



SBS PHILIPPINES CORPORATION

[Draft: Subject to the approval of the shareholders
in the 2017 Annual Shareholders' Meeting]

MINUTES OF THE ANNUAL MEETING OF THE SHAREHOLDERS

*Held on 22 June 2016 at 3:00 o' clock in the afternoon
At the Garden Ballroom of EDSA Shangri-la Hotel
Garden Way, Ortigas Center, Mandaluyong City*

Shareholders Present

Represented in Person or By Proxy 1,035,045,713 voting shares or
85.25% of total and issued shares

Directors Present

Mr. Necisto U. Sytengco
Mr. Gerry D. Tan
Mr. Esmeraldo A. Tepace
Ms. Victorina B. Ladrangan
Ms. Aylene Y. Sytengco
Mr. Necisto Y. Sytengco II
Mr. Ricardo Nicanor N. Jacinto
Ms. Lilian S. Linsangan - Independent Director
Mr. Rosaleo M. Montenegro -Independent Director

PROCEEDINGS OF THE MEETING

I. Welcome Address

After the national anthem and opening prayer, the Chairman of the Board, Mr. Necisto U. Sytengco, welcomed the stockholders and delivered his opening remarks and message to the Shareholders.

He related that 2015 marked a very important milestone year for the Company with the successful Initial Public Offering of its shares and listing on the Philippine Stock Exchange in August 2015. He explained that the decision to go public was to further strengthen the business and improve its competitive position so as to bring the Company to the next level of successful growth.

He talked about the transformational changes undertaken to prepare the Company to enter the public equity market. This included enhancing the Company processes to reflect the best practices in corporate governance, organizing for a deeper professional senior management team and formulating a business plan to provide the Company with sustainable growth over the coming years.

He report that since its trading debut in August 2015, SBS shares continued with its strong stock performance and was trading at more than 2.5 times its IPO price, outperforming the PSE Index over the last 10 months. He pointed out that due to the strong market performance, the Company's Initial Public Offering was named as 2015 Best Small Cap Equity Deal of the Year in the Marquee Awards of the 9th Alpha Southeast Asia Deal and Solutions Awards which recognised SBS as among the best investments in the Southeast Asian region based on a poll of investors and analysts across the region.

He also mentioned that the strong macroeconomic performance of the Philippine economy heralds well for the Company, with the robust economic activity serving to generate demand for the Company's products. He cited the initiatives undertaken to further strategically position the Company to capture local market growth which included enhancing the Company's management team with the addition of experienced executives, expanding sales coverage to additional industry segments such as water treatment, industrial and institutional cleaning and mining, and improving on its product mix to provide for a more comprehensive industry coverage. He also reported that sales from the core business grew by 16.8% compared to the same period last year and that the Company posted a one-time gain from the recent sale of its investment properties.

He further informed the shareholders that the focus for the year ahead will be to increase market share and build on the customer base through business-building activities to expand our chemical business operations and synergistic acquisitions and/or investments in allied chemical business to enhance the Company's product offerings and servicing capabilities. He also mentioned that

the Company will also be investing in property, plant and equipment to build on brand equity, increase its value-added services, and widen opportunities to broaden availability and distribution of products sold by the Company. He further stressed that the Company is focused to grow in value and it will leverage its assets, prospects and organization to deliver this.

In closing, he thanked the Board and Management of SBS for working tirelessly to deliver a strong operating and financial performance in 2015 and the shareholders for their support and trust.

He then requested Mr. Esmeraldo A. Tepace, EVP & Chief Operating Officer of the Company to introduce the members of the Board of Directors and for Mr. Gerry D. Tan, President & Chief Executive Officer to preside over the proceedings of the meeting for the conduct of its formal business in accordance with the Company's Charter and By-laws and Philippine laws.

II. Introductions

Mr. Esmeraldo A. Tepace, EVP & Chief Operating Officer introduced the members of the Board of Directors of SBS Philippines Corporation, starting with Mr. Necisto U. Sytengco, Company Founder and Chairman of the Board. He then introduced the following executive directors, Mr. Gerry D. Tan, President & CEO, Ms. Victorina B. Ladrangan, EVP & Chief Investments Officer, Ms. Aylene Y. Sytengco, Chief Financial Officer & Treasurer, Mr. Necisto Y. Sytengco II, SVP for Marketing Operations and himself as Chief Operating Officer. To provide independent leadership and valuable counsel, he likewise introduced Mr. Ricardo Nicanor N. Jacinto, Non-Executive Director and currently President of Institute of Corporate Directors (ICD) and Independent Directors, Mr. Rosaleo M. Montenegro and Ms. Lilian S. Linsangan.

III. Call to Order

As Chairman of the Meeting, Mr. Gerry Tan, President & CEO, called the meeting to order at 3:25 pm and welcomed the shareholders to the meeting. He also introduced the Company's stock and transfer agents, BDO Unibank – Trust & Investments Group and the Company's independent auditors, Punongbayan & Araullo who were also present in the meeting and helped in the tabulation of votes. He likewise informed the meeting of the rules of conduct and procedure to govern the meeting.

IV. Proof of Notice of Meeting

The Secretary, Atty. Regina Simona B. Guzman, certified that notice of the meeting together with the agenda and the Definitive Information Statement were duly sent on 25 May 2016 to all shareholders of record as of 25 May 2016 in accordance with the Company's By-Laws and the applicable rules. The notice was also published on June 6, 2016 in the Malaya Business Insight, a newspaper of general circulation.

V. Attendance and Quorum

The Secretary reported that as of the close of business on May 25, 2016, the record date for the meeting, there were 1,200,000,000 shares of common stock outstanding, each of which was entitled to one vote.

She further reported that based on the record of attendance, there were present, represented in person and by proxy, shareholders owning 1,035,045,713 shares, representing 86.25% of the total issued and outstanding capital stock of the Corporation and accordingly certified the existence of a quorum.

Because holders of majority of the shares entitled to vote were present during the meeting, Mr. Gerry Tan, as Chairman of the Meeting, declared the meeting duly convened for the transaction of the formal business of the meeting.

VI. Procedures for Discussion and Voting

The Chairman of the Meeting informed the meeting of the rules and procedure for the orderly conduct of the meeting. Thereafter, the Secretary discussed the voting procedures to govern the conduct of voting which were also stated in the Explanatory Notes to Agenda items, sent to shareholders prior to the meeting together with the Notice of Meeting. She mentioned that as the shareholders take up an item in the Agenda, the results of the tabulation of votes would be reported to the shareholders during the meeting with the tabulation of votes validated by Punongbayan & Araullo, the Company's Independent Auditors.

The Secretary announced that as of 3:30 pm, shareholders owning 1,029,038,003 shares, representing 99.5% of the shares represented in the meeting had cast their votes on the items for consideration of the shareholders.

VII. Approval of Minutes of Previous Meeting

The Chairman of the Meeting discussed the first item of business for the approval of the minutes of the previous meeting of the shareholders held last July 9, 2015, copies of which have been posted in the website of the Company and also furnished to the shareholders prior to the meeting.

Whereupon, on motion of Ms. Ria Reyes and seconded by Ms. Susie D. Tan, the stockholders approved the minutes of the annual stockholders' meeting held on July 9, 2015 and adopted the following resolution:

"RESOLVED, that the minutes of the Annual Shareholders' Meeting held on 9 July 2015, be, as it is hereby, approved."

The Secretary reported that based on the tally of votes cast, shareholders representing 1,029,838,003 shares or 99.5% of the voting shares present, voted in favor of the approval of the minutes and adoption of the resolution.

VII. Annual Report and Financial Statements

The Chairman of the Meeting then proceeded to the next item in the agenda on the presentation of the Annual Report of Management to the Shareholders.

He mentioned that the Chairman of the Board, Mr. N. U. Sytengco talked about the future plans for the Company in his welcome address which Chairman's message was also set out in the printed 2015 Annual Report provided to the shareholders before the meeting.

Thereafter, a brief audio-video presentation on the Company was also presented, followed by the President's Report which discussed the state of the Company and reported on its 2015 results.

Mr. Gerry Tan, President & CEO, reported that the Company delivered a remarkable financial performance in 2015 as its registered a net income of P159.0

million for 2015, up by almost 60%, from the earnings of P100.2 million posted in 2014. This was made possible with an increase in operating profit by 40.1% in 2015 backed by organic revenue growth, significant drop in finance charges on account of major debt pay down, and increases in other income.

He further related that total assets increased by 12.8% in 2015 to P3.8 billion from P3.4 billion in 2014, while total liabilities decreased by 43.9% to P1.6 billion in 2015 from a high P2.8 billion in 2014, resulting in a much improved gearing ratio of 0.70X from 4.93x in 2014. As of 31 December 2015, cash in bank stood at P837.6 million, up by 147.7% from P338.1 million as of 31 December 2014, of which about P550 million is earmarked for various investments over the next two years to grow the chemical business portfolio.

He also highlighted that regular dividends of P 0.037 per share were paid to shareholders, which was equivalent to 28% of the 2015 net profit, as part of the 2015 gains passed on to the shareholders.

On the operational performance, he further recounted that sales revenue for the year 2015 grew to P940.0 million, up from P933.1 million of the prior year. Compared to 2014, food ingredient sales increased by 17% in 2015, while industrial chemical sales grew by a stronger 29%. He also explained that sales revenue on non-core chemical products declined as sales activities were focused on selected growth industries in Philippines.

He also related that the sales & marketing team covered a client base of more than 1800 customers and channel partners and served more than 8000 orders in 2015, averaging 25 satisfied customers served on a daily basis. The Company was servicing its Metro Manila and Luzon-based customers within 48 hours from their order placement and in less than 24 hours for self-pick up arrangement when the need arises. He also apprised the shareholders that the Company recorded an excellent year in safety with zero lost-time injury or accidents in 2015 for our employees.

For the Company's 2016 business plans, he stated that revenue growth was expected to accelerate over the next three years in anticipation of the stronger demand for chemicals as the economy continues to grow. In line with this, he mentioned that the Company will be expanding its sales force in three - focused market segments, undertaking new business development and pre-marketing work in at least two new market segments to secure our mid-term growth plan, increasing its participation in industry related exhibitions, and adding several

specialty products in its product offerings. To support the sales revenue growth plan, he further reported that the Company will add two (2) new warehouses that will be operational by early 2017, bringing our combined warehousing space to over 60,000 square meters.

He pointed out that the Company will continue to network with chemical manufacturers in Asia, Europe and North America to gain better insight on consumer and market trends and focus increased efforts on strengthening our technical and product expertise to increase market penetration and grow business volumes. For this, the Company will be cooperating with its key supplier-partners to initiate joint market and business development activities with a focus on end markets with the most attractive growth prospects.

In closing, he thanked the Board of Directors, management team and staff for their guidance, support and commitment. He also thanked the shareholders, customers, suppliers, and all other stakeholders for their continued trust and support to SBS.

After the report of the President, the Chairman of the Meeting opened the floor for questions or comments from the shareholders on the business and financial condition of the Company, annual report or the financial statements. He explained that the audited financial statements of the Company for the twelve-month period ended 31 December 2015 were audited by Punongbayan and Araullo who have expressed an unqualified opinion.

Mr. Emilio M. Dela Cruz, shareholder, inquired on how the financial results of the Company's associate, Neschester Corporation, were reflected in the financial statements of the Company. The President, Mr. Gerry Tan, explained that while the Company owns a significant portion of the voting shares of Neschester Corporation, it is less than 50% and therefore its financial results were not consolidated in the financial statements of the Company. The carrying amount of the investment is presented in the statement in financial position under non-current assets as investments in an associate.

As a follow up question, Mr. Dela Cruz also asked about the dividend payout rate of the Company. The President, Mr. Gerry Tan clarified that the P0.037 cash dividends per share distributed by the Company represented 28% of the 2015 net income after tax of the Company.

Mr. Guillermo Gili Jr. also inquired on the 2016 first quarter results of the Company and how it compared with the 2015 comparative period. The President, Mr. Gerry Tan, stated that the Company posted solid profit growth in the first quarter of 2016 and registered a net income after tax of P46.9 million, up by 45.8% from P32.1 million posted for the same period in 2015. He further elaborated that sales of P250.8 million were generated in the first quarter of 2016, up by 3.1% compared to previous year comparable period of P243.2 million. Mr. Gili further asked where will the Company use the sales proceeds from the disposal of its investment properties. The President, Mr. Gerry Tan, explained that the Company intends to use the sale proceeds for working capital purposes and to pursue value creating investments.

On the redeployment of the unutilized IPO proceeds for synergistic acquisitions, Ms. Rachele Cruz, shareholder, inquired on the specific target businesses and the status or progress of such potential acquisitions. The President, Mr. Gerry Tan, explained that the Company intends to pursue business-building acquisitions or investments in allied chemical businesses. He pointed out that no agreement, arrangement or understanding has been reached with respect to any such acquisition to-date and that it will be reviewing acquisition opportunities and anticipates to close such project during the period 2016-2018.

There being no other questions and comments from the shareholders, Ms. Arlene C. Calub moved for the noting of the Company's Annual Report of Management to the Shareholders, including the Chairman's Message, the President's Report and the audio-visual presentation to the Shareholders, and the approval of the Audited Financial Statements of the Company as of and for the twelve-month period ended 31 December 2015 as audited by the Company's Independent Accountants, Punongbayan & Araullo and Ms. Edita B. Dizon seconded the motion.

Whereupon, the Secretary reported that, based on the tally of votes cast, shareholders representing 1,029,838,003 shares or 99.5% of the voting shares present voted in favor of the adoption of the following resolution:

"RESOLVED, that the Annual Report of Management to the Shareholders, including the Chairman's Message, President's Report and audio-visual presentation to the Shareholders, be, as it is hereby, received and noted and that the Audited Financial Statements of the Company as of and for the twelve-month period ended 31 December 2015 as audited by the Company's Independent Accountants, Punongbayan & Araullo, are hereby approved and accepted."

VIII. Ratification of Acts of the Board and Management

The Chairman of the Meeting proceeded to the next item on the agenda and asked the Secretary to describe the matter to be voted upon. The Secretary explained that for approval and ratification of the acts and resolutions of the Board of Directors and Management since the meeting of the stockholders on 9 July 2015 to up to the date of the meeting, which were summarized in the Definitive Information Statement provided to the Shareholders and also disclosed and posted at the Company's website.

She further clarified that the acts of the Board and its Committees include approvals of contracts and agreements, investments and capital expenditures, treasury and other matters subject of Company disclosures to the Philippines Stock Exchange and the Securities and Exchange Commission while the acts of Management refer to those made to implement resolutions of the Board and its Committees and undertaken in the general conduct of the business and affairs of the Company.

On motion of Ms. Jennifer G. Jacob and seconded by Ms. Susie D. Tan, the following resolution was passed and approved by the shareholders:

"RESOLVED, that all the acts and transactions of the Board of Directors and Management from the date of the last annual stockholders' meeting held on July 9, 2015 to date, as well as contracts and transactions entered into by the Corporation for the same period, as reflected in the minutes of the Board of Directors, the Annual Report, Information Statement and the Audited Financial Statements as of December 31, 2015, be, it is hereby, approved and ratified."

The Secretary reported that based on the tally of votes cast, shareholders representing 1,029,838,003 shares or 99.5% of the voting shares present, voted in favor of the ratification of the acts and resolutions of the Board of Directors and Management and adoption of the resolution.

IX. Appointment of Independent Auditor

The next item in the agenda was the appointment of the independent auditor of the Company. Ms. Lilian S. Linsangan, Chairperson of the Company's Audit and

Risk Management Committee was requested to report on its evaluation and recommendation for the appointment of the Independent Accountant.

Ms. Linsangan reported that the Committee considered the competence, experience and adequacy of the resources of Punongbayan & Araullo and was satisfied on their capability to meet the audit requirements of the Company for 2016. She further stated that Committee together with the Board of Directors recommends the appointment of Punongbayan & Araullo as the Company's independent auditors for calendar year 2016 for an audit fee of Eight Hundred Thousand Pesos (P800,000.00) inclusive of VAT and out of pocket expenses.

On motion of Ms. Leah L. Ladia and seconded by Dr. Corazon A. Ang, the shareholders re-elected Punongbayan & Araullo as the Company's independent auditors for calendar year 2016, approved the audit fee and adopted by the following resolution:

“RESOLVED, that that Punongbayan & Araullo be, as it is hereby, re-appointed as the Company's Independent Accounts for the Financial Year 2016 for a total audit fee of Eight Hundred Thousand Pesos (P800,000.00).”

The Secretary reported that based on the tally of votes cast, shareholders representing 1,029,838,003 shares or 99.5% of the voting shares present, voted in favor of the resolution adopted.

X. Election of Directors

The meeting next proceeded with the election of the members of the Board of Directors to serve for the term 2016-2017. The Chairman of the Meeting requested Mr. Rosaleo M. Montenegro, Chairman of the Nomination & Corporate Governance Committee to present its report to the shareholders.

Mr. Montenegro explained that in accordance with the Company's Articles of Incorporation, a total of nine (9) directors are to be elected and the following persons were nominated by the shareholders and had accepted their nomination, namely:

1. Mr. Necisto U. Sytengco
2. Mr. Gerry D. Tan

3. Mr. Esmeraldo A. Tepace
4. Ms. Victorina B. Ladrangan
5. Ms. Aylene Y. Sytengco
6. Mr. Necisto Y. Sytengco II
7. Mr. Ricardo Nicanor N. Jacinto

And as Independent Directors:

8. Mr. Rosaleo M. Montenegro
9. Ms. Lilian S. Linsangan

Mr. Montenegro further reported that all nominees were incumbent members of the Board and were determined by the Committee to possess all the qualifications and none of the disqualifications provided under the Company's By-Laws, Manual of Corporate Governance and SEC rules and were therefore eligible for re-election to the Board of Directors.

Thereafter, on motion of Atty Wilfredo L. Bathan and seconded by Ms. Mary Ann R. Linsangan, the shareholders re-elected the nine nominees as members of the Company's Board of Directors to serve as such until their successors have been duly elected and qualified and adopted the following resolution:

"RESOLVED, that the following individuals be, as they are hereby, re-elected as members of the Company's Board of Directors to serve for term of one year and until their successors have been duly elected and qualified:

1. Mr. Necisto U. Sytengco
2. Mr. Gerry D. Tan
3. Mr. Esmeraldo A. Tepace
4. Ms. Victorina B. Ladrangan
5. Ms. Aylene Y. Sytengco
6. Mr. Necisto Y. Sytengco II
7. Mr. Ricardo Nicanor N. Jacinto

And the following as Independent Directors:

8. Mr. Rosaleo M. Montenegro
9. Ms. Lilian S. Linsangan"

At the request of the Chairman of the Meeting, the Secretary reported on the results of the election which showed each of the nominees for directors having received a total of 1,029,821,003 votes, representing 85.82% of the outstanding voting shares. Accordingly, the Secretary certified that each nominee received sufficient number of votes to be duly elected to the Board of Directors to serve as such until their successors have been duly elected and qualified.

XI. Adjournment

There being no further business to transact and on motion of Ms. Evelyn A. Colarina and seconded by Ms. Edita B. Dizon, the meeting was adjourned at 4:25 pm.


REGINA SIMONA B. DE GUZMAN
Corporate Secretary

Attested by:

NECISTO U. SYTENGCO
Chairman of the Board


GERRY D. TAN
Chairman of the Meeting &
President & CEO