placements are made for varying periods ranging from 7 to 90 days and earn effective interest ranging from 0.25% to 1.00% per annum in all years presented. Interest income earned amounted to P48.7 million, P30.0 million, and P27.2 million in 2020, 2019 and 2018, respectively, and is included as part of Finance income under Other Charges (Income) in the consolidated statements of comprehensive income (see Note 26.2).

The balances of cash in banks as of December 31, 2020 and 2019 exclude restricted time deposits totalling to nil and P54.5 million, respectively, which are shown as Restricted Deposits account (see Note 9) in the consolidated statements of financial position. Such amounts are not available for the general use of the Group under the trust receipt agreements (see Notes 9 and 19.1).

7. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	Notes	**2020**	2019
Trade receivables:			
Third parties		**P 8,352,884,850**	P 6,658,095,101
Related parties	30.1	**4,253,385,843**	4,207,636,773
		12,606,270,693	10,865,731,874
Advances to suppliers:			
Third parties		**936,397,582**	244,674,156
Related parties	30.2	**143,008,845**	30,811,857
		1,079,406,427	275,486,013
Non-trade receivables:			
Third parties	34.5	**671,690,220**	3,625,928,353
Related parties	30.6, 30.9, 30.10	**3,851,961,936**	1,758,633,157
		4,523,652,156	5,384,561,510
Advances subject to liquidation		**22,629,545**	80,549,850
Other receivables		**16,496,649**	22,443,901
		18,248,455,470	16,628,773,148
Allowance for impairment		**(734,384,427)**	(655,639,182)
		P 17,514,071,043	P15,973,133,966

Trade and other receivables generally do not bear any interest. All receivables are subject to credit risk (see Note 4.2).

The Trade Receivables of PLPI amounting to P732.7 million are included as security for loan availed by PLPI in 2020 [see Note 19.2*(a)*].

PLPI entered into deferred payment agreement (DPA) with customers that are unable to pay their due and outstanding payable to PLPI. PLPI agreed to collect, inclusive of interest, through instalments as stated in the terms and conditions of the agreement. As of December 31, 2020 and 2019, the balances of receivables under DPA amounted to P105.5 million and P105.8 million, respectively, and is presented as part of Trade Receivables – Third Parties in the Trade and Other Receivables account in the 2020 and 2019 consolidated statements of financial position. There are no non-current trade receivables as of those years.

The parties have agreed to enter into the DPA for the full and final settlement of the debt subject to the following terms and conditions enumerated below.

i) Customer promises to pay PLPI through monthly instalment payment and by way of post-dated checks;

ii) The customer shall undertake to make full and final settlement of the remaining outstanding amount of the debt in the event that the customer obtains any financial assistance from any banks and/or financial institutions to finance its business operation. The entire remaining outstanding amount of the debt shall become immediately due without further demand, formal or informal advice in the event any of the monthly instalments are not received by the PLPI on or before the due date;

iii) Should PLPI be compelled to institute extra-judicial foreclosure of the collateral and/or judicial actions to foreclose or collect unpaid amounts, the customer shall be liable for the costs and fees incurred by PLPI in the preparation, monitoring and enforcement of the DPA, as well as costs and fees incurred by the PLPI on account filing and prosecution and enforcement of any judicial foreclosures, extra-judicial foreclosures, and collection suits; and,

iv) The customer further agrees that in the event it fails to pay any of the monthly instalments, then PLPI shall be at liberty to recover the same through the process of court, in which event all costs and expenses incurred by the PLPI including the legal costs on a solicitor and client basis shall be solely borne by them.

Impairment losses amounting to P63.1 million, P29.9 million, and P68.5 million in 2020, 2019, and 2018, respectively, are presented as part of Selling and Administrative Expenses in the consolidated statements of comprehensive income (see Note 25). Recovery of bad debts are presented as part of Others under Other Income (Charges) in the consolidated statements of comprehensive income.

A reconciliation of the allowance for impairment at the beginning and end of 2020 and 2019 is shown below.

	Notes	**2020**	2019
Balance at beginning of year		**P 655,639,182**	P 634,396,128
Impairment loss for the year	25	**81,480,614**	26,089,677
Written-off during the year		**(2,680,516)**	(6,853,066)
Reclassification	30.4	**(54,853)**	-
Business combination	1.4	**-**	2,006,443
Balance at end of year	4.2	**P 734,384,427**	P 655,639,182

The written-off accounts are not subject to any enforcement activity, nor the Group expects any collections from these accounts.

8. INVENTORIES

The breakdown of inventories, which are all stated at cost, are as follows:

	Note	**2020**	2019
Fuels and by-products		**P 4,264,665,744**	P 11,007,891,911
LPG		**207,277,882**	62,167,181
Lubricants		**110,721,939**	302,533,668
Merchandise		**110,568,113**	192,832,067
Others		**76,082,023**	114,192,078
	24.2*(b)*	**P 4,769,315,701**	P 11,679,616,905

Under the terms of agreements covering the liabilities under trust receipts, inventories with carrying amount of P4,363.0 million and P4,554.2 million as of December 31, 2020 and 2019, respectively, have been released to the Group in trust for by the bank. The Group is accountable to the bank for the trusted inventories or their sales proceeds (see Note 19.1).

There were no inventory write-down in 2020 and 2019.

An analysis of the cost of inventories included in the cost of fuels, lubricants, LPG and merchandise sold in each year is presented in Note 24.2*(b)*.

9. RESTRICTED DEPOSITS

This account pertains to the time deposits that are used as securities for various short-term credit facilities and trust receipts covered by hold-out agreements (see Notes 6 and 19.1) amounting P54.5 million as of December 31, 2019. As such, these are restricted as to withdrawals. The proceeds from availment of the banking credit facilities and trust receipts by the Group are used for the purpose of purchasing fuel and lubricant supplies.

In 2020, restricted deposits were applied as payment for the Parent Company's term loans with BDO Unibank, Inc. (BDO).

Interest rates for this type of deposit range from 0.80% to 3.68% per annum for 2020, 2019 and 2018. Interest income earned from restricted deposits amounted to P1.7 million, P2.2 million and P1.4 million in 2020, 2019, and 2018, respectively, and is included as part of Finance Income in the consolidated statements of comprehensive income (see Note 26.2).

10. PREPAYMENTS AND OTHER CURRENT ASSETS

The composition of this account as of December 31 is shown below.

	Note	**2020**	2019
Security deposit		**P 869,781,137**	P 609,917,171
Creditable withholding tax		**570,861,597**	327,562,434
Prepayments		**523,817,688**	674,869,766
Supplies		**273,302,018**	251,942,783
Refundable rental deposits	17	**189,412,836**	-
Others		**109,095,162**	67,244,244
		P 2,536,270,438	P 1,931,536,398

Security deposit pertains to the foreign-currency-denominated cash collateral placed by PNX SG with Admis Singapore Pte. Ltd., in case unrealized loss on fuel-related derivatives exceeds the credit line and minimum transfer amount of PNX SG, in connection with the forward contracts entered into by PNX SG (see Note 22).

11. PROPERTY, PLANT AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property, plant and equipment at the beginning and end of 2020 and 2019 are shown below.

	Buildings, Depot, Plant and Pier Facilities	Leasehold and Land Improvements	Gasoline and LPG Station Equipment	LPG Cylinders	Office Furniture and Equipment	Hauling and Heavy Equipment	Transportation and Other Equipment	Vessel	Land	Construction in Progress	Total
December 31, 2020											
Cost or revalued amount	P 11,408,286,921	P 457,259,882	P 5,726,398,945	P 3,235,596,774	P 642,272,955	P 729,226,293	P 121,639,917	P 677,338,728	P 7,036,426,556	P 11,613,844,380	P 41,648,291,351
Accumulated depreciation, amortization and impairment	(3,836,412,742)	(292,723,549)	(2,527,271,325)	(1,084,081,008)	(392,405,005)	(583,951,354)	(101,038,817)	(122,857,491)	-	-	(8,940,741,291)
Net carrying amount	**P 7,571,874,179**	**P 164,536,333**	**P 3,199,127,620**	**P 2,151,515,766**	**P 249,867,950**	**P 145,274,939**	**P 20,601,100**	**P 554,481,237**	**P 7,036,426,556**	**P 11,613,844,380**	**P 32,707,550,060**
December 31, 2019 [As Restated – see Note 2.1*(b)*]											
Cost or revalued amount	P 12,181,134,379	P 496,662,161	P 5,457,947,630	P 2,667,783,519	P 612,216,937	P 745,062,041	P 109,570,369	P 640,281,212	P 5,815,946,299	P 8,145,925,569	P 36,872,530,116
Accumulated depreciation, amortization and impairment	(3,390,613,448)	(299,091,098)	(2,219,054,981)	(946,000,750)	(315,980,888)	(553,117,590)	(84,496,535)	(44,656,370)	-	-	(7,853,011,660)
Net carrying amount	**P 8,790,520,931**	**P 197,571,063**	**P 3,238,892,649**	**P 1,721,782,769**	**P 296,236,049**	**P 191,944,451**	**P 25,073,834**	**P 595,624,842**	**P 5,815,946,299**	**P 8,145,925,569**	**P 29,019,518,456**
January 1, 2019 [As Restated – see Note 2.1*(b)*]											
Cost or revalued amount	P 8,755,732,757	P 559,063,602	P 4,916,628,325	P 2,065,608,639	P 504,464,581	P 739,542,684	P 71,943,639	P -	P 5,404,812,740	P 3,323,038,453	P 26,340,835,420
Accumulated depreciation, amortization and impairment	(2,202,616,943)	(269,784,374)	(1,886,469,891)	(860,115,301)	(259,737,242)	(519,693,346)	(57,814,262)	-	-	-	(6,056,231,359)
Net carrying amount	P 6,553,115,814	P 289,279,228	P 3,030,158,434	P 1,205,493,338	P 244,727,339	P 219,849,338	P 14,129,377	P -	P 3,836,203,184	P 3,323,038,453	P 20,284,604,061

A reconciliation of the carrying amounts at the beginning and end of 2020 and 2019 of property, plant and equipment is shown below and in the succeeding page.

	Buildings, Depot, Plant and Pier Facilities	Leasehold and Land Improvements	Gasoline and LPG Station Equipment	LPG Cylinders	Office Furniture and Equipment	Hauling and Heavy Equipment	Transportation and Other Equipment	Vessel	Land	Construction in Progress	Total
Balance at January 1, 2020 net of accumulated depreciation and amortization											
As previously reported	P 8,790,520,931	P 197,571,063	P 3,238,892,649	P 1,721,782,769	P 296,236,049	P 191,944,451	P 25,073,834	P 595,624,842	P 4,175,292,743	P 8,145,925,569	P27,378,864,900
Restatement	-	-	-	-	-	-	-	-	1,640,653,556	-	1,568,609,556
As restated [see Note 2.1*(b)*]	8,790,520,931	197,571,063	3,238,892,649	1,721,782,769	296,236,049	191,944,451	25,073,834	595,624,842	5,815,946,299	8,145,925,569	29,019,518,456
Additions	31,176,089	9,243,419	50,692,206	567,839,411	34,049,858	20,167,859	2,762,506	37,057,516	26,000,000	3,802,689,439	4,581,678,303
Revaluation increments	-	-	-	-	-	-	-	-	1,194,480,257	-	1,194,480,257
Transfers (see Notes 18)	-	-	(197,783,908)	-	-	-	-	-	-	-	(197,783,908)
Cost of asset disposed of	(1,325,124)	(50,957,479)	(564,878,984)	-	(6,143,330)	(34,007,529)	(5,055,513)	-	-	(140,245,458)	(802,613,417)
Accumulated depreciation of asset disposed of	193,333	31,585,626	163,719,823	-	5,870,434	29,773,312	5,055,511	-	-	-	236,198,039
Depreciation and amortization charges for the year	(445,992,627)	(25,131,664)	(407,287,959)	(95,552,237)	(81,974,730)	(60,607,076)	(6,033,861)	(47,949,564)	-	-	(1,170,529,718)
Reclassification	(802,698,423)	2,311,781	980,422,001	(26,156)	2,149,490	(1,996,078)	14,362,555	-	-	(194,525,170)	-
Translation adjustment	-	(86,413)	(64,648,208)	-	(319,821)	-	(15,563,932)	(30,251,557)	-	-	(110,869,931)
Provision for loss on lost cylinders	-	-	-	(42,528,021)	-	-	-	-	-	-	(42,528,021)
Balance at December 31, 2020 net of accumulated depreciation and amortization	P 7,571,874,179	P 164,536,333	P 3,199,127,620	P 2,151,515,766	P 249,867,950	P 145,274,939	P 20,601,100	P 554,481,237	P 7,036,426,556	P 11,613,844,380	P32,707,550,060

	Buildings, Depot, Plant and Pier Facilities	Leasehold and Land Improvements	Gasoline and LPG Station Equipment	LPG Cylinders	Office Furniture and Equipment	Hauling and Heavy Equipment	Transportation and Other Equipment	Vessel	Land	Construction in Progress	Total
Balance at January 1, 2019 net of accumulated depreciation and amortization											
As previously reported	P 6,553,115,814	P 289,279,228	P 3,030,158,434	P 1,205,493,338	P 244,727,339	P 219,849,338	P 14,129,377	P -	P 3,836,203,184	P 3,323,038,453	P18,715,994,505
Restatement	-	-	-	-	-	-	-	-	1,568,609,556	-	1,568,609,556
As restated [see Note 2.1*(b)*]	6,553,115,814	289,279,228	3,030,158,434	1,205,493,338	244,727,339	219,849,338	14,129,377	-	5,404,812,740	3,323,038,453	20,284,604,061
Business combination - cost (see Note 1.4)	1,678,969,767	-	-	-	945,208	-	36,967,761	-	-	-	1,716,882,736
Business combination - accumulated depreciation (see Note 1.4)	(741,705,185)	-	-	-	(892,523)	-	(21,974,135)	-	-	-	(764,571,843)
Additions	285,906,315	12,809,729	121,868,306	602,174,880	118,626,421	121,536,635	658,969	659,106,000	278,714,587	6,751,688,501	8,953,090,343
Revaluation increments	-	-	-	-	-	-	-	-	217,423,972	-	217,423,972
Transfers (see Notes 13 and 16)	1,461,824,869	87,457	444,898,242	-	234,161	2,270,673	-	-	(85,005,000)	(1,910,278,156)	(85,967,754)
Cost of asset disposed of	(3,617,682)	(74,376,474)	(21,719,057)	-	(12,948,513)	(136,126,180)	-	-	-	-	(248,787,906)
Accumulated depreciation of asset disposed of	3,591,822	22,788,852	38,381,073	-	10,706,062	89,231,178	-	-	-	-	164,698,987
Depreciation and amortization charges for the year	(449,883,142)	(52,095,576)	(370,966,163)	(85,885,449)	(66,057,185)	(122,655,422)	(4,708,138)	(44,656,370)	-	-	(1,196,907,445)
Reclassification	4,028,186	-	(3,728,186)	-	385,000	17,838,229	-	-	-	(18,523,229)	-
Translation adjustment	(1,709,833)	(922,153)	-	-	510,079	-	-	(18,824,788)	-	-	(20,946,695)
Balance at December 31, 2019 net of accumulated depreciation and amortization [As restated see Note 2.1*(b)*]	P 8,790,520,931	P 197,571,063	P 3,238,892,649	P 1,721,782,769	P 296,236,049	P 191,944,451	P 25,073,834	P 595,624,842	P 5,815,946,299	P 8,145,925,569	P29,019,518,456

11.1 Borrowing Costs

Construction in progress includes accumulated costs incurred on the various depot facilities and retail stations being constructed as part of the Group's expansion program, including capitalized borrowing costs of P1,183.5 million, P695.7 million and P261.6 million in 2020, 2019 and 2018, respectively (see Note 19.5), representing the actual borrowing costs incurred on loans obtained to fund the construction of depot facilities and retail stations. The average capitalization rate used was 6.03% and 8.50% in 2020 and 2019, respectively.

11.2 Depreciation and Amortization

The Group retired in its books fully-depreciated assets with a total cost of P807.3 million and P39.5 million in 2020 and 2019, respectively. As of December 31, 2020 and 2019, the cost of fully-depreciated assets that are still being used in the Group's operations amounted to P1,231.6 million and P1,520.0 million, respectively.

The amount of depreciation and amortization is allocated as follows:

	Notes	**2020**	2019	2018
Cost of sales and services	24.2*(b)*	**P 16,778,562**	P 65,183,757	P 63,306,743
Selling and administrative expenses		**1,153,751,155**	1,131,723,688	937,600,529
	25	**P 1,170,529,718**	P 1,196,907,445	P 1,000,907,272

11.3 Fair Value of Land

The Group's parcels of land are stated at their revalued amounts as of December 31, 2020 and 2019, being the fair value at December 31, 2020 and 2019, the date of appraisal reports, less any subsequent impairment losses. The revaluation surplus, net of applicable deferred income taxes, is presented as part of the Revaluation Reserves account in the equity section of the 2020 and 2019 consolidated statement of financial position.

The information on the fair value measurement and disclosures related to the revalued parcels of land are presented in Note 5.5.

If the parcels of land were carried at cost model as of December 31, 2020 and 2019, the cost would be P1,183.5 million and P2,891.0 million, respectively.

11.4 Assets under Real Estate Mortgage and Security Interest Agreement

As of December 31, 2020, certain land, buildings, depot, plant and pier facilities, leasehold and land improvements, gasoline and LPG station equipment, LPG cylinders, hauling and heavy equipment of the Group, amounting to P27,710.7 million are subject to real estate mortgage security interest agreement with BDO [see Note 19.2*(a)*].

12. LEASES

The Group has leases for land where stations are built, store premises, office and warehouse. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over store premises, warehouses and offices, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the consolidated statements of financial position.

	Land	Vessel	Office	Warehouse	Store Premises
Number of right-of-use assets leased	60	1	2	1	31
Range of remaining term	5 to 20 years	5 months	3 years	10 years	1 to 8 years
Average remaining lease term	15 years	5 months	3 years	10 years	2.5 years
Number of leases with extension options	-	-	1	-	-
Number of leases with options to purchase	60	-	-	1	1
Number of leases with termination options	60	-	-	1	-

12.1 Right-of-use Assets

The gross carrying amounts and accumulated amortization of the Group's right-of-use assets at the beginning and end of 2020 and 2019 are shown below and in the succeeding page.

	Land	Vessel	Office	Warehouse	Store Premises	Total
December 31, 2020						
Cost						
Balance at beginning of year	P 731,258,664	P 160,865,014	P 38,511,700	P 54,362,449	P 335,496,141	P1,320,493,968
Additions	-	23,561,003	17,163,108	-	-	40,724,111
Terminations	-	(115,948,719)	-	(3,675,108)	(161,586,107)	(281,209,934)
Balance at end of year	731,258,664	68,477,298	55,674,808	50,687,341	173,910,034	1,080,008,145
Accumulated amortization						
Balance at beginning of year	56,138,590	58,445,602	3,775,657	4,530,204	54,877,771	177,767,824
Amortization for the year	49,564,465	14,729,266	14,324,428	4,223,945	62,591,122	145,433,226
Terminations	-	(7,588,538)	-	(306,259)	(21,143,652)	(36,022,064)
Balance at end of year	105,703,055	65,586,330	18,100,085	8,447,890	89,341,626	287,178,986
Carrying amount at December 31, 2020	**P 625,555,609**	**P 2,890,968**	**P 37,574,723**	**P 42,239,451**	**P 84,568,408**	**P 792,829,159**

	Land	Vessel	Office	Warehouse	Store Premises	Total
December 31, 2019						
Cost						
Effect of adoption of PFRS 16	P 731,258,664	P -	P -	P 54,362,449	P 131,781,933	P 917,403,046
Additions	-	160,865,014	38,511,700	-	203,714,208	403,090,922
Balance at end of year	731,258,664	160,865,014	38,511,700	54,362,449	335,496,141	1,320,493,968
Accumulated amortization						
Balance at beginning of year	-	-	-	-	-	-
Amortization for the year	56,138,590	58,445,602	3,775,657	4,530,204	54,877,771	177,767,824
Balance at end of year	56,138,590	58,445,602	3,775,657	4,530,204	54,877,771	177,767,824
Carrying amount at December 31, 2019	P 675,120,074	P 102,419,412	P 34,736,043	P 49,832,245	P 280,618,370	P1,142,726,144

12.2 Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2020	2019
Current	**P 135,787,395**	P 153,360,799
Non-current	**848,613,622**	1,096,852,276
	P 984,401,017	P 1,250,213,075

Additional information on the lease liabilities and amounts in respect of possible future lease extension options not recognized as a liability are as follows:

	Land	**Vessel**	**Office**	**Warehouse**	**Store Premises**	**Total**
December 31, 2020						
Lease liabilities	**P 749,827,562**	**P 53,152,939**	**P 40,455,727**	**P 45,280,946**	**P 95,683,843**	**P 984,401,017**
Number of leases with an extension option that is not considered reasonably certain of exercise	-	-	1	-	-	-
Additional lease liabilities that would be incurred were it to become reasonably certain that the extension option would be exercised	P -	P -	P -	P -	P -	P -
December 31, 2019						
Lease liabilities	P 763,540,488	P 104,324,743	P 35,321,355	P 51,533,976	P 295,492,513	P 1,250,213,075
Number of leases with an extension option that is not considered reasonably certain of exercise	-	-	1	-	-	-
Additional lease liabilities that would be incurred were it to become reasonably certain that the extension option would be exercised	P -	P 130,456,106	P -	P -	P -	P 130,456,106

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

The Group has pre-termination options on leases of land and warehouse. The termination is at the option of the Group without any need of judicial action. The Group is not subject to any penalties, should the Group exercise pre-termination of the lease.

As at December 31, 2020 and 2019, the Group is not committed to leases which had not commenced.

The undiscounted maturity analysis of lease liabilities at December 31 are as follows:

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	10 to 20 years	Total
December 31, 2020								
Lease Payments	203,690,564	143,726,469	116,485,183	108,533,991	107,434,274	553,741,096	227,662,075	1,461,273,652
Finance charges	(69,031,644)	(63,486,917)	(58,372,014)	(53,078,699)	(49,299,986)	(160,338,477)	(23,264,898)	(476,872,635)
Net present values	**P134,658,920**	**P 80,239,552**	**P 58,113,169**	**P 55,455,292**	**P 58,134,288**	**P393,402,619**	**P204,397,177**	**P 984,401,017**
December 31, 2019								
Lease payments	P 236,158,942	P 189,678,175	P 143,059,687	P 141,063,606	P 126,927,824	P 645,284,061	P 448,568,943	P 1,930,741,238
Finance charges	(88,071,133)	(81,207,710)	(75,000,812)	(69,903,931)	(64,788,303)	(238,731,166)	(62,825,108)	(680,528,163)
Net present values	P 148,087,809	P 108,470,465	P 68,058,875	P 71,159,675	P 62,139,521	P 406,552,895	P 385,743,835	P 1,250,213,075

12.3 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to short-term leases and low-value assets are as follows :

	2020	2019
Low-value assets	**P 1,872,879**	P 7,237,657
Short-term leases	**579,298,984**	643,184,436
	P 581,171,863	P 650,422,093

These expenses are presented as Rent under Selling and Administrative Expenses in the consolidated statements of comprehensive income (see Note 25).

At December 31, 2020 and 2019, the Group is committed to short-term leases, and the total commitment at that date is P362.4 million and P367.1 million, respectively.

12.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P247.4 million and P203.6 million in 2020 and 2019, respectively Interest expense in relation to lease liabilities amounted to P159.7 million and P81.0 million in 2020 and 2019, respectively, and is presented as part of Finance costs under Other Charges (Income) in the consolidated statements of comprehensive income (see Note 26.1).

13. INTANGIBLE ASSETS

The gross carrying amounts and accumulated amortization of intangible assets at the beginning and end of 2020 and 2019 are shown below.

	Basketball Franchise	Store Franchise	Computer Software Licenses	Software Development Cost	Others	Total
December 31, 2020						
Cost	, P 176,861,660	P 41,078,000	P 269,557,033	P 78,426,806	P 1,585,143	P 567,508,642
Accumulated amortization	-	(31,349,645)	(215,929,978)	(41,498,729)	-	(288,778,352)
Net carrying amount	**P 176,861,660**	**P 9,728,355**	**P 53,627,055**	**P 36,928,077**	**P 1,585,143**	**P 278,730,290**
December 31, 2019						
Cost	P 176,861,660	P 42,028,644	P 261,155,875	P 73,180,177	P 1,585,143	P 554,811,499
Accumulated amortization	-	(23,566,961)	(193,260,263)	(27,598,071)	(108,288)	(244,533,583)
Net carrying amount	P 176,861,660	P 18,461,683	P 67,895,612	P 45,582,106	P 1,476,855	P 310,277,916
January 1, 2019						
Cost	P 176,861,660	P 42,028,644	P 244,288,416	P 47,571,271	P 1,334,093	P 512,084,084
Accumulated amortization	-	(19,675,619)	(150,259,211)	(13,986,616)	(108,288)	(184,029,734)
Net carrying amount	P 176,861,660	P 22,353,025	P 94,029,205	P 33,584,655	P 1,225,805	P 328,054,350

A reconciliation of the carrying amounts of intangible assets at the beginning and end of 2020 and 2019 are shown below.

	Basketball Franchise	Store Franchise	Computer Software Licenses	Software Development Cost	Others	Total
Balance at January 1, 2020, net of accumulated amortization	P 176,861,660	P 18,461,683	P 67,895,612	P 45,582,106	P 1,476,855	P 310,277,916
Additions	-	-	10,425,127	4,104,693	-	14,529,820
Amortization for the year	-	(3,891,342)	(23,889,237)	(17,683,845)	-	(45,464,424)
Adjustments	-	(4,841,986)	(804,447)	4,925,123	108,288	(613,022)
Balance at December 31, 2019, Net of accumulated amortization	**P 176,861,660**	**P 9,728,355**	**P 53,627,055**	**P 36,928,077**	**P 1,585,143**	**P 278,730,290**
Balance at January 1, 2019, net of accumulated amortization	P 176,861,660	P 22,353,025	P 94,029,205	P 33,584,655	P 1,225,805	P 328,054,350
Additions	-	-	17,404,689	25,676,946	251,050	43,332,685
Transfers from property, plant, and equipment (see Note 11)	-	-	-	962,754	-	962,754
Amortization for the year	-	(3,891,342)	(43,001,052)	(14,642,249)	-	(61,534,643)
Adjustment	-	-	(537,230)	-	-	(537,230)
Balance at December 31, 2019, Net of accumulated amortization	P 176,861,660	P 18,461,683	P 67,895,612	P 45,582,106	P 1,476,855	P 310,277,916

14. INVESTMENTS IN JOINT VENTURES

14.1 Joint Venture of the Parent Company

The Parent Company has entered into a joint venture (JV) agreement with TIPCO Asphalt Public Company Limited (TIPCO Asphalt) and certain individual to set-up and incorporate a JV – PAPI. PAPI was incorporated on March 23, 2018 primarily to import, store, manufacture, sell, market, distribute bitumen, bitumen-related products and such other by-products of crude oil and such other petroleum products including the operation of terminals and depots. PAPI started commercial operations in 2019.

Under the JV agreement, PAPI's authorized share capital is P275.0 million divided into 275.0 million shares with par value of P1 per share. The Parent Company owns P110.0 million shares or 40.00% of the outstanding capital stock of PAPI. The JV has no restrictions as to transfer of funds in the forms of cash dividend, or to pay advances made by PAPI. Moreover, the Parent Company shall be responsible to enter into a lease agreement for land identified as part of a certain industrial park in Batangas for the construction of terminal at fair rental value, and to cause to provide a minimum of 20 to 30 years' access rights to the oil, gas and chemical jetty for receiving and importing bulk bitumen cargo and other rights necessary for the construction and operations of terminal.

14.2 JVs of PPMI

In 2020 and 2019, PPMI entered into various JV agreements with certain individuals for the management and operation of companies which are primarily established to operate petroleum service stations in certain areas in the Philippines. PPMI has joint control on the entities with co-venturers and has no significant commitments relating to the companies.

Presented below are the companies, percentage of interest and amounts of additional investments of PPMI in 2020 and 2019.

Companies	Percentage of interest	Amount of Investment
2020		
F1rstEnergy Corp. (FEC)	49.00%	P 14,923,755
Tarlac Black Gold Petroleum Corporation (TBGPC)	49.00%	4,900,003
Phoenix Northern Mindanao Corp. (PNMC)	49.00%	4,507,149
Abound Business Ventures Corporation (ABVC)	49.00%	3,500,004
Total amount of investment in joint venture		P 27,830,911
2019		
Top Concord Quality Petroleum Corp. (TCQPC)	49.00%	P 1,394,397
CJI Fuels Corp. (CJI)	49.00%	7,443,738
Firebird Evzon Fuels Corp. (FEFC)	49.00%	2,625,003
Zae Falco Energy Corp. (ZFEC)	49.00%	4,009,692
Eastan Prime Development Corporation (EPDC)	49.00%	18,500,000
Total amount of investment in joint venture		P 33,972,830

In 2020, PPMI made additional investment of P31.7 million to Zae Falco Energy Corp. (ZFEC). Further, a reversal of investment was made amounting to P2.3 million from CJI Fuels Corp. (CJIFC), which includes various expenses incurred for the incorporation of CJIFC.

Also, PPMI received dividends from Galaxi and FEC amounting to P10.2 million and P2.6 million, respectively, for its convertible preferred shares and common shares from these companies.

In 2019, PPMI infused additional investment of P926.8 million into PSPC to acquire a portion of the increase in capital stock of PSPC. The increase in capital stock of PSPC was approved by SEC on December 17, 2019.

PPMI owns 162.9 million shares or 49% of the outstanding capital stock in 2020 and 2019, and 30.6 million shares or 51.00% of the outstanding capital stock in 2018, but does not have significant control on the entity in both years [see Note 3.1*(i)*]. PPMI has no significant commitments relating to PSPC.

In 2018, PPMI entered into an agreement with Per Petroleum Corporation for the operation and management of PPMI retail network including collateral businesses that may complement the operation or the retail network in the whole of the Bicol Region. PSPC was incorporated and registered with the SEC on June 1, 2018. The primary purpose of this company is to buy and sell refined liquefied petroleum gas, various kinds of lubricants, car care products and to operate, manage and carry out gasoline retail stations, convenience store and other non-fuel related businesses.

PPMI entered into a JV agreement in 2018 with certain individuals for the management and operation of Galaxi. Galaxi was primarily established to sell petroleum products. PPMI owns P5.0 million worth of shares or 51.00% of the outstanding capital stock, but does not have significant control of the entity [see Note 3.1*(i)*]. PPMI has no significant commitments relating to Galaxi.

14.3 JV of PNXRT

Following the incorporation of PNXRT in 2020, PNXRT entered into a JV agreement with a certain individual by subscribing 43.2 million and 11.8 million of the total common and preferred shares, respectively, of JHTC. The investment amounting to P55.0 million acquired 49% ownership interest in the JV. The JV was incorporated on November 21, 2019 primarily to engage in the business of hauling services.

14.4 JVs Financial Information and Reconciliation to Carrying Amount of Investments

Presented below are the financial information of the Group's joint ventures and the reconciliation to the carrying amount of the investments in JV as of December 31, 2020:

Joint Ventures	Total current assets	Total non-current assets	Total current liabilities	Total non-current liabilities	Total revenues	Total other comprehensive income	Net income (loss)	Percentage of ownership	Equity Share in net income (loss) during the year
PAPI	P 117,847,891	P 237,525,380	P 68,815,967	P -	P 456,254,669	P -	P 11,806,745	40%	P 4,722,698
GPFI	255,016,399	679,788,536	760,764,835	343,956	1,828,233,578	-	47,704,318	51%	24,329,202
FEC	413,166,576	175,763,350	525,578,857	-	381,373,262	-	44,091,023	49%	21,604,601
TCQPC	49,729,402	3,255,151	26,641,300	-	227,410,051	-	24,675,872	49%	12,091,177
PSPC	369,708,779	1,911,261,123	596,811,205	570,513,571	2,657,665,367	-	20,878,887	49%	10,230,655
PNMC	81,848,114	4,988,634	57,187,582	-	404,753,137	-	15,518,481	49%	7,604,056
CJIFC	23,323,503	888,125	8,007,307	-	101,913,229	-	12,992,280	49%	6,366,217
TBGPC	42,932,610	18,867,623	47,340,805	-	77,359,619	-	7,459,425	49%	3,655,118
EPDC	25,631,975	45,750,379	59,267,230	-	169,925,778	-	6,592,544	49%	3,230,347
ZFEC	8,932,161	11,945,164	11,387,166	-	57,718,000	-	(2,688,001)	49%	(1,317,120)
FEFC	4,903,486	-	886,036	1,544,118	3,113,971	-	267,447	49%	131,049
JHTC	91,027,143	98,955,720	85,406,641	-	172,012,433	-	4,576,222	49%	2,242,349
ABVC	6,510,548	38,839	1,605,817	-	2,080,836	-	(56,434)	49%	(27,653)

Total equity share in net income during the year	**94,862,696**
Carrying value as of January 1, 2020	**1,432,709,636**
Additional investment during the year	**120,635,538**
Dividends received during the year	**(12,808,304)**
Carrying Value as of December 31, 2020	**P 1,635,399,566**

Presented below are the financial information of the Group's joint ventures and the reconciliation to the carrying amount of the investments in JV as of December 31, 2019:

Joint Ventures	Total current assets	Total non-current assets	Total current liabilities	Total non-current liabilities	Total revenues	Total other comprehensive income	Net income (loss)	Percentage of ownership	Equity Share in net income (loss) during the year
PAPI	P 101,965,227	P 23,370,986	P 34,055,096	P -	122,419,720	P -	P 1,079,738	40%	P 431,895
PSPC	557,830,828	1,236,350,601	690,277,622	-	1,617,647,406	-	(25,831,003)	49%	(12,657,191)
Galaxi	172,386,078	68,798,140	153,847,098	2,099,956	2,036,169,668	-	58,462,239	51%	29,815,742
CJI	35,384,570	54,084	1,151,738	-	1,353,406	-	(126,669)	49%	(62,068)
TCQPC	19,588,588	1,749,339	2,476,469	-	1,902,515	-	199,273	49%	97,644
ZFEC	29,775,193	6,466,009	13,708,946	10,000	21,762,842	-	(2,157,838)	49%	(1,057,340)
EPDC	7,937,663	17,681,512	2,826,392	-	3,076,461	-	(119,723)	49%	(58,664)
FEFC	15,000,003	-	-	-	-	-	-	49%	-

Total equity share in net income during the year	16,510,018
Carrying value as of January 1, 2019	455,436,370
Additional investment during the year	960,763,248
Carrying Value as of December 31, 2019	P 1,432,709,636

In 2020, PPMI received dividends amounting to P12.8 million from Galaxi and FEC. No dividends were received from the joint ventures in 2019 and 2018. In addition, there are no share of contingent liabilities for all of the JVs. As of December 31, 2020 and 2019, management believes that the investments in joint ventures are not impaired.

14.5 Financial Information of Significant JVs

Presented below are the financial information of significant JVs as at December 31, 2020.

	PAPI	Galaxi	PSPC	FEC
Cash and cash equivalents*	P 43,472,305	P 60,174,524	P179,074,041	P 197,935,845
Current financial liabilities**	68,541,880	738,071,985	595,553,914	450,393,864
Non-current financial liabilities***	-	343,956	570,328,524	-
Depreciation and amortization	8,660,411	40,994,708	117,396,538	4,031,583
Interest income	121,183	-	399,707	24,654
Interest expense	2,461,283	-	-	-
Tax expense (income)	949,039	13,483,256	-	1,099,535

**included in the total current assets disclosed in Note 14.4.*
*** included in the total current liabilities disclosed in Note 14.4, excluding advances from customers and other payables.*
****included in the total non-current liabilities disclosed in Note 14.4, excluding deferred tax liabilities*

Presented below are the financial information of significant JVs as at December 31, 2019.

	PAPI	Galaxi	PSPC
Cash and cash equivalents	P 74,230,090	P 73,070,079	P169,343,787
Current financial liabilities	35,301,726	431,202,264	534,442,545
Non-current financial liabilities	-	3,542,545	570,328,524
Depreciation and amortization	-	9,668,099	86,393,454
Interest income	851,441	-	714,708
Interest expense	-	-	21,921,682
Tax expense (income)	462,745	21,843,076	(6,592,667)

**included in the total current assets disclosed in Note 14.4.*
*** included in the total current liabilities disclosed in Note 14.4, excluding advances from customers and other payables.*
****included in the total non-current liabilities disclosed in Note 14.4, excluding deferred tax liabilities*

15. GOODWILL

Goodwill represents the excess of acquisition cost over the Group's share in the fair value of identifiable net assets of the acquired subsidiaries at the date of the acquisition and relates mainly to the growth and expansion footprint of the Group. The movements of this account are presented below.

	Note	**2020**	2019
Balance at beginning of year – net of allowance for impairment		**P 4,632,397,418**	P 4,418,842,831
Additions due to business combinations	1.4	**-**	213,554,587
Balance at end of year – net of allowance for impairment		**P 4,632,397,418**	P 4,632,397,418

Goodwill is subject to annual impairment testing and whenever there is an indication of impairment. In 2013, the Parent Company has assessed that the goodwill pertaining with PGMI is impaired; hence, full impairment loss amounting to P1.3 million was recognized.

For the purpose of annual impairment testing, goodwill is allocated to the trading segment expected to benefit from the synergies of the business combinations in which the goodwill arises as set out below and is compared to its recoverable value:

	2020	2019
LPG trading	**P 4,193,999,344**	P 4,193,999,344
CVS	**273,130,868**	273,130,868
Digital platform	**155,045,359**	155,045,359
Others	**10,221,847**	10,221,847
	P 4,632,397,418	P 4,632,397,418

The Group tests whether goodwill is impaired on an annual basis. The recoverable amount of the cash generating units [identified as PLPI, PGV LLC (LPG), PFM (CVS) and AAI Group (Digital platform)] was determined based on value-in-use calculations, which require the use of assumptions. The calculations use cash flow projections based on budgets approved by the management covering a five-year period with an assumed terminal growth rate of 3.0% to 4.0% and is based on the discount rate of internal corporate hurdle rate of 12.0%. The growth rates reflect the long-term growth rates for the industries of the trading segment. Budgeted earnings before interest, taxes, depreciation and amortization (EBITDA) were based on expectations of future outcomes taking into account past experience of five years, adjusted for anticipated revenue growth. It is also further assumed that revenues coming from sales volume and sales prices would grow at a constant margin above forecast inflation over the next five years.

The recoverable amount for each of the cash-generating units are presented below.

	2020	2019
LPG trading	**P 9,885,632,520**	P 8,159,985,313
CVS	**1,129,757,139**	1,527,388,631
Digital platform	**567,132,594**	901,790,089
Others	**10,221,847**	10,221,847

Based on these, the estimated recoverable amount of each of the cash generating units exceeded its carrying amount. The management has assessed that no impairment of goodwill is required to be recognized in 2020 and 2019.

16. INVESTMENT PROPERTIES

The Group's investment properties consist of several parcels of land and lot improvements, which are held for investment purposes only. Rental income from investment property amounted to P11.3 million in 2020, P20.2 million in 2019 and P1.8 million in 2018 and is presented as part of Rent Income in the consolidated statements of comprehensive income (see Note 34.4).

Related real property taxes amounted to P0.1 million, P0.7 million and P0.7 million was recognized as a related expense in 2020, 2019 and 2018, respectively, and are presented as part of Taxes and Licenses under Selling and Administrative Expenses in the consolidated statements of comprehensive income (see Note 25).

The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of 2020 and 2019 are shown below.

	Land	Lot Improvements	Total
December 31, 2020			
Revalued amount / cost	P 595,990,275	P 3,500,390	P 599,490,665
Accumulated depreciation	-	(3,500,390)	(3,500,390)
Net carrying amount	**P 595,990,275**	**P -**	**P 595,990,275**
December 31, 2019			
Revalued amount / cost	P 268,154,198	P 3,500,390	P 271,654,588
Accumulated depreciation	-	(3,335,309)	(3,335,309)
Net carrying amount [As restated – see Note 2.1*(b)*]	P 268,154,198	P 165,081	P 268,319,279
January 1, 2019			
Revalued amount / cost	P 169,597,698	P 3,500,390	P 173,098,088
Accumulated depreciation	-	(2,686,439)	(2,686,439)
Net carrying amount [As restated – see Note 2.1*(b)*]	P 169,597,698	P 813,951	P 170,411,649

A reconciliation of the carrying amounts of investment properties at the beginning and end of 2020 and 2019 is shown below.

	Land	Lot Improvements	Total
Balance at January 1, 2020 net of accumulated depreciation			
As previously reported	P 1,908,807,754	P 165,081	P 1,908,972,835
Restatement	(1,640,653,556)	-	(1,640,653,556)
As restated	268,154,198	165,081	268,319,279
Fair value gains	42,779,542	-	42,779,542
Additions	285,056,535	-	285,056,535
Depreciation charges for the year	-	(165,081)	(165,081)
Balance at December 31, 2020 net of accumulated depreciation	**P 595,990,275**	**P -**	**P 595,990,275**
Balance at January 1, 2019 net of accumulated depreciation			
As previously reported	P 1,738,207,254	P 813,951	P 1,739,021,205
Restatement	(1,568,609,556)	-	(1,568,609,556)
As restated [see Note 2.1*(b)*]	169,597,698	813,951	170,411,649
Transfer from property and equipment (see Note 11)	85,005,000	-	85,005,000
Fair value loss	(474,325)	-	(474,325)
Additions	14,025,825	-	14,025,825
Depreciation charges for the year	-	(648,870)	(648,870)
Balance at December 31, 2019 net of accumulated depreciation As restated [see Note 2.1*(b)*]	P 268,154,198	P 165,081	P 268,319,279

In 2019, land with carrying amount of P85.0 million, which was previously used for administrative purposes but is now held for capital appreciation, was transferred from Property, Plant and Equipment account to Investment Properties account (see Note 11).

Other information about the fair value measurement and disclosures related to the investment properties are presented in Note 5.5.

17. OTHER NON-CURRENT ASSETS

The composition of this account as of December 31 are shown below.

	Note	2020	2019
Advances to suppliers:			
Related parties	30.2, 30.12	**P 4,115,699,110**	P 4,151,621,799
Third parties		**3,321,181,976**	2,904,504,690
		7,436,881,086	7,056,126,489
Advances for future subscription		**175,000,000**	-
Refundable rental deposits	30.3	**134,909,324**	323,634,283
Deferred minimum lease payments		**38,886,674**	44,709,366
Other prepayments		**9,486,004**	163,003,036
Others		**326,013**	50,789,070
		P 7,795,489,101	P 7,638,262,244

Advances to suppliers pertain to advances made for future acquisitions of real estate properties and for acquisition of materials to be used in construction of retails stations in the following year which are to be managed by various joint ventures. There are no capital commitments outstanding as of December 31, 2020 and 2019 related to these acquisitions.

Advances for future subscription pertain advances made to prospective co-venturers for future subscriptions in various joint ventures that are still in the process of incorporation.

Refundable rental deposits represent deposits of the Group for the lease of various parcels of land. These deposits are refundable at the end of the term of agreement and are measured at amortized cost. The fair values on initial recognition of the lease deposits were determined by calculating the present value of the estimated future cash flows anticipated until the end of the lease terms using the market interest rate of comparable financial instrument at the inception of the lease using BVAL as reference rate. Meanwhile, interest on subsequent amortization of rental deposits using effective interest method amounted to P28.3 million in 2020, P3.1 million in 2019 and P2.8 million in 2018 and is presented as part of Finance Income in the consolidated statements of comprehensive income (see Note 26.2).

Refundable deposits amounting to P189.4 million as of December 31, 2020 (nil in 2019), which pertain to rental deposits of expired or terminated leases and short-term rental deposits, are presented under Prepayments and Other Current Assets (see Note 10).

The excess of the principal amount of the rental deposit over its present value is recognized in the consolidated statements of financial position as Deferred Minimum Lease Payments. Rent expense on subsequent amortization of the deferred minimum lease payments amounted to P22.4 million, P3.5 million and P3.2 million in 2020, 2019 and 2018, respectively, and is presented as part of Rent under Selling and Administrative Expenses in the consolidated statements of comprehensive income (see Note 25).

18. NON-CURRENT ASSET CLASSIFIED AS HELD FOR DISPOSAL

On January 27, 2020, the BOD of the Parent Company authorized the management to assign and transfer 72 Company-Owned Dealer-Operated (CODO) retail stations from the Parent Company to PPMI as part of additional investment in PPMI. The retail stations will then be used by PPMI as payment for investments in JVs. In 2020, retail stations worth P417.9 million were transferred to certain JVs as payment for subscriptions in these JVs (see Note 30.13). As of December 31, 2020, there are retail stations that are still in the process of transfer from PPMI to certain JVs. These are subsequently transferred to JVs in 2021 (see Note 35).

The carrying value of these asset classified as held for disposal amounting to P197.8 million (see Note 11) immediately prior to its classification as held for disposal is lower than its fair value less costs to sell. Accordingly, the Company did not recognize any loss in connection with the reclassification of the assets.

19. INTEREST-BEARING LOANS AND BORROWINGS

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

	2020	2019
Current:		
Liabilities under LC and TR	**P 12,136,837,643**	P 6,206,767,833
Short-term loans	**14,080,311,649**	23,901,759,985
Current portion of long-term loans	**619,670,732**	1,843,333,333
Liabilities under short-term commercial papers	**2,967,368,503**	6,191,197,740
	29,804,188,527	38,143,058,891
Non-current term loans	**18,439,188,606**	11,753,129,172
	P 48,243,377,133	P 49,896,188,063

19.1 Liabilities under Letters of Credits and Trust Receipts

The Group avails of LC and TR lines with local banks to finance its purchases of inventories (see Note 8). These short-term trust receipts bear interests based on prevailing market interest rates at an average of 6.13% and 6.14% per annum in 2020 and 2019, respectively.

The Group is required by the banks to maintain certain collaterals for the credit line facility provided to the Group for working capital requirements. The collaterals are in the form of compensating deposits, inventories and surety of certain stockholders (see Notes 6, 8, 9 and 30.5).

19.2 Term Loans

The breakdown of the outstanding balances of the term loans per creditor as at December 31 are as follows:

	Explanatory Notes	**Term**	**Interest Rates**	**Outstanding Balance 2020**	**Outstanding Balance 2019**
BDO					
i. Term Loan Agreement	*(a)*	5 years	5.00% - 6.05%	**P 11,209,620,625**	P 7,488,129,172
ii. Notes Facility Agreements	*(b)*	5 years	7.75%	**1,741,000,000**	2,000,000,000
iii. Notes Payable arranged by MIB	*(f)*	4 months	5.50%	**-**	2,400,000,000
				12,950,620,625	11,888,129,172
Philippine National Bank (PNB)					
i. Short-Term Commercial Papers	19.3	6 to 12 months	6.75%	**2,967,368,503**	6,191,197,740
ii. Notes Payable	*(b)*	2 months to 3 years	6.21%	**-**	600,000,000
ii. Term Loan Agreement	*(c)*	5 years	6.21% - 8.16%	**170,000,000**	125,000,000
				3,137,368,503	6,916,197,740
Land Bank of the Philippines (LBP)					
i. Term Loan Agreement	*(e)*	7 years	6.50%	**4,925,000,000**	4,950,000,000
	(e)	3 years	5.00%	**333,333,333**	333,333,333
ii. Notes Payable	*(b)*	2 to 3 months	5.00% - 6.50%	**2,000,000,000**	2,000,000,000
				7,258,333,333	7,283,333,333
Robinsons Bank Corporation (RBC)					
i. Notes Payable	*(b)*	2 to 6 months	5.50%	**900,000,000**	900,000,000
ii. Term Loan Agreement	*(f)*	5 years	5.50%	**-**	100,000,000
				900,000,000	1,000,000,000
Development Bank of the Philippines (DBP)	*(b)*	3 months	5.30% - 5.00%	**2,000,000,000**	2,000,000,000
Asia United Bank (AUB)	*(b)*	1 to 2 months	6.00%	**984,000,000**	1,000,000,000
China Banking Corporation					
i. Notes Payable	*(b)*	3 to 6 months	6.00%	**400,000,000**	-
ii. Notes Payable arranged by MIB	*(f)*	3 to 12 months	6.50% - 7.75%	**131,220,000**	221,985,000
				531,220,000	221,985,000
(Amounts carried forward)				**27,761,542,461**	30,309,645,245

	Explanatory Notes	Term	Interest Rates	Outstanding Balance 2020	2019
(Amounts brought forward)				**27,761,542,461**	30,309,645,245
Rizal Commercial Banking Corporation	*(b)*	1 to 2 months	6.87%	**930,000,000**	1,000,000,000
Metropolitan Bank & Trust Company (MBTC)	*(f)*	1 month	5.75%	**139,500,000**	500,000,000
BDO Private Bank, Inc.	*(f)*	2 to 11 months	5.00% - 7.75%	**2,467,543,333**	8,014,800,000
Bank of China	*(b)*	3 months	5.25%	**476,150,000**	-
United Coconut Planters Bank					
i. Notes Payable	*(b)*	2 months	5.75%	**1,200,000,000**	712,480,000
ii. Notes Payable arranged by MIB	*(f)*	3 to 4 months	6.75%	**-**	129,870,000
				1,200,000,000	842,350,000
Maybank Philippines, Inc.	*(b)*	3 months	6.75%	**720,000,000**	1,200,000,000
CTBC Bank (Philippines)	*(b)*	6 months	6.00%	**328,000,000**	443,000,000
Penta Capital Investment Corporation	*(b)*	6 months to 2 years	5.50%	**350,000,000**	-
Union Bank of the Philippines (UBP)	*(b)*	3 months	5.50% - 5.75%	**962,126,721**	1,000,000,000
ANZ Bank Vietnam Limited	*(b)*	3 months	7.0%-8.0%	**123,269,230**	175,843,340
Financing Agreement of PNX SG	*(g)*	7 years	6.76%	**444,569,565**	-
CN Industrial Co., Ltd	*(h)*	3 years	0.00%	**35,335,815**	-
Various Entities	*(f)*	6 months	6.50%	**168,502,366**	203,781,645
				P 36,106,539,491	P 43,689,420,230

(a) TLAs with BDO

(i) Push-down of P1,000.0 million and P6,000.0 million loans to PLPI

In 2016, the Parent Company signed with BDO a five-year term clean loan amounting to P1,000.0 million. The loan proceeds were used to support the Company's continuous expansion program, and other general corporate purposes. The loan is subject to an interest rate of 4.0179%, with a maturity date of August 18, 2021.

In 2017, the Parent Company obtained a seven-year term loan amounting to P6,000.0 million to finance the 100.00% acquisition of PLPI, including the refinancing of the deposit, and Duta, Inc. The loan was approved on a clean basis and is subject to an interest rate computed as the sum of the prevailing three-month BVAL rate (which replaced and succeeded the PDST-R2 as the benchmark rate effective October 29, 2018) and 150 basis points divided by 0.99, or 4.00% divided by 0.99 per annum for the period commencing from the availment of the commitment up to the end of the eighth quarter, whichever is higher. The interest rate shall be repriced at the start of the ninth quarter up to the final repayment date based on the higher of sum of the prevailing three-month BVAL and 150 basis points divided by 0.95, or 4.00% divided by 0.95 per annum, whichever is higher. The principal loan is payable quarterly in 28 installments. The first 27 installments shall be for the amount of P165.0 million quarterly while the last installment shall be P1,545.0 million.

Both TLAs require the Parent Company to maintain debt-to-equity ratio of not more than 3:1, current ratio of at least 1.1, borrower's ratio of not more than 6.0 and interest coverage ratio of at least 1.5. The TLA also requires the Parent Company to comply with affirmative and negative covenants relating to the exclusive use of the proceeds for the purpose indicated in the TLA, maintenance of adequate records and prohibition to make any material change in the present nature of business of the Parent Company, PLPI and Duta, among others.

The Parent Company has complied with the financial, affirmative and negative covenants for the past years except that, in 2019, it had lower than the indicated current ratio. Prior to December 31, 2019, the Parent Company requested for the waiver of this financial covenant and management is confident that such will be approved based on preliminary discussion with BDO. On February 28, 2020, the Parent Company has received approval on the waiver of breach in the current ratio requirement, subject to the condition that such breach is remedied by December 31, 2020 to be tested on or before January 31, 2021 using the Group's consolidated unaudited interim financial statements as of December 31, 2020. The loan has been settled through a debt push-down agreement in 2020.

The Parent Company entered into a debt push-down agreement with PLPI involving TLAs with BDO. These include the P1,000.0 million term loan entered in 2016, the P4,125.0 million outstanding loan out of the P6,000.0 million seven-year loan entered in 2017 and the P259.0 million promissory notes. The pushed down loans were generally used by the Parent Company to acquire PLPI thus, the push down will match the debt servicing of investment in PLPI as originally planned.

The Parent Company and PLPI agreed with BDO to enter into an Omnibus Loan and Security Agreement (OLSA) for a ten-year term loan amounting to P5,400.0 million. The net proceeds of the loan were used by PLPI to pay the assumed loans of the Parent Company with BDO, as agreed in the debt push-down. The loan is subject to an interest rate of 5.81%, which is the higher of the (i) PHP BVAL Reference Rate for the 5-year Benchmark Tenor on November 27, 2020 (working day prior to drawdown on December 1, 2020) plus 250 basis points, and (ii) 5.75% divided by the Interest Premium Factor of 0.99 since the remaining tenor is more than five years. The interest rate shall be repriced at the start of the fifth year up to the final repayment date based on the (i) PHP BVAL Reference Rate for the 5-year Benchmark Tenor plus 250 basis points, or (ii) 5.75% divided by 0.95, whichever is higher. The principal of the loan is payable in equal quarterly instalments on each repayment date to commence on the 20th quarter from the drawdown date. Each repayment shall be in a minimum principal amount of P100 million and in multiple of P100 million thereafter.

The OLSA requires PLPI to maintain on each testing date, commencing drawdown, date debt to equity ratio of not more than 2.5 times, and a minimum debt service coverage ratio of 1.10x. Further, should the earnings before interest, taxes and depreciation and amortization (EBITDA) of PLPI reach P600 million and debt service coverage ratio of 1.10, a mandatory prepayment shall be made equivalent to all funds in the one-way depository account set up for the purpose. The OLSA also requires PLPI to comply with affirmative and negative covenants including use of proceeds for intended purpose, notice to BDO of any event of default, change in ownership and structure, among others. Moreover, the OLSA indicated the grant of security by the Parent Company, PLPI and the individual sureties by two stockholders in favor of BDO, the following: (i) real estate mortgage on real properties of PLPI amounting to P555.8 million, (ii) security interests over the personal properties and leasehold rights amounting to P2,417.1 million, and trade and subscription receivables of PLPI and collateral shares of the Parent Company, (iii) assignment of collateral accounts of PLPI in favor of BDO, (iv) any and all assets of PLPI as reflected in the audited financial statements, (v) all future collateral to be acquired by the Parent Company and PLPI and (vi) all proceeds of the aforementioned.

PLPI has complied with the financial, affirmative, and negative covenants as of and for the year-ended December 31, 2020.

(ii) TLA on P2,000.0 million loan

In 2017, the Parent company obtained a five-year loan amounting to P2,000.0 million. The loan was approved on a clean basis and is subject to an interest rate computed as the sum of the prevailing three-month BVAL rate (which replaced and succeeded the PDST-R2 as the benchmark rate effective October 29, 2018) and 150 basis points divided by 0.99, or 4.00% divided by 0.99 per annum for the period commencing from the availment of the commitment up to the end of the eighth quarter, whichever is higher.

In 2020, the TLA was amended to extend the term of the loan for another five years, provided that if the EBITDA and debt service coverage ratio of the Parent Company, based on its 2021 audited separate financial statements, is at least P5,000.0 million and 1.1x, respectively, the Parent Company shall make mandatory repayment of P500.0 million within six months of testing date. The amendment is in relation to the Parent Company's qualification to avail the loan term extension under Section 4 (uu) of RA No. 11494.

It was further amended to remove the current ratio as negative covenants and to add affirmative covenants to maintain debt to equity ratio of not more than 3.0 and minimum debt service coverage ratio of 1.10x provided that the Parent Company will issue certification showing the compliance of the covenants. The annual testing date is every April 30 and commences on April 30, 2022 using the audited separate financial statement of the Parent Company as of December 31, 2021.

(iii) TLA on P4,000.0 million loan

In 2020, the Parent Company obtained a five-year term loan amounting to P4,000.0 million for the purpose of refinancing its third-party obligation on settlement of P3,000.0 million STCP series C, and redemption of its listed perpetual preferred shares Series 3 Tranche A at P100.00 per share amounting to P1,250.0 million (see Notes 31.1 and 31.4). The term of the loan shall be the period commencing on the initial drawdown date until five years thereafter, which shall in no case be later than 4 December 2025, and the principal of the loan is payable on the Final Repayment Date.

In consideration of the commitment made by BDO and to secure the payments of all secured obligations, the Parent Company has granted, conveyed, assigned, transferred, set over, and confirm unto BDO, the Parent Company executed a real estate mortgage and security interest agreement on the personal properties of the Parent Company. Moreover, the TLA indicated the grant of security by the Parent Company, and individual sureties by two stockholders in favor of BDO, the following: (i) real estate mortgage on real properties of the Parent Company amounting to P11,062.5 million; and, (ii) security interests over the leasehold rights and personal properties of the Parent Company, including machinery, equipment and other assets amounting to P2,233.7 million.

The TLA requires the Parent Company to maintain a debt-equity ratio of not more than 3.0x and a minimum debt service coverage of 1.10x. The TLA also requires the Parent Company to comply with affirmative and negative covenants relating to the exclusive use of the proceeds for the purpose indicated in the TLA, maintenance of adequate records, and prohibition to make any material change in the present nature of business of the Parent Company. The annual testing date is every April 30 and commences on April 30, 2022 using the audited separate financial statement of the Parent Company as of December 31, 2021.

(b) Notes Payable

The promissory notes represented the borrowings from local banks or investment houses with interest rates ranging from 5.00% to 7.75% per annum and normally has a tenor of less than a year. Some of these loans are clean and unsecured. Certain loans are guaranteed by certain stockholders through surety agreement with the Banks (see Note 30.5). The notes payable does not include financial, affirmative and negative covenants.

In 2020, the outstanding Promissory Notes (PN) amounting to P1,741.0 million in 2019, are further extended up to five years based on the benefit of a loan term extension under RA No. 11494, including the exemption from payment of documentary stamp taxes. Mandatory payment of P500.0 million is required provided that if the EBITDA and debt service coverage ratio of the Parent Company, based on its 2021 audited separate financial statements, is at least P5,000.0 million and 1.1x, respectively.

The PN require the Parent Company to maintain a debt-equity ratio of not more than 3.0x and a minimum debt service coverage of 1.10x. The PN also requires the Parent Company to comply with affirmative and negative covenants relating to the exclusive use of the proceeds for the purpose indicated in the PN, maintenance of adequate records, and prohibition to make any material change in the present nature of business of the Parent Company.

The annual testing date is every April 30 and commences on April 30, 2022 using the audited separate financial statements of the Parent Company as of December 31, 2021.

(c) TLA with PNB

On January 29, 2016, the Parent Company signed with PNB a five-year term clean loan amounting to P500.0 million to be used for capital expenditures and general corporate purposes. The loan is subject to annual interest rate of 6.21% and is payable in twenty quarterly installments.

This loan does not include financial, affirmative and negative covenants.

(d) TLA with LBP

On November 3, 2017, the Parent Company signed with LBP a three-year term clean loan amounting to P1,000.0 million to partially finance the permanent working capital requirements of the Parent Company. The loan is subject to a floating rate of 4.00% per annum subject to repricing semi-annually. Interest is payable semi-annually in arrears and the principal is payable in equal semi-annual amortization starting at the end of the first semester. As of December 31, 2020 and 2019, the outstanding principal balance both amounted to P333.3 million.

On July 5, 2018, the Parent Company signed with LBP a seven-year term loan with no grace period amounting to P5,000.0 million to partially finance the general corporate requirement of the company. The loan was approved on a clean basis and is subject to an interest rate of 4.85% and shall be repriced semi-annually. The principal loan is payable in semi-annually. The first 13 installments shall be for the amount of P25.0 million semi-annually while the last installment shall be P4.675.0 million.

The TLA requires the Parent Company to maintain debt-to-equity ratio of not more than 3:1. The TLA also requires the Parent Company to comply with affirmative and negative covenants relating to maintenance of adequate records, prohibition to engage in any business other than its registered activities and avoidance to enter into an agreement as guarantor of the loan of another company, business or person, among others. The Parent Company has complied with all the financial, affirmative and negative covenants in 2020 and 2019.

(e) TLA with RBC

On October 9, 2015, the Parent Company signed with RBC a five-year clean term loan amounting to P500.0 million to be used for capital expenditures and general corporate purposes. The loan is subject to annual interest rate of 5.50% and is payable in twenty equal quarterly installments. This loan does not include financial, affirmative and negative covenants.

(f) Notes Payable arranged by Multinational Investment Bancorporation (MIB)

Certain promissory notes entered into by the Parent Company are arranged by the MIB with local banks and other entities. The promissory notes have interest ranging from 4.25% to 6.75% per annum and normally has a tenor of less than a year. These loans are clean and unsecured. The notes payable does not include financial, affirmative and negative covenants.

(g) Financing Agreement of PNX SG

On January 31, 2020, PNX SG entered into a sale and leaseback agreement with a certain entity to sell its vessel for $10.0 million or P509.0 million, and leaseback with option to purchase. The transaction is accounted as a financing transaction as the transfer of the vessel does not qualify as a sale [see Note 3.1*(k)*]. The vessel is presented as part of the Property, Plant and Equipment – net, in the consolidated statements of financial position. The consideration received on the sale is presented as part of Interest-Bearing Loans and Borrowings with annual internal rate of return of 6.76%. The outstanding the financing agreement as of December 31, 2020 amounted to P444.6 million.

(h) TLA with CN Industrial Co., Ltd (CNI)

PGV LLC entered into a clean non-interest-bearing loan agreement with CNI, minority stockholder of the PGV LLC to cover its working capital requirement and to implement its business activities and plans. The loan is payable on a lumpsum basis on or before June 2023. The outstanding the financing agreement as of December 31, 2020 amounted to P35.3 million.

This loan does not include financial, affirmative and negative covenants.

19.3 Liabilities under Short-term Commercial Papers (STCPs)

In 2020, the Parent Company issued its fourth series of short-term commercial papers (STCP), with PNB Capital and Investment Corporation being the Sole Issue Manager and the Lead Underwriter, amounting to P3,083.0 million. The STCP has a term of 360 days and carries a fixed discount rate of 5.00%. The proceeds are used to refinance its existing short-term loans, which are used to finance the working capital requirements of the Parent Company. On August 26, 2020, the STCP is listed with the Philippine Dealing and Exchange Corp.

In 2019, the Parent Company issued its second and third series of STCP, with PNB Capital and Investment Corporation being the Sole Issue Manager and the Lead Underwriter, amounting to P3,500.0 million and P3,000.0 million, respectively. Each paper has a term of 360 days and carries a discount rate of 7.00% for the second series and 4.67% for the third series. The Parent Company used the proceeds to refinance its existing short-term loans, which are used to finance the working capital requirements of the Parent Company. The second and third series of STCP has been settled by the Parent Company in 2020.

In December 2018, the Parent Company issued STCPs amounting to P7,000.0 million with PNB Capital and Investment Corporation being the Sole Issue Manager and the Lead Underwriter. The amount represented the first of the two tranches totalling to P10,000.0 million of STCP registered with the SEC. Half of the first tranche consisted of 180-day paper that carries a discount rate of 7.10% while 350-day paper with discount rate of 7.50%. The Parent Company used 70.00% of the proceeds to finance the working capital requirements for the importation of fuels and lubricants, and the rest will be used to repay outstanding short-term loans with various banks. The first series of STCP has been settled by the Parent Company in 2019.

The underwriting agreement requires the Parent Company to maintain debt-to-equity ratio of not more than 3:1. The underwriting agreement also requires the Parent Company to comply with affirmative and negative covenants relating to maintenance of adequate records, prohibition to engage in any business other than its registered activities and avoidance to enter into merger or consolidation, unless the Parent Company is the surviving entity, among others. The Parent Company has complied with all the financial, affirmative and negative covenants.

The outstanding liabilities under STCP as of December 31, 2020 and 2019 amounted to P2,967.4 million and P6,191.2 million, respectively. The outstanding balances as of December 31, 2020 and 2019 are net of the capitalized and unamortized debt issuance cost of P115.6 million and P48.8 million, respectively.

19.4 Credit Line

The Parent Company has an available credit line under LC/TR of P5,694.2 million and P12,620.2 million as of December 31, 2020 and 2019, respectively. These lines obtained from various banks are being utilized by the Parent Company for procurement of inventories both local and foreign. The credit lines are mostly granted on a clean basis while some of the credit lines are partially secured by the Joint Several Signatures of certain stockholders.

19.5 Interest Expense

Interest expense for 2020, 2019 and 2018, presented as part of Finance Costs in the consolidated statements of comprehensive income, amounted to P1,849.0 million, P2,582.9 million and P1,377.0 million (see Note 26.1), respectively, which is exclusive of the capitalized borrowing cost of P1,183.5 million, P695.7 million and P261.6 million for 2020, 2019 and 2018, respectively (see Note 11.1). Amortization of bond issue cost amounted to P308.8 million, P505.7 million and nil in 2020, 2019 and 2018, respectively.

20. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of the Group's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Liabilities under LC and TR (see Note 19)	Term Loans (see Note 19)	Liabilities under STCP (see Note 19)	Lease Liabilities (see Note 12)	Total
Balance as of January 1, 2020	P 6,206,767,833	P 37,498,222,490	P 6,191,197,740	P 1,250,213,075	P 51,146,401,138
Cash flows from financing activities:					
Additional borrowings	-	28,947,985,757	2,967,368,503	-	31,915,354,260
Repayment of borrowings, TR, and lease liabilities	(12,704,524,751)	(33,307,037,260)	(6,500,000,000)	(247,414,347)	(52,758,976,358)
Non-cash financing activities:					
Availment of LC and TR	18,634,594,561	-	-	-	19,079,185,313
Additions to lease liability	-	-	-	40,724,111	40,724,111
Termination of leases	-	-	-	(218,835,823)	(218,835,823)
Amortization of discount and bond issue cost	-	-	308,802,260	159,714,001	468,516,261
Balance as of December 31, 2020	**P 12,136,837,643**	**P 33,139,170,987**	**P 2,967,368,503**	**P 984,401,017**	**P 49,227,778,150**
Balance as of January 1, 2019	P 3,045,567,756	P 30,257,526,103	P 6,596,913,591	P -	P 39,900,007,450
Effect of adoption of PFRS16	-	-	-	973,167,940	973,167,940
Cash flows from financing activities:					
Additional borrowings	-	66,463,776,671	6,088,546,547	-	72,552,323,218
Repayment of borrowings, TR, and lease liabilities	(22,090,498,231)	(59,544,221,408)	(7,000,000,000)	(203,455,083)	(88,838,174,722)
Non-cash financing activities:					
Availment of LC and TR	25,251,698,308	-	-	-	25,251,698,308
Additions to lease liability	-	-	-	403,090,922	403,090,922
Business combination		321,141,124	-	-	321,141,124
Amortization of discount and bond issue cost	-	-	505,737,602	80,990,270	586,727,872
Accrued interest	-	-	-	(3,580,974)	(3,580,974)
Balance as of December 31, 2019	P 6,206,767,833	P 37,498,222,490	P 6,191,197,740	P 1,250,213,075	P 51,146,401,138

21. TRADE AND OTHER PAYABLES

This account consists of:

	Notes	**2020**	2019
Trade payables:			
Third parties		**P 7,253,761,878**	P 10,244,468,510
Related parties	30.2, 30.3	**268,992,991**	34,074,046
		7,522,754,869	10,278,542,556
Accrued expenses	30.3	**820,753,874**	910,580,684
Contract liabilities	24.1	**269,430,381**	16,102,117
Non-trade payables		**176,891,916**	233,126,209
Retention payable		**102,568,627**	138,869,144
Advances from customers		**31,769,654**	117,930,781
Others	34.5*(a)*	**183,110,948**	146,509,602
		P 9,107,280,269	P 11,841,661,093

Trade payables are non-interest bearing and are generally settled within 30 to 90 days.

Accrued expenses mostly pertain to payables to various contractors for the construction of retail stations that remain unpaid at the end of the year. In addition, this comprises amounts to be paid in relation to charter hire cost, repairs and maintenance, interest expense arising from loans and professional fees.

Non-trade payables pertain to liabilities to various suppliers of goods and services that are not related to primary business activities of the Group, such as, utility bills, travel expenses and purchase of office supplies, among others.

Retention payable is the amount withheld by the Group from its contractors for the construction of buildings, depot and pier facilities. The amount of retention, which is equivalent to ten percent of the total contract price, is payable upon the completion and turnover by the contractor of a construction project and the acceptance thereof by the Group. Moreover, significant portion of the retention payable pertains to the construction of gasoline and LPG stations equipment, which are expected to be completed within one year after the reporting period.

Advances from customers pertain to excess payments made by the customers which will be offset from the outstanding balances of the customer.

22. DERIVATIVE FINANCIAL LIABILITIES

PNX SG entered into forward contracts to mitigate the fluctuations of expected physical oil sales and purchase contracts. For purposes of estimating the fair value of the derivative contract, whenever possible, the Group utilizes quoted market price from third-party brokers or banks. These brokers' or banks' estimates are corroborated with multiple sources and/or other observable market data utilizing assumptions about risk and market liquidity.

As of December 31, 2020 and 2019, derivative financial instruments with negative fair value related to forward contracts amounted to P623.1 million and P311.0 million and is presented as Derivative Financial Liabilities in the consolidated statements of financial position.

The Group recognized fair value gain on derivative contracts amounting to P262.8 million in 2020, presented as part of Finance Income, under Other Charges (Income) in the 2020 consolidated statement of comprehensive income (see Note 26.2).

In 2019, the Group recognized fair value loss on derivative contracts amounting to P461.2 million, presented as part of Net purchases under Cost of sales in the 2019 consolidated statement of profit or loss (see Note 24.2).

23. OTHER NON-CURRENT LIABILITIES

This account consists of:

	Note	**2020**	2019
Customers' cylinder deposits		**P 783,055,495**	P 440,803,046
Cash bond deposits		**268,980,068**	306,311,395
Post-employment defined benefit obligation	27.3	**129,350,115**	58,747,779
Security deposits		**106,408,896**	100,979,556
Unearned rent		**14,821,620**	30,427,368
		P 1,302,616,194	P 937,269,144

Customers' cylinder deposits represent the net amounts received for LPG cylinders loaned out to various dealers/customers. These deposits are non-interest bearing and refunded to the dealers upon return of the cylinders. In 2020 and 2019, there were no refunds made to the dealers. The composition of this account as of December 31 is presented in the succeeding page.

	2020	2019
Deposits for cylinders	**P 892,291,638**	P 520,730,811
Amortization of cylinder deposits	**(109,236,143)**	(79,927,765)
	P 783,055,495	P 440,803,046

The Group recognized gain on reversal of cylinder deposits amounting to P91.8 million 2018 and is presented as part of Fuel Service and Other Income in the consolidated statements of comprehensive income. There was no gain on reversal of cylinder deposits recognized in 2020 and 2019.

Cash bond deposits consist of cash received from PLPI dealers upon entering dealership agreement. This serves as a bond or security in case a dealer defaults from payment. The deposit will be returned to the dealer upon termination of the agreement.

Security deposits represent deposits received from dealers for the lease of retail stations and equipment that are installed in retail stations. These deposits are refundable at the end of the lease terms and are measured at amortized cost. The fair values on initial recognition of the security deposits were determined by calculating the present value of the estimated future cash flows anticipated until the end of the lease terms using the market interest rate of comparable financial instrument at the inception of the lease. Meanwhile, interest on subsequent amortization of rental deposits using effective interest method amounted to P12.5 million, P15.4 million and P3.6 million in 2020, 2019 and 2018, respectively, and is presented as part of Finance Costs in the consolidated statements of comprehensive income (see Note 26.1).

The excess of the principal amount of the security deposit over its present value is recognized in the consolidated statements of financial position as unearned rent. Subsequent amortization of the unearned rent amounted to P8.1 million, P4.2 million and P5.6 million as of December 31, 2020, 2019 and 2018, respectively, and is presented as part of Rent Income in the consolidated statements of comprehensive income.

24. REVENUES AND COST OF SALES AND SERVICES

24.1 Revenues

(a) Disaggregation of Contract Revenues

The Group derives revenue from the transfer of goods and services in the following primary geographical markets and major goods or service lines:

	Trading (point in time)	**Depot and Logistics (over time)**	**Total**
December 31, 2020			
Primary geographical markets			
Philippines	P 46,873,652,988	P 1,292,906,345	P 48,166,559,333
Singapore	26,683,147,632	103,825,922	26,786,973,554
Vietnam	3,214,557,782	1,864,456	3,216,422,238
	P 76,771,358,402	**P 1,398,596,723**	**P 78,169,955,125**

	Trading (point in time)	Depot and Logistics (over time)	Total
December 31, 2020			
Major goods/service lines			
Fuel and by-products	P 66,782,179,516	P -	P 66,782,179,516
LPG	8,950,133,225	-	8,950,133,225
Merchandise	617,849,647	-	617,849,647
Lubricants	421,196,014	-	421,196,014
Management service	-	1,139,288,653	1,139,288,653
Hauling and into-plane	-	171,794,611	171,794,611
Others	-	87,513,459	87,513,459
	P 76,771,358,402	**P 1,398,596,723**	**P 78,169,955,125**
December 31, 2019			
Primary geographical markets			
Philippines	P 70,608,485,903	P 1,076,337,219	P 71,684,823,122
Singapore	23,930,537,249	129,118,676	24,059,655,925
Vietnam	1,962,630,037	289,092	1,962,919,129
	P 96,501,653,189	P 1,205,744,987	P 97,707,398,176
Major goods/service lines			
Fuel and by-products	P 88,384,504,235	P -	P 88,384,504,235
LPG	6,658,249,908	-	6,658,249,908
Merchandise	1,261,783,677	-	1,261,783,677
Lubricants	197,115,369	-	197,115,369
Management service	-	686,538,216	686,538,216
Hauling and into-plane	-	299,614,442	299,614,442
Others	-	219,592,329	219,592,329
	P 96,501,653,189	P 1,205,744,987	P 97,707,398,176
December 31, 2018			
Primary geographical markets			
Philippines	P 66,671,555,943	P 824,182,312	P 67,495,738,255
Singapore	21,001,166,720	-	21,001,166,720
	P 87,672,722,663	P 824,182,312	P 88,496,904,975
Major goods/service lines			
Fuel and by-products	P 81,233,780,249	P 3,214,286	P 81,236,994,535
LPG	4,241,227,274	-	4,241,227,274
Merchandise	1,437,531,031	-	1,437,531,031
Lubricants	699,008,147	-	699,008,147
Hauling and into-plane	-	820,968,026	820,968,026
Others	61,175,962	-	61,175,962
	P 87,672,722,663	P 824,182,312	P 88,496,904,975

All of the Group's revenues except revenues from management service, hauling and into-plane services and franchise fees (insignificant in amount), which are presented as part of Fuel Services and Other Revenues are recognized at a point in time.

(b) Contract Balances

A reconciliation of the movements of contract liabilities is shown below.

	Note	**2020**	2019
Balance at beginning of year		**P 16,102,117**	P -
Revenue recognized that was included in contract liabilities at the beginning of year		**(16,102,117)**	-
Increase due to cash received excluding amount recognized as revenue during the year		**269,430,381**	16,102,117
Balance at end of year	21	**P 269,430,381**	P 16,102,117

The Group recognizes contract assets, due to timing difference of payment and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period. However, the management assess that contract assets, if any, are of insignificant amounts.

Changes in the contract assets and contract liabilities are recognized by the Group when the right to receive payment is already established and upon performance of unsatisfied performance obligation, respectively.

24.2 Cost of Sales and Services

(a) Costs of Sales and Services

This account is composed of the following:

	Note	**2020**	2019	2018
Cost of fuels and lubricants		**P 68,443,668,682**	P 81,968,236,723	P 74,428,515,179
Cost of LPG		**2,654,744,531**	3,884,245,585	3,439,226,822
Cost of merchandise		**138,362,677**	958,804,773	971,222,819
Cost of services		**17,194,349**	-	-
	25	**P 71,253,970,239**	P 86,811,287,081	P 78,838,964,820

(b) Cost of Fuels, Lubricants, LPG and Merchandise Sold

The cost of inventories sold are broken down as follows:

	Notes	**2020**	2019	2018
Inventories at beginning of year		**P 11,679,616,905**	P 11,135,494,286	P 12,416,237,073
Net purchases during the year	22	**64,279,890,225**	87,272,448,848	77,381,553,342
Overhead costs	11.2	**63,778,810**	65,183,757	95,924,146
Business combination	1.4	**-**	17,777,095	80,744,545
Goods available for sale		**76,023,285,940**	98,490,903,986	89,974,459,106
Inventories at end of year	8	**(4,769,315,701)**	(11,679,616,905)	(11,135,494,286)
		P 71,253,970,239	P 86,811,287,081	P 78,838,964,820

25. COSTS AND EXPENSES BY NATURE

The details of the Group's costs and expenses by nature are shown below.

	Notes	2020	2019	2018
Cost of inventories sold		**P 71,251,618,016**	P 86,746,103,324	P 78,743,040,674
Depreciation and amortization	11.2,12.1,13,16	**1,361,592,449**	1,436,858,782	1,056,749,318
Salaries and employee benefits	27.1	**1,139,766,868**	1,105,276,877	868,282,821
Freight and trucking charges		**753,162,077**	903,075,451	859,631,739
Rent	12.3,17,29.3,34.3	**581,171,863**	650,422,093	865,873,379
Taxes and licenses	16	**449,446,715**	533,449,335	531,258,432
Advertising and promotions		**281,415,849**	506,812,297	373,530,774
Repairs and maintenance		**202,240,283**	108,313,018	167,873,962
Service fees		**156,357,285**	242,782,883	123,721,448
Utilities		**118,165,596**	173,645,341	154,238,778
Professional fees		**115,207,489**	152,814,551	78,808,924
Security fees		**113,031,427**	119,510,213	114,708,711
Dues and subscriptions		**88,366,775**	58,014,578	37,887,492
Impairment losses on trade and other receivables	7, 30.4	**82,210,745**	26,176,493	65,696,528
Outside services		**66,165,722**	90,809,455	14,924,503
Insurance		**64,385,856**	72,622,096	71,827,325
Provision for loss on lost cylinders	11	**42,528,021**	-	24,290,486
Office supplies		**30,329,153**	40,475,106	42,948,909
Fuel, oil and lubricants		**29,945,028**	94,388,831	69,321,906
Travel and transportation		**26,671,570**	92,173,989	82,991,673
Sales incentives		**20,191,473**	4,330,921	20,965,232
Representation		**18,357,583**	27,338,499	27,946,580
Management fee		**11,299,286**	40,916,557	-
Donations and contributions	30.14	**14,310,775**	22,720,000	91,762,500
Royalties	34.5*(a)*	**7,137,623**	13,203,844	12,790,403
Deficiency taxes		**-**	-	45,858
Miscellaneous		**30,834,816**	67,118,451	79,596,762
		P 77,055,910,343	P 93,329,352,985	P 84,580,715,117

The expenses are classified in the consolidated statements of comprehensive income as follows:

	Note	2020	2019	2018
Cost of sales and services	24.2*(a)*	**P 71,253,970,239**	P 86,811,287,081	P 78,838,964,820
Selling and administrative expenses		**5,801,940,104**	6,518,065,904	5,741,750,297
		P 77,055,910,343	P 93,329,352,985	P 84,580,715,117

26. FINANCE COSTS AND FINANCE INCOME

The breakdown of these accounts follows:

26.1 Finance Costs

	Notes	2020	2019	2018
Interest expense on bank loans and other borrowings	19.5	**P 1,849,005,676**	P 2,582,918,502	P 1,376,994,786
Interest expense from lease liabilities	12.4	**159,714,001**	80,990,270	-
Interest expense from security deposits	23	**12,465,194**	15,375,962	3,564,480
Bank charges		**11,671,191**	140,127,818	54,113,374
Interest expense from post-employment defined benefit obligation – net	27.3	**3,872,848**	-	-
Foreign currency exchange losses – net		**-**	18,882,435	14,575,031
		P 2,036,728,910	P 2,838,294,987	P 1,449,247,671

26.2 Finance Income

	Notes	2020	2019	2018
Hedging and financing income	22	**P 262,796,899**	P -	P -
Interest income from cash in banks	6	**48,663,207**	30,008,994	27,225,602
Interest income on amortization of rental deposits	17	**28,349,080**	3,109,626	2,761,638
Foreign currency exchange gains – net		**18,244,247**	51,070,736	37,007,589
Interest income from restricted deposits	9	**1,740,335**	2,178,826	1,437,706
Interest income on retirement benefits	27.3	**-**	120,023	1,148,645
Interest income from overdue trade receivables		**-**	-	1,796,910
Others		**-**	107,585	1,996,252
		P 359,793,768	P 86,595,790	P 73,374,342

27. EMPLOYEE BENEFITS

27.1 Salaries and Employee Benefits Expense

Expenses recognized for salaries and employee benefits are presented below.

	Notes	**2020**	2019	2018
Short-term benefits:				
Salaries and wages		**P 902,964,671**	P 827,449,755	P 673,553,312
Employee welfare and other benefits		**142,259,025**	189,633,713	103,315,524
13th month pay and bonuses		**86,881,232**	57,299,929	67,321,587
Post-employment defined benefit	27.3	**-**	22,037,668	16,848,732
Employee share options	27.2	**7,661,940**	8,855,812	7,243,666
	25	**P 1,139,766,868**	P 1,105,276,877	P 868,282,821

Negative past service cost, net of current service cost of post-employment defined benefit amounted to P0.3 million in 2020, and is presented as part of Others – net under Other Charges (Income) in the 2020 consolidated statement of comprehensive income (see Note 27.3).

27.2 Employee Share Option Plan (ESOP)

On January 24, 2013, the BOD of the Parent Company approved the ESOP. Under the ESOP program, the Parent Company will allocate up to a total of 2.20% of its issued and outstanding common shares to be granted to eligible employees. Share options benefit expense included as part of Salaries and employee benefits under Selling and Administrative Expenses in the consolidated statements of comprehensive income amounted to P7.7 million, P8.9 million and P7.2 million in 2020, 2019 and 2018, respectively, (see Note 27.1), while the corresponding credit to Retained Earnings of the same amount are presented under the Equity section of the consolidated statements of financial position. Other information related to the ESOP are presented in Note 31.7.

27.3 Post-employment Defined Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Group has maintained a partially funded, tax-qualified, noncontributory post-employment defined benefit plan that is being administered by a trustee bank that is legally separated from the Group. The trustee bank managed the fund in coordination with the Group's management who acts in the best interest of the plan assets and is responsible for setting the investment policies. The post-employment plan covers all regular full-time employees.

The normal retirement age is 60 with a minimum of five years of credited service. Normal retirement benefit is an amount equivalent to 75.00% of the final monthly covered compensation (average monthly basic salary during the last 12 months of credited service) for every year of credited service.

(b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions. All amounts presented below are based on the actuarial valuation reports obtained from an independent actuary in 2020, 2019 and 2018.

The amounts of post-employment defined benefit obligation, which is presented as part of Other Non-current Liabilities account (see Note 23) in the consolidated statements of financial position, are determined as follow:

	2020	2019
Present value of obligation	**P 319,468,558**	P 243,226,068
Fair value of plan assets	**(190,118,443)**	(184,478,289)
	P 129,350,115	P 58,747,779

The movements in the present value of the post-employment defined benefit obligation recognized in the books are as follows:

	2020	2019
Balance at beginning of year	**P 243,226,068**	P 169,428,265
Past service cost – plan curtailment	**(36,905,335)**	-
Current service cost	**36,583,472**	22,037,668
Remeasurements:		
Actuarial losses (gains) arising from:		
Changes in financial assumptions	**45,658,973**	41,582,356
Changes in demographic assumptions	**29,756,060**	834,124
Experience adjustments	**(5,576,410)**	33,621
Interest expense	**12,150,836**	12,710,231
Benefits paid from:		
Plan assets	**(4,661,072)**	(3,400,197)
Book reserves	**(764,034)**	-
Balance at end of year	**P 319,468,558**	P 243,226,068

The movements in the fair value of plan assets are presented below.

	2020	2019
Balance at beginning of year	**P 184,478,289**	P 170,568,742
Interest income	**8,277,988**	12,982,615
Benefits paid from plan assets	**(4,661,072)**	(3,400,197)
Gain on plan assets (excluding amounts included in net interest)	**2,023,238**	4,327,129
Balance at end of year	**P 190,118,443**	P 184,478,289

The composition of the fair value of plan assets at the end of the reporting period by category and risk characteristics is shown in the succeeding page.

	2020	2019
Cash and cash equivalents	**P 11,452,983**	P 16,782,873
Quoted equity securities:		
Holding	**5,047,000**	4,900,000
Property	**4,179,600**	4,091,760
Construction	**2,726,565**	2,721,139
Telecommunications	**2,202,420**	2,130,000
Manufacturing (Preferred)	**5,115,560**	7,017,260
	19,271,145	20,860,159
Government bonds	**68,512,948**	58,784,525
Unit investment trust funds (UITF)	**45,849,258**	37,957,399
Corporate Bonds	**44,058,667**	49,171,013
Others	**973,442**	922,320
	P 190,118,443	P 184,478,289

The fair value of the above investments are determined based on quoted market prices in active markets (classified as Level 1 in the fair value hierarchy), excluding UITF and certain Corporate bond amounting to nil and P6.4 million in 2020 and 2019, respectively (classified as Level 2 in the fair value hierarchy). Plan assets do not comprise any of the Group's own financial instruments or any of its assets occupied and/or used in its operations.

The components of amounts recognized in profit or loss and in other comprehensive income in respect of the defined benefit post-employment plan are as follows:

	Notes	**2020**	2019	2018
Reported in profit or loss:				
Past service cost –				
Plan curtailment	27.1	**(P 36,905,335)**	P -	P -
Current service cost	27.1	**36,583,472**	22,037,668	16,848,732
		(321,863)	22,037,668	16,848,732
Net interest				
expense (income)	26.1, 26.2	**3,872,848**	(120,023)	(1,148,645)
		P 3,550,985	P 21,917,645	P 15,700,087
Reported in other comprehensive income:				
Actuarial gains or losses arising from changes in:				
Financial assumptions		**P 45,658,973**	P 41,582,356	(P 32,969,509)
Demographic assumptions		**29,756,060**	834,124	3,091,223
Experience adjustments		**(5,576,410)**	33,621	51,934,933
Effect of asset ceiling		**(3,830,918)**	-	1,727,069
Return (loss) on plan assets (excluding amounts included in net interest expense)		**(2,023,238)**	(2,560,261)	10,610,217
		P 63,984,467	P 39,889,840	P 34,393,933

In 2020, there was a curtailment on the plan of the Parent Company which significantly reduced the headcount compared to that at the beginning of the year, in relation to the Group's rationalization of workforce (see Note 1.6) to which resulted in the recognition of past service cost. Negative past service cost, net of current service cost, is presented as part of Others – net under Other Charges (Income) in the 2020 consolidated statement of comprehensive income.

Current service cost, in 2019 and 2018, is presented as part of salaries and employee benefits under Selling and Administrative Expenses in the consolidated statements of comprehensive income (see Note 25).

The net interest income in 2020 and interest expense in 2019 and 2018 is included as part of Finance Income and Finance Costs, respectively, under the Other Charges (Income) (see Note 26.1).

In determining the amounts of the defined benefit post-employment obligation, the following significant actuarial assumptions were used:

	2020	2019	2018
Discount rates	**3.86% to 3.95%**	5.06% to 5.22%	7.53% to 7.97%
Expected rate of salary increases	**2.00% to 5.00%**	5.00%	2.00% to 6.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 for both males and females is 25.6, 18.9 and 29.2 for the Parent Company, PLPI and PFM, respectively.

These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero coupon government bond with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risk

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bond will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investment in cash and cash equivalents, quoted equity securities and UITF.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions and the timing and uncertainty of future cash flows related to the retirement plan are described in the succeeding page.

(e) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the post-employment defined benefit obligation as of December 31:

	2020		
	Impact on Post-employment Benefit Obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
Discount rate	**+/- 1.00%**	**(33,315,568)**	**39,391,964**
Salary increase rate	**+/- 1.00%**	**38,598,957**	**(33,321,115)**

	2019		
	Impact on Post-employment Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	+/- 1.00%	(P 20,982,932)	P 24,298,496
Salary increase rate	+/- 1.00%	24,089,410	(21,199,591)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(i) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the Group through its BOD, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. Large portion of the plan assets as of December 31, 2020 and 2019 are allocated to government and corporate bonds, UITF and equity securities.

(ii) Funding Arrangements and Expected Contributions

As of December 31, 2020, the plan is underfunded by P129.3 million based on the latest actuarial valuation. While there are no minimum funding requirement in the country, the size of the underfunding may pose a cash flow risk in about 21 years' time when a significant number of employees is expected to retire.

The Group expects to make no contribution to the plan during the next reporting period.

The maturity profile of undiscounted expected benefit payments from the plan within ten years as of December 31 follows:

	2020	2019
Within one year	**P 13,847,228**	P 21,109,357
More than one year to five years	**86,207,574**	86,856,520
More than five years to ten years	**195,002,134**	190,971,465
	P 295,056,936	P 298,937,342

The weighted average duration of the defined benefit obligation at the end of the reporting period is ten years.

28. REGISTRATION WITH THE BOARD OF INVESTMENTS

The Parent Company and PLPI were registered with the Board of Investments (BOI) for certain terminal and facilities that entitled the entities certain tax and non-tax incentives. Terminal and facitlities registered with the BOI are as follows:

Location of Project	Note	Entity Registered	Date of Registration	Income Tax Holiday (ITH) Period	Income Tax Holiday (ITH) Expiry
Naga City, Cebu	*28.1*	PLPI	March 7, 2013	5 Years	March 6, 2018
Tayud, Consolacion	*28.2*	PPPI	Nov 24, 2017	5 Years	Nov 24, 2022
Calapan,Oriental Mindoro	*28.3*	PPPI	Sep 9, 2017	5 Years	Sep 9, 2022
Villanueva, Misamis Oriental	*28.4*	PPPI	Oct 12, 2017	5 Years	Oct 12, 2022
Calaca, Batangas Expansion	*28.5*	PPPI	Dec 22, 2017	5 Years	Dec 22, 2022
Calaca, Batangas Expansion 2	*28.5*	PPPI	April 3, 2019	5 Years	April 3, 2024
General Santos City	*28.6*	PPPI	March 14, 2019	5 Years	March 14, 2024

28.1 BOI Registration for New LPG Import Terminal and Lubricant Storage Facilities in Naga City, Cebu

On March 7, 2013, the PLPI has registered with the BOI under Registration No. 2013-060 for its new investment for the construction of New LPG Import Terminal and Lubricant Storage Facilities in Naga City, Cebu. PLPI's Naga Plant Site is entitled to avail the incentives, which include, among others, ITH for a period of five years without extension from March 2014 or date of registration whichever is earlier but in no case earlier than the date of registration. The ITH for this terminal and storage facility expired on March 6, 2018.

28.2 BOI Registration for New Investment in Tayud, Consolacion, Cebu Oil Depot

On September 19, 2017, the Parent Company has registered with BOI under Registration No. 2017-267 its new project for the Bulk Marketing of Petroleum Products in Tayud, Consolacion, Cebu Oil Depot with 16.7 million liters combined capacity of six storage tanks. Under its new registration, the Parent Company is required to observe certain general and specific terms and conditions stated in the provisions of the Omnibus Investments Code of 1987. The Parent Company's transactions relating to Cebu Oil Depot are entitled to avail the incentives which include, among others, ITH for a period of five years without extension from September 2017 or date of registration whichever is earlier but in no case earlier than the date of registration.

28.3 BOI Registration for New Investment in Calapan, Oriental Mindoro Oil Depot

On October 12, 2017, the Parent Company has registered with BOI under Registration No. 2017-287 its new project for the Bulk Marketing of Petroleum Products in Calapan, Oriental Mindoro Oil Depot with 5.0 million liters combined capacity of two storage tanks. Under its new registration, the Parent Company is required to observe certain general and specific terms and conditions stated in the provisions of the Omnibus Investments Code of 1987. The Parent Company's transactions relating to Calapan, Oriental Mindoro Oil Depot are entitled to avail the incentives which include, among others, ITH for a period of five years without extension from October 2017 or date of registration whichever is earlier but in no case earlier than the date of registration.

28.4 BOI Registration for New Investment in Villanueva, Misamis Oriental Oil Depot

On November 24, 2017, the Parent Company has registered with BOI under Registration No. 2017-320 its new project for the Bulk Marketing of Petroleum Products in Villanueva, Oriental Mindoro Oil Depot with 49.7 million liters combined capacity of six storage tanks. Under its new registration, the Parent Company is required to observe certain general and specific terms and conditions stated in the provisions of the Omnibus Investments Code of 1987. The Parent Company's transactions relating to Villanueva, Oriental Mindoro Oil Depot are entitled to avail the incentives which include, among others, ITH for a period of five years without extension from November 2017 or date of registration whichever is earlier but in no case earlier than the date of registration.

28.5 BOI Registration for New Investment in Calaca, Batangas Oil Depot

On December 22, 2017, the Parent Company has registered with BOI under Registration No. 2017-353 its new project for the Bulk Marketing of Petroleum Products in Calaca, Batangas Oil Terminal with 78.3 million liters combined capacity of seven storage tanks. Under its new registration, the Parent Company is required to observe certain general and specific terms and conditions stated in the provisions of the Omnibus Investments Code of 1987. The Parent Company's transactions relating to Oriental Mindoro Oil Depot are entitled to avail the incentives which include, among others, ITH for a period of five years without extension from January 2018 or date of registration whichever is earlier but in no case earlier than the date of registration.

On April 3, 2019, the Parent Company has registered with BOI under Registration No. 2019-068 its expansion for the Bulk Marketing of Petroleum Products in Calaca, Batangas Terminal, which pertains to the additional one storage tank with capacity of 16.1 million liters. Under its new registration, the Parent Company is required to observe certain general and specific terms and conditions stated in the provisions of the Omnibus Investments Code of 1987. The Parent Company's transactions relating to the additional one storage tank are entitled to avail the incentives which include, among others, ITH for a period of five years without extension from April 2019 or date of registration whichever is earlier but in no case earlier than the date of registration.

28.6 BOI Registration for New Investment in General Santos City Oil Depot

On March 14, 2019, the Parent Company has registered with BOI under Registration No. 2019-051 its new project for the Bulk Marketing of Petroleum Products in General Santos City Oil Depot. Under its new registration, the Parent Company is required to observe certain general and specific terms and conditions stated in the provisions of the Omnibus Investments Code of 1987. The Parent Company's transactions relating to General Santos City Oil Depot are entitled to avail the incentives which include, among others, ITH for a period of five years without extension from March 2019 or date of registration whichever is earlier but in no case earlier than the date of registration.

As of December 31, 2020 and 2019, the Parent Company and PLPI have complied with the terms and conditions under their ITH registrations.

29. TAXES

The components of tax income (expense) reported in the consolidated profit or loss and in the consolidated other comprehensive income is presented below.

	2020	2019 [As restated see Note 2.1*(b)*]	2018 [As restated see Note 2.1*(b)*]
Reported in profit or loss:			
Current tax expense:			
Regular corporate income tax (RCIT) at 30.00% and 17.00%	**(P 66,735,254)**	(P 374,022,871)	(P 446,835,153)
Concessionary tax at 10.00%	**(14,404,064)**	(3,480,410)	-
Final tax at 20.00% and 7.50%	**(13,436,906)**	(2,495,031)	(9,174,318)
Minimum corporate income tax (MCIT) at 2.00%	**(51,020,470)**	(1,428,924)	(12,308,333)
	(145,596,694)	(381,427,236)	(468,317,804)
Deferred tax income (expense) relating to origination and reversal of temporary differences	**372,442,998**	55,381,203	46,341,983
	P 226,846,303	(P 326,046,033)	(P 421,975,821)
Reported in other comprehensive income:			
Deferred tax expense relating to origination and reversal of temporary differences	**(P 339,148,737)**	(P 53,260,240)	(P 540,248,133)

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in the consolidated profit or loss is as follows:

	2020	2019 [As restated see Note 2.1*(b)*]	2018 [As restated see Note 2.1*(b)*]
Tax on pretax loss (profit) at 30.00% and 17.00%	**P 83,879,307**	(P 578,296,893)	(P 709,379,761)
Adjustment for income subjected to lower income tax rates	**17,725,699**	(5,128,568)	(1,671,503)
Tax effects of:			
Adjustment for income and expenses under ITH	**216,231,068**	319,235,104	353,339,769
Reversal of net operating loss carry over (NOLCO)	**(81,744,810)**	-	(1,881,501)
Non-deductible expenses	**(36,833,703)**	(98,250,449)	(17,551,587)
Non-taxable income	**31,244,482**	36,005,434	7,656,113
Unrecognized deferred tax asset	**(15,649,082)**	-	(72,038,868)
Derecognition of previously recognized deferred tax assets	**13,058,596**	-	-
Reversal of MCIT	**(4,637,073)**	(2,266,677)	(2,696,116)
Share benefit expense on on exercised stock options	**3,571,819**	2,656,016	2,533,289
Recognition of previously unrecognized deferred tax asset on impairment losses	**-**	-	16,415,482
Reversal of deferred tax liability on 2017 unrealized forex gain, realized in 2018	**-**	-	(44,144)
Tax expense reported in consolidated statements of comprehensive income	**P 226,846,303**	(P 326,046,033)	(P 421,975,821)

On March 26, 2021, R.A. No. 11534, *Corporate Recovery and Tax Incentives for Enterprises Act (CREATE Act)*, amending certain provisions of the National Internal Revenue Code of 1997, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to the Group:

(a) regular corporate income tax rate is decreased from 30% to 20% to 25% starting July 1, 2020;

(b) minimum corporate income tax rate is decreased from 2% to 1% starting July 1, 2020 until June 30, 2023;

(c) the imposition of 10% tax on improperly accumulated retained earnings is repealed; and,

(d) the allowable deduction for interest expense is reduced by 20% (from 33%) of the interest income subjected to final tax.

Given that the CREATE Act was signed after the end of the current reporting period, the Group determined that this event is a non-adjusting subsequent event. Accordingly, its impact was not reflected in the Group's financial statements as of and for the year ended December 31, 2020, and instead, will be taken up prospectively in the next applicable reporting period. The Group used the prevailing tax rates as of December 31, 2020 in determining its current and deferred taxes in its 2020 financial statements.

The recognized deferred tax assets and liabilities as of December 31, 2020 would be remeasured to 20% to 25% in the 2021 consolidated financial statements. This will result in a decline in the recognized deferred tax assets and liabilities in 2020 by P52.7 million and P24.7 million, respectively, and will be charged to 2021 profit or loss, unless it can be recognized in other comprehensive income as provided in applicable financial reporting standard.

The net deferred tax assets and liabilities as of December 31, 2020 and 2019 pertain to the following:

	Consolidated Statements of Financial Position		Consolidated Statements of Comprehensive Income – Profit or Loss			Consolidated Statements of Comprehensive Income – Other Comprehensive Income (Loss)		
	2020	2019	**2020**	2019 [As Restated see Note 2.1(*b*)]	2018 [As Restated see Note 2.1(*b*)]	**2020**	2019 [As Restated see Note 2.1(*b*)]	2018 [As Restated see Note 2.1(*b*)]
Deferred tax assets:								
NOLCO	**P 299,540,509**	P 18,460,448	**P 281,080,061**	P 11,492,684	(P 3,720,738)	**P -**	P -	P -
Provision for losses on lost cylinders	**76,530,479**	78,914,501	**(2,384,022)**	-	7,287,145	**-**	-	-
MCIT	**52,471,681**	6,209,364	**46,262,317**	4,638,732	347,035	**-**	-	-
Post-employment benefit obligation	**38,610,505**	19,129,322	**285,843**	6,575,296	(21,624,391)	**19,195,340**	11,966,951	10,318,180
Unamortized past service cost	**22,268,397**	22,583,297	**(314,900)**	(10,482,808)	25,335,330	**-**	-	-
Unrealized foreign currency loss – net	**4,955,897**	10,484,099	**(5,528,202)**	(2,428,684)	11,063,337	**-**	-	-
Others	**-**	-	**-**	-	(761,428)	**-**	-	-
	494,377,468	155,781,031	**319,401,097**	(3,670,436)	31,391,946	**19,195,340**	11,966,951	10,318,180
Deferred tax liabilities:								
Gain on revaluation of land	**(1,018,005,034)**	(669,387,526)	**9,726,569**	35,559,049	-	**(358,344,077)**	(43,933,439)	(550,566,313)
Fair value gains on investment property	**(278,965,887)**	(266,132,024)	**(12,833,863)**	(21,151,456)	(2,869,800)	**-**	(21,293,752)	-
Lease liabilities	**281,482,403**	224,575,042	**56,907,361**	224,575,042	-	**-**	-	-
Right-of-use assets	**(242,117,661)**	(202,536,021)	**(39,581,640)**	(202,536,021)	-	**-**	-	-
Impairment losses on trade and other receivables	**216,704,700**	198,825,527	**17,879,173**	26,199,454	37,127,041	**-**	-	-
Accrued rent income	**(24,917,654)**	(24,578,726)	**(338,928)**	(10,590,921)	(3,145,841)	**-**	-	-
Unrealized foreign currency gains – net	**12,118,358**	(9,164,871)	**21,283,229**	6,996,492	(16,161,363)	**-**	-	-
	(1,053,700,775)	(748,398,599)	**(53,041,901)**	59,051,639	14,950,037	**(358,344,077)**	(65,227,191)	(550,566,313)
Net deferred liabilities	**(P 559,323,307)**	(P 592,617,568)						
Net deferred tax income (expense)			**P 372,442,998**	P 55,381,203	P 46,341,983	**(P 339,148,737)**	(P 53,260,240)	(P 540,248,133)

The amounts of NOLCO and the applicable years these are valid and deductible from the taxable income are shown below.

Taxable Years	Original Amount	Tax Effect	Valid Until
2020	P 1,101,095,485	P 330,328,646	2025
2019	226,400,949	67,920,285	2022
2018	218,875,163	65,662,549	2020
	P 1,546,371,597	P 463,911,480	

Ordinarily, the Group's NOLCO is allowed as a deduction form taxable income in the next three consecutive years. However, pursuant to Section 4 (bbb) of the R.A. No. 11494 and as implemented under Revenue Regulation 25-2020, the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five years following the year of such loss.

Except for foreign subsidiaries, which are governed by taxes as prescribed by tax authorities of the countries they are domiciled, the Group is subject to MCIT, which is computed at 2.00% of gross income net of allowable deductions, as defined under the tax regulations, or RCIT, whichever is higher. MCIT was higher than RCIT for all the years presented for PGMI, PPMI and SPTT, respectively.

The amounts of MCIT and the applicable years that are valid and deductible from future regular income tax payable are shown below.

Taxable Years	Normal Income Tax	MCIT	Excess of MCIT over Income Tax	Tax Effect	Valid Until
2020	P -	P 50,911,787	P 50,911,787	P 50,911,787	2023
2019	-	7,950,118	7,950,118	7,950,118	2022
2018	-	9,324,470	9,324,470	9,324,470	2021
	P -	P 68,186,375	P 68,186,375	P 68,186,375	

As of December 31, 2020, certain subsidiaries did not recognize deferred tax assets on NOLCO and MCIT amounting to P164.4 million and P5.7 million, respectively, which management does not expect to recover.

In 2020, 2019 and 2018, the Group claimed itemized deductions in computing for its income tax due.

30. RELATED PARTY TRANSACTIONS

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

The summary of the Group's transactions with its related parties as of December 31, 2020, 2019, and 2018 is presented in the next page.

Category	Related Party Notes	Amount of Transactions 2020	2019	2018	Outstanding Balance 2020	2019
Other related parties under common ownership						
Sale of goods	7,30.1	**P 11,650,256,159**	P7,480,791,892	P 4,732,957,659	**P 4,253,248,292**	P 4,207,636,773
Purchase of goods	21,30.2	**1,169,220,884**	3,438,172,675	1,035,334,676	**92,101,075**	34,074,046
Purchase of services	21,30.2	**59,115,314**	-	352,010,893	**176,891,916**	-
Advances to suppliers	7,30.2	**15,400,370**	1,154,125,041	115,305,467	**143,008,845**	30,811,857
Rentals	10,17,30.3	**63,090,812**	101,414,780	104,531,407	**20,821,805**	20,588,095
Due from related parties	30.4	**29,033,906**	2,073,628	421,266,746	**31,020,717**	1,986,811
Management fees	7,30.6	**(15,174,900)**	281,173	-	**71,440,007**	86,614,907
Sale of subsidiaries	7,30.9	**-**	-	-	**500,000,000**	500,000,000
Sale of services	7,30.10	**1,204,678,839**	686,538,216	322,703,055	**1,729,184,128**	714,935,482
Purchase of land	30.11	**-**	-	92,880,000	**-**	-
Prepaid Rent		**2,492,132**	9,362,671	-	**2,492,132**	9,362,671
Advances for option to purchase properties	17,30.12	**-**	(77,036,191)	2,577,036,191	**2,364,361,471**	2,500,000,000
Transfer of retail stations	18, 30.13	**417,880,153**	-	-	**-**	-
Donations	25,30.14	**-**	8,825,000	30,610,000	**-**	-
Ultimate parent						
Sale of goods	7,30.1	**860,099**	795,636	392,022	**137,551**	-
Advances to suppliers	17,30.2	**259,121,861**	950,752,328	742,356,217	**1,751,337,639**	1,651,621,799
Lease liability	12,25,26.1,30.3	**126,000,000**	167,656,447	-	**41,656,447**	167,656,447
Rentals	10,17,30.3	**-**	-	7,106,449	**776,442**	776,442
Sale of services	7,30.10	**1,329,954,835**	443,569,686	100,000,000	**1,551,337,801**	497,082,768
Key management personnel						
Salaries and Employee benefits	25,30.7	**264,918,985**	264,741,615	258,103,179	**-**	-

30.1 Sale of Goods

The Group sells products to certain related parties under common ownership. Goods are sold on the basis of the price lists in force with non-related parties. Revenues arising from these transactions are presented as part of Sale of Goods in the consolidated statements of comprehensive income. The outstanding receivables from sales of goods to other related parties are presented as part of Trade receivables under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 7).

The outstanding receivables from related parties are unsecured, do not bear any interest and collectible in cash on demand. In 2018, as a result of adoption of PFRS 9, allowance for impairment losses for trade receivables from related parties that is charged to opening retained earnings amounted to P17.2 million (see Notes 4.3 and 7). No additional impairment loss was recognized in 2020 and 2019 based on management's assessment.

30.2 Purchases of Goods and Services

The Group purchased goods and services from related parties under common ownership on the basis of price lists in force with non-related parties. Total purchase of goods and services from related parties is presented as part of Cost of Sales and Services in the consolidated statements of comprehensive income and the related outstanding payables for goods purchased and services obtained are presented as part of Trade payables under the Trade and Other Payables account in the consolidated statements of financial position (see Note 21). The outstanding balances are unsecured, non-interest bearing, payable on demand and normally settled in cash.

In addition, the Group advances certain amount to certain related parties under common ownership for the purchase of services. The amount is credited upon the performance of the contractual obligation by the related parties. The outstanding balances amounting to P143.0 million and P30.8 million are presented as part of Advances to suppliers under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 7). Certain advances to the Group's ultimate parent were also made for the purchase of properties and is presented as part of Advances to suppliers under Other Non-current Assets in the consolidated statements of financial position (see Note 17). The outstanding balances are unsecured, non-interest bearing, payable on demand and normally settled in cash.

30.3 Rentals

The Group has the following lease agreements with the following related parties under common ownership:

(a) Udenna Corporation – of which total rent expense incurred in 2018 amounted to P7.1 million. There were no rent expense incurred in relation to rentals with Udenna Corporation in 2020 and 2019. Refundable rental deposits amounted to P0.8 million as of both December 31, 2020 and 2019, and is presented as part of Refundable rental deposits under Other Non-current Assets in the consolidated statements of financial position (see Note 17).

(b) Udenna Land, Inc. (ULI) – of which total rent expense in 2018 amounted to P7.2 million. There were no rent expense incurred in relation to rentals with Udenna Land, Inc. in 2020 and 2019. Rental deposit for the lease amounted to P6.9 million and P6.7 million as of December 31, 2020 and 2019, respectively, is presented as part of Refundable rental deposits under Other Non-current Assets in the consolidated statements of financial position (see Note 17).

(c) Valueleases, Inc. (VLI) – of which total rent expense on short-term leases in the years 2020, 2019 and 2018 amounted to P63.0 million, P78.4 million and P72.4 million, respectively. Prepaid rent amounted to P2.4 million and P9.3 million as of December 31, 2020 and 2019, respectively (see Note 10). Refundable rental deposits amounted to P13.9 million and P21.1 million as of December 31, 2020 and 2019, respectively, and is presented as part of refundable rental deposits under Prepayments and Other Current Assets and Other Non-current Assets, respectively, in the consolidated statements of financial position (see Note 17).

The rent expenses aforementioned are presented as part of Selling and Administrative Expenses in the consolidated statements of comprehensive income (see Note 25) and the related outstanding rent payables for ULI and VLI are presented as part of Trade Payables while the outstanding rent payable to Udenna Corporation is presented as part of Accrued Expenses, both under Trade and Other Payables account in the consolidated statements of financial position (see Note 21).

In 2019, PFM entered into lease agreement with Udenna Corporation for 15 years. PFM recognized lease liability of P164.5 million at initial recognition. PFM also recognized depreciation expense amounting to P130.6 million and P4.6 million and interest expense amounting to P11.3 million and P4.5 million in 2020 and 2019, respectively (see Notes 12, 25 and 26.1).

30.4 Due from Related Parties

The Group grants and obtains unsecured advances to and from related parties under common ownership for working capital requirements and other purposes.

As of December 31, 2020 and 2019, the outstanding receivable from related parties are shown as Due from Related Parties in the consolidated statements of financial position. Due from Related Parties are either receivable in cash or paid through offsetting, unsecured non-interest-bearing liabilities and are expected to be paid within one year.

The breakdown of the Due from Related Parties as of December 31 is as follows:

	Note	2020	2019
TCQPC		**P 11,678,227**	P -
FEC		**6,518,500**	-
PNMC		**3,929,751**	-
Galaxi		**2,542,780**	-
PAPI		**2,192,345**	1,979,538
EPDC		**1,447,069**	-
PSPC		**1,253,889**	-
ZFEC		**912,399**	-
CJI		**678,459**	-
P-H-O-E-N-I-X Philippines Foundation, Inc. (PPFI)		**523,546**	94,089
Calaca Industrial Seaport Corp. (CISC)		**11,210**	-
		31,688,175	2,073,627
Allowance for impairment	4.2(*b*)	**(784,984)**	(86,816)
		P 30,903,191	P 1,986,811

The movement of Due from Related Parties as of December 31 is as follows:

	Notes	2020	2019
Balance at beginning of year		**P 1,986,811**	P 937,904,172
Additions		**45,286,252**	2,073,627
Collections		**(15,584,888)**	(6,716,432)
Impairment loss for the year	25	**(730,131)**	(86,816)
Reclassification	7	**(54,853)**	(933,096,022)
Recovery of bad debts		**-**	1,908,282
Balance at end of year		**P 31,020,717**	P 1,986,811

30.5 Loan Collaterals

The TLA with DBP, OLSA with BDO and PBComm, loan agreement with HSBC and CBC and certain banks loans of the Parent Company were guaranteed by certain stockholders through a surety agreement with the respective banks (see Note 19.2).

30.6 Management Fees

The Parent Company's non-trade receivables include receivable from CISC representing management fees for the services rendered by the Parent Company to CISC when the latter is still a wholly-owned subsidiary by the former. Under the Management Contract entered into by the Parent Company and CISC, the former will manage CISC:

(a) to secure and maintain a strong market position for CISC in the real estate industry;
(b) sustain the long-term profitability of CISC; and,
(c) develop a core of competent and effective management professionals in CISC.

In return, CISC will pay a certain amount of management fee annually. Previous to the deconsolidation, the outstanding balance pertaining to the management fees were being eliminated in the consolidated financial statements. Total receivable from CISC is presented as part of Non-trade receivables under Trade and Other Receivables in the consolidated statements of financial position (see Note 7) and are unsecured, non-interest bearing, payable on demand and normally settled in cash.

30.7 Key Management Compensations

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

	2020	2019	2018
Salaries and wages	**P 209,483,010**	P 209,333,343	P 215,217,266
13th month pay and bonuses	**21,783,843**	21,772,957	17,622,482
Honoraria and allowances	**13,117,113**	13,110,558	13,192,196
Post-employment benefits	**16,802,630**	16,794,233	8,494,913
Share-based payment	**3,732,389**	3,730,524	3,576,322
	P 264,918,985	P 264,741,615	P 258,103,179

30.8 Retirement Plan

The Group's retirement fund for its defined benefit post-employment plan is administered and managed by a trustee bank. The fair value and composition of the plan assets as of December 31, 2020 and 2019 is shown in Note 27.3. As of December 31, 2020 and 2019, the retirement plan has no investment in shares of stocks of the Parent Company and other listed related parties.

The retirement fund neither provides any guarantee or surety for any obligation of the Group nor its investments covered by any restrictions or liens.

The details of the contributions of the Group and the benefits paid out by the plan are presented in Note 27.3.

30.9 Sale of Subsidiaries

In 2016, the Parent Company disposed its equity share in CSC to Chelsea Logistics and Infrastructure Holdings Corp. (CLIHC), and in CISC to ULI. Total consideration of the sale of subsidiaries amounted to P3,000.0 million, in which a total P500.0 million is still receivable as of both December 31, 2020 and 2019. The outstanding receivables arising from the sale of subsidiaries is presented as part of Non-trade receivables under Trade and Other Receivables in the consolidated statement of financial position (see Note 7).

30.10 Sale of Service

The Group entered into a service agreement with certain related parties to temporarily operate and manage the related parties' operations. Total service income recognized in 2020, 2019 and 2018 amounted to P1,204.7 million, P686.5 million and P337.5 million, respectively. The outstanding balance from services rendered to related parties amounted to P1,361.1 million and P714.9 million in 2020 and 2019, respectively.

The service income is presented as part of Fuel Service and Other Revenues in the consolidated statements of comprehensive income and the related outstanding receivables are presented as part of Non-Trade Receivables under Trade and Other Receivables account in the consolidated statements of financial position (Note 7). The outstanding balances are unsecured, non-interest bearing, payable on demand and normally settled in cash.

30.11 Purchase of Land

In 2018, the Group acquired land from CISC amounting to P92.9 million. The amount was settled in 2019.

30.12 Advances for Option to Purchase Properties

In 2018, the Group entered into reservation agreements with a one-year option period with Global Gateway Development Corporation (GGDC) and Udenna Tower Corporation (UTOWCO) for option to purchase leasehold rights and properties, respectively. The consideration paid for GGDC and UTOWCO amounted to P2,322.7 million and P254.2 million, respectively. The payments made are creditable to the payment of the purchase price of the leasehold rights and properties in the event that a Contract of Sublease covering the purchase of the sublease rights of the properties is executed or returned or refunded to the Group in the event that the referenced Contract of Sublease is not executed within the option period. The related advances were presented as part of Advances to Suppliers under Trade and Other Receivables as of December 31, 2018. In 2019, the option to purchase properties remained unexercised. Accordingly, this was reclassified to Other Non-current Assets in the 2019 consolidated statement of financial position (see Note 17).

In 2020, DUTA entered into a Reservation with Option Agreement with Global Gateway Development Corporation (GGDC) for the purchase of the leasehold rights over the 22,0001 sqm. property of GGDC in Clark Global City. The advances for option to purchase properties made by the Parent Company to GGDC will be applied to the payment for the future purchase of property. The related advances are presented as part of Advances to supplies under Other Non-current Assets in the 2020 consolidated statement of financial position (see Note 17).

30.13 Transfer of Retail Stations

In 2020, certain retail stations of the Group with carrying amount of P417.9 million were transferred to certain JVs at cost (see Note 18).

30.14 Others

The Group granted nil, P8.8 million and P30.6 million donations to Udenna Foundation, Inc. in 2020, 2019 and 2018, respectively. These are presented as part of Donations and Contributions under the Selling and Administrative expenses account in the consolidated statements of comprehensive income (see Note 25).

31. EQUITY

31.1 Capital Stock

Capital stock consists of:

	Shares			Amount		
	2020	2019	2018	**2020**	2019	2018
Preferred – cumulative, nonvoting, non-participating, non-convertible into common shares - P1 par value						
Authorized:	**50,000,000**	50,000,000	50,000,000	**P 50,000,000**	P 50,000,000	P 50,000,000
Issued:						
Balance at beginning of year	**37,000,000**	32,000,000	30,000,000	**P 37,000,000**	P 32,000,000	P 30,000,000
Issuance during the year	**-**	7,000,000	2,000,000	**-**	7,000,000	2,000,000
Redemption	**(12,500,000)**	(2,000,000)	-	**(12,500,000)**	(2,000,000)	-
Balance at end of year	**24,500,000**	37,000,000	32,000,000	**24,500,000**	37,000,000	32,000,000
Treasury shares						
Balance at beginning of year	**(10,000,000)**	(10,000,000)	(5,000,000)	**(10,000,000)**	(10,000,000)	(5,000,000)
Redemption	**-**	-	(5,000,000)	**-**	-	(5,000,000)
Balance at end of year	**(10,000,000)**	(10,000,000)	(10,000,000)	**(10,000,000)**	(10,000,000)	(10,000,000)
Issued and outstanding	**14,500,000**	27,000,000	22,000,000	**P 14,500,000**	P 27,000,000	P 22,000,000
Common – P1 par value						
Authorized:	2,500,000,000	2,500,000,000	2,500,000,000	**P2,500,000,000**	P2,500,000,000	P2,500,000,000
Issued:						
Balance at beginning of year	**1,437,204,232**	1,434,304,232	1,431,538,232	**P1,437,204,232**	P1,434,304,232	P1,431,538,232
Issuance during the year	**1,773,000**	2,900,000	2,766,000	**1,773,000**	2,900,000	2,766,000
Balance at end of year	**1,438,977,232**	1,437,204,232	1,434,304,232	**1,438,977,232**	1,437,204,232	1,434,304,232
Treasury shares						
Balance at beginning of year	**(31,000,000)**	(31,000,000)	(31,000,000)	**(344,300,000)**	(344,300,000)	(344,300,000)
Sale of treasury shares	**31,000,000**	-	-	**344,300,000**	-	-
Balance at end of year	**-**	(31,000,000)	(31,000,000)	**-**	(344,300,000)	(344,300,000)
Issued and outstanding	**1,438,977,232**	1,406,204,232	1,403,304,232	**P1,438,977,232**	P1,092,904,232	P1,090,004,232
				P1,453,477,232	P1,119,904,232	P1,112,004,232

(a) On April 23, 2012, the SEC approved the Parent Company's increase in authorized capital stock from P800.0 million divided into 750.0 million common shares with a par value of P1 and P50.0 million preferred shares with par value of P1 per share to P2,550.0 million divided into 2,500.0 common shares with par value of P1 per share and 50.0 million preferred shares with par value of P1 per share.

(b) In 2016, the Parent Company's BOD approved the buy-back share program of PNX (common) shares of up to P450.0 million. In various dates in 2016, the Parent Company purchased its 54.4 million of its shares with corresponding total cost of P330.7 million.

(c) In 2017, the Parent Company purchased 15.8 million of its shares with corresponding total cost of P109.4 million. Subsequently, the Parent Company sold all of its treasury shares amounting to P440.1 million. The total consideration received on November 6, 2017 for the sale of treasury shares amounted to P807.2 million which resulted to an additional paid-in capital of P367.1 million (see Note 31.4).

(d) In 2018, the Parent Company purchased a total of 31.0 million of its common shares with corresponding total cost of P344.3 million.

(e) On December 20, 2013, the Parent Company redeemed the preferred shares issued in 2010 (1st and 2nd tranche) and re-issued the same amount of P5.0 million (5.0 million shares at P1 par value).

The preferred shares shall have the following features as provided in the subscription agreement:

- Non-convertible into common shares;

- Non-participating in any other corporation activities or other further dividends, non-voting, except in cases specified by law;

- No pre-emptive rights over the holders of common shares as to distribution of net assets in the event of dissolution or liquidation and in the payment of dividends at a specified rate. The BOD shall determine its issued value at the time of issuance and shall determine its dividend rates and the dividends shall be paid cumulatively; and,

- The preferred shares shall be redeemable at the Parent Company's option under such terms as the BOD may provide at the time of issuance. It shall also be re-issuable when fully redeemed.

- Dividends on the preferred shares shall have a fixed rate of 8.25% per annum calculated in respect of each share with reference to the Issue Price thereof in respect to each dividend period.

- Dividends shall be payable every September 21, December 21, March 21 and June 21 of each year (each a "Dividend Payment Date"). The dividends onthe Preferred Shares shall be calculated on a 30/360 day basis and shall be paid quarterly in arrears on the last day of each 3-month dividend period (each a Dividend Payment Date), as and if declared by the BOD. If the Dividend Payment Date is not a banking day, dividends shall be paid on the next succeeding banking day, without adjustment as to the amounts of dividends to be paid.

- The preferred shares shall have priority in the payment of dividends at the stipulated rate at the time of issuance and in the distribution of corporate assets in the event of liquidation and dissolution of the Parent Company. As such, the BOD to the extent permitted by law shall declare dividends each quarter sufficient to pay the equivalent dividend. Dividends on the shares shall be cumulative. If for any reason the Parent Company's BOD does not declare a dividend on the Preferred Shares for a particular dividend period, the Parent Company shall not pay a dividend for said dividend period. However, on any future Dividend Payment Date on which dividends are declared, the holders of the shares shall receive the dividends accrued and unpaid to the holders of the Preferred Shares prior to such Dividend Payment Date. Holders of Preferred Shares shall not be entitled to participate in any other further dividends beyond the dividends specifically payable on the Preferred Shares.

Moreover, the subscription agreement requires that the Parent Company undertakes to maintain a debt to equity ratio of 3:1 throughout the life of the preferred shares. The Parent Company complied with this requirement in all applicable years presented.

(f) On December 18, 2015, the Parent Company issued and listed its 20.0 million perpetual preferred shares (P1.0 par value) Series 3 with the PSE (the 3rd tranche). The preferred shares' offer price is P100 per share and issued to various subscribers in two subseries – PNX3A and PNX3B (see Note 31.2).

The 3rd tranche of preferred shares have the same features with the 1st and 2nd tranche of preferred shares except for the following:

Dividend rates:	PNX3A	7.43% per annum
	PNX3B	8.11% per annum
Dividend payment dates:	Dividends shall be payable on March 18, June 18, September 18 and December 18 on each year. The dividends on these shares shall be calculated on a 30/360 day basis and shall be paid quarterly in arrears on the last day of each three-month dividend period based on the offer price calculated in respect of each share for each dividend period, as and if declared by the Parent Company's BOD.	

The subscription agreement does not include financial, affirmative and negative covenants.

(g) On December 3, 2018, the Parent Company entered into a Subscription Agreement for a perpetual preferred shares with RCBC Capital Corporation, which was taken from the unissued portion of the authorized capital stock of the Parent Company. The preferred shares with the same features under Note 31.1*(e)* were issued on December 5, 2018. The issuance was by way of private placement of P2,000.0 million, consisting of 2,000.0 million preferred shares at an offered price of P1,000.0 per share. Initial dividend rate is at 8.25% per annum. The subscription agreement does not include financial, affirmative and negative covenants.

(h) On November 7, 2019, the Parent Company issued and listed its 7.0 million perpetual preferred shares (P1.0 par value) Series 4 with the PSE. The preferred shares' offer price is P1,000.00 per share and issued to various subscribers (see Note 31.2).

The Series 4 of preferred shares have the same features with the 3 tranches of preferred shares except for the following:

Dividend rates:	PNX4	7.5673% per annum (Initial dividend rate)
	Unless the preferred shares are redeemed by the Parent Company on the 3rd anniversary of the issue date, the applicable dividend rate shall be adjusted to the higher of the initial dividend rate and the simple average of the yield designated as "Final BVAL YTM" for the 7-year Republic of the Philippines peso-denominated domestic government bonds, for three (3) business days immediately preceding (and including) the 3rd anniversary of the issue date plus 850 basis points.	
Dividend payment dates:	Dividends shall be payable on February 7, May 7, August 7 and November 7 on each year. The dividends on these shares shall be calculated on a 30/360 day basis and shall be paid quarterly in arrears on the last day of each three-month dividend period based on the offer price calculated in respect of each share for each dividend period, as and if declared by the Parent Company's BOD.	

(i) On December 18, 2020, the Parent Company redeemed its listed perpetual preferred shares Series 3 Tranche A at P100.00 per share (see Notes 31.2 and 31.4).

The subscription agreement does not include financial, affirmative and negative covenants.

31.2 Listing with PSE

On July 11, 2007, the Parent Company offered a portion of its common stocks for listing with the PSE. Number of common shares registered was 29.0 million with an issue price of P9.80.

The Parent Company' successfully listed its perpetual preferred shares Series 3 with the PSE on December 18, 2015 (see Note 31.1).

On November 7, 2019, the Parent Company has listed its Series 4 preferred shares with the PSE (see Note 31.1).

On December 18, 2020, the Parent Company redeemed is listed perpetual preferred shares Series 3 Tranche A at P100.00 per share (see Notes 31.1 and 31.4).

The market prices of the shares as of December 31 are as follows:

	2020	2019	2018
PNX (Common)	**P 12.50**	P 11.94	P 10.74
PNX 3A (Preferred)	-	100.60	100.00
PNX 3B (Preferred)	**103.60**	106.70	102.00
PNX 4 (Preferred)	**1,007.00**	1,022.00	-

31.3 Track Registration of Shares

The number of shareholders as of December 31 are as follows:

	2020	2019	2018
Common	**65**	62	66
Preferred			
a) First tranche	**-**	-	-
b) Second tranche	**1**	1	1
c) PNX 3A	**-**	5	5
d) PNX 3B	**4**	4	4
e) PNX 4	**5**	3	-

In accordance with the Revised Securities Regulation Commission Rule 68, Annex 68-K; presented below is a summary of the Parent Company's track record of registration of securities.

Transaction	Type of Stock Common or Preferred	No. of Shares Registered	Issue/Offer Price and Par Value		Date of Approval	Issued and Outstanding
Registered, not listed	Common	10,000,000	P 1	Par value	1/11/2004	2,500,000
			1	Issue price		
Registered, not listed	Common	40,000,000	1	Par value	1/12/2006	25,000,000
			1	Issue price		
Registered, not listed	Common	50,000,000	1	Par value	8/7/2006	13,500,000
			1	Issue price		
Registered, not listed	Common	300,000,000	1	Par value	12/29/2006	75,000,000
			1	Issue price		
Initial public offering	Common		1	Par value	7/11/2007	29,000,000
			9.80	Issue price		
30% stock dividends	Common		1	Par value	8/6/2008	43,000,198
40% stock dividends	Common		1	Par value	8/3/2009	73,660,476
Placement SSS	Common		1	Par value	11/13/2009	7,500,000
			5.60	Issue price		
Increase	Common	350,000,000	1		9/7/2010	
Increase	Preferred	50,000,000	1		9/7/2010	
40% stock dividends	Common		1		10/20/2010	107,664,266
30% stock dividends	Common		1		5/6/2011	113,047,475
Increase	Common	1,750,000,000	1		4/23/2012	
50% stock dividends	Common		1		4/26/2012	244,936,203
CSC Acquisitions	Common		1	Par value	9/6/2012	171,250,798
			1.01	Issue price		
Placements	Common		1	Par value	3/11/2013	130,000,000
			9.40	Issue price		
30% stock dividends	Common		1		6/10/2013	329,717,816
Payment for PPHI subscription	Common		1	Par value	10/8/2013	63,000,000
			5.10	Issue price		
Issuance	Preferred		1	Par value	9/21/2010	5,000,000
			100	Issue price		
Redeemed treasury shares	Treasury Shares		1		12/20/2013	(5,000,000)
Issuance	Preferred		1	Par value	12/20/2013	5,000,000
Issuance	Preferred		1	Par value	12/18/2015	20,000,000
			100	Issue price		
Redeemed treasury shares	Common		1		5/31/2016	(500,000)
Redeemed treasury shares	Common		1		6/13/2016	(500,000)
Redeemed treasury shares	Common		1		6/21/2016	(500,000)
Redeemed treasury shares	Common		1		6/23/2016	(1,100,000)
Redeemed treasury shares	Common		1		6/27/2016	(250,000)
Redeemed treasury shares	Common		1		6/28/2016	(500,000)
Redeemed treasury shares	Common		1		6/30/2016	(900,000)
Redeemed treasury shares	Common		1		7/1/2016	(897,700)
Redeemed treasury shares	Common		1		7/4/2016	(1,900)
Redeemed treasury shares	Common		1		7/5/2016	(498,900)
Redeemed treasury shares	Common		1		7/7/2016	(228,400)
Redeemed treasury shares	Common		1		7/8/2016	(2,650,000)
Redeemed treasury shares	Common		1		7/11/2016	(4,001,700)
Redeemed treasury shares	Common		1		7/12/2016	(2,000,000)
Redeemed treasury shares	Common		1		7/14/2016	(3,000,000)
(Amounts carried forward)		**2,550,000,000**				**P1,436,248,632**

Transaction	Type of Stock Common or Preferred	No. of Shares Registered	Issue/Offer Price and Par Value	Date of Approval	Issued and Outstanding
(Amounts brought forward)		**2,550,000,000**			**P1,436,248,632**
Redeemed treasury shares	Common		1	7/15/2016	(3,600,700)
Redeemed treasury shares	Common		1	7/19/2016	(1,000,000)
Redeemed treasury shares	Common		1	7/22/2016	(500,000)
Redeemed treasury shares	Common		1	8/1/2016	(150,000)
Redeemed treasury shares	Common		1	8/2/2016	(203,600)
Redeemed treasury shares	Common		1	8/5/2016	(500,000)
Redeemed treasury shares	Common		1	8/11/2016	(200,000)
Redeemed treasury shares	Common		1	8/12/2016	(500,000)
Redeemed treasury shares	Common		1	8/18/2016	(500,000)
Redeemed treasury shares	Common		1	8/19/2016	(1,000,000)
Redeemed treasury shares	Common		1	8/23/2016	(200,000)
Redeemed treasury shares	Common		1	8/26/2016	(500,000)
Redeemed treasury shares	Common		1	8/30/2016	(1,000,000)
Redeemed treasury shares	Common		1	8/31/2016	(287,300)
Redeemed treasury shares	Common		1	9/1/2016	(700,000)
Redeemed treasury shares	Common		1	9/2/2016	(760,000)
Redeemed treasury shares	Common		1	9/6/2016	(500,000)
Redeemed treasury shares	Common		1	9/7/2016	(200,000)
Redeemed treasury shares	Common		1	9/8/2016	(298,800)
Redeemed treasury shares	Common		1	9/9/2016	(1,000,000)
Redeemed treasury shares	Common		1	9/13/2016	(500,000)
Redeemed treasury shares	Common		1	9/19/2016	(1,000,000)
Redeemed treasury shares	Common		1	9/20/2016	(300,000)
Redeemed treasury shares	Common		1	9/21/2016	(600,000)
Redeemed treasury shares	Common		1	9/23/2016	(200,000)
Redeemed treasury shares	Common		1	9/26/2016	(100,000)
Redeemed treasury shares	Common		1	9/27/2016	(386,600)
Redeemed treasury shares	Common		1	9/28/2016	(1,000,000)
Redeemed treasury shares	Common		1	10/3/2016	(1,029,000)
Redeemed treasury shares	Common		1	10/4/2016	(700,000)
Redeemed treasury shares	Common		1	10/5/2016	(1,000,000)
Redeemed treasury shares	Common		1	10/6/2016	(600,000)
Redeemed treasury shares	Common		1	10/7/2016	(1,000,000)
Redeemed treasury shares	Common		1	10/10/2016	(650,000)
Redeemed treasury shares	Common		1	10/12/2016	(500,000)
Redeemed treasury shares	Common		1	10/13/2016	(1,000,000)
Redeemed treasury shares	Common		1	10/17/2016	(500,000)
Redeemed treasury shares	Common		1	10/20/2016	(500,000)
Redeemed treasury shares	Common		1	10/21/2016	(500,000)
Redeemed treasury shares	Common		1	10/24/2016	(500,000)
Redeemed treasury shares	Common		1	10/26/2016	(850,000)
Redeemed treasury shares	Common		1	10/27/2016	(500,000)
Redeemed treasury shares	Common		1	11/2/2016	(500,000)
Redeemed treasury shares	Common		1	11/7/2016	(300,000)
Redeemed treasury shares	Common		1	11/9/2016	(300,000)
Redeemed treasury shares	Common		1	11/10/2016	(100,000)
Redeemed treasury shares	Common		1	11/16/2016	(100,000)
Redeemed treasury shares	Common		1	11/17/2016	(300,000)
Redeemed treasury shares	Common		1	12/8/2016	(198,700)
Redeemed treasury shares	Common		1	12/9/2016	(700,000)
Amounts carried forward)		**2,550,000,000**			**P1,406,233,932**

Transaction	Type of Stock Common or Preferred	No. of Shares Registered	Issue/Offer Price and Par Value	Date of Approval	Issued and Outstanding
(Amounts brought forward)		**2,550,000,000**			**P1,406,233,932**
Redeemed treasury shares	Common		1	12/19/2016	(500,000)
Redeemed treasury shares	Common		1	12/20/2016	(1,000,000)
Redeemed treasury shares	Common		1	12/21/2016	(1,000,000)
Redeemed treasury shares	Common		1	12/22/2016	(500,000)
Redeemed treasury shares	Common		1	12/23/2016	(3,000,000)
Redeemed treasury shares	Common		1	12/27/2016	(513,100)
Redeemed treasury shares	Common		1	12/28/2016	(336,900)
Redeemed treasury shares	Common		1	1/4/2017	(300,000)
Redeemed treasury shares	Common		1	1/5/2017	(18,800)
Redeemed treasury shares	Common		1	1/5/2017	(209,200)
Redeemed treasury shares	Common		1	1/9/2017	(111,800)
Redeemed treasury shares	Common		1	1/9/2017	(88,200)
Redeemed treasury shares	Common		1	1/10/2017	(200,000)
Redeemed treasury shares	Common		1	1/10/2017	(300,000)
Redeemed treasury shares	Common		1	1/12/2017	(500,000)
Redeemed treasury shares	Common		1	1/6/2017	(93,800)
Redeemed treasury shares	Common		1	1/6/2017	(206,200)
Redeemed treasury shares	Common		1	1/12/2017	(10,000)
Redeemed treasury shares	Common		1	1/12/2017	(125,500)
Redeemed treasury shares	Common		1	1/12/2017	(14,500)
Redeemed treasury shares	Common		1	1/13/2017	(200,000)
Redeemed treasury shares	Common		1	1/11/2017	(999,000)
Redeemed treasury shares	Common		1	1/11/2017	(107,000)
Redeemed treasury shares	Common		1	1/11/2017	(193,000)
Redeemed treasury shares	Common		1	1/16/2017	(286,000)
Redeemed treasury shares	Common		1	1/17/2017	(200,000)
Redeemed treasury shares	Common		1	1/23/2017	(300,000)
Redeemed treasury shares	Common		1	1/24/2017	(500,000)
Redeemed treasury shares	Common		1	1/25/2017	(500,000)
Redeemed treasury shares	Common		1	1/27/2017	(1,000,000)
Redeemed treasury shares	Common		1	1/31/2017	(300,000)
Redeemed treasury shares	Common		1	2/2/2017	(500,000)
Redeemed treasury shares	Common		1	2/6/2017	(500,000)
Redeemed treasury shares	Common		1	2/16/2017	(800,000)
Redeemed treasury shares	Common		1	2/23/2017	(750,000)
Redeemed treasury shares	Common		1	2/24/2017	(500,000)
Redeemed treasury shares	Common		1	2/27/2017	(300,000)
Redeemed treasury shares	Common		1	3/21/2017	(500,000)
Redeemed treasury shares	Common		1	3/23/2017	(187,100)
Redeemed treasury shares	Common		1	3/27/2017	(500,000)
Redeemed treasury shares	Common		1	3/31/2017	(1,000,000)
Redeemed treasury shares	Common		1	3/31/2017	(1,000,000)
Redeemed treasury shares	Common		1	3/31/2017	(500,000)
Redeemed treasury shares	Common		1	4/12/2017	(500,000)
Redeemed treasury shares	Common		1	4/18/2017	(500,000)
Redeemed treasury shares	Common		1	5/3/2017	(1,000,000)
Issuance	Common		1	7/1/2017	2,160,000
Issuance	Common		1	7/1/2017	601,000
Sale of treasury shares	Common		1	11/6/2017	70,193,400
Amounts carried forward)		**2,550,000,000**			**P1,456,538,232**

Transaction	Type of Stock Common or Preferred	No. of Shares Registered	Issue/Offer Price and Par Value		Date of Approval	Issued and Outstanding
(Amounts brought forward)		2,550,000,000				P1,456,538,232
Issuance	Common		1		5/23/2018	73,000
Issuance	Common		1		6/30/2018	2,128,000
Redeemed treasury shares	Common		1		9/12/2018	(25,000,000)
Issuance	Common		1		9/30/2018	447,000
Redeemed treasury shares	Common		1		11/21/2018	(3,500,000)
Redeemed treasury shares	Common		1		11/21/2018	(2,500,000)
Issuance	Preferred		1	Par value	12/5/2018	2,000,000
			1,000	Issue price		
Issuance	Common		1		12/31/2018	118,000
Redeemed treasury shares	Treasury Shares		1		12/20/2018	(5,000,000)
Issuance	Common		1	Par value	7/1/2019	2,572,000
Redeemed treasury shares	Preferred		1	Par value	8/15/2019	(500,000)
			1,000	Issue price		
Issuance	Common		1	Par value	11/4/2019	328,000
Redeemed treasury shares	Preferred		1	Par value	11/6/2019	(1,500,000)
			1,000	Issue price		
Issuance	Preferred		1	Par value	11/8/2019	7,000,000
			1,000	Issue price		
Issuance	Common		1	Par value	7/31/2020	1,773,000
Sale of treasury shares	Treasury Shares		1		12/1/2020	31,000,000
Redeemed preferred shares	Preferred		1	Par value	12/18/2020	(12,500,000)
			100	Issue price		
Total		2,550,000,000				P1,453,477,232

31.4 Additional Paid-in Capital

On December 18, 2020, the Parent Company redeemed is listed perpetual preferred shares Series 3 Tranche A at P100.00 per share for a total consideration paid of P1,250.0 million (see Notes 31.1 and 31.2). The payment in excess of the par value of the redeemed share was recorded as reduction under the Additional Paid-in Capital account amounting to P1,237.5 million.

On December 1, 2020, the Parent Company sold 31,000,000 treasury common shares at market price of P12.50 per share, at the exchange facilities, resulting to an additional premium of P43.2 million (see Note 31.1).

In 2020, the Parent Company issued 1.8 million of its common shares at exercise price of P5.68 per stock option resulting in additional premium of P13.7 million (Notes 31.1 and 31.7). The fair value of stock options exercised in 2020, which was previously recorded as part of Retained Earnings was reclassified to Additional Paid-in Capital account in the consolidated statements of financial position. The total amount reclassified from Retained Earnings amounted to P5.4 million, which is computed at P3.05 per stock option.

In 2019, the Parent Company issued 7.0 million of its preferred shares at P1,000.00 per share. Premiums received in excess of the par value amounting to P6,784.7 million, net of stock issue cost of P208.3 million, were recorded as part of Additional Paid-in Capital account in the 2019 consolidated statement of financial position. In addition, the Parent Company also redeemed 2.0 million shares at P1,000.0 per share for a total consideration paid of P2,000.0 million. The payment in excess of the par value of the redeemed share was recognized as reduction under the Additional Paid-in Capital account amounting to P1,998.0 million.

In 2019, the Parent Company issued 2.9 million of its common shares at exercise price of P5.68 per stock option resulting to an additional premium of P22.4 million (Notes 31.1 and 31.7). The fair value of stock options exercised in 2019, which was previously recorded as part of Retained Earnings was reclassified to Additional Paid-in Capital account in the consolidated statements of financial position. The total amount reclassified from Retained Earnings amounted to P8.9 million, which is computed at P3.05 per stock option.

In 2018, the Parent Company issued 2.0 million of its preferred shares at P1,000.0 per share. Premiums received in excess of the par value amounting to P1,998.0 million were recorded as part of Additional Paid-in Capital account in the 2018 consolidated statement of financial position. In addition, the Parent Company also redeemed 5,000.0 million shares at P100.0 per share for a total consideration paid of P500.0 million. The payment in excess of the par value of the redeemed share was recorded as reduction under the Additional Paid-in Capital account amounting to P495.0 million.

In 2018 and 2017, the Parent Company issued 2.8 million of its common shares at exercise price of P5.68 per stock option resulting to an additional premium of P21.4 million and P12.9 million, respectively (see Notes 31.1 and 31.7). The fair value of stock options exercised in 2018 and 2017, which was previously recorded as part of Retained Earnings was reclassified to Additional Paid-in Capital account in the consolidated statements of financial position. The total amount reclassified from Retained Earnings amounted to P8.4 million, which is computed at P3.05 per stock option.

In 2017, the Parent Company redeemed 70.2 million of its treasury shares at a total cost of P807.2 million. Premiums received in excess of the cost of treasury shares amounting to P367.1 million were recorded under Additional Paid-in Capital account in the 2017 consolidated statement of financial position (see Note 31.1).

In 2015, the Parent Company issued 20.0 million of its preferred shares at P100.0 per share. Premiums received in excess of the par value during the public offering amounting to P1,952.9 million were recorded under Additional Paid-in Capital account in the 2015 consolidated statement of financial position.

In 2013, the Parent Company issued 130.0 million of its common shares at P9.40 per share and 63.0 million common shares at P5.10 per share. The excess of the par value for such subscriptions amounting to P1,350.3 million was recorded as part of Additional Paid-in Capital account in the 2013 consolidated statement of changes in equity. In addition, direct cost of the share issuances amounting to P34.1 million was deducted from the Additional Paid-in Capital account.

In 2012, the Parent Company issued 171.3 million shares in favor of Udenna Management and Resources Corporation (UMRC) in relation to the share-for-share swap acquisition of Chelsea Shipping Corporation (CSC). The business combination under common control was accounted for under pooling of interest-type method. The excess of par value of such issuance amounted to P1,248.9 million was recorded as part of the beginning balance of the Additional Paid-in Capital account.

In 2010, the Parent Company issued 5.0 million of its preferred shares at P100 per share. The excess of par value for such subscription amounting to P495.0 million was recorded as part of Additional Paid-in Capital account in the consolidated statements of financial position. In addition, the excess of the selling price over the acquisition cost of the treasury shares sold in 2010 also constitutes the Additional Paid-in Capital account. The preferred shares issued in 2010 were redeemed on December 20, 2013 and on the same date, the same share and value of preferred shares were issued, except for the reduced rate.

In 2009, the Social Security System has bought an initial 2.83% stake in the Parent Company representing 7.5 million subscribed common shares for P42.0 million or at P5.60 per share. The excess of par value for such subscription amounting to P34.5 million was recorded under Additional Paid-in Capital account in the consolidated statements of financial position.

In 2007, the Parent Company listed its shares of stock with PSE. Premiums received in excess of the par value during the public offering amounting to P227.1 million were recorded under Additional Paid-in Capital account in the consolidated statements of financial position.

31.5 Revaluation Reserves

The components and reconciliation of items of other comprehensive income presented in the consolidated statements of changes in equity at their aggregate amount under Revaluation Reserves account, are shown below.

	Revaluation of Land	Actuarial Gain or Loss on Defined Benefit Obligation	Accumulated Translation Adjustment	Total
Balance as of January 1, 2020				
As previously reported	P 905,972,788	(P 54,304,691)	(P 44,799,122)	P 806,868,975
Restatement [see Note 2.1*(b)*]	481,193,300	-	-	481,193,300
As restated	1,387,166,088	(54,304,691)	(44,799,122)	1,288,062,275
Revaluation increment	1,194,480,257	-	-	1,194,480,257
Remeasurements of post-employment defined benefit obligation	-	(63,984,467)	-	(63,984,467)
Translation adjustment	-	-	(87,219,875)	(87,219,875)
Tax income (expense)	(358,344,077)	19,195,340	-	(339,148,737)
Other comprehensive income (loss) after tax	836,136,180	(44,789,127)	(87,219,875)	704,127,178
Translation adjustment attributable to non-controlling interests	-	-	281,475	281,475
Balance as of December 31, 2020	**P 2,223,302,268**	**(P 99,093,818)**	**(P 131,737,522)**	**P 1,992,470,928**
Balance as of January 1, 2019				
As previously reported	P 853,892,230	(P 26,381,802)	P 24,928,394	P 852,438,822
Restatement [see Note 2.1*(b)*]	430,762,500	-	-	430,762,500
As restated	1,284,654,730	(26,381,802)	P 24,928,394	1,283,201,322
Revaluation increment	217,423,972	-	-	217,423,972
Remeasurements of post-employment defined benefit obligation	-	(39,889,840)	-	(39,889,840)
Translation adjustment	-	-	(69,712,613)	(69,712,613)
Tax income (expense)	(65,227,191)	11,966,951	-	(53,260,240)
Other comprehensive income (loss) after tax	152,196,781	(27,922,889)	(69,712,613)	54,561,279
Transfer to retained earnings due to change in the use of land (see Notes 11 and 16)	(49,685,423)	-	-	(49,685,423)
Translation adjustment attributable to non-controlling interests	-	-	(14,903)	(14,903)
	(49,685,423)	-	(14,903)	(49,700,326)
Balance as of December 31, 2019 [As restated – see Note 2.1*(b)*]	P 1,387,166,088	(P 54,304,691)	(P 44,799,122)	P 1,288,062,275
Balance as of January 1, 2018	P -	(P 2,306,049)	(P 3,791,486)	(P 6,097,535)
Revaluation increment	1,835,221,043	-	-	1,835,221,043
Remeasurements of post-employment defined benefit obligation	-	(34,393,933)	-	(34,393,933)
Translation adjustment	-	-	28,719,880	28,719,880
Tax income (expense)	(550,566,313)	10,318,180	-	(540,248,133)
Other comprehensive income (loss) after tax	1,284,654,730	(24,075,753)	28,719,880	1,289,298,857
Balance as of December 31, 2018 [As restated – see Note 2.1*(b)*]	P 1,284,654,730	(P 26,381,802)	P 24,928,394	P 1,283,201,322

31.6 Retained Earnings

In 2020, a total of P683.3 million cash dividends were declared by the Parent Company's BOD and distributed to 2nd, 3rd and 4th tranche preferred stockholders. No cash dividends on common shares and stock dividends were declared and distributed in 2020.

On March 14, 2019, the Parent Company's BOD approved the declaration and payment of common share cash dividends of 15 centavos per share totalling to P210.5 million, record date of April 8, 2019. A total of P312.5 million cash dividends were also declared and distributed to 2nd and 3rd tranche, and private placement preferred stockholders in 2019. No stock dividends were declared and distributed in 2019.

On January 26, 2018, the Parent Company's BOD approved the declaration and payment of common share cash dividends of 15 centavos per share totalling to P214.7 million, record date of April 2, 2018. A total of P194.9 million cash dividends were also declared and distributed to 2nd and 3rd tranche preferred stockholders in 2018. No stock dividends were declared and distributed in 2018.

The Group's retained earnings are restricted to the extent of the cost of the treasury shares as of the end of the reporting periods.

31.7 ESOP

On January 24, 2013, the Parent Company's BOD approved the ESOP for its eligible employees.

The initial offering date of the option was on July 1, 2016 and will vest five years from the date of grant. Pursuant to this ESOP, on July 1, 2016, the Parent Company granted share options to certain key executives to subscribe to 24.5 million common shares of the Parent Company equivalent to 2.2% of the total issued shares, at an exercise price of P5.68 per share.

Stock options will be granted in two tranches until July 1. 2021. The allocation for Tranche 1 every year is computed at 10.0% of the total available shares for exercise. Meanwhile, the allocation for Tranche 2 is based on the forecasted assessment of the executives' performance rating for five years.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The following principal assumptions were used in the valuation:

Life of the option	5 years
Current share price at grant date	P 6.25
Exercise price at grant date	P 5.68
Standard deviation of the rate of return	0.4
Risk-free interest rate	3.80%

The underlying expected volatility was determined by reference to historical date of the Group's shares over a period of time consistent with the option life.

The underlying expected volatility was determined by reference to historical date of the Company's shares over a period of time consistent with the option life.

A total of P7.7 million, P8.9 million and P7.2 million share-based executive compensation is recognized in 2020, 2019 and 2018, respectively, and presented as part of Employee benefits under Selling and Administrative Expenses account in the consolidated statements of comprehensive income, (see Note 27.2) with a corresponding credit to Retained Earnings account.

31.8 Capital Management Objectives, Policies and Procedures

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern; and,
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity as presented on the face of the consolidated statements of financial position. Capital for the reporting periods under review is summarized as follows:

	2020	2019
Total liabilities	**P 61,371,130,390**	P 65,034,622,017
Total equity	**21,161,333,787**	21,922,755,249
Debt-to-equity ratio	**2.9 : 1.0**	3.0 : 1.0

The decrease of the total assets and liabilities in 2020 is due to settlement of interest-bearing loans, lease payments and trade and other payables, due to lesser inventory purchases as the result of the sudden drop in global oil demand brought by the pandemic. The minimal decrease in equity is due to the redemption of the Parent Company's first tranche of third series (PNX3A) of preference shares, net of the effect on sale of treasury shares, revaluation of land under Property, Plant and Equipment and appraisal of its investment properties, and the net profit in 2019 less the cash dividend declared and paid during the period for preferred shares.

The Group's goal in capital management is to maintain a debt-to-equity structure ratio that is in line with the Group's covenants related to its bank borrowings.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

32. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share were computed as follows:

	2020	2019 [As restated see Note 2.1*(b)*]	2018 [As restated see Note 2.1*(b)*]
a) Net profit (loss) pertaining to common shares	**(P 488,940,386)**	P 803,551,296	P 2,025,145,052
b) Net profit (loss) attributable to common shares and potential common shares	**(488,940,386)**	803,551,296	2,025,145,052
c) Weighted average number of outstanding common shares	**1,438,191,470**	1,404,437,174	1,424,576,265
d) Weighted average number of outstanding common and potential common shares	**1,438,191,470**	1,405,612,929	1,426,593,300
Basic earnings (loss) per share (a/c)	**(P 0.34)**	P 0.57	P 1.42
Diluted earnings (loss) per share (b/d)	**(P 0.34)**	P 0.57	P 1.42

Net profit (loss) pertaining to common shares is the remaining net profit (loss) attributable to the Parent Company after deducting annual dividends on outstanding preferred shares.

The potential dilutive common shares totalling 244,035, 1,175,755 and 2,017,035 shares in relation to the unexercised share warrants were considered in the computation of diluted EPS in 2020, 2019 and 2018.

33. SEGMENT REPORTING

33.1 Business Segments

In identifying its operating segments, management generally follows the Group's product and service lines, which represent the main products and services provided by the Group, namely fuels and lubricant sales (trading segment), depot and logistics services, shipping and cargo services and real estate sales. These are also the bases of the Group in reporting its primary segment information.

(a) Trading segment is engaged in marketing, merchandising, purchasing, selling, dealing, acquiring, disposing and distribution of goods and wares such as but not limited to petroleum products (on wholesale basis), adhesives, glues, bonding agents, epoxy resins, lubricants and other products.

(b) Depot and logistics services segment is engaged in operating of oil depots, storage facilities and provides logistics services to various entities.

(c) Real estate segment is involved in real estate development, management and operations.

33.2 Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, inventories and property, plant and equipment, and other assets, net of allowances and provisions. Segment liabilities include all operating liabilities and consist principally of trade and other payables, interest-bearing loans and borrowings, and other liabilities. Segment assets and liabilities do not include deferred tax assets or liabilities.

33.3 Intersegment Transactions

Segment revenues, expenses and performance include sales and purchases between segments and between geographical segments. Such sales and purchases are eliminated upon combination.

The tables presented in the succeeding page present revenue and profit information regarding business segments of the Group for the years ended December 31, 2020 and 2019 and certain asset and liability information regarding industry segments as of December 31, 2020 and 2019 (in thousands).

	Sale of Goods			Fuel Service and Other Revenue								
	Trading			Depot and Logistics			Real Estate			Total		
	2020	2019	2018	**2020**	2019	2018	**2020**	2019	2018	**2020**	2019	2018
TOTAL REVENUES												
Sales to external customers	**P 76,771,358**	P 96,501,653	P 87,672,723	**P 1,398,597**	P 1,205,745	P 824,182	**P 129,556**	P 115,711	P 113,863	**P 78,299,511**	P 97,823,109	P 88,610,768
Intersegment sales	**23,580,070**	42,720,298	20,139,519	**366,243**	333,355	209,985	**32,016**	18,519	16,721	**23,978,329**	43,072,172	20,366,225
Total revenues	**100,351,428**	139,221,951	107,812,242	**1,764,840**	1,539,100	1,034,167	**161,572**	134,230	130,584	**102,277,840**	140,895,281	108,976,993
COSTS AND OTHER OPERATING EXPENSES												
Cost of sales and services excluding depreciation and amortization	**97,989,820**	134,268,949	102,895,593	**1,674,917**	674,835	958,174	**7,910**	20,882	36,424	**99,672,647**	134,964,666	103,890,191
Depreciation and amortization	**1,312,584**	1,429,361	1,047,919	**48,844**	6,849	8,130	**165**	649	700	**1,361,593**	1,436,859	1,056,749
	99,302,404	135,698,310	103,943,557	**1,723,761**	681,684	966,304	**8,075**	21,531	37,124	**101,034,240**	136,401,525	104,946,940
SEGMENT OPERATING PROFIT (LOSS)	**P 1,049,024**	P 3,523,641	P 3,868,685	**P 41,079**	P 857,416	P 67,863	**P 153,497**	P 112,699	P 93,460	**P 1,243,600**	P 4,493,756	P 4,030,0532
ASSETS AND LIABILITIES												
Segment assets	**P 93,589,655**	P 99,840,747		**P 3,005,150**	P 567,205		**P 4,642,999**	P 1,421,142		**P 101,237,804**	P 101,829,094	
Segment liabilities	**70,220,127**	73,370,565		**2,396,149**	416,632		**4,511,459**	1,312,806		**77,127,735**	75,100,003	
OTHER SEGMENT INFORMATION												
Interest expense	**P 2,025,572**	P 2,582,919	P 1,376,995	**P -**	P -	P -	**P 312**	P 80,990	P -	**P 2,025,884**	P 2,663,909	P 1,376,995
Interest income	**53,595**	32,307	28,663	**-**	-	-	**(122)**	3,110	2,762	**53,471**	35,417	31,425
Income tax expense	**64,038**	338,042	600,167	**-**	4,310	5,642	**8,357**	5,307	779	**72,395**	347,659	606,588
Equity share in net income of joint venture	**92,620**	16,510	7,342	**2,243**	-	-	**-**	-	-	**94,863**	16,510	7,342
Fair value loss on financial liabilities at FVTPL	**(262,797)**	464,161	-	**-**	-	-	**-**	-	-	**(262,797)**	464,161	-

33.4 Reconciliations

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

	2020	2019 [As restated see Note 2.1(b)]	2018 [As restated see Note 2.1(b)]
Revenues			
Total segment revenues	**P 102,277,840**	P 140,895,281	P 108,976,993
Elimination of intersegment revenues	**(23,978,329)**	(43,072,172)	(20,366,225)
Revenues as reported in profit or loss	**P 78,299,511**	P 97,823,109	P 88,610,768
Profit or loss			
Segment operating profit	**P 1,243,600**	P 4,493,756	P 4,030,053
Fair value gains (losses) on investment properties	**42,780**	(474)	9,566
Equity share in net income of joint ventures	**94,863**	16,510	7,342
Other unallocated income	**131,406**	12,100	87,267
Operating profit as reported in profit or loss	**1,512,649**	4,521,892	4,134,228
Finance costs	**(2,036,729)**	(2,838,295)	(1,449,248)
Finance income	**359,794**	86,596	73,375
Profit (loss) before tax as reported in profit or loss	**(P 164,286)**	P 1,770,193	P 2,758,355
Assets			
Segment assets	**P 101,237,804**	P 101,829,094	
Right-of-use assets – net	**792,829**	1,142,726	
Deferred tax assets – net	**494,377**	155,781	
Elimination of intercompany accounts	**(19,992,546)**	(16,170,224)	
Total assets reported in the consolidated statements of financial position	**P 82,532,464**	P 86,957,377	
Liabilities			
Segment liabilities	**P 77,127,735**	P 75,100,003	
Lease liabilities	**984,401**	1,096,852	
Deferred tax liabilities – net	**1,053,701**	748,399	
Elimination of intercompany accounts	**(17,794,707)**	(11,910,632)	
Total liabilities as reported in the consolidated statements of financial position	**P 61,371,130**	P 65,034,622	

33.5 Geographical Segments

The Group has identified three geographical areas as operating segments, which represent the location of the Group's operations in 2020 and 2019. The Group is operating in the Philippines, Singapore and Vietnam. In 2018, the Group assessed that geographical segments other than the Philippines are not significant and relevant to present separately.

Presented below are the reportable geographical segments of the Group (in thousands).

	Philippines	Singapore	Vietnam	Total
December 31, 2020				
TOTAL REVENUES				
Sales to external customers	P 48,296,115	P 26,786,974	P 3,216,422	P 78,299,511
Intersegment sales	443,437	23,534,892	-	23,978,329
Total revenues	48,739,552	50,321,866	3,216,422	102,277,840
COSTS AND OTHER OPERATING EXPENSES				
Cost of sales and services excluding depreciation and amortization	46,455,975	50,004,900	3,211,771	99,672,647
Depreciation and amortization	1,221,662	74,708	65,223	1,361,593
	47,677,637	50,079,608	3,276,994	101,034,240
SEGMENT OPERATING PROFIT (LOSS)	**P 1,061,915**	**P 242,258**	**(P 60,572)**	**P 1,243,600**
ASSETS AND LIABILITIES				
Segment assets	P 90,517,760	P 9,411,830	P 1,308,214	P 101,237,804
Segment liabilities	68,517,350	7,833,457	776,928	77,127,735
December 31, 2019				
TOTAL REVENUES				
Sales to external customers	P 71,800,534	P 24,059,656	P 1,962,919	P 97,823,109
Intersegment sales	496,997	42,575,175	-	43,072,172
Total revenues	72,297,531	66,634,831	1,962,919	140,895,281
COSTS AND OTHER OPERATING EXPENSES				
Cost of sales and services excluding depreciation and amortization	24,234,193	109,153,582	1,576,891	134,964,666
Depreciation and amortization	1,265,861	106,909	64,089	1,436,859
	25,500,054	109,260,491	1,640,980	136,401,525
SEGMENT OPERATING PROFIT (LOSS)	P 46,797,477	(P 42,625,660)	P 321,939	P 4,493,756
ASSETS AND LIABILITIES				
Segment assets	P 87,300,573	P 13,026,609	P 1,501,912	P 101,829,094
Segment liabilities	62,476,882	11,283,239	1,339,882	75,100,003

34. COMMITMENTS AND CONTINGENCIES

34.1 Capital Commitments

As of December 31, 2020, the Group has commitments of more than P6,000.0 million for expansion on petroleum retail network, depot, terminalling and logistics facilities, information technology infrastructure and other major expansions related to its business development. The Group has a network of 670 operating retail service stations as of December 31, 2020. An additional of 13 retail service stations are under various stages of completion as of December 31, 2020.

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

34.2 Unused LCs

As of December 31, 2020 and 2019, the Parent Company has unused LCs amounting to P5,694.2 million and P12,620.2 million, respectively (see Note 19.4).

34.3 Operating Lease Commitments – Group as Lessee (2018)

The Group is a lessee under several operating leases. The leases have terms ranging from 5 to 15 years, with renewal options, and include annual escalation rates ranging from 3.00% to 10.00%. The future minimum rentals payable under these cancelable operating leases as of December 31, 2018 are presented as follows:

Within one year	P 502,525,573
After one year but not more than five years	1,714,046,926
More than five years	2,376,914,724
	P 4,593,487,223

Total rent expense in 2018 amounted to P865.9 million (see Note 25).

34.4 Operating Lease Commitments – Group as Lessor

The Group is a lessor under several operating leases with third parties. The leases have terms ranging from 1 to 5 years, with renewal options, and include annual escalation rates ranging from 5.00% to 10.00%. The future minimum rentals receivables under these cancelable operating leases are presented below.

	2020	2019
Within one year	**P 127,378,780**	P 121,127,284
After one year but not more than two years	**104,083,597**	92,145,188
After two years but not more than three years	**89,336,957**	70,808,800
After three years but not more than four years	**67,552,547**	56,309,297
After four years but not more than five years	**42,149,419**	34,205,707
More than five years	**213,008,617**	70,121,251
	P 643,509,917	P 444,717,527

Rent income in 2020, 2019 and 2018 amounting to P129.6 million, P115.7 million and P113.9 million, respectively, is presented as Rent Income in the consolidated statements of comprehensive income.

Rent income recognized on lease of investment properties amounted to P11.3 million, P20.2 million and P1.8 million in 2020, 2019 and 2018, respectively (see Note 16), and rent income on sublease of right-of-use assets amounted to P118.3 million, P95.5 million and P112.1 million in 2020, 2019 and 2018, respectively. No impairment on right-of-use assets related to subleased properties were recognized in 2020 and 2019.

34.5 PFM's Franchise

(a) PFM as Franchisee

PFM has area franchise agreement with FamilyMart Co. Ltd., whereby the latter will grant exclusive rights to the PFM for operating the FamilyMart stores in the Philippines as an Area Franchisor using the FamilyMart System for a period of ten years and six months, renewable at the option of the PFM. The agreement provides for an initial franchise fee of US$1.0 million and royalty fees amounting to 1.00% of gross sales, exclusive of VAT, of all FamilyMart stores computed at the end of every month. On January 2, 2013, the PFM paid the initial franchise fee amounting to P41.1 million.

On December 11, 2017, as part of the acquisition of PFM by the Parent Company, the franchise agreement was renewed for ten years starting on the date of renewal at no additional cost to PFM. As of December 31, 2020 and 2019, the carrying value of the franchise fee amounted to P9.7 million and P17.5 million, respectively, and is presented as part of Intangible Assets in the consolidated statements of financial position (see Note 13).

Royalty expense recognized by PFM in 2020, 2019 and 2018, amounted to P7.1 million, P13.2 million P12.8 million, respectively, and is presented under Selling and Administrative Expenses in the consolidated statements of comprehensive income (see Note 25). As of December 31, 2020 and 2019, PFM recognized royalty payable amounting to P3.1 million and P1.1 million, respectively, as part of Others under Trade and Other Payables in the consolidated statements of financial position (see Note 21).

(b) PFM as Franchisor

In December 2014, PFM started entering into franchise agreements whereby, as an Area Franchisor, PFM grants exclusive rights to qualified persons and entities (Franchisees) to own and operate FamilyMart stores at locations in the Philippines approved by it. The agreement is for a term of five years unless earlier terminated by either party and provides for a one-time franchise fee plus monthly royalties to PFM equivalent to a percentage of gross profit. Cash receipts of the franchised stores from merchandise sales are initially deposited to PFM. Deductions are made from this fund for the cost of merchandise sales, share of PFM on the store's monthly gross profit and other costs. The remaining balance is subsequently remitted to the franchisees.

One-time franchise fees, which pertain to the initial investment of the franchisees are also presented as part of Non-trade Payables under Trade and Other Payables in the consolidated statements of financial position until PFM has performed initial services as franchisor as agreed under the agreement. As of December 31, 2020 and 2019, there are no outstanding liabilities. Revenues from franchise fees in 2020, 2019 and 2018 amounted to P37.2 million, P64.6 million and P56.0 million, respectively, and is presented as part of Fuel service and other revenues in the consolidated statements of comprehensive income with the corresponding outstanding receivable from the franchisees amounting to P50.2 million and P14.7 million, presented as part of Non-trade Receivables under Trade and Other Receivables in the consolidated statements of financial position (see Note 7).

34.6 Lawsuits

In the opinion of the Group's management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's consolidated financial position and its results of operations.

(a) In May 2011, the Bureau of Customs (BOC) filed before the Department of Justice (DOJ) a complaint against the Group's President and Chief Executive Officer and other respondents for alleged violation of Sections 3602, 2501(l)(1) & (5), 1801, 1802 and 3604 of the Tariff and Customs Code of the Philippines. In November 2012, the DOJ dismissed the case for lack of probable cause against all respondents. In April 2013, the DOJ, upon motion for reconsideration filed by the BOC, reversed its earlier resolution and recommended the filing of Criminal Information against the respondents. Criminal Information for alleged violations of Section 3602, in relation to Sections 3601, 2530 1 (l) & 5, 1801 and 3604 of the Tariff and Customs Code of the Philippines were filed before the Regional Trial Courts (RTC) of Batangas and Davao City in August 2013. Separately, in September and October 2013, RTC Batangas and Davao City, respectively, have dismissed all charges against the Parent Company's President and Chief Executive Officer.

(b) On October 7, 2013, the DOJ filed a Motion for Reconsideration with Motion for Inhibition of Judge Ruben A. Galvez dated October 7, 2013 with RTC Batangas. On the other hand, on November 15, 2013, the DOJ filed a Motion for Reconsideration with Motion for Inhibition of Judge George A. Omelio dated November 15, 2013 with RTC Davao. On December 6, 2013, RTC Batangas issued an Order dated December 6, 2013 denying the DOJ's Motion for Reconsideration with Motion for Inhibition. On July 7, 2014, RTC Batangas issued a Certificate of Finality of even date stating that its Order dated December 6, 2013 affirming the Order dated September 17, 2013 is now final and executory since no appeal was filed.

(c) On August 18, 2014, RTC Davao issued an order of even date denying the DOJ's Motion for Reconsideration. The Office of the Solicitor General, on behalf of the People of the Philippines, filed the Petition for Certiorari dated October 27, 2014 with the Court of Appeals seeking the reversal of the Orders dated October 4, 2013 and August 18, 2014 issued by public respondents Judges Omelio and Hon. Loida S. Posadas-Kahulugan. On October 24, 2016, the Group received the decision of the Court of Appeals denying the Petition for Certiorari dated October 27, 2014. On November 10, 2016, Mr. Uy received a copy of the Motion for Reconsideration filed with the CA.

A Motion for Reconsideration filed by the DOJ and the BOC, seeking the reversal of the decision dated July 25, 2014 of the Court of Appeals' Special Former Special Tenth (10th) Division in the Consolidated Petitions of Dennis Uy, docketed as CA-G.R. SP No. 131702, and Jorlan Cabanes, docketed as CA-G.R. SP No. 129740, with the Court of Appeals, which involve the same basic facts and issues as those raised in CA-G.R. SP No. 06500-MIN. On July 23, 2015, the Group received a resolution denying the said Motion for Reconsideration.

On October 8, 2015, the SOJ and the BOC filed a Petition for Review on Certiorari with the Supreme Court (SC), seeking to set aside the Decision dated July 24, 2014 and Resolution dated July 2, 2015 issued by the CA. On October 12, 2016, the Court denied the Petition for Certiorari and further denied petitioner's Motion for Reconsideration on January 25, 2017.

On April 4, 2017, the Group received a copy of the Petition for Review on Certiorari dated March 27, 2017 filed by petitioner docketed as GR No. 229705 with the SC, Manila, 3rd Division. As of December 31, 2017, the Group is awaiting for the SC's issuance on the resolution directing the Group to file Comment to the Petition for Review.

In a "Manifestation in Lieu of Reply" filed by the Office of the Solicitor General on July 10, 2019, the SOJ has prayed that their manifestation be duly considered and to dismiss all three (3) petitions without prejudice to the possible filing, if the Court desires, of supplemental memoranda from the parties.

On February 10, 2020, the case was set for the continuation of plaintiff's evidence. The counsel for the defendant, on the other hand, moves to defer his cross examination as they requested for an opportunity with the plaintiffs to discuss possible means of settling the case. The defendant's counsel requested for a June 2020 setting of the defendant to have ample time to exhaust this opportunity for amicable settlement, and the same was granted by the court. There were no updates as of December 31, 2020.

Other court cases typical and customary in the course of the business operations of the Group such as those, among others, involving collection, qualified theft and reckless imprudence have been filed by and against the Group by and against its employees and/or third parties.

In the normal course of business, the Group makes various commitments and incurs certain contingent liabilities that are not given recognition in the consolidated financial statement. As of December 31, 2020 and 2019, the management believes that losses, if any, that may arise from these commitments and contingencies will not have material effects on the consolidated financial statements.

35. EVENTS AFTER THE END OF THE REPORTING PERIOD

35.1 Disposal of Non-current Asset Classified as Held for Sale

In February 2021, prior to the issuance of the financial statements, the Group transferred various retail stations to ABVC, CJI, EPDC, FEC, Galaxi, PNMC and ZFEC. The carrying value of the assets sold amounted to P197.8 million, which was presented as Non-current Asset Classified as Held for Disposal in the 2020 consolidated statement of financial position (see Note 18). This is in connection with the assignment and transfer of 72 Company-Owned Dealer-Operated (CODO) retail stations to PPMI, which are eventually distributed to JVs of PPMI as investment.

35.2 Enactments of R.A. 11534, CREATE Act

On March 26, 2021, R.A. No. 11534, *CREATE Act*, amending certain provisions of the National Internal Revenue Code of 1997, as amended, was signed into law and shall be effective beginning July 1, 2020. Given that the CREATE Act was signed after the end of the current reporting period, the Group determined that this event is a non-adjusting subsequent event. Accordingly, its impact was not reflected in the Group's consolidated financial statements as of and for the year ended December 31, 2020, and instead, will be taken up prospectively in the next applicable reporting period (see Note 29).

P&A Grant Thornton

Report of Independent Auditors on Components of Financial Soundness Indicators

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

T +63 2 8988 22 88

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries (the Group) for the years ended December 31, 2020 and 2019, on which we have rendered our report dated March 29, 2021. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2020 and 2019 and for each of the two years in the period ended December 31, 2020 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: **Ramilito L. Nañola**
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 8533235, January 4, 2021, Makati City
SEC Group A Accreditation
Partner - No. 0395-AR-4 (until Sept. 16, 2022)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-019-2020 (until Dec. 21, 2023)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

March 29, 2021

P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries
Financial Soundness Indicators
December 31, 2020

Ratio	Formula	Amount 2020	Amount 2019	Ratio 2020	Ratio 2019
Current Ratio	Current Assets	33,401,916,932	42,357,385,142	**0.84**	**0.84**
	Current Liabilities	39,727,011,193	50,498,972,826		
Acid test ratio	Cash and cash equivalents + Trade and other receivables - net + Due from related parties	22,214,832,290	25,785,890,892	**0.56**	**0.51**
	Current Liabities	39,727,011,193	50,498,972,826		
Cash Ratio	Cash and Cash Equivalents	5,788,390,677	9,810,770,115	**0.15**	**0.19**
	Current Liablities	39,727,011,193	50,498,972,826		
Solvency Ratio	After Tax Net Profit + Depreciation	1,424,152,953	2,881,005,530	**0.02**	**0.04**
	Long term liabilities + Short term Liabilities	61,879,900,587	65,034,622,017		
Debt to Equity Ratio	Total Liabilities	61,879,900,587	65,034,622,017	**2.92**	**2.97**
	Equity	21,161,333,787	21,922,755,249		
Debt Service Coverage Ratio	Net Operating Income	1,254,498,283	4,493,756,260	**0.53**	**1.16**
	Net Interest Expense + Long-term repayments	2,380,342,469	3,876,251,835		
Asset to Equity Ratio	Total Assets	83,063,094,546	87,372,335,592	**3.93**	**3.99**
	Equity	21,161,333,787	21,922,755,249		
Interest Rate Coverage Ratio	Earnings Before Interest and Taxes	(115,912,706)	4,425,155,283	**(0.06)**	**1.71**
	Interest Expense	2,025,571,557	2,582,918,502		
Gross Profit Margin	Sales - Cost of Goods Sold	1,254,498,283	4,493,756,260	**0.02**	**0.05**
	Sales	78,299,510,916	97,823,109,245		
Return on Assets	Net Income	62,560,504	1,444,146,748	**0.00**	**0.02**
	Total Assets	82,532,464,177	87,372,335,592		
Return on Equity	Net Income	62,560,504	1,444,146,748	**0.00**	**0.07**
	Equity	21,161,333,787	21,922,755,249		

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20th Floor, Tower 1
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Philippines

T +63 2 8988 22 88

Report of Independent Certified Public Accountants to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries (the Group) for the year ended December 31, 2020, on which we have rendered our report dated March 29, 2021. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of Revised Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 8533235, January 4, 2021, Makati City
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Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

March 29, 2021

P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries
List of Supplementary Information
December 31, 2020

P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries
Schedule A - Financial Assets
December 31, 2020

Description		*Carrying Value*		*Fair Value*
Loans and receivables:				
Cash and cash equivalents	P	5,788,390,677	P	5,788,390,677
Trade and other receivables - net		16,395,538,422		16,395,538,422
Due from related parties		30,903,191		30,903,191
Construction bond		6,749,664		6,749,664
Security Deposits		869,781,137		869,781,137
Refundable rental deposits		276,351,471		276,351,471
	P	**23,367,714,562**	**P**	**23,367,714,562**

Notes:
1) There are no other financial assets applicable to the Group, except for loans and receivables.
2) Trade and other receivables excludes advances to suppliers and advances to subject to liquidation.
3) Construction bond is included as part of Others under Prepayments and Other Current Assets.
4) Net of allowance for impairment losses of P734,384,427.

P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2020

					Ending Balance		
Name and Designation of debtor	***Balance at beginning of period***	***Additions***	***Amounts collected***	***Reclassification***	***Current***	***Non-current***	***Balance at end of period***
Calaca Industrial Seaport Corporation	P -	P 66,063			P 66,063	P -	P 66,063
P-H-O-E-N-I-X Philippines Foundation, Inc.	94,090	5,141,920	(4,712,464)		523,545	-	523,545
Phoenix Asphalt Philippines, Inc.	1,947,575	11,004,843	(10,760,073)		2,192,345	-	2,192,345
Galaxi Petroleum Fuels, Inc.	-	2,655,130	(112,350)		2,542,780	-	2,542,780
Top Concord Quality Petroleum Corp.	-	11,678,227			11,678,227	-	11,678,227
F1rstEnergy Corp.	-	6,518,500			6,518,500	-	6,518,500
Phoenix Northern Mindanao Corp.	-	3,929,750			3,929,750	-	3,929,750
Eastan Prime Development Corp.	-	1,447,070			1,447,070	-	1,447,070
Phoenix Southern Petroleum Corp.	-	1,253,889			1,253,889	-	1,253,889
Zae Falco Energy Corp.	-	912,400			912,400	-	912,400
CJI Fuels Corp.	-	678,459	-	(P 54,853)	623,606	-	623,606
	P 2,041,664	**P 45,286,251**	**(P 15,584,887)**	**(P 54,853)**	**P 31,688,175**	**P -**	**P 31,688,175**

Notes:
1) There are no amounts written-off. However, allowance for impairment of P612,605 was recognized. Balance at end of period net of allowance for impairment losses amounted to P31,020,717.
2) All are related parties under common ownership.

P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries
Schedule C - Amounts of Receivable from Related Parties
which are Eliminated during Consolidation of Financial Statements
December 31, 2020

Creditor	Name and designation of debtor	Balance at beginning of period	Additions	Amounts Collected	Set-off and Adjustments	Current	Non- Current	Balance at end of period
P-H-O-E-N-I-X Petroleum Philippines, Inc.								
Advances to subsidiaries/parent	Action.Able, Inc.	P 340,729,176	P 50,000,000	P -	P 13,122,975	P 377,606,201	P -	P 377,606,201
	Duta, Inc.	1,236,311,312	3,053,452,144	8,984,270	0	4,280,779,186	-	4,280,779,186
	P-F-L Management, Inc.	1,704,808,474	1,288,821,311	90,491,072	45,175,825	2,857,962,889	-	2,857,962,889
	P-H-O-E-N-I-X Petroleum Philippines, Inc.	914,326,375	224,552,763	-	1,190,171	1,140,069,310	-	1,140,069,310
	P-H-O-E-N-I-X Global Mercantile, Inc.	24,384,458	8,174,320	-	-	32,558,778	-	32,558,778
	Phoenix LPG Philippines, Inc.	30,279,981	21,809,202	288,396	2,573,809	49,226,978	-	49,226,978
	Phoenix Pilipinas Gas and Power, Inc,	300,100,000	830,278	-	100,000	300,830,278	-	300,830,278
	Phoenix Road Transport Pilipinas	-	20,661,432	-	-	20,661,432	-	20,661,432
	PNX Energy International	843,094,541	-	66,580,592	-	776,513,949	-	776,513,949
	Subic Petroleum Trading & Transport Phils., Inc.	1,316,412,865	896,632,974	1,826,911,025	55,958,235	330,176,579	-	330,176,579
		P 6,710,447,182	**P 5,564,934,425**	**P 1,993,255,353**	**P 118,121,015**	**P 10,166,385,580**	**P -**	**P 10,166,385,580**
P-H-O-E-N-I-X Petroleum Philippines, Inc.								
Trade and Other Receivables	P-H-O-E-N-I-X Global Mercantile, Inc.	P 7,329,507	P 3,787,730	P 27,730		P 11,089,507	P -	P 11,089,507
	PFL Petroleum Management, Inc.	12,549,624	79,303,114	85,130,694	376,786	6,345,259	-	6,345,259
	Phoenix LPG Philippines, Inc.- Trade	220,118,642	295,791,443	77,031,697	57,652,116	381,226,272	-	381,226,272
	PNX Petroleum Singapore, PTE Ltd.	-				-	-	-
	Philippine Familymart CVS, Inc.	2,664,972	904,238	1,619,244	316,167	1,633,799	-	1,633,799
	Action.Able, Inc.-Trade	7,231,271	4,579,367	362,887	791,951	10,655,800	-	10,655,800
						-	-	-
		P 249,894,016	**P 384,365,892**	**P 164,172,251**	**P 59,137,020**	**P 410,950,637**	**P -**	**P 410,950,637**
Phoenix LPG Philippines, Inc.								
Advances in subsidiaries/parent	P-H-O-E-N-I-X Petroleum Philippines, Inc.	**P -**	**P 2,552,324**	**P -**	**P -**	**P 2,552,324**	**P -**	**P 2,552,324**
Phoenix LPG Philippines, Inc.								
Trade and Other Receivables	DUTA, Inc		P 180,000			P 180,000		P 180,000
	PNX Petroleum Singapore, PTE Ltd.		12,311,857			12,311,857		12,311,857
	Phoenix Petroleum, Philippines, Inc.		291,584,497			291,584,497		291,584,497
		P -	**P 304,076,354**	**P -**	**P -**	**P 304,076,354**	**P -**	**P 304,076,354**
DUTA, Inc.	Phoenix LPG Philippines, Inc.	**P 11,414,748**	**P 6,081,340**	**P -**	**P -**	**P 17,496,088**	**P -**	**P 17,496,088**
PFL Petroleum Management, Inc.								
Trade and Other Receivables	P-H-O-E-N-I-X Petroleum Philippines, Inc.	**P 362,742**	**P -**	**P 362,742**	**P -**	**P -**	**P -**	**P -**
PNX Petroleum Singapore, PTE Ltd.								
Trade and Other Receivables	P-H-O-E-N-I-X Petroleum Philippines, Inc.	P 5,871,793,622	P 26,732,522,163	P 27,087,126,383	P 4,797,117,907	P 720,071,495	P -	P 720,071,495
	Phoenix LPG Philippines, Inc.	126,299,647	-	-	178,953,698	305,253,346	-	305,253,346
	Subic Petroleum Trading & Transport Phils., Inc.	360,506,688	-	-	357,048,096	3,458,592	-	3,458,592
	PGV LLC	-	321,962,347	-	-	321,962,347	-	321,962,347
		P 6,358,599,958	**P 27,054,484,510**	**P 27,087,126,383**	**P 5,333,119,701**	**P 1,350,745,780**	**P -**	**P 1,350,745,780**
PNX Petroleum Singapore, PTE Ltd.								
Advances in subsidiaries/parent	P-H-O-E-N-I-X Petroleum Philippines, Inc.	**P 5,230,027**	**P -**	**P 5,230,027**	**P -**	**P -**	**P -**	**P -**
Action.Able, Inc.								
Trade and Other Receivables	P-H-O-E-N-I-X Petroleum Philippines, Inc.	**P -**	**P 321,822**	**P -**	**P -**	**P 321,822**	**P -**	**P 321,822**
Philippine Familymart CVS, Inc.								
Trade and Other Receivables	P-H-O-E-N-I-X Petroleum Philippines, Inc.	**P -**	**P 423,552**	**P -**	**P -**	**P 423,552**	**P -**	**P 423,552**
Philippine Familymart CVS, Inc.								
Advances in subsidiaries/parent	P-H-O-E-N-I-X Petroleum Philippines, Inc.	**P -**	**P 1,136,264,647**	**P -**	**P -**	**P 1,136,264,647**	**P -**	**P 1,136,264,647**
P-H-O-E-N-I-X Global Mercantile, Inc.								
Trade and Other Receivables	P-H-O-E-N-I-X Petroleum Philippines, Inc.	P -	P 32,558,778	P -	P -	P 32,558,778	P -	P 32,558,778
	Phoenix LPG Philippines, Inc.	-	(10,305,622)	-	-	(10,305,622)	-	(10,305,622)
		P -	**P 22,253,156**	**P -**	**P -**	**P 22,253,156**	**P -**	**P 22,253,156**
Philippine Familymart CVS, Inc.								
Advances in subsidiaries/parent	P-H-O-E-N-I-X Petroleum Philippines, Inc.	**P -**	**P 1,136,264,647**	**P -**	**P -**	**P 1,136,264,647**	**P -**	**P 1,136,264,647**
Phoenix Gas Vietnam LLC								
Advances in subsidiaries/parent	P-H-O-E-N-I-X Petroleum Philippines, Inc.	**P -**	**P 105,264,986**	**P -**	**P -**	**P 105,264,986**	**P -**	**P 105,264,986**
PT Indonesia								
Advances in subsidiaries/parent	P-H-O-E-N-I-X Petroleum Philippines, Inc.	**P -**	**P 9,808,922**	**P -**	**P -**	**P 9,808,922**	**P -**	**P 9,808,922**

Terms and conditions:
All receivables/payables are unsecured, non-interest bearing, collectible/payable on demand and generally settled in cash.

P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries
Schedule D - Long-Term Debt
December 31, 2020

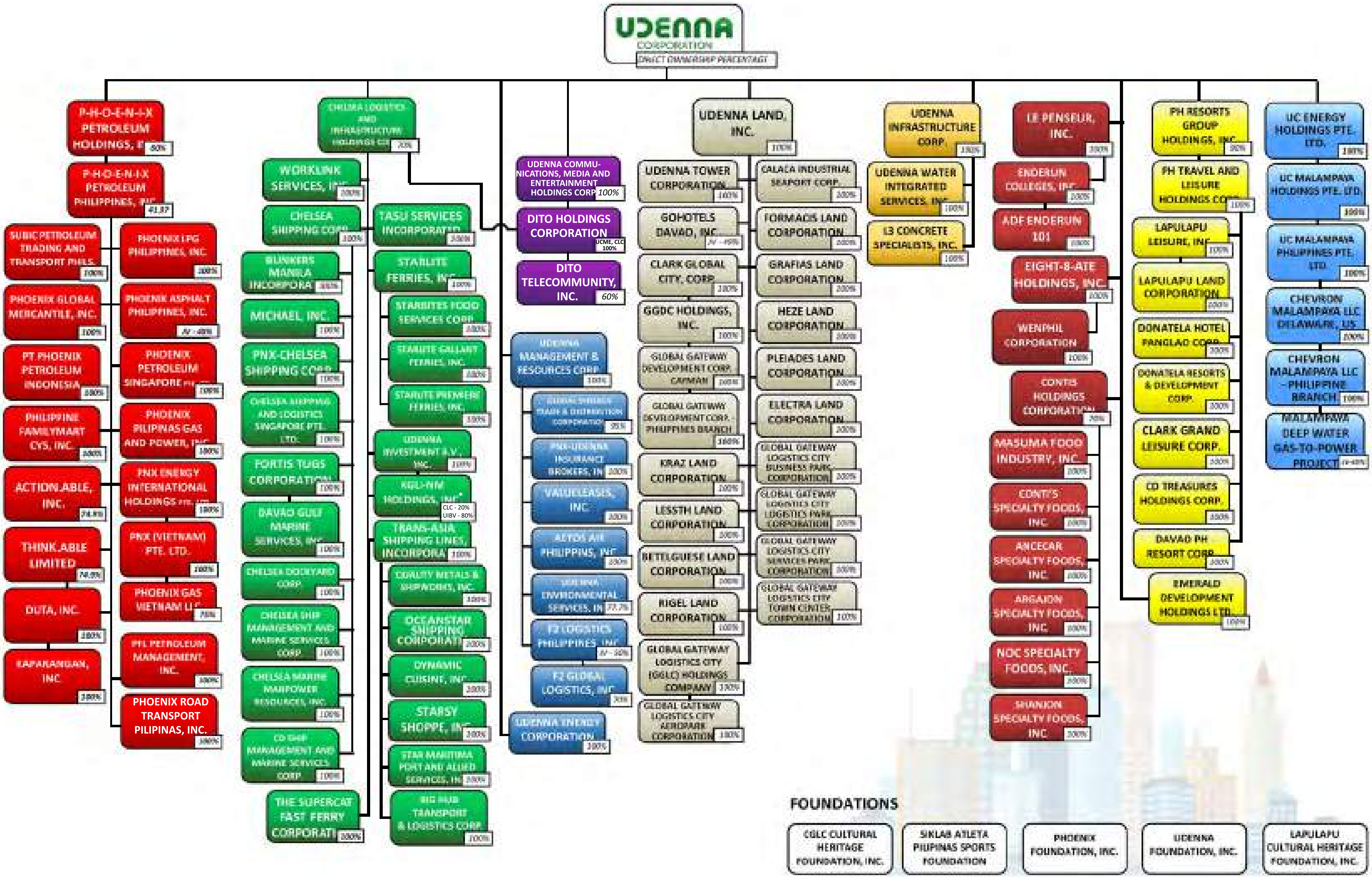
Title of issue and type of obligation	*Amount authorized by indenture*	*Amount shown under caption"Current portion of long-term debt" in related balance sheet*	*Amount shown under caption"Long-Term Debt" in related balance sheet*	*Terms*
Installment, notes and loans payable				
Peso-denominated				
BDO Unibank, Inc.	5,384,000,000	-	5,269,296,013	Interest rate of 5.8081%, ten-year term, maturing on April 23, 2028
BDO Unibank, Inc.	1,000,000,000	-	1,000,000,000	Interest rate of 4.9968%, eight-year term, maturing on December 4, 2025
BDO Unibank, Inc.	1,000,000,000	-	1,000,000,000	Interest rate of 4.9968%, eight-year term, maturing on December 4, 2025
BDO Unibank, Inc.	290,000,000	-	290,000,000	Interest rate of 5.7500%, five-year term, maturing on September 16, 2025
BDO Unibank, Inc.	637,000,000	-	637,000,000	Interest rate of 5.7500%, five-year term, maturing on September 17, 2025
BDO Unibank, Inc.	233,000,000	-	233,000,000	Interest rate of 5.7500%, five-year term, maturing on September 17, 2025
BDO Unibank, Inc.	251,000,000	-	251,000,000	Interest rate of 5.7500%, five-year term, maturing on October 23, 2025
BDO Unibank, Inc.	330,000,000	-	330,000,000	Interest rate of 5.7500%, five-year term, maturing on November 18, 2025
BDO Unibank, Inc.	4,000,000,000	-	3,940,324,612	Interest rate of 6.0526%, five-year term, maturing on December 4, 2025
Penta Capital Investment	200,000,000	-	200,000,000	Interest rate of 5.5000%, one and half-year term, maturing on June 29, 2022
Land Bank of the Philippines	5,000,000,000	75,000,000	4,850,000,000	Interest rate of 6.500%, seven-year term, maturing on July 4, 2025
Eight River Shipping S.A.	509,000,000	41,337,399	403,232,166	Interest rate of 6.7600%, seven-year term, maturing on January 31, 2027
CN Industrial Co., Ltd	35,335,815	-	35,335,815	Three-year term, maturing on June 30, 2023
Total Installment, notes and loans payable	18,869,335,815	116,337,399	18,439,188,606	
TOTAL	**P 18,869,335,815**	**P 116,337,399**	**P 18,439,188,606**	

P-H-O-E-N-I-X Petroleum Philippines, Inc.
Schedule G - Capital Stock
December 31, 2020

Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under the related balance sheet caption*	*Number of shares reserved for options, warrants, coversion and other rights*	*Number of shares held by*		
				Related parties	*Directors, officers and employees*	*Others*
Preferred shares - P1 par value						
Non-voting, non-participating,						
non-convertible into common shares						
Issued and outstanding - 14,500,000	50,000,000	14,500,000	-	-	-	14,500,000
Common shares - P1 par value						
Issued and outstanding	2,500,000,000	1,438,977,271	-	867,852,743	7,872,365	563,252,163

UDENNA CORPORATION AND SUBSIDIARIES

UDENNA GROUP MAP



*CLC has indirect ownership in 2GO Group, Inc. of 28.18%

“Annex D”

2021 ANNUAL STOCKHOLDERS’ MEETING
OF
P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.
(“ASM”)

RULES AND PROCEDURE IN

PARTICIPATION IN THE ASM
BY REMOTE COMMUNICATION

AND

ELECTRONIC VOTING IN ABSENTIA

1) **Participation in the ASM by Remote Communications**.
    a) Shareholders (SH) of record as of 05 April 2021 are entitled to attend and participate and vote in absentia during the ASM on 30 April 2021 provided, they:
        i) Register electronically at **http://asm.phoenixfuels.ph/PNX2021**
        ii) Have their shares authenticated and verified through the registration process and
        iii) Proxies, if any and applicable, accompanied by their respective authorities (Special Power of Attorney or Secretary’s Certificate) validated.
    b) Only SH who have registered and whose shares have been verified, proxies validated shall be counted in the determination of a quorum and other corporate actions.
    c) SH may send their questions, comments and/or remarks prior to or during the meeting to pnx.corpsec@phoenixfuels.ph or investors@phoenixfuels.ph. It is requested and encouraged that questions will be limited to the Annual Report, Financial Statements as of 31 December 2020 and the Definitive Information Statement sent to all stockholders of record as of 05 April 2021.
    d) Since there is only a limited technical capacity for shareholders, only a limited number of questions will be addressed directly during the ASM. However, the Company shall endeavor to answer the submitted questions or queries through the specified email provided by the SH.
    e) A link to the recorded webcast of the Meeting will be posted on the Company’s website, www.phoenixfuels.ph after the Meeting.

Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted

2) **Voting *in Absentia***

a) In view of the fact that the ASM will be conducted virtually, voting shall be cast through the following means:

   i) Electronic voting which will be provided through a link to all stockholders of record as of 05 April 2021 who are duly registered and shares have been authenticated and verified or their proxies, duly validated.

   ii) Through submission of votes/ballots; Forms are downloadable in the Company's website at https://www.phoenixfuels.ph/annual-stockholders-meeting/, subject to the conditions set herein paragraph 1 (a), to any of the following addresses:

      (1) Office of the Corporate Secretary
      Stella Hizon Reyes Rd., Bo. Pampanga
      Lanang, Davao City 8000

      (2) Office of the Corporate Secretary
      17/F Udenna Tower
      Rizal Drive corner 4th Avenue
      Bonifacio Global City, Taguig City

- Or -

   iii) Submission of the votes/ballots, forms are downloadable in the Company's website at https://www.phoenixfuels.ph/annual-stockholders-meeting/, subject to the conditions set herein paragraph 1 (a), through email to pnx.corpsec@phoenixfuels.ph

b) The registration, authentication and validation process shall be open starting 10:00AM of April 16, 2021 and will close at 3:00PM on 29 April 2021. Thereafter, SH may no longer avail of the option to vote in absentia

c) To register, authenticate and validate SH's shares or proxies, as the case may be, simply follow the steps in the registration process until completion. For further help and information, please send an email to pnx.corpsec@phoenixfuels.ph. The Company shall approve and confirm authentication and validation, as the case may, be through the SH email.

d) Requirement for Registration:
   i) For Individual Stockholders with certificated shares:
      (1) Government issued ID with photo and signature
      (2) Recent photo with face fully visible. Must be JPEG, PNG, or PDF format (max 10 MB)
      (3) Valid and active email address
      (4) Valid and active contact number (preferably mobile phone)

   ii) For Shareholders, individual or corporate, with or under Broker Accounts
      (1) Authorization, duly notarized, from Broker **specifying the number of shares**, form is downloadable. However, other forms are acceptable provided that information on the number of shares is included as well as the name of the authorized representative is made evident in the authorization. A scanned copy is in PDF or JPEG format with file no larger than (10 MB)
      (2) Government issued ID with photo and signature
      (3) Recent photo with face fully visible. Must be JPEG, PNG, PDF (max 10 MB)
      (4) Valid and active email address
      (5) Valid and active contact number preferably mobile phone

   iii) For Corporate Shareholders
      (1) Secretary's Certificate, Board Resolution, forms downloadable at https://www.phoenixfuels.ph/annual-stockholders-meeting/, duly notarized, authorizing the registering SH to participate and vote in the ASM and specifying number of shares.However, other forms are acceptable provided that information on the number of shares is included as well as the name of the authorized representative is made evident in the authorization. A scanned copy is in PDF or JPEG format with file no larger than (10 MB)
      (2) Government issued ID with photo and signature
      (3) Recent photo with face fully visible. Must be JPEG, PNG, PDF (max 10 MB)
      (4) Valid and active email address
      (5) Valid and active contact number preferably mobile phone

(6) Valid and active email address of the corporation the registering SH is representing

Note: The Company reserves the right to reject processing of registration and deny access to ASM facilities for incomplete documents or for any discrepancy found in information provided. An email confirmation on the status of the SH's registration shall be sent to the registered email.

e) Voting or Polls shall commence on 10:00AM of 16 April 2021 subject to the conditions set in paragraph 1(a) and shall be closed at 3:00 PM of 29 April 2021.

   Once SH has submitted their ballots, the same can no longer be changed. In the event that multiple votes are cast representing the same shares, the Company shall count only the initial votes cast.

f) The Office of the Corporate Secretary shall tabulate all votes cast in electronically including proxies which shall be validated by the External and Internal Auditors.

g) For any questions or clarifications regarding the Internal Procedures, SH may e-mail pnx.corpsec@phoenixfuels.ph.