SBS PHILIPPINES CORPORATION

April 12, 2018

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City, Metro Manila

Attention: **Mr. Vicente Graciano P. Felizmenio Jr.**
Director, Markets and Securities Regulation Department

THE PHILIPPINE STOCK EXCHANGE, INC.
6/F, PSE Tower
5 th Avenue corner 28 th Street
Bonifacio Global City, Taguig City

Attention: **Ms. J.V. B. Zuño III**
OIC-Head, Disclosure Department

Gentlemen:

In compliance with the Philippine Stock Exchange listing obligations of SBS Philippines Corporation (the Company), please find enclosed the Company's Quarterly Progress Report on the application of the proceeds from the Stock Rights Offering (SRO) for the quarter ended March 31, 2018 providing for the following:

1. Quarterly Summary of Disbursement of the SRO Proceeds as of March 31, 2018 as certified by the Chief Financial Officer & Treasurer;
2. Notes to the Schedule on Disbursement of SRO Proceeds and Progress Report as of and for the Quarter Ended March 31, 2018; and,
3. Report of External Auditor on Review of Certain Financial Information.

Sincerely yours,

AYLENE Y. SYTENGCO
Compliance Officer

Encl.a/s

10 Resthaven Street, San Francisco Del Monte, Quezon City
Metro Manila 1105 Philippines
Tel. Nos. (632) 371-1111 • 371-0886 • 371-5555 • 373-5619
Fax Nos. (632) 371-1288 • 371-1248 • 412-2388

E-mail: imports@sbsph.com / info@sbsph.com
sales@sbsph.com
Website: www.sbsph.com

SBS Philippines Corporation
(A Subsidiary of Anesy Holdings Corporation)
Quarterly Summary of Application of Proceeds
as of March 31, 2018

Gross Stock Rights Offering (SRO) Proceeds		P 1,410,340,000.00
Less: SRO-related project expenses		
Philippine Securities and Exchange Commission registration, filing and research fees, taxes paid by the Company and Philippine Stock Exchange listing and processing fees	4,776,340.84	
Professional fees	1,651,798.34	
Miscellaneous expenses	135,575.27	6,563,714.45
Net SRO Proceeds		1,403,776,285.55
Less: Disbursements		
Accumulated costs incurred as of December 31, 2017		
Payment for the balance of subscription payable of SBS Holdings shares	774,687,500.00	
For the 1st Quarterly Period ended March 31, 2018		
Payment for the balance of subscription payable of SBS Holdings shares	425,312,500.00	
Inventory replenishment	110,349,528.76	
Payment of maturing trust receipts plus accrued interests for the purchase and replenishment of product inventory	2,749,605.20	
Professional fees	477,891.98	1,313,577,025.94
Balance of the Net SRO Proceeds as of March 31, 2018		**P 90,199,259.61**

Certified true and correct:

AYLENE Y. SYTENGCO
Chief Financial Officer / Treasurer

April 12, 2018

SBS PHILIPPINES CORPORATION

(A Subsidiary of Anesy Holdings Corporation)

NOTES TO THE SCHEDULE ON DISBURSEMENT OF SRO PROCEEDS AND PROGRESS REPORT AS OF AND FOR THE QUARTER ENDED MARCH 31, 2018

1. BACKGROUND

SBS Philippines Corporation (the Company) is engaged in the trading of goods and buying, selling, distributing and marketing, at wholesale, goods such as chemicals, fertilizers, foodstuff, agricultural products, feed ingredients, industrial products and medical devices.

On August 10, 2015, the Company became a public company and was admitted to the Main Board of the Philippine Stock Exchange ("PSE").

On June 9, 2017, the Company's shareholders approved a capital raising exercise through Stock Rights Offering to its registered stockholders ("Rights Offer" or "SRO").

On September 25, 2017, the Securities and Exchange Commission ("SEC") approved the Company's request for confirmation of exemption for the Rights Offer from the registration requirements of the Securities Regulation Code. On October 25, 2017, the PSE approved the application to list the Rights Shares.

For the period December 1, 2017 to December 12, 2017, the Company offered for subscription up to 302,000,000 common shares ("Rights Shares" or "Offer Shares") by way of a rights offering to existing holders of common shares of Company as of November 22, 2017 ("Record Date") at the proportion one (1) Share of common share for every 4.1325 common shares held as of the Record Date at an offer price of P4.67 per Rights Share. The Company has successfully completed its SRO following the close of the offer period on December 12, 2017.

On December 22, 2017, following the issue and listing of the Rights Shares, the Company received a total gross proceeds of P1,410,340,000.00 from the Rights Offer ("Offering Proceeds").

2. RELEVANT INFORMATION

Expenditures from the SRO Proceeds are discussed below and in the succeeding page.

a) Nature of Expenditures

As disclosed in the Company's SRO Prospectus dated November 17, 2017, the SRO Proceeds shall be used by the Company to finance, among others, the requirements below:

(i) SRO-Related Expenses

The expenses relating to the SRO include but shall not be limited to the professional fees of various advisors for the SRO, regulatory filing fees for the listing and confirmation of exempt transaction, taxes and commissions, printing and publication costs, Philippine Depository & Trust Corp. processing fees, and other miscellaneous expenses. As of March 31, 2018, SRO-related expenses amounted to P7,041,606.43 were disbursed from the Offering Proceeds in payment of the SRO related expenses.

(ii) Payment for the balance of subscription payable to SBS Holdings and Enterprises Corporation (SBS Holdings)

The Company intends to use a portion of the Offering Proceeds to pay for the balance of its share subscription payable to SBS Holdings in the amount of P774,687,500.00. This was paid and disbursed to SBS Holdings on December 22, 2017.

(iii) Additional subscription of SBS Holdings shares from Unissued Capital Stock

The Company will be increasing its investment in SBS Holdings through additional share subscriptions of common shares of the unissued capital stock of SBS Holdings, or any increase thereof, at its par value of P1.00 per share up to a total amount of P425,312,500.00 in 2018. The additional capital infusion by the Company in SBS Holdings will be used by the latter to principally finance its investments in companies with investment in prime properties or to be investing in property acquisitions and/or development. A portion of the subscription proceeds will also be used as working capital for the operation of SBS Holdings' other business segment to be involved in property management and leasing.

As of March 31, 2018, the Company had disbursed P425,312,500.00 as payment for the new share subscription of common shares from the unissued capital stock of SBS Holdings.

(iv) General Working Capital Expenditures

The remaining balance of the Offering Proceeds will be used for general working capital requirements of the Company, including but not limited to, use as working capital to finance replenishment of the product inventory, planned expansion of the operations team to operate its additional warehouses.

As of March 31, 2018, the Company had utilized for general working capital the amount of P113,099,133.96 covering the replenishment of inventory to support its projected sales growth for 2018.

(b) Summary of Accumulated Disbursement of the SRO Proceeds

Summarized below are the disbursement spent and the remaining unutilized balance of the SRO Proceeds as of March 31, 2018.

	Allocation of SRO Proceeds	Utilization of Proceeds Disbursed as of December 31, 2017	Utilization of Proceeds Disbursed for 1st Quarter 2018	Balance of SRO Proceeds as of March 31, 2018
SRO expenses	P 7,041,606.43	P 6,563,714.45	P 477,891.98	P -
Payment for balance of subscription payable of SBS Holdings	774,687,500.00	774,687,500.00	-	-
Additional subscription of SBS Holdings shares (from unissued capital stock)	425,312,500.00	-	425,312,500.00	-
General working capital	203,298,393.57	-	113,099,133.96	90,199,259.61
	P 1,410,340,000.00	**P 781,251,214.45**	**P 538,889,525.94**	**P 90,199,259.61***

** To the extent that the unutilized balance of the SRO Proceeds from the SRO are not to be immediately applied to the specified purposes, the Company may invest in short-term fixed income securities and/or money market instruments. As of March 31, 2018, part of the unutilized balance of the SRO Proceeds was invested in short-term money market placements and also deposited with reputable Philippine universal banks.*

3. APPLICATION OF REMAINING BALANCE OF THE SRO PROCEEDS

The remaining balance of the SRO Proceeds amounting to P90,199,259.61 as of March 31, 2018 is expected to be utilized and disbursed in accordance with the proposed uses of the Offering Proceeds in the Company's Prospectus dated November 17, 2017 as presented above.

P&A
Grant Thornton
An instinct for growth™

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

T +63 2 988 2288

Report on Review of Certain Financial Information

The Stockholders and Board of Directors
SBS Philippines Corporation
(A Subsidiary of Anesy Holdings Corporation)
No. 10 Resthaven Street
San Francisco Del Monte, Quezon City

Introduction

We have reviewed the accompanying Quarterly Summary of Disbursement of the Stock Rights Offering (SRO) Proceeds (the Quarterly Summary) of SBS Philippines Corporation (the Company) as of and for the quarter ended March 31, 2018, and the accompanying explanatory notes with respect to the Company's use of the proceeds from its SRO. Management is responsible for the preparation and fair presentation of the Quarterly Summary in accordance with the planned use of the SRO Proceeds as presented in the Prospectus of the Company dated November 17, 2017 as disclosed in the Philippine Stock Exchange (PSE) Electronic Disclosure Generation Technology on December 13, 2017. Our responsibility is to express a conclusion and to issue a report on this Quarterly Summary based on our review.

Scope of Review

We conducted our review in accordance with the applicable Philippine Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review is limited primarily to inquiries of Company personnel, analytical procedures and other review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Quarterly Summary of SBS Philippines Corporation does not present fairly, in all material respects, the information on the use of the SRO Proceeds as of and for the quarter ended March 31, 2018, in accordance with the planned use of such proceeds as summarized in the Offering Circular of the Company.

PUNONGBAYAN & ARAULLO

By: Anthony L. Ng
Partner

CPA Reg. No. 0109764
TIN 230-169-270
PTR No. 6616016, January 3, 2018, Makati City
SEC Group A Accreditation
Partner - No. 1638-A (until May 29, 2020)
Firm - No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002511-38-2016 (until Oct. 3, 2019)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

April 12, 2018