

ACCELERATING TO NEW HEIGHTS

ANNUAL REPORT 2017



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OUR COMPANY

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SBS Philippines Corporation (the "Company") is an importer, wholesaler and distributor of a wide range of chemical products serving a diverse set of industries which includes food and beverage, industrial and detergents, feeds and agriculture, water treatment, pharmaceuticals and personal care, building & constructions and mining & minerals. As a full line chemical distribution company, it provides for a one-stop-shop business solution for various chemical requirements of its market customers.

The Company engages in multiple sourcing from different chemical producers and sells a broad range of chemical products and ingredients allowing choice and convenience for a more efficient and economical sourcing of various chemical needs of our customers.

OUR VISION

Our personal aspiration and business endeavor:

"To be the best-in-class chemical raw materials provider and the chemical supplier of choice"

OUR MISSION

To this end, our mission is to create a legacy of growth by creating value for all stakeholders:

- By bringing in returns for our investors and shareholders
- By meeting the sourcing requirements of our customers
- By improving market penetration for our suppliers
- By ensuring the safety and well-being of our employees
- By contributing to resource efficiency and environmental sustainability for the community

OUR GOAL

We strive to achieve this goal by:

- Distributing a wide range of high quality and cost-effective products
- Extending reliable customer service at all times
- Nurturing strong, long-term relationships with suppliers and customers
- Constantly seeking new markets and new opportunities
- Continuously improving our internal business processes and systems

2017 HIGHLIGHTS

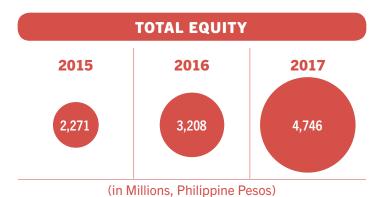
FINANCIAL PERFORMANCE

SBS Philippines Corporation continues to innovate and strengthen its business fundamentals, as it seeks to promote better value for its shareholders and clients.



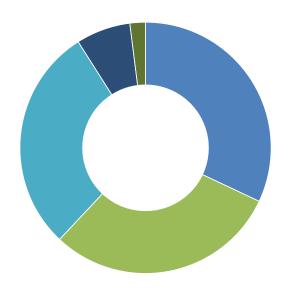






Diversification and improved sales in its core checmical distribution business highlighted another successful year for SBS Philippines Corporation, with a general positive trend registered across key performance indicators.

DEBT RATIO				
2015	2016	2017		
0.41	0.20	0.36		
(Ratio of Total Debt to Total Assets)				



2017 SALES BY SEGMENT

Chemical Distribution

32% Food Ingredients

30% Industrial Raw Materials

29% Feed, Veterinary, and Agricultural Inputs

7% Pharmaceuticals and Cosmetics

2% Others

SBS AT A GLANCE

Revenue

P 1,100M

Net Income

P 101.3M

Cash and Cash Equivalent

P 2,368M

Earnings per Share

P 0.08

Current Ratio

8.40

Number of Orders Served

7,360

Successfully raised fresh funds of P 1.41 Billion through the Stock Rights Offering of 302 million shares

In a world wherein everything is fast-paced, being just in time is not enough. In SBS Philippines Corporation, along with its subsidiary, SBS Holdings and Enterprises Corporation, we are accelerating our transformation towards the future for the Group to reach new heights.



CHAIRMAN'S MESSAGE

Dear Shareholders,

In a world wherein everything is fast-paced, being just in time is not enough. In SBS Philippines Corporation, along with its subsidiary, SBS Holdings and Enterprises Corporation, we are accelerating our transformation towards the future for the Group to reach new heights.

2017 was a transformative year for the Group as we implemented our diversification program. Our accomplishments to this end include our successful capital-raising through the stock rights offering last year where we offered 302 million shares that raised P1.41 billion. More than 85% of the proceeds was used to subscribe to new shares in our subsidiary, SBS Holdings, which utilized the funds for its investments in 2017. Our subsidiary will continue to pursue a number of investment opportunities this year. The remaining balance of the net proceeds from our offering was used by the Company for working capital and general corporate purposes.

At the Group level, we invested P783 million in various associate companies last year, increasing the Group's total investment portfolio to P1.79 billion at cost. These investments include held-to-maturity investments, investment properties, and investment in associate companies. These investments are long-term in nature but we foresee that some of the investments will generate positive results for us, sooner than previously anticipated due to robust economic activity in the country, and evergrowing requirements of the property development industry.

Our transformation, however, comes with some near term costs that affected our net profit in 2017. The combination of higher financing costs, several one-time expenses, including the SEC filing fees, taxes and initial organizational costs of our Subsidiary and associate companies, affected our bottom line to a lower net profit of P101.9 million last year. Please note, however, that this is still better than the 2017 projection of P93.3 million that we had projected in during our rights offering filings. We believe that these are necessary costs that are strategic and key to our future sustainable growth and profitability.

Our core chemical distribution business, on the other hand, has been able to improve its gross margins in spite of a very competitive market environment, and volatile exchange rates. The combination of price increases implemented in 4th quarter, the recovery of the industrial market segment and mining activities during the 2nd half of 2017, proactive sales efforts, and company's restructuring of the low margin products, contributed to the improvement in margins.

In 2018, your Company will further invest substantial financial resources and manpower expertise to continue laying the groundwork for its future. We have lined-up a series of strategic actions to support this direction.

- A. The Group is evaluating a number of investment opportunities for the year and has investible funds of up to P2 billion that can be increased through available credit lines, if necessary. Through SBS Holdings, our future investments may include listed fixed income and equity securities that provide good current returns and capital appreciation opportunities.
- B. SBS Holdings is embarking on the supply and distribution of road safety equipment and plumbing materials to cater to the booming construction and housing markets.
- C. SBS will also be investing in property, plant and equipment including a new ERP system that we expect to be operational within the year to increase our value-added services while improving our efficiency to serve our customers better.
- D. Finally, the Group is exploring on investing in companies that find themselves in a viable turnaround situation. There are a number of such firms that need fresh capital and better management to become viable and profitable entities and should provide very attractive returns.

I am very pleased that the vision of diversifying the business activities for the Group that I shared with you last year is now moving and well supported by all of you, our shareholders.

We will further accelerate the pace of transformation and we are well positioned for continued growth and success in the coming years.

In closing, I would like to thank the dedication of the members of our Board and Management for steering the Company towards a highly successful and productive year in implementing our transformative plan.

And, of course, on behalf of all of us in SBS Philippines, we wish to thank you again – OUR SHAREHOLDERS – for your continued support and confidence.

Thank you.

NECISTO Y. SYTENGCOCHAIRMAN OF THE BOARD

2017 KEY PERFORMANCE INDICATORS

	2017	2016	2015
Liquidity Ratio ¹	840.5%	379.7%	205.5%
Debt to Equity Ratio ²	55.3%	24.4%	70.3%
Asset to Equity Ratio ³	155.3%	124.4%	170.3%
Return on Assets ⁴	1.8%	25.7%	4.4%
Return on Equity ⁵	2.5%	36.9%	11.2%
Cost to Income Ratio ⁶	14.8%	12.3%	13.2%
Earnings Per Share ⁷	Php 0.08	Php 0.84	Php 0.18

¹ Current Assets over Current Liabilities

QUARTERLY HIGH AND LOW SBS SHARE PRICES

(in Philippine Pesos)

	20	15		20	16			20	17	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
LOW	4.12	5.47	4.46	6.05	5.85	5.00	5.24	5.25	5.34	5.40
HIGH	7.63	7.24	7.22	7.05	6.68	6.30	6.88	6.29	5.90	6.34

² Total Liabilities over Equity

³ Total Assets over Equity

⁴ Net Income over Average Assets

⁵ Net Income over Average Equity

⁶ Cost and Expenses over Revenues

⁷ Net Income over Weighted Average Number of Common Outstanding Shares

At SBS Philippines, our entrepreneurial spirit enhances our ability to change and actively transform the company, with the objective of providing value growth to all our stakeholders.



PRESIDENT'S REPORT

Dear Shareholders,

At SBS Philippines, our entrepreneurial spirit is the main driver of our ability to change and actively transform the company, with the objective of providing sustainable growth and value to all our stakeholders.

In 2017, SBS rolled out its diversification program in line with its long term value proposition and investment strategy being undertaken through its wholly owned subsidiary, SBS Holdings and Enterprises Corporation. At the end of 2017, the SBS Group is now comprised of 2 operating companies and has investments in 15 associated companies while continuously optimizing our operation and improving the margins in our core business of chemical distribution.

FINANCIAL PERFORMANCE

In 2017, the Company delivered total revenues of P1.10 billion, up 10% from total revenues of P1.0 billion in the previous year. The growth, while modest, represents inroads that we have made into new product segments and markets that the Company has undertaken for its core chemical distribution business, as well as the new service offering of our subsidiary, SBS Holdings.

Core profitability of the distribution business showed a significant improvement with Gross Profit Margins being posted at almost 28% in 2017 from 21% in 2016. SBS focused on higher margin product lines and by focusing its sales efforts on a "product basket" approach, we were able to implement price increases with a low attrition among our customers.

Net earnings for 2017 was posted at P101.3 million, a decline from P1,011.5 million in 2016 due to absence of the one-off gain in 2017 as compared to the P858.7 million realized from the sale of certain Company's investment assets in 2016. There was also an increase in net finance charges incurred to support our diversification program in 2017.

The Group made significant business-building investments in 2017 funded by raising capital through the Stock Rights Offering (SRO) and long term debt.

Total assets increased by 85% in 2017 to P7.38 billion from P3.99 billion in 2016, or an increase of P3.39 billion. Meanwhile, our liabilities increased by P1.84 billion from P0.78 billion in 2016 to P2.63 billion in 2017 through a long term loan that we took in 2017 to fund our investment plan. This increased our gearing ratio to 0.55X in 2017 from 0.24X in 2016, while current ratio improves to 8.4X from 3.8X in 2016. Total equity had increased from P3.2 billion in 2016 to P4.75 billion in 2017, of which P1.41 billion was raised through the stock rights offering in December 2017.

We have generated a net cash flow from our financing activity of P1.75 billion in 2017, of which P0.76 billion net cash flow had been utilized by our investing activities.

It is important that we pass on to our shareholders the gains achieved in 2017. The Board of Directors approved regular dividends of P0.017 or 1.7 centavos per share for a total of P26.35 million, equivalent to 26% of our 2017 consolidated net profit, payable on June 22, 2018 for all shareholders of record date of June 1, 2018.

OPERATION PERFORMANCE

The increase in Total Revenues by 9.8% from P1.00 billion in 2016 to P1.10 billion in 2017 was contributed by higher volume sales and price increases in raw material ingredients for animal feeds, bringing the total sales revenue for the chemical distribution to P1.04 billion. The Company's sales to the key market segments of food ingredients, industrial raw materials, feed and agricultural inputs, pharmaceuticals and cosmetics products accounted for 32%, 30%, 29% and 7%, respectively, of the 2017 sales revenue of the chemical distribution business. We added new revenue streams mainly through the activity of our subsidiary, SBS Holdings, that contributed P45 million to Total Revenues, and P11 million in net profit to the Group.

In 2017, we had identified market potential for innovative chemical materials that are aligned to the government priorities of increase spending in their infrastructure program, sustainable and clean environment, and increase productivity in the agriculture sector. We had started the qualification process with the related government agency on a nanotechnology based additive that improves water resistance of asphalt paved road thereby extending its useful life in a high rainfall country like the Philippines. Two pilot field trials were completed in February and March 2018, and will be under evaluation for the next 12 months. In total, we have added 5 major suppliers to our network of chemical manufacturers as partners in 2017 that will start to contribute to our top line growth from this year onwards.

SAFETY

The Company continues to invest in safety training on chemical handling and storage of our products to provide a safe working environment to our employees and to all our stakeholders.

We are compliant with all government regulatory agencies requirements related to the importation, storage, transport and distribution of our chemical products to our customers in the country. In addition, we have successfully passed all quality and service performance audit by our customers in 2017. For 2018, we are working on attaining HALAL certification for our warehouse and logistic services for a number of raw material products that we supply to the food manufacturing companies.

2018 BUSINESS PLANS

Moving forward, the Group will continue with its transformation. It will expand its business scope and deliver a more robust top line growth with additional revenue streams coming from new business activities.

The Company's chemical distribution business has set the following priorities in 2018 to deliver double-digit revenue growth:

- We will implement new ERP and CRM tools that will complement the activities of our sales team to excel in providing reliable and satisfactory services and become the chemical supplier of choice of our customers;
- We will add new innovative products in our range that meets the industry requirement on green technology, improving resource efficiency and environmental sustainability. These are the priority parameters in the product development concept of our customers and the Company will be an proactive player in this area;
- Your company will also add in its portfolio the supply of laboratory chemicals to complement its chemical raw materials line. Furthermore, we are assessing the market potential to supply products through the retail industry sector given the opportunities in this sector.

SBS Holdings, on the other hand, will be embarking on the supply and distribution of road safety equipment and plumbing materials to tap into the growth of the construction and housing market. This will complement its activity in property management and consultancy services initiated in 2017. SBS Holdings will also continue with its investment strategy that is expected to provide major revenue and income streams to the Company in the coming years.

Our transformative year in 2017 will not be possible without the support of a strong and dedicated workforce. On behalf of the Board of Directors, I would like to thank the management and staff for their unwavering commitment and service to SBS.

To our shareholders, customers, suppliers, and all other stakeholders, we are grateful for your continued trust and support.

Thank you!



RESULTS OF OPERATIONS

For the full year, SBS reported consolidated sales revenue of P1.1 billion from its core chemical business and consultancy income. Operating profit reached P188 million resulting in a consolidated net income of P101 million or 9.2% net income on sales.

The net cash used in investment activities reached P762 million and funded by a combination of bank term loan and proceeds from issuance of new shares through stock rights offering. This resulted in increased net finance charges of P40 million compared to 2016, while the debt to equity ratio was kept at 55.3%.

Also, in 2017, the Company paid its shareholders with stock dividend amounting to P288 million.

CORE CHEMICAL BUSINESS

Sales from the chemical distribution business grew by 3.8% to P1.04 billion driven by higher volume sales and a price increase in raw material ingredients for animal feeds, along with the recovery of the industrial market segment. The Company's sales in the main product segments of food ingredients, industrial raw materials and animal feed inputs accounted for 32%, 30% and 29%, respectively, of 2017 chemical business sales revenues.

The company encountered weak sales during the 1st half of the year due to increased competitive pressure and oversupply in the market carried over from end of 2016. Strong sales recovery was registered during the 2nd half of 2017 driven by an increase in consumption-driven demand associated with the use of chemical raw materials for food, animal feeds, cosmetics and pharmaceutical products.

Gross profit increased to P290 million in 2017 with implementation of price increases in key products to compensate for the impact of the depreciation of the local currency against the US Dollar and increasing import prices of commodity chemicals. In addition, the Company policy of keeping substantial inventory to cushion the supply and price volatility of chemicals in the world market had positioned the Company as a reliable business partner to our customers.

The Company expanded its product portfolio with innovative technologies from our supplier partners that support environmental sustainability. These products include a nanotechnologybased additive that improves the water resistance of asphalt paved road thereby extending its useful life in a high rainfall country like the Philippines; a water retention gel that is mixed to the soil surface that reduces the need to water plants during the summer season; and an eco-friendly and safe two-component product that generates

chlorine dioxide as an alternative to using chlorine for water disinfection. These are all part of the value-growth strategy of the Company to expand its presence in the infrastructure and environment sectors.

PROPERTY-RELATED INVESTMENTS

The Company established a whollyowned subsidiary, SBS Holdings and Enterprises Corporation ("Subsidiary") whose principal activity would be to invest in companies with land banking investments in prime parcels of land. Its other business segments include property management and leasing, and the distribution and sale of construction materials.

In 2017, the Group invested in various landholdings through a number of associate companies where the Subsidiary has a stake, ranging from 17% to 29% of these companies. The Subsidiary invested close to P800 million in these companies enabling it to attain more diversified interests while achieving lower capital requirement and risk exposure to the Group.

From the proceeds of the stock rights offering completed in 2017, the Group allocated P1.2 billion for the Subsidiary to pursue attractive investment opportunities in 2018 that will further enhance the overall investment portfolio and diversify its income stream in the coming years.

On 16 November 2017, the Company also formed a new subsidiary, Lence Holdings Corporation, with the Company subscribing to a 65% equity interest. The new subsidiary is intended to serve as the acquisition vehicle for the potential investment in a warehouse facility complex which is contemplated to be partly-used or operated by the Company, with the other portions being managed by its subsidiary, SBS Holdings.

FINANCIAL CONDITION

The Company had generated P1.41 billion of funding from its stock rights offering where 302 million from its authorized but unissued shares were subscribed by existing shareholders. The new shares were issued and listed



Towards a Stronger SBS.Even as it continues to strengthen its key chemical trading business, the company is also looking

its key chemical trading business the company is also looking towards securing its future via strategic property investments geared towards improving the Company's long-term position through the diversification of its income stream.



in the Philippine Stock Exchange (PSE) on 22 December 2017.

As of 31 December 2017, the Group's total assets reached P7,377.7 million, consisting of P5,556.8 million in current assets and P1,820.8 million in noncurrent assets. Cash in banks increased by 71.2% or P985.0 million, from P1,383.1 million in 2016 to P2,368.1 million in 2017.

Inventory levels dropped by P235.6 million or 17.9%, from P1,313.1 million in 2016 to P1,077.5 million in 2017, as a result of higher sales volume and a cutback in product importation due to continued volatility in foreign currency exchange rates.

Meanwhile, total liabilities as of 31 December 2017 amounted to P2,626.4 million comprised of P661.1 million in current liabilities and P1,965.3 million in non-current liabilities. Current loans payable increased by 13.4% or P62.5 million from P467.5 million in 2016 to P565.0 million in 2017 due to availment of new short term bank loan net of payments.

A 5-year term loan of P2,000.0 million was availed in 2017 at a fixed interest rate of 4.875% per annum, net of amortized debt issue cost.

The total equity as of 31 December 2017 was P4,751.3 million, comprising of P1,550.0 million in capital stock, P2,242.8 million in additional paid in capital stock, P956.3 million in retained earnings, gross of P3.5 million revaluation reserves and P5.6 million non-controlling interest in a subsidiary. The Capital stock increased 29.2% or P350.0 million from P1,200 million in 2016 to P1,550.0 million in 2016. This is attributed to new shares issued through stock dividend in 2017, amounting to 48.0 million shares, and the Stock Rights Offering completed in 2017, amounting to 302.0 million shares. Consequently, the Additional paid-in capital increased from P898.4 million in 2016 to P2,242.8 million in 2017, of which P240.5 million is due to the stock dividend, P2.3 million is from the reissuance of treasury shares, with P1,101.6 million coming from the Stock Rights Offering.



Core Chemical Business Growth. 2017 marked significant improvements in the Company's core chemical trading business with positive outcomes achieved not just in terms of business performance but also in terms of its overall product portfolio, with improved products added to its line-up.



CORPORATE GOVERNANCE

The trust of our shareholders and other stakeholders is fundamental to our business and is the source of the success and growth of the Company. We are committed to preserving this relationship of trust by promoting a strong corporate governance culture in the Company that is anchored on transparency, competent leadership, effective internal controls, and prudent risk management.

The business and affairs of the Company are supervised by the Board of Directors. The Board believes that good corporate governance is a critical factor in achieving business success, in fulfilling the Board's responsibilities to shareholders and aligning management and shareholder interests.

We are pleased to report that in compliance with SEC Memorandum Circular No. 19, Series of 2016 and SEC Memorandum Circular No. 8, Series of 2017, the Company adopted a Revised Manual of Corporate Governance ("CG Manual") on May 11, 2017, essentially adopting the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies issued by the Securities & **Exchange Commission on November** 22, 2016.

The highlights of the Company's corporate governance practices in 2017 in accordance with the Company's CG Manual are described below. A full report on the Company's compliance with the guidelines set under the Code of Corporate Governance for Publicly-Listed Companies is provided in the 2017 Integrated Annual Corporate Governance Report, a copy of which is available at the Company's website at www.sbsph.com.



The corporate powers of the Company are exercised and its business conducted by the Board of Directors acting collectively. Five directors, which is a majority of the Directors, constitute a quorum for the transaction of corporate business. In general, every decision of a majority of the quorum duly assembled as a Board is valid as a corporate act.

The members of the Board are elected during each regular meeting of the shareholders by vote of shareholders representing majority of the issued and outstanding capital stock of the Company. Any vacancy occurring in the Board other than by removal of a director prior to expiration of such director's term may be filled by a vote of at least a majority of the remaining members of the Board, if still constituting a quorum. Otherwise, the vacancy must be filled by the shareholders at a meeting duly called for the purpose. Any director elected in this manner by the Board shall serve only for the unexpired term of the director whom such director replaces and until his successor is duly elected and qualified.

The Board work together in a spirit of collective responsibility to provide strategic direction, entrepreneurial leadership and guidance to Management. Its duties include

approving strategic plans and annual budgets, monitoring financial performance, ensuring that financial statements are true and fair, determine capital/debt structure, set dividend policy and declaring dividends, approve major acquisitions and divestments, review risk management framework and system, oversee the performance of Management, set Company values and standards, consider sustainability issues in formulating strategies, and ensure succession planning.

The Company's Board of Directors currently comprises of nine (9) directors, four (4) of whom are executive directors with specialized competencies in business and supply chain management, sales and marketing, accounting and finance and the rest by non-executive directors, three (3) of whom are independent directors, with specialized competencies in audit and internal controls, corporate governance and risk management, business development and strategy formulation. There is also an appropriate degree of female representation and age diversity in the Board composition.

Members of the Board have gone through an orientation process whereby they were briefed by the Corporate Secretary, Compliance Officer and Management on their fiduciary responsibilities as directors, the Company's governance policies and processes, and the regulatory and industry developments affecting its business and operations, respectively.

As part of the continuing development program for the members of the Board, all directors attended various corporate governance courses conducted by the Institute of Corporate Directors, the Securities and Exchange Commission and SGV & Company in 2017 that covered the following topics, among others: updates on corporate governance and CG best practices, the new corporate governance code for publicly listed companies, perspectives on CSR and ESG reporting, Enterprise Risk Management, Finance for Directors, and professional development program for directors.

As an active working Board, a total of 14 Board meetings were held in 2017, with the Board setting the Company's strategic direction, approving participations in property related investments and conduct of stock rights offering, advising on and approving key transactions, monitoring business performance and risk situation, reviewing current and planned projects, and providing guidance on corporate matters and growth strategy. The Board agenda for each meeting is set by the Chairman in consultation with the Chief Executive and Company Secretary. Board papers providing comprehensive information on the agenda items are generally circulated to the Directors at least five (5) business days prior to each meeting to enable them to consider the matters in advance and prepare for the meeting. Operations and financial reports are also provided to the Board on a regular basis. This information included periodic reports on sales

and business development, financial performance versus budget, regulatory compliance, investment proposals, special project and subsidiary developments. Directors have open access to Senior Management, the external auditor and information for the purpose of carrying out their duties.

The non-management members of the Board of Directors also conduct executive session meetings between themselves and hold separate meetings with the external auditor, internal auditor and compliance officer.

Board Committees

The Board currently has three (3) principal standing committees to assist it in discharging its responsibilities. The work and actions of these committees are regularly reported to and monitored by the Board.

Executive Committee (Excom)

To assist the Board on its responsibilities during the periods between Board meetings, the Executive Committee was established with the delegated authority to act on corporate matters which are within the competence of the Board except the following authorities that are specially reserved for the Board: (a) approval of any action of which shareholder approval is also required; (b) amendment or repeal of By-Laws or adoption of new By-Laws; (c) approval of the annual report and accounts; (d) exercise of powers delegated by

the Board to other committees; (e) board appointments and removals; (f) selection of the Chairman and President & Chief Executive Officer and appointments for Board membership following recommendations from the Nomination Committee; (g) appointment or removal of the Corporate Secretary and Treasurer; (h) appointment, reappointment or removal of the external auditor; (i) distribution of cash dividends to shareholders and (j) powers delegated by the Board to other **Board Committees.**

Audit, Risk Management and Related Party (ARMRPT) Committee

To assist the Board in fulfilling its oversight responsibilities to shareholders and other stakeholders, the Audit, Risk Management and Related Party (ARMRPT) Committee was established to assist the Board in monitoring the integrity of the Company's financial statements, reviewing the Company's internal control, risk management and compliance systems, reviewing the independence and objectivity of the external auditor and monitoring the effectiveness of its audit process and making recommendations to the shareholder for the appointment of the independent auditor. It further conducts periodic reviews of all related party transactions of the Company and has unrestricted access to Management and the internal auditor. The Committee is currently composed of five (5) members, majority or three of whom are independent directors,

plus a non-executive director and the Director-CFO as an ex-officio, non voting member. The Committee meets at least on a quarterly basis or as often as may be necessary.

In 2017, the ARMRPT Committee held nine (9) meetings in which it reviewed, among others, the financial reports and compliance matters as well as the announcements and disclosures relating to the Company's financial results and material transactions, the annual internal audit plan and the external audit plan; monitored and evaluated the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information systems; conducted a review of the inventory policies and systems, HR management systems and related party lease arrangements; reviewed the reports submitted by the internal and external auditors; reviewed the quarterly, half-year and annual financial statements before their submission for Board approval and public release; made recommendations to the Board on the re-appointment of external auditors as well as their remuneration and terms of engagement; monitored and reviewed risk exposures and risk mitigation plans of the Company; monitored status of regulatory compliances; reviewed, ratified and/or approved related party, including basis for pricing of sale of treasury shares to substantial shareholder and investments in affiliate companies; discussed and set guidelines for the Company's investment policy and monitored

investment plans; amended Committee Charter to align with best practices under the Corporate Governance Code for Publicly Listed Companies; and conducted an annual assessment of the performance of the Audit and Risk Management Committee in accordance with the requirements provided under SEC Memorandum Circular No. 4 Series of 2012. The non-executive directors also met on executive session and had separate meetings with the external auditor, internal audit and compliance officer during the year.

Corporate Governance, Nomination and Remuneration (CGNR) Committee

To support and advise the Board in ensuring that it is comprised of individuals who are best able to discharge the duties and responsibilities of Directors and that the Company has the appropriate corporate governance standards and practices in place, the Corporate Governance, Nomination and Remuneration (CGNR) Committee was established to evaluate the qualifications of all persons nominated for election to the Board of Directors, recommend such adjustments in the Board structure and the skills and expertise required to meet the needs of the Company, and guide the succession planning process by reviewing the leadership needs of the Company and the adequacy of proposals for succession to key leadership positions in the Company. The Committee is comprised of three (3) regular members, all of whom are independent

directors and a non-executive director as an ex-officio, non-voting member.

In 2017, the CGNR Committee held three (3) meetings wherein the Committee reviewed the revisions to the Manual of Corporate Governance to align with the Code of Corporate Governance for Publicly Listed Companies, reviewed the qualifications of the nominees for election to the Board of Directors during the ASM, including those for independent directors, approved and endorsed to the Board the list of eligible nominees for election to the Board of Directors, conducted a search for new independent directors and reviewed the qualifications of nominees for appointment as new independent directors of the Company, conducted the annual Board performance assessment, and received the IFC report on the corporate governance assessment of the Company.

The CGNR Committee reviewed the effectiveness of the corporate governance framework through an annual confidential performance evaluation of the effectiveness of the Board, its Committees and the contribution of each director. Factors considered in the performance assessment include regular attendance during meetings, preparedness for meetings, active participation and contribution to board decisions, strategic insights and candid communication, diversity of experience and background of directors, among others. The Committee is satisfied that all director

carried out their duties adequately and had demonstrated their commitment and availability to attend to the affairs of the Company by submitting themselves to a low indicative limit on appointments in other non-group companies.

To assist the Board in ensuring that the compensation framework for the organization is aligned to the long-term interests of the Company, the CGNR Committee also reviews the structure and competitiveness of the Company's employee compensation program. The directors only receive a reasonable per diem allowances. There are no other standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.



The Company maintains internal controls and systems designed to promote efficiency, reduce risk of asset loss, and help ensure the reliability of financial statements and compliance with laws and regulations. The effectiveness of these controls and systems are monitored and reviewed by the Company's internal auditor and reported to the Audit and Risk Management Committee. The Internal Auditor is responsible for ensuring that risk management, control and governance processes are effectively implemented

and maintained, and that such internal controls and systems are adequate and function effectively. The Internal Audit Head periodically reports to the Board through the Audit Committee on the internal audit activities which covers review of risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Board. In 2017, there were no significant issues noted based on the results of the audit reviews conducted. The Company's external auditors also review the effectiveness of the internal controls as part of their audit plan for the year. The Board, on a continuing basis, endeavours to further enhance and improve the Company's system of internal controls.



The Company's business activities are exposed to risk as well as opportunities due to a continuously changing business environment.

The risk management philosophy of the Company is to mitigate adverse outcome of the identified risks while maximizing the positive contribution of opportunities, in order to secure long term value to our shareholders.

Risk management is an integral part of the Company's strategic and operational planning, and day-to-day management and decision making. The Company is committed to managing and minimising risks by identifying, analysing, evaluating and treating exposures that may impact on the achieving its objectives and the continued efficiency and effectiveness of its operations. The Company adopts a bottom-up approach in its risk management process, with line management primarily responsible for the identification of risks and the implementation of its control strategies. These activities are reviewed and monitored by supervising committees of the Board such as the Executive Committee and the Audit and Risk Management Committee.

The operations, financial and safety policies and working processes of the Company provide for the safety and risk management procedures to monitor and manage risks. These are reviewed and updated from time to time to address new risks such as those arising from new activities. Training programs to explain the value of risk management and understand the risk responsibilities of personnel in the different organization levels are also held periodically to ensure that sound risk management and safety practices are implemented in the day-to-day operations.

As a Company with chemical distribution activities, safety in transport, storage, operational practices and working conditions is a priority and a primary focus of its risk management efforts. Great importance is accorded to safety management and developing a strong safety culture is an integral part of the Company's operations. The

Company also continuously seeks to improve its processes and enhance its recognition, evaluation and control of hazards. Importantly, it adheres to the laws, regulations and standards that govern its operations.



Protection of Shareholder's Rights and Interests

The Company attaches considerable importance to shareholder rights and interests. In line with this, the Company facilitates the exercise of their rights by ensuring shareholders have the opportunity to participate effectively in and vote at the Shareholders' Meetings, either in person or by proxy.

To encourage shareholder participation at shareholders meetings, the Board of Directors ensures that the venue for meeting is centrally located and easily accessible by public transportation and the voting procedures explained in advance. The notice of meetings is communicated to shareholders also through the Company website and the PSE Edge Disclosure System. Shareholders are provided with sufficient information in the Information Statement provided to them to enable them to make informed decisions on matters submitted for their consideration. Resolutions on each agenda item are tabled separately to enable shareholders to vote for each item and the results of the votes taken are reported during the meeting and make publicly available in the Company's website the day following the meeting. Shareholders are given the opportunity to communicate their views and direct questions to Directors and Senior Management regarding the Company during shareholder meetings and by communicating through the Company's Investor's Relations Office.

Material information such as corporate developments and financial and operational results are timely disclosed to all shareholders via the Philippine Stock Exchange Edge Portal, the Company's website, press releases, annual reports and shareholders' meetings.

The Company has adopted a written policy regarding transactions with related persons where no significant related person transaction shall be consummated or shall continue without the approval or ratification of the Audit Committee. The Audit, Risk Management and Related Party Committee will consider all factors it deems relevant and will approve or ratify only those that are in, or are not inconsistent with, the best interests of the Company and its stockholders.

In SBS, we value relationships and we are committed to build strong good relationships with our stakeholders by the promoting trust, proper stewardship and confidence in the integrity of our Company and creating sustainable value for our stakeholders.

To ensure that our business is operated responsibly and with integrity, the Company has a comprehensive set of policies that sets out the personal and professional conduct expected from members of our Company.

- All directors, officers and employees have a duty to always act in, and uphold the best interests of the Company and shall work under a culture of integrity and excellence and with a sense of accountability, transparency and urgency. They are expected not to use their position in the Company to acquire a benefit or advantage for their own or related interests and shall treat everyone with honesty, courtesy, consideration, friendly spirit of cooperation and mutual respect. Dealings with suppliers and contractors are to be conducted in a professional and objective manner and no director, officer or employee shall engage in any unfair dealing practices nor take undue advantage of customers, suppliers, business partners, competitors and the government through manipulation, concealment or misrepresentation of material facts.
- The Company is committed to promoting the safety, well-being and professional development of its employees and maintaining a work environment that fosters harmonious, productive working relationships and encourages mutual employee respect. There is zero tolerance for sexual harassment and other actions that violate the basic safety or dignity of an employee.

- The Company promotes a culture of learning and employee involvement and values diversity of opinion and open debate. Conflicts or disputes are addressed through discussion, negotiation, mediation, arbitration and lastly resort to judicial processes.
 For conflicts of interest, the Conflict of Interests Policy provides for the framework for conflict avoidance and management.
- The Company imposes disciplinary measures on directors, officers and employees whose conduct deviates from those prescribed under the Company policies and guidelines such as but not limited to those provided under the Company's Manual of Corporate Governance, Code of Conduct and Ethics, Employee Handbook, Conflict of Interests Policy and By-Laws and subject to the grievance procedure and requirements prescribed by law.
- Under the Company's Whistleblowing policy, employees are encouraged to confidently raise genuine issues and concerns of serious wrongdoing, improprieties or risks in the conduct of the business of the Company to his service line manager and if there are reservations to raise the matter to service line managers, the concern may be raised either to the Compliance Officer or any of the Independent Directors by submitting an incident report. This Policy aims to deter and uncover corrupt, illegal, unethical, fraudulent and other conduct detrimental to the interests of the Company.

• The Company has adopted a code of conduct on securities dealing which provide that the Company, its directors and officers undertake not to deal in the Company's securities at anytime after a price sensitive development has occurred, or has been subject of a decision, until the price sensitive information has been publicly announced.



Approach to **Sustainability**

The Company is committed to ensure business sustainability by promoting a culture of responsibility in managing the environmental, social and governance effects of its strategies and operations. Its approach to sustainability involves giving importance to customer experience and workplace safety, promoting trade and industry and a risk-focused organization, supporting the development of the communities in which it operates and managing its environmental impact.

- To keep customer loyalty, the Company ensures appropriate sourcing support and suitable products are offered to its customers and customer feedback are dealt with in a prompt and effective manner. Its sales personnel work closely to better understand and meet customer needs and expectations.
- To ensure workplace safety and wellbeing, the Company employs safety

- standards and practices that include accident prevention efforts through risk planning and safety trainings.
- To contribute to the promotion of trade and industry, the Company continuously expands its product range and enhances its various product offerings to help our customers innovate and explore new market opportunities.
- To safeguard the interests of stakeholders, the Company promotes a risk-aware culture in the organization by making risk management a responsibility of every employee.
- To contribute to the well-being and development of local communities, the Company continues with its long tradition of community service by supporting social projects extending medical care to depressed communities, granting educational assistance to support education of youths with financial need, and supporting community welfare institutions through sponsorships, donations and scholarships.
- To improve the impact of its business on the environment and in the communities where it operates, the Company has been adopting green practices in the its operations like using energy efficient lighting, participating in recycling programs, reducing waste generation and introducing more 'green' products and natural ingredients for customers.

In Partnership With:



and









CORPORATE SOCIAL RESPONSIBILITY

Giving back figures prominently in SBS Philippines Corporation's philosophy. As a corporate citizen, it understands its fundamental responsibility and the role that it plays towards contributing to the betterment of society. Just as it seeks to promote and maintain value for its clients and stakeholders, so does the Company strive to promote the advancement of the communities that it operates in.

SBS Philippines Corporation fully understands its fundamental responsibility and its role towards contributing to the betterment of the society. The Company continuously commits to make a significant impact in the areas of education, health and wellness to promote the advancement of the communities where we operate, and for the general public.

Every year, SBS pledges diverse projects to carry on its philosophy of generosity. In 2017, the Company maintained its tradition of community service, facilitated by the Sytengco Foundation, a commitment that it has been undertaking since the 1980s.

HEALTH AND WELLNESS

Cognizant of the severe impact of such serious disease as cancer, particularly of indigent Filipinos who are in need of medical assistance, the Company regularly donates to the Philippine Cancer Society.

Apart from being a benefactor to Philippine Cancer Society, the Sytengco Foundation donated to PGH Medical Foundation. Inc. where it is earmarked for the Department of Pediatrics of the UP-PGH for the acquisition of medical equipment and furniture (i.e. examination bed, tables, chairs, emergency cart and curtains among others). These items will be housed in the renovated Hematology-Oncology Clinic at the Cancer Institute that will be operational in 2018.

Additional donation was also made for the construction of the Intermediate Pediatric Intensive Care Unit (iPICU) or Step Down ICU with the Department of Pediatrics of the UP-PGH. This project is expected to be in operation in 2019.

For our stakeholders in the communities that we operate in, the Company conducted its annual medical and dental mission for indigent families in Barangay Lambakin, Marilao, Bulacan. Undertaken in partnership with the Caloocan Filipino Chinese Charity Clinic, beneficiary families were given free check-up and consultation, medical and dental services and supplies and medicines.

EDUCATION AND SPORTS

The Company provides educational assistance in the form of monetary support to scholars of Mapua University and select residents of Barangay Bungad in Quezon City.

The Sytengco Foundation will soon provide full scholarship to a number of deserving but marginalized students in the field of engineering and accounting through a school scholarship foundation as its implementing arm.

Aside from academic support, SBS also provided sponsorship to Mapua University Basketball Team for NCAA Season 93 as well as to the Philippine Team for the 41st SEA Age Group Swimming Championship from November 10-12 in Brunei.

EXPANDED FOCUS

The Company strives to promote and support programs that is in line with its thrust for community upliftment. In the coming years, the Company includes environment and social welfare in its areas of focus especially as it seeks to provide service that is both responsive and relevant to our times.





BOARD OF DIRECTORS AND SENIOR MANAGEMENT



Necisto U. Sytengco NON-EXECUTIVE DIRECTOR Chairman of the Board

Mr. Necisto U. Sytengco is the Founder of the business of the Company and has been its Chairman of the Board since the organization of the Company in 2001. He has over 40 years of experience in the chemical trading business and has been responsible for shaping the Company strategy and leading the growth of the Company. He also currently serves as Board Chairman of the corporations owned by the Sytengco Family which includes Aneco Industries Corporation, Anesy Holdings Corporation, Sytengco Foundation, Baler Industrial Corporation, Sytengco Enterprises Corporation, and Swan Insurance Agency Corporation.



Gerry D. Tan EXECUTIVE DIRECTOR President & Chief Executive Officer

Mr. Gerry D. Tan joined the Company in January 2016 as President & Chief Executive Officer. Mr. Tan has over 30 years of experience in the chemical distribution industry in the Philippines and the Asia-Pacific region. Prior his appointment in the Company, he was Senior Adviser and General Manager of Bluestar Silicones Asia-Pacific and a board director of Bluestar Silicones Shanghai of the China National Bluestar Corporation Group, a global frontrunner in new chemical materials. He led a successful career spanning key senior positions at Bluestar Silicones Asia-Pacific (2007 – 2015), Rhodia Silicones Asia-Pacific (1998-2007) and Rhone-Poulenc Philippines (1986-1998). Mr. Tan earned his BS Chemistry degree magna cum laude from Siliman University and holds a Master's Degree in Business Administration from the Ateneo de Manila University.



Esmeraldo A. Tepace EXECUTIVE DIRECTOR Executive Vice President & Chief Operating Officer

Mr. Esmeraldo A. Tepace joined the Company in 2004 and has served as its Chief Operating Officer/General Manager since 2004. Prior to joining the Company, he was the Sales & Marketing executive of Baler Industrial Corporation, JY International Marketing Corporation, CAWC, Inc. and Chemphil Manufacturing Corporation. Mr. Tepace has over 35 years of experience in the chemical distribution business in the Philippines. He also currently serves as President of the following corporations owned by the Sytengco Family: Aneco Industries Corporation, Baler Industrial Corporation, Johny Holdings Corporation, Corporation, Sytengco Enterprises Corporation, Seren Philippines Corporation and ULife Corporation. Mr. Tepace graduated from Manuel L Quezon University with a degree in BS Chemical Engineering.



Aylene Y. Sytengco EXECUTIVE DIRECTOR Chief Financial Officer & Treasurer

Ms. Aylene Y. Sytengco joined the Company as Treasurer in 2008 and has served as its Chief Financial Officer since 2013. She is responsible for the day to day management of the financial affairs of the Corporation which covers accounting, financing & treasury, budget & financial planning and investment management. She also currently serves as an executive director (Director & Treasurer)of the corporations owned by the Sytengco Family which includes Anesy Holdings Corporation, ADZ On Wheels Corporation, Bewin Philippines Corporation, Anase Realty & Enterprises Corporation, Baler Industrial Corporation, Canon Philippines Holdings Corporation, Sytengco Enterprises Corporation, Seren Philippines Corporation and ULife Corporation. She holds a degree in BS Management of Applied Chemistry from the Ateneo De Manila University.



Necisto Y. Sytengco II EXECUTIVE DIRECTOR Senior Vice President for Marketing Operations & Assistant Treasurer

Mr. Necisto Y. Sytengco II joined the Company as Purchasing Officer in 2008 and was appointed as VP Sales in 2010 and SVP—Marketing Operations in 2015 and Assistant Treasurer on 9 July 2015. He is responsible for planning and implementing the Company's sales and marketing programs. He also currently serves as an executive director (Director & Vice President) of the corporations owned by the Sytengco Family, which includes Aneco Philippines Holdings Corporation, Benly Holdings Corporation, Berny Philippines Holdings Corporation, Besty Holdings Corporation, Nessi Holdings Corporation, Nesco Holdings Corporation, Selec Philippines Holdings Corporation, Anesy Holdings Corporation and Tamni Holdings Corporation. He earned his BS Entrepreneurial Management Degree cum laude from the University of Asia and the Pacific.



Ricardo Nicanor N. Jacinto NON-EXECUTIVE DIRECTOR Vice Chairman of the Board

Mr. Ricardo Nicanor N. Jacinto was elected as non-executive director of the Company on 9 July 2015. Apart from being a director of SBS Philippines, he is an independent director of Metro Retail Stores Group, Inc. and a non-executive director of Torre Lorenzo Development Corporation. He served as Chief Executive Officer of the Institute of Corporate Directors, a nonstock, not-forprofit organization dedicated to the professionalization of Philippine corporate directorship from January 2013 — December 2017. Prior to that, he was a Managing Director of Ayala Corporation and President & CEO of Habitat for Humanity Philippines. He also served as a director of Manila Water Corporation from 2011-2014. Mr. Jacinto earned his BS Business Economics magna cum laude from the University of the Philippines and holds a Master's in Business Administration from the Harvard Business School.



Lilian F. Linsangan INDEPENDENT DIRECTOR Chairperson of the Audit & Risk Management Committee

Ms. Lilian S. Linsangan was elected as an independent director of the Company on March 2015. She is currently the Chairperson of the Company's Audit, Risk Management and Related Party Transaction Committee. She is previously served as a director of the Women's Business Council of the Philippines. Prior to her retirement in 2011, she was Head of the Advisory Services Division (formerly also head of the Audit Division) of Punongbayan & Araullo. She also served as Chairman and President of the Association of Certified Fraud Examiners Philippines in 2013-2014 and 2009-2012, respectively. She has been a speaker and lecturer in various local and international conferences and seminars on risk management, corporate governance, best practices of Audit Committees, and fraud detection and prevention.



Yvonne C. Lih INDEPENDENT DIRECTOR

Ms. Yvonne C. Lih was elected as independent director on 9 October 2017 and is also the Lead Independent Director. She is a CPA and licensed real estate broker and holds a Masters in Business Administration from the Ateneo Graduate School of Business and is a graduate of the University of Negros Occidental —Recoletos, magna cum laude. Prior to her appointment in the Company, she was previously Chief Marketing Officer for Habitat for Humanity International, Senior Vice President, Property Sales and Leases Division of the Bank of the Philippines Islands and BPI Family Savings Bank, and Vice President, Centralized Operations Group of Citytrust Banking Corporation. She has over 40 years of experience in real estate management, audit and business control, strategic and project management and corporate governance.



Roberto F. Anonas, Jr. INDEPENDENT DIRECTOR

Chairman of the Corporate Governance, Nomination and Remuneration Committee

Mr. Roberto F. Anonas, Jr. was elected as independent director on 9 October 2017 and is the Chairman of the Corporate Governance, Nomination and Remuneration Committee. He holds a Masters in Business Administration from IMEDE, a Management Development Institute under the University of Lausanne, Switzerland and is currently a member of the faculty of the University of Asia and the Pacific School of Management as lecturer in Finance and Management and mentor/coach in the Entrepreneurial Management Program. He likewise serves as Director of Fuji Haya Electric Corporation. He has attended training programs in financial management, investment and universal banking with Dillon Read & Co, NYC and Dresdner Bank AG, Frankfurt and has previously held senior management and executive positions in PLDT, PCI Capital Corporation and Philippine Commercial Capital, Inc. He is also a director of Pentarch Stalwark Builders, Inc. and an independent director of Macay Holdings, Inc.



Christine P. Base

Corporate Secretary

Atty. Christine P. Base was appointed as Corporate Secretary of the Company in January 2017. Atty. C. P. Base is a senior partner of Pacis & Reyes Law offices and is both a lawyer and CPA by profession. She obtained her J.D. degree from the Ateneo De Manila University. She also serves as corporate secretary of the following companies: Italpinas Development Corporation, SL Agritech Corporation, Ever Gotesco Resources and Holdings, Inc., Asiasec Equities, Inc., Araneta Properties, Inc., and Anchor Land Holdings, Inc.

Lali Y. Sytengco

Vice President for Purchasing

Ms. Lali Y. Sytengco joined the Company in 2001 and has since served as the VP for Purchasing. She is responsible for product sourcing and supplier relationship management. She has over 20 years' experience in chemical procurement business. She is a graduate of University of Sto. Tomas, with a degree in BS Medical Technology.

Sabrina Adamelle Poon-Sytengco

Investor Relations Officer

Ms. Sabrina Adamelle Poon-Sytengco is the Investor Relations Officer of the Company. Prior to her joining the Company, Ms. Poon previously worked as Program Officer in the Office of the Presidential Adviser on the Peace Process. She holds a Bachelors of Arts degree in International Studies, Major in International Relations from Miriam College and continuing education units in Women and Gender Studies from University of Delaware.

Atty. Jose Fidel R. Acuña

Corporate Information Officer

Atty. Jose Fidel R. Acuña earned his Bachelor's Degree in Law at Far Eastern University, and Bachelor of Arts Major in Legal Management at the University of Santo Tomas. He is currently a Senior Associate at Pacis and Reyes, Attorneys. Atty. Acuña is currently a Director of Italpinas Development Corporation, the Deputy Compliance Information Officer for SL Agritech Corporation, and the Corporate Secretary for Tanay Rural Bank. He is also a Director and/or Corporate Secretary for several private corporations.

Jennifer B. Balao

Asst. Vice President and Accounting Head

Ms. Jennifer B. Balao joined the Company in 2014 as Assistant Vice President and Accounting Head. She was previously the HR and Finance Director of Pinnacle Real Estate Consulting Services Inc. and the Accounting Manager of Expressions Stationary Shop, Inc. She is a Certified Public Accountant and earned her Accounting degree from the Polytechnic University of the Philippines. She also holds MBA units from De La Salle University.

Emerson P. Paulino

Internal Auditor

Mr. Emerson P. Paulino joined the Company in 2015 as Internal Auditor. Mr. Paulino is a certified public accountant (CPA) and a certified internal auditor (CIA).He has over 10 years' experience in Internal Audit in areas of manufacturing, IT, project management, finance (SOX), sales and administration. His professional work experience also extends to SAP security and IT audit involving multinational firms and conglomerate businesses.

BOARD, BOARD COMMITTEE MEETINGS AND DIRECTOR'S ATTENDANCE

Board

Composition	Name	No. of Meetings Held During the Year	No. of Meetings Attended
Chairman	Necisto U. Sytengco	14	11
Member	Gerry D. Tan	14	14
Member	Esmeraldo A. Tepace	14	12
Member	Victorina B. Ladringan ¹	12	12
Member	Aylene Y. Sytengco	14	13
Member	Necisto Y. Sytengco II	14	13
Member	Ricardo Nicanor N. Jacinto	14	14
Independent Director	Rosaleo M. Montenegro ¹	12	12
Independent Director	Lilian S. Linsangan	14	12
Independent Director	Roberto F. Anonas, Jr. ²	2	2
Independent Director	Yvonne C. Lih²	2	2

Executive Committee (2017)

Office	Name	No. of Meetings Held	No. of Meetings Attended
Chairman	Necisto U. Sytengco	9	6
Member	Gerry D. Tan	9	9
Member	Esmeraldo A. Tepace	9	9
Member	Aylene Y. Sytengco	9	8
Member	Necisto Y. Sytengco II	9	9

Audit, Risk Management and Related Party Transactions Committee (2017)

Office	Name	No. of Meetings Held	No. of Meetings Attended
Chairman (ID)	Lilian S. Linsangan	8	7
Member (ID)	Rosaleo M. Montenegro ¹	6	5
Member (NED)	Ricardo Nicanor N. Jacinto	8	8
Member (ED)	Victorina B. Ladringan ¹	6	6
Member (ED)	Aylene Y. Sytengco	8	8
Member (ID)	Roberto F. Anonas, Jr. ³	2	2
Member (ID)	Yvonne C. Lih³	2	2

Corporate Governance, Nomination and Remuneration Committee (2017)

Office	Name	No. of Meetings Held	No. of Meetings Attended
Chairman (ID)	Rosaleo M. Montenegro ¹	3	3
Member (NED)	Ricardo Nicanor N. Jacinto	3	3
Member (ED)	Victorina B. Ladringan ¹	3	3
Member (ID)	Lilian S. Linsangan	3	2
Member (ID)	Roberto F. Anonas, Jr. ³		
Member (ID)	Yvonne C. Lih³		

¹ Resigned on October 9, 2017.

² Elected on October 9, 2017.

³ Appointed as Board Committee Member on October 9, 2017 to succeed Mr. Rosaleo Montenegro upon his resignation.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Necisto U. Sytengco

Chairman

Ricardo Nicanor N. Jacinto

Vice Chairman

Gerry D. Tan

Executive Director

Esmeraldo A. Tepace

Executive Director

Aylene Y. Sytengco

Executive Director

Necisto Y. Sytengco II

Executive Director

Lilian S. Linsangan

Independent Director

Roberto F. Anonas, Jr.

Independent Director

Yvonne C. Lih

Independent Director

EXECUTIVE COMMITTEE

Chairman

Mr. Necisto U. Sytengco

Members

Gerry D. Tan

Esmeraldo A. Tepace

Aylene Y. Sytengco

Necisto Y. Sytengco II

AUDIT, RISK MANAGEMENT AND RELATED PARTY TRANSACTIONS COMMITTEE

Chairman

Lilian S. Linsangan

Members

Yvonne C. Lih

Ricardo F. Anonas, Jr.

Ricardo Nicanor N. Jacinto

Aylene Y. Sytengco

CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

Chairman

Roberto F. Anonas, Jr.

Members

Yvonne C. Lih

Lilian S. Linsangan

Ricardo Nicanor N. Jacinto

EXECUTIVE OFFICERS

Gerry D. Tan

President & Chief Executive Officer

Esmeraldo A. Tepace

Executive Vice President & Chief Operating Officer

Aylene Y. Sytengco

Chief Financial Officer, Treasurer and Compliance Officer

Necisto Y. Sytengco II

Senior Vice President for Marketing Operations & Assistant Treasurer

Lali Y. Sytengco

Vice President for Purchasing

Christine P. Base

Corporate Secretary

Sabrina Poon-Sytengco

Investor Relations Officer

Atty. Jose Fidel R. Acuña

Corporate Information Officer

Jennifer B. Balao

Assistant Vice President & Accounting Head

Emerson P. Paulino

Internal Auditor

STOCK TRANSFER AGENT BDO Unibank, Inc. —Trust & Investments Group

15/F BDO Corp Center South Tower 7899 Makati Avenue Makati City 0726

INDEPENDENT AUDITORS

Punongbayan & Araullo

19th and 20th Floor, Tower 1 The Enterprise Center Ayala Avenue, Makati City

Partner in Charge: Mr. Anthony L. Ng

PRINCIPAL BANKERS

BDO Unibank, Inc.
China Banking Corporation
Metropolitan Bank and Trust Co.
Security Bank Corporation

LISTING AND TRADING SYMBOL

Listed on the Main Board of the Philippine Stock Exchange under the stock trading symbol "SBS"

INVESTOR RELATIONS & MAILING ADDRESS

Investors Relations Office

SBS Philippines Corporation 10 Resthaven Street San Francisco del Monte

Quezon City

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Website: http://www.sbsph.com

SBS Philippines CORPORATION SUBSIDIARY COMPANIES

SBS Holdings and Enterprises Corporation

SBS Holdings was incorporated on 5 December 2016 as a wholly owned subsidiary of SBS Philippines Corporation. SBS Holdings started commercial operations in the 3rd quarter of 2017 and had posted a gross revenue of P45 million on its 1st year of operation and a net income of P 11.6 million in 2017. SBS Holdings had a total investment of P 789.8 million in various associate companies.

Lence Holdings Corporation

Lence Holdings was incorporated on 16 November 2017 as a holding company to serve as the acquisition vehicle for a potential investment in a warehouse facility complex. The company is 65% owned by SBS Philippines Corporation, 25% by SBS Holdings, and 10% by the Sytengco family.



SBS Philippines CORPORATION

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