

GAINING
GROUND WITH
NEW HORIZON





SBS Philippines
CORPORATION



**ANNUAL
REPORT
2018**

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SBS Philippines Corporation

OUR COMPANY

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 our mission by:

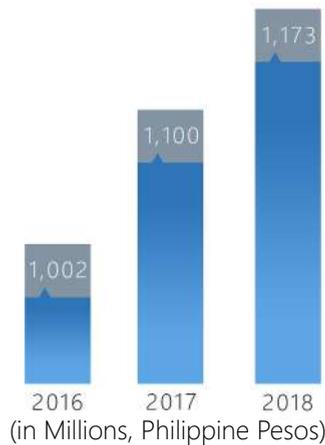
- Distributing a wide range of high quality and cost-effective products
- Extending reliable customer service at all times
- Nurturing strong, long-term relationships with suppliers and customers
- Constantly seeking new markets and new opportunities
- Continuously improving our internal business processes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

2018 HIGHLIGHTS

SBS Philippines Corporation and its Subsidiaries have grown tremendously. The group now comprises of two operational companies and has investments in 24 associate companies while continuously optimizing its operation and improving the margins in the core business of chemical distribution.

FINANCIAL PERFORMANCE

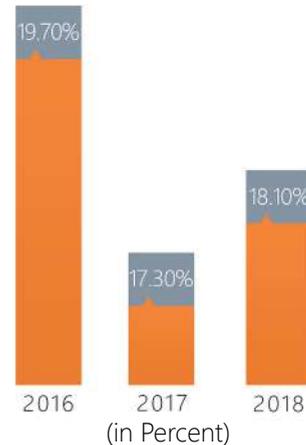
OPERATING REVENUE



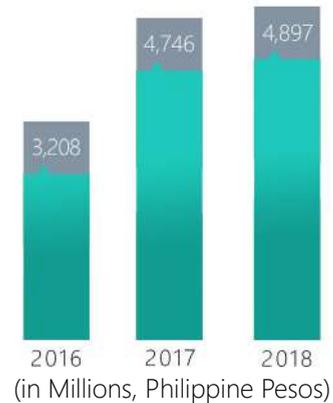
TOTAL ASSETS



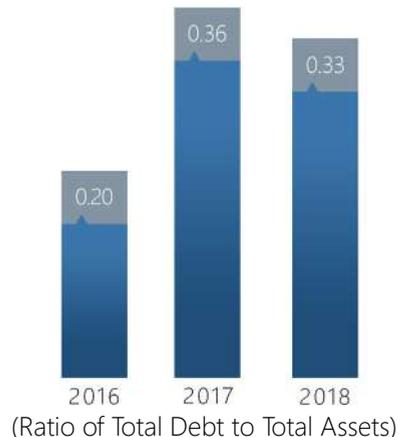
OPERATING PROFIT



TOTAL EQUITY

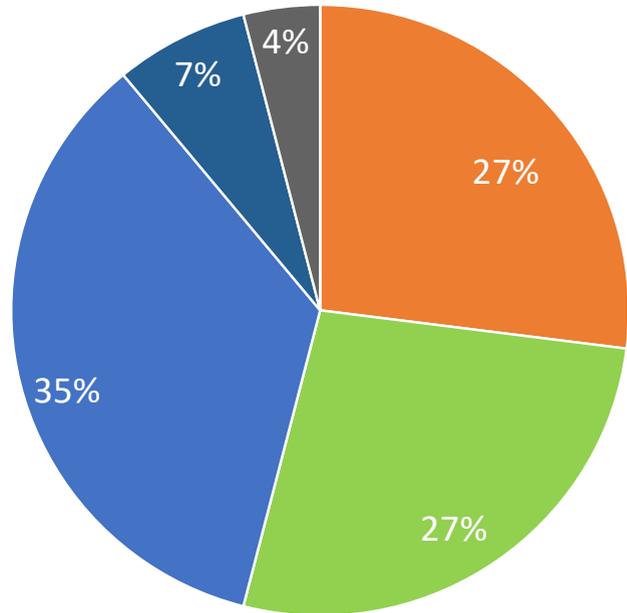


DEBT RATIO



The strategy of taking small ownership stakes in companies investing in real properties allowed the Group to attain more diversified interests in different property holdings and has started to deliver results, contributing to the Group P97.5 million of equity net income of the associate companies.

2018 Sales by Segment Chemical Distribution



SBS GROUP AT
A GLANCE

GROSS REVENUE
P 1,188 M

NET INCOME
P 175.6M

EARNINGS PER SHARE
P 0.11

NUMBERS OF ORDER
SERVED
7,345

CURRENT RATIO
3.02

Chairman's Message

"I am grateful and very pleased that the vision of accelerating the pace of transformation of your company, that I shared with you two years ago, is now bearing fruits. We will continue to rise above any challenges because we are one in achieving this goal. We will see an accelerated growth as we successfully create a new horizon and pave new paths for SBS in the coming years. "



Dear Shareholders,

In 2017, I shared with you the vision of transformation for your Company beyond its core business of chemical distribution towards a business with diversified interests in order to sustain our growth and create value for our shareholders.

SBS Philippines Corporation, along with its subsidiary SBS Holdings and Enterprises Corporation, are stepping up to stay ahead of the challenges of the new age, seizing the opportunities through strategic actions, and thriving where others are only finding challenges and difficulties.

2018 has proven to be a fruitful year for the Group. Coming from the successful stock rights offering at the end of 2017, your company, through its subsidiary, invested the funds last year in acquiring minority but equitized stakes in several associated companies. By end of 2018, 19 associated companies of SBS Group had strategic landholding assets, while some other associated companies were in the process of investing on key property assets this year.

Since implementing our investment program in 2016, we are now generating positive contributions from our investments. Equitized earnings from our associated companies generated some P97.5 million as a direct contribution to our bottom line. We expect this contribution and return to continue to grow in the coming years.

Our chemical distribution business' revenues grew at a modest rate of 6.3% in a highly competitive market environment faced with a volatile currency and increasing logistical challenges. Our revenue growth is complemented by a 1.4 percentage point increase in gross margin, resulting to P322 million at the gross profit level, a remarkable increase of 55% compared to two years ago, prior to the start of our transformative actions.

These achievements bring your Company's 2018 consolidated net income to P175.6 million from P101.3 million of the prior year, resulting in an increase in earnings per share (EPS) from P0.08 in 2017 to P0.11 in 2018.

In a short span of 3 years from your Company's listing in the PSE in 2015, the Institute of Corporate Directors recognized your Company last July 31, 2018 as one of the Top Performing Publicly-Listed Company in the Philippines under the ASEAN Corporate Governance Scorecard ("ACGS") 2017. Because we recognize our responsibilities to our valuable customers, employees and stakeholders, we ensure integrity, transparency, and good corporate governance in the conduct of our affairs. The Company has a strong and effective control system and governance framework so that our stakeholders can put their solid trust and confidence in our Company, including the clients and suppliers, and for that, we are very thankful.

We will continue to grow by paving new paths with the following strategic actions for 2019 – 2020 time frame.

A. Alongside with the momentum of the property development trend in the Philippines, the Group has also started to forge synergy and strategic tie ups with reputable businesses in the international scene for the supply of selected construction materials into the Philippine market. We will be diligent in selecting the specific products that our organization will take on to ensure that this new endeavor will work for the greater benefit of our customers and stakeholders. We will launch an aggressive marketing and selling campaign in order to strengthen our market position in this new growth area. At present, we have launched two product lines, namely synthetic tiles and glass cladding, in line with our business growth plan.

B. The Group's land bank through associated companies have significantly grown over the years as we take advantage of new opportunities in the real estate and property sector. We will continue to focus on acquisitions that will benefit our business with better yield in the medium term. We also projected that the investment program will require new capital funding. To this end, we will explore various funding alternatives in our effort to continue the growth momentum of this profitable business and maximize returns on our investments.

C. SBS will invest in repositioning our logistics capabilities and warehousing sites in line with the changes in our customers' delivery sites and the evolving road infrastructures and connectivity to ensure cost effectiveness and satisfactory service to our customers.

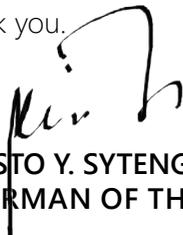
The world is continuously changing and with this comes crucial points for every business to take action on. We must keep our attention on the changes in the marketplace to enable your Company to decide and act quickly and sustain our growth momentum.

I am grateful and very pleased that the vision of accelerating the pace of transformation of your company, that I shared with you two years ago, is now bearing fruits. We will continue to rise above any challenges because we are one in achieving this goal. We will see an accelerated growth as we successfully create a new horizon and pave new paths for SBS in the coming years.

I would like to acknowledge the dedication of the members of our Board and Management for their endeavors in leading your Company towards a successful and fruitful year.

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. SYTENGCO
CHAIRMAN OF THE BOARD

2018 KEY PERFORMANCE INDICATORS

	2018	2017	2016
Liquidity Ratio ¹	301.8%	824.3%	379.7%
Debt to Equity Ratio ²	48.8%	55.3%	24.4%
Asset to Equity Ratio ³	148.8%	155.3%	124.4%
Return on Assets ⁴	2.4%	1.8%	25.7%
Return on Equity ⁵	3.6%	2.5%	36.9%
Cost to Income Ratio ⁶	16.2%	14.8%	12.3%
Earnings Per Share ⁷	Php 0.11	Php 0.08	Php 0.84

¹ Current Assets over Current Liabilities

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

QUARTERLY HIGH AND LOW SBS SHARE PRICES (IN PHILIPPINE PESO)

	2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
LOW	4.46	6.05	5.85	5.00	5.24	5.25	5.34	5.40	5.44	6.60	7.68	6.60
HIGH	7.22	7.05	6.68	6.30	6.88	6.29	5.90	6.34	11.80	9.62	8.70	8.00

President's Report

"The strong entrepreneurial spirit in SBS Philippines has continuously brought about change and active transformation in the company, ensuring that it provides sustainable growth and value to all our stakeholders."



Dear Shareholders,

The strong entrepreneurial spirit in SBS Philippines has continuously brought about change and active transformation in the company, ensuring that it provides sustainable growth and value to all our stakeholders.

In line with its long term value proposition and investment strategy, SBS Holdings, a wholly-owned subsidiary of your Company, continued to invest in nine (9) associated companies in 2018. At the end of the year, the SBS Group grew remarkably. It is now comprised of two (2) operating companies and has investments in another subsidiary and 24 associated companies. The SBS Group also continuously optimizes our operation and improving the margins in our core business of chemical distribution.

FINANCIAL PERFORMANCE

In 2018, the Group delivered total revenues of P1.17 billion, up 6.6% from total revenues of P1.10 billion. This growth reflects our progress in rebalancing our product portfolio towards higher value products and market segments that the Company has undertaken for its core chemical distribution business, as well as the service offerings of our subsidiary, SBS Holdings.

Core profitability of the chemical distribution business continues to improve with Gross Profit Margins being posted at more than 29% in 2018. This was been achieved despite a very competitive business environment and weak peso for most of 2018. We leveraged on our strength of being a “one-stop shop” for chemical raw materials for our customers to achieve the improved margins.

In line with our investment strategy through our subsidiary, SBS Holdings, our net finance cost increased from P37.1 million in 2017 to P104.1 million in 2018. Despite the increased financing cost, however, our net profit rose from P101.3 million in 2017 to P175.6 million in 2018, an increase of 73% from the previous year. The improved bottom line was due to the improved gross margin in the chemical distribution business and the positive contribution of our investments in associated companies that contributed P97.5 million in equitized earnings to our bottom line.

Total assets were constant at P7.38 billion in 2018 from 2017. Non-current assets, on the other hand, had increased by P1.41 billion with the additional investments made by the Group in its subsidiaries and associated companies, funded mainly by the proceeds of our 2017 stock rights offering. Our current ratio declined to 3.0X from 8.4X in 2017. Meanwhile, our liabilities declined by P205 million from P2.63 billion in 2017 to P2.42 billion in 2018. This improved our gearing ratio to 0.49X in 2018 from 0.55X in 2017. Total equity had increased from P4.75 billion in 2017 to P4.96 billion in 2018, as a result of the net profit attained in 2018.

We have generated a net cash flow of P648 million from our financing activity in 2018, while utilizing net cash of P1.3 billion for our investing activities and P0.47 billion in our operating activities.

The Board of Directors approved regular dividends of P0.022 or 2.2 centavos per share for a total of P34.1 million, almost 20% of our 2018 consolidated net profit.

OPERATION PERFORMANCE

The increase in Total Revenues by 6.6% in 2018 was driven by higher volume sales and price increases in feeds, veterinary and agricultural inputs. Sales of this segment rose by 26% compared to the previous year. The Company's sales to the key market segments of feed and agricultural inputs, food ingredients, industrial raw materials, pharmaceuticals and cosmetics products accounted for 35%, 27%, 27% and 11%, respectively, of 2018 revenues from the chemical distribution business. Meanwhile, SBS Holdings revenue related to various consultancy services generated P6.6 million for the Group's revenues.

In 2018, we introduced to the Philippine market a new range of water proofing products for the building construction and infrastructure markets. This was promoted during the 2018 Philconstruct exhibition last November 2018 and is now available locally. We also launched a new ERP and CRM tools project that is now on its trial run. This 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.

Your Company also faced operational challenges in 2018, particularly the increasing logistics cost due to the congestions in the Manila port during the 4th quarter of 2018 and through the 1st quarter of 2019. This resulted in missed sales opportunities during the period and impacted on our margins.

SAFETY

Safety is always a priority in our line of business. To safeguard our stakeholders, our partners and our employees, we take the greatest concern in maintaining a safe environment and ensuring the best quality of products. 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.

In 2018, we attained HALAL certification for our warehouse and logistic services for a number of raw material products that we supply to the food manufacturing companies.

We are compliant with the government regulatory agencies requirements related to the importation, storage, transport and distribution of our chemical products to our customers in the country.

2019 BUSINESS PLANS

For 2019, the Group remains committed to pursuing its growth strategy. We will continue to enlarge our territory by expanding the business scope and delivering a more robust top line growth with additional revenue streams coming from new business activities.

Your Company will give a high-level of importance on the following plans in order to bring valuable and sustainable growth:

- Establishment of a business development team that will drive the business and sales development in the construction and infrastructure industry
- Bring innovative products and solutions to our customers to meet their increasing demand for raw materials at less energy and resource consumption to ensure environmental and economic sustainability
- Expand our logistics footprint through the establishment of additional warehouse space in Bulacan to serve the fast growing demands of the Northern Luzon market
- Increase our distribution partnerships in Mindanao region

At the same time, SBS Holdings will accelerate its investment strategy on landholding consolidation to go in pace with its growth in property management and consultancy services. In 2019, it will launch a new activity in supply of construction materials to leverage on the growing demand of the housing industry.

Our growth and multiplication in 2018 is caused, honed and developed by a solid and devoted workforce. In behalf of the Board of Directors, I would like to give the highest commendation to the management and staff for their unwavering commitment, unparalleled service and fiery passion to SBS.

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

Thank you!



GERRY D. TAN
PRESIDENT

2018 IN REVIEW

SBS Philippines Corporation is at the forefront in providing quality products and reliable services to its customers, while expanding its investments and new business activities to generate more value for its stakeholders in a sustainable way.

RESULTS OF OPERATIONS

In 2018, SBS reported consolidated sales revenue of P1.17 billion from its core chemical distribution business and consultancy income. Operating profit grew to P212 million and non-operating income contributed P98.5 million, resulting in a consolidated net income of P175.6 million, a remarkable increase of 73% from the prior year.

The net cash used in investment activities reached P1.3 billion primarily funded by a combination of bank term loan and the proceeds from issuance of new shares through stock rights offering at the end of 2017. This resulted in the increase of net finance charges by P67 million compared to 2017, while reducing our debt to equity ratio further down to 48.8% from 55.3% in 2017.

In 2018, the Company had paid its shareholders with cash dividends amounting to P26.35 million.

CORE CHEMICAL DISTRIBUTION BUSINESS

Sales from core chemical business grew by 6.3% to P1.11 billion driven by higher volume sales of raw material ingredients for feeds, and industrial chemicals. The Company's sales to the key product segments of feed, veterinary and agriculture inputs; Industrial raw materials; food ingredients; pharmaceutical and cosmetics products accounted for 35%, 27%, 27% and 11%, respectively, of 2018 sales revenues.

The strong sales performance during the first half of 2018 was dampened by increased competitive pressures on food ingredients products and the slowdown in industrial production activities during the fourth quarter of 2018. Gross profit continue to increase from P290 million posted in 2017 to P323 million in 2018 as result of its product portfolio rebalancing and further improvement in its sourcing capability.



Meanwhile, our operating expense directly related to the distribution business increased at a moderate rate of 7.4% due to inflation and increase in logistic and warehousing cost. We continue to implement initiatives to further improve our operational efficiencies to better serve the needs of our customers.



The Company introduced new product offerings that present best value alternatives to improve efficiencies and productivity in the industry segments that we served. It has introduced a range of water proofing chemical materials for the construction and infrastructure market in 2018 to serve this fast growing segment and exhibited at the Philconstruct Manila last November 2018.

PROPERTY RELATED INVESTMENTS

The principal activity of SBS Holdings and Enterprises Corporation ("Subsidiary") is investing in companies with land banking investments in prime parcels of land. Its other business segments include property management and leasing, and distribution and sale of construction materials.

In 2018, the Subsidiary contributed sales revenue of P67 million in consultancy income and an additional P8 million from various management services.

Investment in associates grew by P341.4 million or 37.3% from P915.6 million in 2017 to P1,257.0 million in 2018 as a result of additional new investments made in shares of nine (9) associate companies and net equity gain of associates realized in 2018.

Investment properties increased by 312.9 million to P944.9 million in 2018 from P632.0 million in 2017 with the acquisition by another Company subsidiary of investment property amounting to P320.3 million, gross of the depreciation charges amounting to P5.3 million, and the Company disposal of investment asset with book value of P2.1 million.



FINANCIAL CONDITION

In line with the funding received by the Company through its stock rights offering last December 2017, the Company had completed the fund intended for utilization in 2018 as reported in its Annual Summary



of Disbursement of the Stock Rights Offering (SRO) Proceeds through the Philippine Stock Exchange (PSE) website <http://edge.pse.com.ph>

As of 31 December 2018, the Group's total assets amounted to P7,376.5 million, consisting of P4,035.1 million in current assets and P3,341.4 million in non-current assets. Cash in banks reduced by 47.6% from P2,368.1 million in 2017 to P1,239.8 million in 2018 as the Group made investment in several associate companies and investment property.

Inventory level slightly decreased by P1.95million or 0.2% from P1,077.5 million in 2017 to P1,075.6 million in 2018 as a result of higher sales volume on existing product range and at the same time build-up of inventory for the new product offering.

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Meanwhile, total liabilities as at 31 December 2018 amounted to P 2,420.8 million comprised of P1,336.9 million in current liabilities and P1,083.8 million in non-current liabilities. Current loans payable increased by 130.5% or P737.3 million from P565.0 million in 2017 to P1,302.3 million in 2018 due to availment of new short term bank loan net of payments, and the shift of long term bank loan to current loan for the portion of amortization due in the next 12 months.

A 5-year term loan of P2,000.0 million availed in 2017 at a fixed interest rate of 4.875% per annum, net of amortized debt issue cost has remaining non-current portion of P1,073.2 million.

The total equity as at 31 December 2018 was P4,955.7 million, comprising of P1,550.0 million in capital stock, P2,242.8 million in



additional paid in capital stock, P1,107.2 million in retained earnings gross of P2.6 million revaluation reserves and P58.3 million of non-controlling interest.

Retained earnings increased from P956.3 million in 2017 to P1,107.2 million in 2018. This is attributed to the net income of P177.2 million realized for the current period, gross of non-controlling interest loss and less the cash dividend distributed in the amount of P26.4 million.



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.

SBS Philippines Corporation was recognized by the Institute of Corporate Directors as one of the Top Performing Publicly-Listed Company in the Philippines under the ASEAN Corporate Governance Scorecard ("ACGS") 2017 on 31 July 2018 at Tower Club, Makati City. The Institute of Corporate Directors is appointed by the Securities and Exchange Commission to measure the adherence of publicly listed companies (PLCs) to the best

corporate governance practices through the ACGS, an instrument for the assessment and ranking of PLCs in terms of corporate governance in six participating ASEAN countries – including the Philippines.

The highlights of the Company's corporate governance practices in 2018 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.

Board Structure and Process

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 works 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, determining capital/debt structure, setting dividend policy and declaring dividends, approving major acquisitions and divestments, reviewing risk management framework and system, overseeing the performance of Management, setting Company values and standards, considering sustainability issues in formulating strategies, and ensuring 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.

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, Center for Global Best Practices, the Securities and Exchange Commission and SGV & Company in 2018 that covered the following topics, among others: CG – board effectiveness best practices; 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 and Audit Committee Effectiveness, and professional development program for directors.

As an active working Board, a total of 7 Board meetings were held in 2018, with the Board setting the Company's strategic direction, approving participations in property related investments, advising on and approving key transactions and policies, 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 Officer 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 quarterly reports on sales and 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 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 2018, the ARMPT Committee held six (6) 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 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 transactions, including investments in affiliate companies; discussed and set guidelines for the Company's investment policy and monitored investment plans; 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 2018, the CGNR Committee held one (1) meeting wherein the Committee reviewed the 2017 Integrated Annual Corporate Governance Report (i-ACGR), 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, and conducted the annual Board performance assessment.

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 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.

Internal Audit and Control

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 2018, 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.

Risk Management

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 made 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.

Stakeholder Relationships

In SBS, we value relationships and we are committed to build strong good relationships with our stakeholders by 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 wrongdoings, 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 Director 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 provides that the Company, its directors and officers undertake not to deal in the Company's securities at any time 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 feedbacks 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 well-being, 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 its operations like using energy efficient lighting, participating in recycling programs, reducing waste generation and introducing more 'green' products and natural ingredients for customers.



CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

SBS Philippines Corporation does not just seek ways in creating value to our shareholders but it also actively promote the advancement of the communities that it operates in to ensure inclusive growth of all the stakeholders. The Company continuously commits to make a significant impact in the areas of education, health and wellness, facilitated by the Sytengco Foundation, a commitment that it has been undertaking since the 1980's.

In 2018, the Company expanded its tradition of community service by also extending generous assistance to those in public service.



HEALTH AND WELLNESS

Sustainability is one word we are accustomed with. We at SBS Philippines Corporation have been aware that the long term strength of our company and of our nation is dependent on the health of our communities.

Our social responsibility initiative focuses on giving medical assistance to our indigent countrymen who have serious diseases. We have partnered with several institutions to be able to reach as many Filipinos as we can.

The Philippine Cancer Society is a constant partner in providing medical assistance,

awareness and treatment to our fellow countrymen. The company supports their aggressive information campaign, early detection programs and cancer information activities not just in Metro Manila, but to far flung areas as well.

In 2018, the donation facilitated by the Sytengco Foundation through PGH Medical Foundation came into fruition:

- The new Intermediate Pediatric Intensive Care Unit (iPICU) is a 7-bed unit, with two isolation rooms, and is fully equipped to provide optimal medical and nursing services to critically ill patients who would otherwise have been managed in the

pediatric wards due to the limited capacity in the main PICU. For a short period, it became instrumental as the Measles Control Unit of PGH in treating pediatric charity cases during the measles outbreak of 2018.

- Pediatric Peritoneal Dialysis Unit (P-PDU) which was just envisioned to accommodate pediatric patients requiring peritoneal dialysis while awaiting for kidney transplant is now the National Peritoneal Dialysis Training Center (NPDTC). The facility now offers training to medical practitioners and professionals all over the Philippines.

- The medical equipment and furniture donations to the Philippine Cancer Institute, Pediatric Oncology Department is now operational in giving medical consultation and treatment to children afflicted with various forms of cancer. For 2019, plans are being put in place to provide medical and dental mission for the indigent families in the Barangay communities that we operate in.



EDUCATION AND SPORTS

Nobody values the importance of education better than a Filipino family and being one, this could mean everything. The Company provides educational assistance in the form of monetary support to its qualified and deserving scholars of select residents of Barangay Bungad in Quezon City.



In 2018, the Company established the SBS Philippines-Mapua Scholarship Grant, being facilitated by the Sytengco Foundation, Inc and implemented by Mapua Center for Scholarship and Financial Assistance. The grant provides 5 scholarships with 100% tuition fee coverage to financially-challenged but deserving and qualified students of Mapua in each of the following courses – Chemical Engineering, Civil Engineering, Mechanical Engineering, Accountancy, Information Technology.

The Company is looking forward to expanding its scholarship program with other institutions in the coming years.

ASSISTANCE TO THOSE IN PUBLIC SERVICE

As part of the Corporate Social Responsibility of the SBS Group, the company through Sytengco Foundation Inc. extended financial assistance to the victims of the unfortunate incident that happened on June 27, 2018 in Eastern Samar which resulted in the unintended death of six members of the PNP. SBS extended help to the family of each of the victims by granting PhP 100,000.00 to the immediate family of each of the 6 deceased PNP personnel. The amount was handed over by Mr. Necisto U. Sytengco, Chairman of SBS Philippines at PNP Camp Crame on July 17, 2018 and witnessed by Ret. General Danilo Lim, MMDA Chair, Police Chief Inspector Calugtong and Mr. Tepace, General Manager of SBS Philippines. The said donation was turned over to the family beneficiaries of those Police victims in Eastern Samar.

Furthermore, the Company also expresses its commitment in the community by giving exemplary recognition particularly in the field of Public Service who in the performance of their mandated duty acted with justice, give everyone's due and has observed honesty and good faith. The Company finds this nobility with Metropolitan Manila Development Authority (MMDA) in the guise of monetary assistance which was directly given among the selected, deserving and outstanding public servants.

OUR CORPORATE RESPONSIBILITY PROMISE

We are committed to educating and encouraging our employees, customers, and stakeholders in our responsibilities and activities that protect our environment. Therefore, another key prospect SBS Philippines Corporation is looking forward to is revisiting the Sytengco Foundation intended to study new measures to forge awareness on environmental sustainability.



PGH breaks ground for new medical unit



BREAKING GROUND: Telesforo Gana, Jr. (right), president of the PGH Medical Foundation, leads the groundbreaking ceremony for the construction of a new unit at the Philippine General Hospital, in the Manila district of Ermita, following the signing of a memorandum of agreement among partners. Also in photo are doctors Dolores Bonzon and Gregorio Alviar, Jr.; Sabrina Poon-Sytengco, Investor Relations Officer and CSR Officer of SBS Philippines Corp., and PGH Dir. Gerardo Legaspi. Held last July 24, the groundbreaking is intended for the construction of Intermediate Pediatric Intensive Care Unit (iPICU) and the renovation of the Pediatric Peritoneal Dialysis Unit (PPDU) under the sponsorship of SBS Phils.



BOARD OF DIRECTORS



FROM LEFT TO RIGHT

Aylene Y. Sytengco,

Executive Director

Geocel D. Olanday ,

Independent Director

Necisto U. Sytengco,

Chairman

Ricardo Nicanor N. Jacinto,

Vice Chairman

Gerry D. Tan,

Executive Director

Roberto F. Anonas, Jr.,

Independent Director

Christine P. Base,

Corporate Secretary

Esmeraldo A. Tepage,

Executive Director

Necisto Y. Sytengco II,

Executive Director



Board of Directors and Senior Management



Necisto U. Sytengco

NON-EXECUTIVE DIRECTOR
CHAIRMAN OF THE BOARD

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

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.

**Aylene Y. Sytengco**

EXECUTIVE DIRECTOR
CHIEF FINANCIAL OFFICER & TREASURER &
COMPLIANCE OFFICER

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 Holdings 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

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 sales and marketing programs of the Company. 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 Corp., Anesy Holdings Corporation and Tamni Holdings Corporation. He earned his BS Entrepreneurial Management Degree cum laude from the University of Asia and the Pacific.



Esmeraldo A. Tepace

EXECUTIVE DIRECTOR

EXECUTIVE VICE PRESIDENT & CHIEF OPERATING OFFICER

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, Johnny Holdings Corporation, Corporation, Sytengco Enterprises Corporation, Seren Philippines Corporation and ULife Corporation. Mr. Tepace graduated from Manuel L Quezon University with a degree on BS Chemical Engineering.

**Ricardo Nicanor N. Jacinto**

NON-EXECUTIVE DIRECTOR
VICE CHAIRMAN OF THE BOARD

Ricardo Nicanor N. Jacinto was elected as non-executive director of the Company on 9 July 2015. He also serves as an Independent Director of Metro Retail Stores Group, Inc. He was previously the Chief Executive Officer of the Institute of Corporate Directors, a non-stock, not-for-profit organization dedicated to the professionalization of Philippine corporate directorship. He was formerly 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 Masters in Business Administration from the Harvard Business School.

Christine P. Base

CORPORATE SECRETARY

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 and director of the following companies: Itaipinas Development Corporation and Anchor Land Holdings, Inc. and other private companies. She also serves as the corporate secretary for SL Agritech Corporation, Ever Gotesco Resources and Holdings, Inc., Asiasec Equities, Inc., and Araneta Properties, Inc..



Roberto F. Anonas, Jr.

INDEPENDENT DIRECTOR
CHAIRMAN OF THE CORPORATE GOVERNANCE,
NOMINATION AND REMUNERATION COMMITTEE

Roberto F. Anonas, Jr. was elected as independent director on 9 October 2017 and is also 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 mentor/coach in the Entrepreneurial Management Program. 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.



Geocel D. Olanday

INDEPENDENT DIRECTOR
ACTING CHAIRPERSON OF THE AUDIT & RISK
MANAGEMENT COMMITTEE

Geocel D. Olanday was elected as independent director on 22 June 2018. He is the acting Chairperson of the Audit Committee and a member of the Corporate Governance and the Nomination & Remuneration Committees. He is a CPA, holds a Masteral degree in Business Administration from the University of the Philippines where he also graduated with a degree of Bachelor of Science in Business Administration and Accountancy. He is concurrently the CEO and Chief Advisor of Amaris Global Advisory Services (HK) Ltd., a teaching Fellow of the Institute of Corporate Directors, and a director of the board of Star 8 Green Technology Corporation and Aeternitas Memorial Chapels. Prior to his appointment, Mr. Olanday was a director of Mindoro Resources Ltd. In addition, he has over 40 years of work experience in senior executive positions in General Management, Finance, Marketing and Strategy & Business Development in various companies which include among others : Citibank NA, Unilever Philippines, Habitat for Humanity , Baxter Healthcare Corporation, and several real estate companies and related businesses at the Villar Group of Companies as well as Moldex Realty Corporation and Greenfield Development Corporation.

Lali Y. Sytengco

VICE PRESIDENT FOR SUPPLY CHAIN

Ms. Lali Y. Sytengco joined the Company in 2001 and has since served as the VP for Supply Chain. 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 Itaipinas 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.

Ma. Gemma R. Bien

INTERNAL AUDIT

Ms. Maria Gemma Bien manages the operations and business development activities of GRP Compliance and Advisory Services Inc. ("GRP"), a finance and accounting business processing outsourcing company that offers value-added services such as but not limited to management and financial advisory, statutory compliance and tax advisory and internal audit outsourcing. Prior to setting up GRP in August 2016, she was engaged in the practice of providing financial advisory services to corporate and individual clients from 2009 as freelance consultant, leveraging on her ten (10) years extensive experience in Financial Advisory works as Senior Manager from 1997 to 2008 in Manabat Sanagustin and Co. (LM & Co.), an affiliate member firm of KPMG. Ms. Bien obtained her Master of Business Administration (MBA) in De la Salle University, Taft Avenue, Manila in 1995. She completed her Bachelor of Science in Commerce Major in Accounting from the University of Sto. Tomas, España Manila in 1988 and became as Certified Public Accountant on 1990.

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	7	6
Vice Chairman	Ricardo Nicanor N. Jacinto	7	7
Member	Gerry D. Tan	7	7
Member	Aylene Y. Sytengco	7	6
Member	Necisto Y. Sytengco II	7	5
Member	Esmeraldo A. Tepage	7	6
Independent Director	Lilian S. Linsangan	7	4
Independent Director	Roberto F. Anonas Jr.	7	6
Independent Director	Geocel D. Olanday ¹	4	4
Independent Director	Yvonne C. Lih ²	3	3

EXECUTIVE COMMITTEE (2018)

Composition	Name	No. of Meetings Held During the Year	No. of Meetings Attended
Chairman	Necisto U. Sytengco	9	7
Member	Gerry D. Tan	9	9
Member	Esmeraldo A. Tepage	9	9
Member	Aylene Y. Sytengco	9	8
Member	Necisto Y. Sytengco II	9	9

AUDIT, RISK MANAGEMENT AND RELATED PARTY TRANSACTION COMMITTEE (2018)

Composition	Name	No. of Meetings Held During the Year	No. of Meetings Attended
Chairman (ID)	Lilian S. Linsangan	6	3
Member (NED)	Ricardo Nicanor N. Jacinto	6	6
Member (ED)	Aylene Y. Sytengco	6	6
Member (ID)	Roberto Anonas	6	5
Member (ID)	Geocel D. Olanday ¹	4	4
Member (ID)	Yvonne C. Lih ²	2	2

CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE (2018)

Composition	Name	No. of Meetings Held During the Year	No. of Meetings Attended
Chairman (ID)	Roberto F. Anonas, Jr.	2	2
Member (ID)	Lilian S. Linsangan	2	2
Member (NED)	Ricardo Nicanor N. Jacinto	2	2
Member (ID)	Geocel D. Olanday ¹	0	0
Member (ID)	Yvonne C. Lih ²	2	2

¹Elected on June 22, 2018

²Term ends June 22, 2018

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

Roberto F. Anonas, Jr.
Independent Director

Geocel D. Olanday
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

Acting Chairman
Geocel D. Olanday

Members
Roberto F. Anonas, Jr.
Ricardo Nicanor N. Jacinto
Aylene Y. Sytengco

CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

Chairman
Roberto F. Anonas, Jr.

Members
Geocel D. Olanday
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

Maria Gemma R. Bien
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"

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